



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Welsh Assembly Government

Update Paper

for the

Third Economic Summit

5 December 2008

MAJOR DEVELOPMENTS SINCE THE LAST SUMMIT

In response to the current global economic downturn, the Welsh Assembly Government has already taken swift, practical and collaborative action to support individuals and businesses throughout this difficult period.

Since the Second Economic Summit on the 6th November 2008, there have been a range of further actions and developments. These include:

- The UK Government's **Pre-Budget Report (PBR)**, announced on the 24th November, contained a number of measures to help individuals, families and businesses. There was a strong focus on business measures and the PBR builds on the commitment by the UK Government and the Welsh Assembly Government to support business in surviving the current economic downturn.
- The Assembly Government announced the **Final Budget for 2009/10** on the 2nd December. The first tranche of Strategic Capital Investment Framework (SCIF) projects were announced the same day. These comprise 19 capital projects or programmes to help stimulate the Welsh economy and deliver major improvements in public services across Wales. The financial allocation from SCIF total around £350 million, but the overall value of the projects will total more than £700 million taking account of allocations from existing departmental capital budgets, other parts of the public sector, plus the private and voluntary sectors.
- Also, on the 2nd December, the Assembly Government announced £23 million of allocations by way of offers under the **Targeted Match Fund (TMF)** programme, including support to legacy projects from the last programmes.
- On 28th November, **two temporary rate relief measures** were announced that will help small businesses across Wales during the current economic downturn.
- On 20th November, it was announced that **Assembly Government's average payment times for invoices is now estimated at just 5.89 days**, with over 95% of invoices paid within ten days.
- The **expansion of the Assembly Government's skills training programmes** to help Welsh companies through the Workforce Development Programme is being taken forward as well as increasing the capacity of our ReAct programme by 50% now enabling help to be given to employees affected by redundancy find new jobs or new or upgraded skills.
- A **Tourism Summit** was convened on 19 November to enable the industry and the Assembly Government to assess how the current economic climate is having an impact on the tourism sector. It was an important step in strengthening the partnership working between the Assembly Government and the tourism industry. A further Summit will be held on 15th December in North Wales.

NEW ACTIONS

Today, a further package of measures to assist businesses and to stimulate the Welsh economy is being announced. These include:

- We are **bringing forward capital expenditure into the remainder of this financial year of £23 million**, focussed on labour-intensive investment proposals in line with discussions at previous Economic Summits. This will include:
 - **£9 million of the small capital works and refurbishment programmes** carried out by LAs, FEIs and HEIs to be brought forward on projects to improve educational accommodation provided by schools, college and university buildings. It will also enable them to address any backlog maintenance works planned for 2009-10 to be completed earlier.
 - **£10 million of Social Housing Grant being brought forward this year** to accelerate social housing programmes to help reduce the effects of the credit crunch on the construction sector, as well as meeting housing need and working to meet the One Wales commitment of 6,500 affordable homes. In addition there will be **£2 million** for physical adaptations for vulnerable people.
 - **£2 million** for work on the Heads of the Valleys low carbon economy programme
- This is **in addition to the SCIF funding of around £50 million this year**, of which around £30 million will have a direct economic impact this year through projects to deliver affordable homes, capital investment in schools and other capital programmes.
- We will introduce, with effect from early in the New Year, a major extension to our Workforce Development Programme that will provide **additional training assistance to businesses that are suffering during the downturn**. It will complement the existing ReAct programme by enabling us to support businesses and their employees before the need for redundancies arises, hence its name, **ProAct**. On a selective basis, we will provide additional financial support for employee training and, as an innovative new measure, we will also provide support towards wage costs whilst training is underway. The scheme will be flexible, designed to meet the needs of individual businesses. Up to £2000 training costs and £2000 wage support will be available per employee. The scheme will be introduced in pilot form in the first instance with a view to its continuation, after examining the scope for European funding, until March 2010.
- The **£45 million Business Growth Project**, using EU Structural Funds to sustain and grow 6,000 SMEs across Wales, is being launched today.
- **Further investment in the *xchangewales* Programme** will be made available over the next three months which will extend the Sell2Wales website to enable successful prime contractors to advertise contract opportunities to second and third tier suppliers. Additional training is also being provided across the Welsh public sector on the benefits of SME-friendly procurement and social benefits. We are also **reviewing how further acceleration of sustainable procurement practices** across the public service would bring forward added benefits - social, economic and environmental.

