# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Capital Investment Package**  |
| **DATE**  | **18 June 2019** |
| **BY** | **Rebecca Evans AM, Minister for Finance and Trefnydd** |

Today, I am announcing a capital investment package totalling £85 million as part of the First Supplementary Budget 2019-20. This immediate capital funding boost will provide confidence and certainty to business in Wales at a time where both are in short supply as a result of the UK Government’s failure to put an end to the Brexit uncertainty.

Despite the extension to the article 50 process removing the immediate danger of a cliff-edge exit, we have been clear and consistent in our position that the risks associated with a “no-deal” Brexit have not gone away. I am extremely concerned that businesses are already suffering due to the ongoing uncertainty. Maintaining business confidence in these challenging times is essential – a point I pressed home at a meeting of the UK Government Cabinet sub-committee responsible for Brexit preparedness in London last week.

We cannot afford the economic damage being done every day as a result of Brexit uncertainty. As a responsible Government we have a duty to prepare for all possible outcomes, and our work to mitigate the devastating impacts of “no-deal” is ongoing.

I am providing an extra £50 million to invest in local government social housing programmes, supporting the delivery of up to 650 affordable homes across Wales, and which could create a year’s employment for 1,000 people. In helping to deliver one of our key priorities to increase the supply of good quality, affordable housing across Wales, we will also stimulate the construction industry and the wider supply chain within Wales.

Our strategic road network, the Welsh Government’s largest asset, plays a crucial role in supporting and growing the Welsh economy. I am therefore allocating an additional £5 million to support the maintenance of the network to ensure a well-connected, reliable and resilient road network in all parts of Wales, whilst also supporting the specialist supply chain.

As well as stimulating demand in the economy in the short to medium term, improving and strengthening the Welsh economy remains central to this government’s agenda. I am allocating £10 million to the Economy Futures Fund, supporting the delivery of the Economic Action Plan. This additional funding will accelerate the delivery of the various support packages within the fund, right across all Welsh regions, boosting resilience and sustainability for Welsh businesses, and encouraging inward investment in a post Brexit environment.

The impacts of Brexit will be felt right across Wales, and will affect different areas in differing ways. Local government are core players in their economies, and investment in their capital schemes can drive important changes in communities. Today I am providing a further £20 million of capital funding to local authorities, with whom the Welsh Government will work closely to deploy funding to where it is needed as part of this wider stimulus package.

In its totality, this broad capital investment package will fund a range of projects that can be delivered quickly in year, providing economic benefits which are aligned with the Welsh Government’s priorities and which can stimulate wider economic demand at a time when it is needed most.

This announcement is just one measure the Welsh Government is undertaking to address the very real challenges to our economy that Brexit poses. In conjunction with initiatives such as our dedicated £50 million EU Transition Fund, and the £121 million Business Finance package, delivered through the Development Bank of Wales, we are deploying a suite of measures to prepare for the impacts of Brexit. As we move closer to Brexit day, we will continue to explore all measures to protect the economy and jobs, including the deployment of further capital.