

# New economic contract to drive competitiveness and growth with purpose

Prosperity for All: the Economic Action Plan sets out how the goals of growing Wales' economy and well being, whilst also reducing inequality will be achieved. It has been developed to meet the needs of business today but also to help Welsh communities and businesses to rise to the challenges and opportunities of tomorrow.

The Economy Secretary said:

"We live in an age of unprecedented change alongside huge opportunity. Fired by the fourth industrial revolution, the way we live, work and spend our leisure time is transforming before our eyes.

"We must get ahead of that change to equip our people, businesses and places to face the future with confidence.

"Our new economic action plan seeks to do just that.

At the heart of Prosperity for All: the Economic Action Plan is a commitment to develop a new and dynamic relationship between Government and business that is based on the principle of public investment with a social purpose.

"This will mean us introducing a new economic contract that will require businesses seeking Welsh Government support to commit to growth, fair work, reducing their carbon footprint and promoting health, up-skilling and learning in the work place. "In return, and in response to calls from the sector, the Welsh Government will provide a simplified, unified and competitive package of business support.

"This approach to economic development and prosperity will stand as a template for government support across the public and private sector, helping to develop a stronger sense of unity and purpose

The plan sets out five calls to action to help businesses overcome the key challenges of the future. These are:

- Innovation, Entrepreneurship and Headquarters – to support businesses to innovate and introduce new products and services
- Exports and Trade – to proactively support trade with the UK and the rest of the world
- High Quality Employment, Skills Development and Fair Work – to improve

our skills base and ensure work is fairly rewarded

- R&D, Automation and Digitisation – to help develop new products, automate and digitise to ensure Wales remains competitive in the fourth industrial age
- Decarbonisation – to enable more Welsh businesses to become carbon light or free

The plan recognises that to achieve maximum effectiveness, the Welsh Government must target its support to specific sectors and work across these sectors to drive the development of new skills, new business models and new infrastructure

The Welsh Government is therefore simplifying its approach around three national thematic sectors and four foundation sectors.

Evidence shows that the three chosen thematic sectors – that is Tradable Services, including Fintech services, online insurance and creative, High Value Manufacturing, including compound semiconductors and new composites manufacturing and Enablers including digital, energy efficiency and renewables. – offer particular opportunities to drive industries of the future.

Meanwhile the four Foundation Sectors of Tourism, Food, Retail and Care are crucial to the lives of people and communities across Wales and can play a huge role in unlocking the potential of better jobs closer to home. They are also areas where more effective cross government working will maximise and increase benefits.

The plan commits the Welsh Government to a five year programme of capital funding aimed at delivering projects in the most efficient and effective way.

This is expected to drive efficiencies of between 15 -20% on new projects, and taking the 2018/19 draft published budget figures for transport capital over the next 3 years as a benchmark, could drive efficiencies of up to £630m over a ten year period.

The Economy Secretary added:

“While our Economic Contract requires business to do the right things today, our Calls to Action require businesses to respond to the challenges of tomorrow. Together they will ensure the investment we provide to business delivers for the present and the future.

“And our decision to focus our support on three thematic sectors and four foundations sectors will enable us to maximise the impact of our interventions.

“A key part of the plan is recognition of the distinctive opportunities and challenges of our regional economies. Rather than a one size fits all approach we will strengthen regional

collaboration and use local intelligence to tailor national delivery, and ensure prosperity falls more evenly across Wales.

“I call upon the business community, our learning institutions, trade unions and our wider society to work with us so together we can grow our economy, build a fairer Wales and seek to deliver our ambition of prosperity for all.”

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## **More homebuyers to benefit from changes to land transaction tax**

The starting threshold for land transaction tax will increase from £150,000 to £180,000 for the residential main rates when the tax is devolved in April 2018.

The increase in the starting threshold will help everyone in Wales who is seeking to buy a home in this part of the market, including first-time buyers.

The new threshold is £55,000 higher than the starting threshold for stamp duty land tax in England and will reduce the tax burden for around 24,000 homebuyers – including first-time buyers – in Wales.

Professor Drakeford’s decision to change the starting threshold for land transaction tax follows the UK Government’s introduction of a stamp duty land tax relief for first-time buyers in the Autumn Budget last month.

The Finance Secretary said he has given careful consideration to the right approach for both the Welsh property market and for Welsh homebuyers. His focus is to help everyone looking to buy a home in this part of the market by increasing the progressivity of the tax overall.

The new land transaction tax rates for residential property mean:

- no one will pay more tax under the changes announced today compared to the land transaction tax rates which were announced at the time of the draft Budget in October
- the average homebuyer in Wales will pay more than £500 less tax than under stamp duty land tax
- around 90% of homebuyers in Wales will either pay the same or less tax than under stamp duty land tax
- around 80% of first-time buyers in Wales will pay no tax – the same proportion which will benefit from the Chancellor’s first-time buyer stamp duty land tax relief in England.

Professor Drakeford said:

“Under the changes to the main rates of land transaction tax, which I am announcing today, around 65% of these house sales will not be liable for tax.