- On the energy efficiency front, further investigations will be proceeding into the scope for Wales to benefit from the recent European Commission decision to make investments in **housing-related energy efficiency** eligible for Structural Funds support.
- We plan to bring forward **amending regulations in the new year**, relaxing planning controls for micro-generation equipment on domestic properties, equivalent to new provisions in England.
- We are reviewing the **processes for making payments to Local Authorities** to improve cash flow and increase their ability to make prompt payment of invoices. The proposals include varying the date of payments for the monthly Revenue Support Grant and Redistributed National Non Domestic Rates as an enabler to faster clearing of local authority invoices owing to their suppliers and contractors.
- In addition, we are **expanding the Basic Skills Pledge** to double the target number for employers signing up by 2010, with a total of 10,000 employees taking part in basic skills courses.
- We are currently developing a further notification to the European Commission to extend the **Rescue and Restructuring scheme**.
- WEFO is in discussion with the European Commission on the **potential for increasing intervention rates** for the European Programmes.

For ease of reference for Members of the Economic Summit, these announcements and developments since the last Summit are shown in more detail in the pages which follow, structured around the seven key areas.

1 CAPITAL INVESTMENT / INFRASTRUCTURE

ANNOUNCEMENTS, SIGNIFICANT DEVELOPMENTS AND PROGRESS SINCE THE SECOND SUMMIT

Announced today

- We are bringing forward capital expenditure into the remainder of this financial year of **£23 million**, focussed on labour-intensive investment proposals in line with discussions at the Economic Summits. This will include:
 - **£9 million of the small capital works and refurbishment programmes** carried out by LAs, FEIs and HEIs to be brought forward on projects to improve educational accommodation provided by schools, college and university buildings. It will also enable them to address any backlog maintenance works planned for 2009-10 to be completed earlier.
 - **£10 million of Social Housing Grant being brought forward this year** to accelerate social housing programmes to help reduce the effects of the credit crunch on the construction sector as well as meeting housing need and working to meet the one Wales commitment of 6,500 affordable homes. In addition, there will be **£2 million** for physical adaptations for vulnerable people.
 - **£2 million** for work on the Heads of the Valleys low carbon economy programme
- We plan to bring forward **amending regulations in the New Year** relaxing planning controls for micro-generation equipment on domestic properties, parallel with recent changes in England. On the non-domestic properties, research has been jointly commissioned with the Department of Communities and Local Government to inform a consultation paper on micro-generation.
- An announcement is expected before Christmas outlining intentions to streamline the planning application process in Wales.

Significant developments and progress since the Second Economic Summit

- On the 2nd December 2008, a first tranche of projects has been allocated **Strategic Capital Investment finance, totalling around £350 million**.
- Around **£50 million of new funding through SCIF** will be invested this year, of which around **£30 million** is expected to offer immediate and direct counter-cyclical benefits to the Welsh economy.
- In total, 19 capital projects or programmes have been announced that will help to deliver major improvements in public services across Wales. They are spread across six strategic themes:
 - **Regeneration** - to create a positive future for disadvantaged communities. Details of key projects are included elsewhere, with the exception of a SCIF contribution of up to **£2 million** for a new all-Wales cultural heritage initiative, providing work in heritage building conservation and stimulating cultural tourism.

- **Positive lifestyles** - to improve the health of people across Wales with SCIF contributions of up to:
 - £70 million towards a major investment to enhance hospital services in Swansea;
 - £16 million towards a new programme to improve primary healthcare across Wales; and
 - £8 million towards the construction of a new health and wellbeing centre in Merthyr Tydfil.
 - **Climate change** - to reduce our emissions of greenhouse gases and safeguard our country and planet for future generations.
 - For details see the Energy Efficiency section of below.
 - **Sustainable transport** - to improve our transport networks to improve access to employment, leisure and key public services in a sustainable way with SCIF contributions of up to:
 - £27 million for major investment in rail infrastructure to improve north-south services, particularly the Wrexham-Chester stretch;
 - £20 million to double the rail track between Gowerton and Loughor; and
 - £9 million towards the pre-construction development costs of dualling the Heads of the Valleys road between Tredegar and Brynmawr.
 - **Resilience - projects aimed at ensuring Wales is prepared for new, 21st century challenges:**
 - Includes a SCIF contributions of up to £8 million for accelerating improvements to flood / coastal defences across Wales.
 - **Skills development and the knowledge economy** - to help initiate a new long-term 21st century schools capital programme, which will underpin a transformation of the learning environment for children across Wales.
 - Within this schools capital programme, three exemplar projects in Wrexham, Newport and Blaenavon will receive early funding, with contributions from SCIF of up to £5 million and £4 million respectively. These projects will help to integrate public services for local communities - for example, the Blaenavon Education and Community Campus will provide educational, health, leisure and community services from a single facility.
- The overall value of the projects allocated £350 million from SCIF is more than £700 million when investment leveraged from existing departmental capital budgets, other parts of the public sector, and the private and voluntary sectors is taken into account.
 - Further, we will ensure that all SCIF programmes and investment more widely include reference to community benefits and/or social requirements as set out in the Welsh Assembly Government's Sustainable Procurement Policy.
 - On the 2nd December, the first set of projects offered funding from the Assembly Government's **Targeted Match Fund (TMF)** were also detailed. As well as providing support to legacy projects from the last programmes, funding offers, totalling over £23 million have been made to new projects, including those to help the

economically inactive into employment as well as support for social enterprises. The TMF will help to secure EU Structural Funds for projects which will make a real difference to people and communities across Wales.

- This significant investment is **in addition to £1.6bn of capital investment already planned for 09/10.**
- An agreement in principle between the Welsh Assembly Government and WLGA has been made for counter-cyclical purposes to take forward a stocktake of local and Assembly Government capital projects and to establish a joint working group to consider the potential for accelerating local government capital projects.

INFRASTRUCTURE RELATED ANNOUNCEMENTS MADE AT FIRST AND SECOND SUMMITS

1st Summit

We announced that we will scrutinise our capital programme to look at bringing forward construction opportunities.

2nd Summit

We undertook to bring forward capital budgets to implement works which can commence with short lead times and offer local employment opportunities.

2 HOUSING

ANNOUNCEMENTS, SIGNIFICANT DEVELOPMENTS AND PROGRESS SINCE THE SECOND SUMMIT

Announced today

- **Bringing forward Social Housing Grant into 2008/09** which will enable the acceleration of social housing programmes. Subject to Local Authority confirmation of need and consortia confirmation of deliverability, the potential £12 million social housing grant brought forward from 2010/11 will produce the following outcomes in 2008/09:
 - Bring forward Social Housing Grant programmes (land and units) to minimise the effects of the credit crunch on the construction sector, meeting housing need and working to meet the One Wales commitment of 6,500 affordable homes - £10 million, which is estimated to achieve up to 100 new houses and flats in areas of need.
 - Increasing physical adaptations for vulnerable people which will also provide work for small contractors - £2 million.
- **Continuation of I2I programme** to support local authorities ensuring new 'Can Do' Toolkit on the use of social clauses in public housing contracts is widely publicised and used. Regional workshops are planned for January. In-house training for public/voluntary sector bodies will be available on request.
- DESH and DE&T are working on **identifying further sites** within their land holdings which may be suitable for housing, subject to planning and may require infrastructure investment. As regards the eight sites already identified, these are subject to consultation with Local Authorities.