“The changes will benefit more buyers than the Chancellor’s targeted relief for first-time buyers – more than half of buyers will benefit from a reduction in tax relative to stamp duty land tax.

“This is consistent with my aim to make tax fairer and contribute to a more equal Wales. These improved rates will help meet Wales’ needs and priorities and will make a real difference to people’s lives.”

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## **Education Secretary outlines proposed implementation plan for new additional learning needs system in Wales**

The details have been published ahead of the final debate on the Bill in Plenary tomorrow [12/12/2017].

The consultation, which was conducted between 27 February and 9 June 2017, sought views about how the Bill should be implemented if it receives Royal Assent and what transition arrangements should be put in place to help local authorities and education providers facilitate the introduction of the new system. It received a total of 89 replies, some of which were collaborative responses representing the views of multiple individuals and organisations.

Additionally, between 28 February and 9 March 2017, the Welsh Government held eight stakeholder events across Wales to engage with professionals and the

public to raise awareness of the proposed additional learning needs system. These events included workshops on the consultation and its implementation options and were attended by a total of 629 participants.

The responses from both the consultation and engagement events have been used to inform the development of the proposed approach to implement the new system.

In publishing the consultation summary and outlining her proposals for how the new system will work in Wales, Kirsty Williams said:

“This Bill is at the heart of our programme to transform the education and support for young people with additional learning needs. We have engaged heavily with partners, stakeholders and – crucially – children, young people and their families to ensure their views are captured and reflected in our proposals for how it will be delivered if passed by the Assembly tomorrow.”

The key elements of the approach we will take include:

- A mandatory phased approach to the introduction of Individual Development Plans (IDPs), which will provide tailored support to the learning needs of each individual and replace current statutory and non-statutory plans including the statement of Special Educational Needs; with those with the most severe learning needs prioritised.
- The new system should commence in September 2020. This will allow sufficient time for the range of supporting measures, subordinate legislation and the Additional Learning Needs Code (which will sit alongside the Bill), to be developed and put into place, and a comprehensive programme of multi-agency training and development, to aid a smooth transition to the new system.
- The implementation of the new system should last three years, with completion expected by the end of 2023.

The Cabinet Secretary added:

“We will be investing £20m to support the implementation of the new additional learning needs (ALN) system. Following analysis of the consultation responses, we have restructured our funding commitments to better align them with the needs of the sector.

“We will focus more resources on implementation training, planning and strategic support, through increased grant funding to the ALN transformation leads. These key posts will support services to put in place detailed implementation planning arrangements at a regional level, across the further education sector and roll-out training to all those who will support learners with additional learning needs to deliver the new system.

“We will of course continue to work with partners on the

implementation approach of this new system if the Bill passes tomorrow to ensure the new system provides the best level of support for our most vulnerable learners.”

The [report and proposed approach to implementation](#) are published on the Welsh Government’s website.

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## [Welsh Government approves funding for Cardigan Integrated Care Centre](#)

Formal agreement for the Cardigan Integrated Care Centre has now been given with work on the old Bathhouse site due to start in spring 2018. The centre is expected to open in late 2019 due to £23.8m funding from the Welsh Government.

As well as providing a modern, fit for purpose healthcare service for the local population including a GP practice, dental service and pharmacy, the new centre will bring care closer to home and in the community.

A wide range of improved integrated health and social care services will be delivered by Hywel Dda UHB, the third sector, local authority and partner organisations.

The local community will also benefit from;

- Mental health and learning disabilities services
- Minor Injury Service with telemedicine links to the Emergency Department
- potential for an increase in 7 day service provision
- increased diagnostic services including pre-operative assessments
- improved outcomes for patients.

Health Secretary, Vaughan Gething said:

“I’m pleased to announce the funding for the Cardigan Integrated Care Centre which will make a significant difference to the care people in the Cardigan area receive, closer to home in their communities.

“It’s imperative that people are treated in modern centres and this project will facilitate an improved, integrated approach to healthcare in the community, all under one roof.”

Hywel Dda County Director for Ceredigion, Peter Skitt said:

“We acknowledge that the planning process has at times been quite protracted and drawn-out but it’s been absolutely critical for the project in terms of making sure that we’ve got it right first time, and I would like to reiterate our thanks to stakeholders – particularly local residents, patients and our staff – for their patience and understanding.”

Chair of Hywel Dda University Health Board, Bernardine Rees OBE, added:

“We recognise that the population of Cardigan has been very patient and this facility has definitely had its challenges, but the health board are now very pleased to be moving forward with this important development.

“I would like to pay tribute to everyone involved for their ongoing commitment and hard work to ensure the new centre meets our aim of providing safe, sustainable, integrated care for our local population.

“We are grateful to Welsh Government for providing formal agreement to the Cardigan ICC project. This represents the culmination of several years’ worth of work to ensure that we are able to care for patients in Cardigan in a safe, sustainable and integrated way by providing a facility that is fit for purpose both now and for the future”.