Significant developments and progress since the Second Economic Summit

- As announced in the Final Budget Statement on 2nd December, a major programme to deliver **400+ Affordable Homes across Wales, with a SCIF contribution of up to £42 million**. The affordable homes project will provide additional social housing grant to registered social landlords to deliver more affordable homes. The proposal will maintain construction jobs affected by the credit crunch.

HOUSING RELATED ANNOUNCEMENTS MADE AT FIRST AND SECOND SUMMITS

2nd Summit

We will release land for affordable housing, starting with an initial tranche of 8 sites with a total of c. 350 units.

3 ENERGY EFFICIENCY

ANNOUNCEMENTS, SIGNIFICANT DEVELOPMENTS AND PROGRESS SINCE THE SECOND SUMMIT

Announced today

- An additional £2 million will be brought forward from within the DE&T budget for works on the **Heads of the Valley Low Carbon Economy programme** in 2008/9.
- The European Commission has announced as part of the EU recovery framework that investments in **housing related energy efficiency** will become eligible for funding under Structural Funds. Further information is anticipated on these proposals, but we will be actively investigating their potential use in Wales.

Significant developments and progress since the Second Economic Summit

As announced in the Final Budget Statement on 2nd December, three major programmes:

- **All Wales Low Carbon Building Programme to help meet CO₂ targets and reduce impact of fuel poverty, with a contribution of up to £26 million SCIF funding.** This involves retrofitting existing private sector housing with better insulation materials, modern condensing boilers and micro-generation power units in order to help address fuel poverty. The programme complements the Assembly Government's National Energy Efficiency and Saving Plan. The proposal will create jobs directly by creating opportunities for existing Welsh businesses to grow and for new businesses to locate in Wales.
- **Creating a Low Carbon Region in the Heads of the Valleys - supporting the development, manufacture, supply and installation of low carbon technologies and energy reduction measures, with a contribution of up to £12 million SCIF funding.** The project is designed to develop the Heads of the Valleys Region as Europe's first low-carbon region. The programme will see the growth and delivery of low carbon technologies and large scale energy reduction measures that have never been undertaken before in the UK. This will in turn tackle fuel poverty, whilst creating a new industry base in the region linked to job creation, skills development and the development of indigenous business.
- **Delivery of anaerobic digestion plants across Wales through PPPs to ensure minimum compliance with EU Landfill Directive by 2013 (with a SCIF contribution of up to £4 million across 2008/09 to 2010/11 as part of a wider long term funding package).** The investment will allow environmentally sustainable treatment of biodegradable wastes. Benefits would include mitigation of greenhouse gases particularly methane, diversion of biodegradable wastes from landfill in line with EU Landfill Directive targets thereby reducing the risk of EU infringement fines and savings to the public sector of landfill tax costs. The proposal will provide green jobs in construction and operation.

- **Launch of the Green Jobs Strategy Consultation in November 2008** - a key element of the One Wales Programme for Government. We believe there will be a wealth of new opportunities for existing businesses and in new jobs as a result. Businesses in Wales can continue to be market leaders in areas of green technology and services, and new opportunities will open up as we move towards a low carbon low waste economy.

ENERGY RELATED ANNOUNCEMENTS MADE AT FIRST AND SECOND SUMMITS

2nd Summit

As part of our Green Jobs Strategy, we will deliver enhanced resource efficiency services through Flexible Support for Business.

4 PROCUREMENT AND PAYMENTS

ANNOUNCEMENTS, SIGNIFICANT DEVELOPMENTS AND PROGRESS SINCE THE SECOND SUMMIT

Announced today

- The Assembly Government is **reviewing the established processes for making payments** to Local Authorities to improve cash flow and increase their ability to make prompt payment of invoices. The proposals under discussion include varying the date of payments for the monthly Revenue Support Grant and Redistributed National Non Domestic Rates.
- An **additional investment in the *xchangewales* programme** will be made available in this financial year to :
 - extend the sell2wales website in order that the successful prime contractors that win large contracts will be able to advertise contract opportunities for their second and third tier suppliers. This will open up for the first time these major contracts to competition from SMEs;
 - make provision for additional training for the wider Welsh public sector on the benefits of SME-friendly procurement; and social benefits;
 - deliver a Trading and ePayment pilot for One Voice Wales. This will assist Community and Town Councils onto the first rungs of eTrading and ePurchase and strengthen the close links of the Councils [700+] to many SMEs.
- Commissioning Value Wales to **review how further acceleration of sustainable procurement practices** across the public service would bring forward added benefits - social, economic and environmental. This would include:
 - Further promoting the benefits of *xchangewales*,
 - Next steps for MtC Improvement Fund
 - Mainstreaming procurement actions across all sectors.

Significant developments and progress since the Second Economic Summit

- Figures have been published to show that as an organisation the Assembly Government is **paying suppliers in an average of 5.89 days**, with fewer than five percent of payments taking longer than 10 days.
- An announcement has been made at Plenary on 25/11/08 on the **rapid delivery of a Sustainable Construction Strategy to be considered by the Business Procurement Task Force**.
- Research commissioned of Bangor and Glamorgan Universities to identify the barriers to **simplifying the procurement processes**.
- The Welsh Assembly Government and the WLGA have agreed to take action on the credit crunch by taking forward:
 - A stock-take of local and Assembly Government capital projects (relevant to Infrastructure and Housing)

- A joint working group to consider how to accelerate local Government capital projects
- Reducing payment times for invoices
- Securing better value for money through collaborative procurement
- Promoting the use of xchangewales and the Welsh Purchasing card.

PROCUREMENT AND PAYMENT RELATED ANNOUNCEMENTS MADE AT FIRST AND SECOND SUMMITS

1st Summit

We will be announcing improvements to our procurement process for SMEs, including faster supplier payments across the public sector,

2nd Summit

We will increase the proportion of payments made within 10 days, of which the first step will be to work to ensure that the 30 day target is met consistently by the Welsh public sector. The Assembly Government has already moved from all-Wales to regional contracts where possible. The main contractor for our new office in Llandudno has already announced subcontracts to local companies. We will continue to maximise opportunities for Welsh companies to benefit from public sector contracts, building on the success to date. We recognise the need for clarity and consistency in the procurement process across the Welsh public sector.

5 SKILLS

ANNOUNCEMENTS, SIGNIFICANT DEVELOPMENTS AND PROGRESS SINCE THE SECOND SUMMIT

Announced today

- We will introduce, with effect from early in the New Year, a major extension to our Workforce Development Programme that will provide **additional training assistance to businesses that are suffering during the downturn**. It will complement the existing ReAct programme by enabling us to support businesses and their employees before the need for redundancies arises, hence its name, ProAct. On a selective basis, we will provide additional financial support for employee training and, as an innovative new measure, we will also provide support towards wage costs whilst training is underway. The scheme will be flexible, designed to meet the needs of individual businesses. Up to £2000 training costs and £2000 wage support will be available per employee. The scheme will be introduced in pilot form in the first instance with a view to its continuation, after examining the scope for European funding, until March 2010.
- **Expand the Basic Skills Pledge and Grants:** We will double the target for employers signing the Basic Skills Employer Pledge, by March 2010 from 500 to 1000 employers. As part of the expansion of the Pledge we propose an additional 200 employers to apply for and receive grants up to 2010 (making a total of 300) with 10,000 employees in total taking part in basic skills courses. We will broaden the scope of the current Employer Pledge grant programme to include:
 - staff release costs for basic skills training (max per day cost allocated);
 - support provider costs to carry out basic skills mapping to job roles and plan training programme, then deliver;
 - basic skills training needed for employees as first step before vocational qualification course or statutory assessment or extra basic skills support during first vocational qualification; and
 - basic skills identified as needed by individuals in company performance management process.
- **Rapid Response Service for Wales:** We are boosting the Team Wales approach to tackling redundancies. The close working between the Assembly Government, Jobcentre Plus and Careers Wales has been an effective weapon to help employees affected by redundancy and the time is right to re-emphasise our commitment and to boost resources.
- On 12 November, DWP announced a doubling of funding for the Jobcentre Plus **Rapid Response Service** which is available throughout Wales. This means that it will have the resources to support more people and be more pro-active in supporting smaller redundancies. A key part of the Team Wales approach is the Assembly Government's ReAct programme to support the training costs of redundant employees and employers who recruit them. At the last Summit we announced a **new ReAct contingency fund that will boost capacity by 50%**. We are also working

closely with Careers Wales, the third key member of the Team Wales approach, so that they can continue to give priority to providing high quality advice and guidance on careers and training for those suffering redundancy.

- Jobcentre Plus and Careers Wales re-affirm their commitment to working with the Welsh Assembly Government to deliver a **coordinated and cohesive package of support to both employers and employees in Wales facing a redundancy situation.**
- **Deliver support for Leaders and Managers:** The proposal is to expand the Leadership and Management Workshops programme to deliver 2300 delegate places over and above existing delivery (an expansion of approximately 25% within the year). This translates to support for around 100 additional businesses that have not previously engaged with the programme as well as further support for some businesses who have already. £300k has been made available through the reprioritisation of DCELLS budgets to allow this expansion.
- **Respond to calls for stability:** At the Summit an announcement can be made that the Welsh Assembly Government will extend existing contractual arrangements with training providers for Skill Build and apprenticeships programmes. This means that providers will have a further year of certainty on the arrangements for contracting for these programmes giving them more confidence to plan through this period of economic change. This approach will have the added benefit of ensuring that we do not have to re-tender during the existing European programmes. It will also give you a further period of stability.
- In addition, the Assembly Government has been working on the options available to encourage public sector organisations to take on more apprentices. The Assembly Government itself is making a commitment to recruit **100 new Modern Apprentices over the next five years.**

Significant developments and progress since the Second Economic Summit

- **ReAct:** At the last summit a contingency fund on ReAct was agreed that creates the capacity to respond fully (up to a 50% increase in volume) to demands on the ReAct programme in 2009-2010. There is sufficient capacity in the current year to meet demand. At present, there are 6,507 individuals receiving support through ReAct up from 2,146 in December 2007.
- **Workforce Development Programme:** The last Summit also agreed revisions to the intervention rate applied to training grants for SMEs within the Workforce Development Programme (from 50% to 70%). This has now been approved by the Deputy Minister for Skills and implementation will commence immediately.

SKILLS RELATED ANNOUNCEMENTS MADE AT FIRST AND SECOND SUMMITS

1st Summit

We will look to support business and workers threatened with redundancy,

2nd Summit

We will expand the support available through our flagship programmes:

- the Workforce Development Programme intervention rate for SMEs will be raised from 50% to 70%, backdated to 1 October 2008
- the capacity of the ReAct programme will be increased by 50% for 2009/10.

6 FUNDING

ANNOUNCEMENTS, SIGNIFICANT DEVELOPMENTS AND PROGRESS SINCE THE SECOND SUMMIT

Announced today

- The **£45 million Business Growth project** (£13 million ERDF) is being announced today. Business Growth will help sustain and grow 6,000 SMEs across Wales and create around 6,000 jobs.
- WEFO is also in discussion with the Commission about the **possibility of increasing intervention rates** for the European Programmes in the light of current pressures on co-financing and the decline in the value of Sterling against the Euro.
- The EU Convergence Programme Monitoring Committee is meeting today and will discuss as part of its agenda the **implications on the EU programmes of the financial and economic crisis**. Range of senior European Commission officials attending this PMC meeting and can hear the views and concerns of partners at first hand.
- We are currently developing a further notification to the European Commission to extend the **Rescue and Restructuring scheme**. The Scheme is currently administered and operated by Finance Wales.

Significant developments and progress since the Second Economic Summit

- **Since the last Economic Summit, a total of over £75 million of EU funding has been announced driving a total investment of some £165 million to support projects across Wales** including:
 - **£45 million** Business Growth project to support SMEs
 - **£50 million** COASTAL project to help disadvantaged people in Swansea, Neath Port Talbot, Carmarthenshire, Pembrokeshire into work
 - **£43 million** for two WCVA projects (Gateway and North Wales Intermediary Labour Market project) to tackle economic inactivity across Wales
 - **£7 million** (£3.5 million ERDF) Social Enterprise Support project - to establish support structure for SMEs in Wales
 - **£19 million** (£10.5 million ESF) Bridges Into Work project - helping tackle economic inactivity
 - In total, this additional funding is **helping over 10,500 people into employment, creating 6,250 jobs and assisting over 6,000 new and existing enterprises.**
- Latest figures for 2008 show that **£445 million (i.e. 25%) of EU grant resources has been committed to date**. WEFO will aim to deploy 50% of the EU funding available for commitments by the end of 2009.
- On 26 November, further details were announced of the EU Recovery Framework designed to respond to the financial crisis which included a small number of proposals for regulatory changes to facilitate the delivery of the Structural Fund

programmes. These included proposals designed to help with the front loading expenditure. It must be noted that all proposed legislative changes will have to be agreed by the Council of Ministers and EU Parliament before implementation.

- DG Competition has now given State Aids clearance for JEREMIE and discussions between Finance Wales and the EIB are close to a conclusion. It is hoped that JEREMIE can be announced and launched around the turn of the year.
- The Pre-Budget Report (PBR) recently announced a package of measures targeted at supporting businesses during the challenging economic climate. Elements of the PBR include the introduction of a £1 billion guarantee facility providing smaller exporters with better access to short-term working capital and trade finance and more generous tax relief for businesses now experiencing losses, by allowing temporary additional carry-back of up to £50,000 of losses to be set against taxable profits from the last three years. We will continue to do all that we can to assist businesses in Wales, both by working with UK government initiatives where they apply to Wales and through our own measures for supporting businesses.

FUNDING RELATED ANNOUNCEMENTS MADE AT FIRST AND SECOND SUMMIT

1st Summit

We will seek to ensure that EU Convergence Funding is having maximum impact. We will review our Business Support to ensure that it is flexible enough to respond to the changing economic environment. Welsh Ministers will create a specific forum for the Welsh banking and finance sector to see what additional advice and support can be given to Welsh businesses.

2nd Summit

We hope to shortly announce a £150 million investment fund, operated through Finance Wales, to provide commercial investment to SMEs across Wales.

7 BUSINESS RATES

ANNOUNCEMENTS, SIGNIFICANT DEVELOPMENTS AND PROGRESS SINCE THE SECOND SUMMIT

Significant developments and progress since the Second Economic Summit

- On 28th November, two rate relief measures were announced to help small businesses across Wales during the downturn parallel with changes announced for England in the Pre-Budget Report.
- The Minister agreed that two temporary measures announced in respect of England by the Chancellor of the Exchequer in the pre budget statement will apply in Wales.
- For the financial year 2009-10, the threshold at which **empty properties** are liable to pay business rates will be raised from £2,200 to £15,000. The UK Government estimates that this will exempt around 70% of empty properties.
- In addition, businesses will be allowed **up to eight years to pay by interest free instalments certain backdated business rates bills that have been affected by recent rating reviews.**

BUSINESS RATE RELATED ANNOUNCEMENTS MADE AT FIRST AND SECOND SUMMIT

2nd Summit

We will continue to consider representations that have been made. We have raised the issue of empty property rates with the Chief Secretary to the Treasury directly.

