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#### PUBLICATION

# Cabinet Sub-Committee on Cost of Living meeting: 24 October 2022

Minutes of the Cabinet Sub-Committee on Cost of Living meeting on 24 October 2022.

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## **Present**

- Rt. Hon. Mark Drakeford MS (Chair)
- Jane Hutt MS
- Rebecca Evans MS
- Mick Antoniw MS
- Vaughan Gething MS
- Julie Morgan MS

## **External attendees**

- Dr Victoria Winckler, Director of the Bevan Foundation
- Cllr Anthony Hunt, WLGA
- Chris Llewellyn, Chief Executive, WLGA
- Andy John, Archbishop of Wales
- Ruth Marks, Chief Executive, WCVA
- Ellie Harwood, Child Poverty Action Group
- Paul Slevin, Executive Chair, Chambers Wales
- Abdul-Azim Ahmed, Assistant Secretary General, Muslim Council Wales

## **Apologies**

- Naomi Alleyne, Director of Social Services and Housing, WLGA
- Shavanah Taj, General Secretary, Wales TUC

## **Officials**

- Andrew Goodall, Permanent Secretary

- Des Clifford, Director Office of the First Minister
- Will Whiteley, Head of Cabinet Division
- Jane Runeckles, Special Adviser
- Alex Bevan, Special Adviser
- Kate Edmonds, Special Adviser
- Jo-Anne Daniels, Director General Education, Social Justice and Welsh Language
- Reg Kilpatrick, Director General, COVID-19 recovery and Local Government
- Jo Salway, Director Social Partnership and Fair Work
- Claire Bennett, Director Communities and Tackling Poverty
- Toby Mason, Head of Strategic Communications
- Catrin Sully, Cabinet Office
- Liz Lalley, Director, Recovery & Re-start division
- Maureen Howell, Deputy Director, Tackling Poverty and Supporting Families
- Tom Smithson, Deputy Director COVID recovery and Local Government Group
- Christopher W Morgan, Head of Cabinet Secretariat
- Damian Roche, Cabinet Secretariat (Minutes)

## **Item 1: Social partner presentation - Dr Victoria Winckler, Director of the Bevan Foundation**

1.1 Croesawodd y Prif Weinidog Dr Victoria Winckler, Cyfarwyddwr Sefydliad Bevan a gwahodd i gyflwyno i'r grŵp. The First Minister welcomed Dr Victoria Winckler, Director of the Bevan Foundation to the meeting and invited her to present to the group.

1.2 The foundation had carried out a survey of living standards in Wales during July but noted the underlying situation had deteriorated significantly since then.

1.3 Wales had historically lower median household incomes compared to the rest of the UK, with a higher proportion of people depending on benefits and pensions. In addition, Wales suffered from lower energy efficiency of housing stock, more off-grid households, more pre-payment meter customers, some of the highest energy prices in the UK, along with higher food and transport costs in some rural areas. Combined, this meant that Wales was more vulnerable to the impacts of the cost-of-living crisis.

1.4 The survey carried out in July identified households in three broad categories, where 48% had enough for the basics and some extras, 32% had just enough for the basics, and 13% did not have enough for the basics some or all the time. Those with not enough for the basics and only able to afford basics had increased since the last survey.

1.5 Low-income households were the hardest hit, with those receiving benefits, those in rented accommodation, lone parent families, households with larger numbers of children and disabled people struggling the most.

1.6 It was clear from the survey that people were cutting back on heating, clothing and food for adults, transport, toiletries and internet and digital costs. Worryingly, a significant minority had reported cutting back on items for children including food, toys and nappies, particularly single parents and larger families.

1.7 In terms of savings and debt, more than half of respondents reported either having no savings, had used all their savings or at least some of their savings to cope. Levels of debt had remained stable, but this was expected to rise over the winter.

1.8 There were increasing concerns amongst private and social tenants and some mortgagees about losing their home due to the crisis.

1.9 All this had led to a negative impact on people's physical and mental health, with a higher proportion of those suffering from disabilities being impacted.

1.10 Varying awareness levels of Welsh Government schemes had been reported, although the positive work done by registered social landlords was noted as appearing to increase awareness amongst social renters.

1.11 Given the situation had materially worsened since the survey had been carried out, the expectation was that growing numbers of people were unlikely to be able to afford the basics, leading to severe destitution in some cases, potential rises in homelessness, impacts on mental and physical health and rising demand on public and third sector services.

1.12 The committee discussed the positive action taken by the Welsh Government to address the crisis to date, noting that 185,000 payments of £200 from the winter fuel support scheme, out of a predicted 400,000 eligible households, had already been made.

1.13 The committee was reminded of the current extremely challenging fiscal context, which meant the Welsh Government would not be able to do all the things it would like to do. The Welsh Government's Budget was estimated to be up to £4bn less in real terms than when it was set last year, and next year would be worth £1.5 billion less.

1.14 Social Partners recognised the difficult fiscal choices that ministers would likely have to make in the coming Budget round and welcomed the plan to publish the Draft Budget prior to Christmas.

1.15 The committee thanked the Bevan Foundation for its presentation.

## **Item 2: Social partner presentation - Chris Llewellyn, Chief Executive, WLGA**

2.1 Symudodd y Pwyllgor ymlaen at gyflwyniad gan Chris Llewellyn, Prif Weithredwr Cymdeithas Llywodraeth Leol Cymru. The Committee then moved to a presentation from Chris Llewellyn, Chief Executive of the Welsh Local Government Association (WLGA).

2.2 It was reported the WLGA had established a cost-of-living group to co-ordinate internal activity across all policy areas. Mapping work was ongoing to identify delivery across Councils and to ensure best practice was shared.

2.3 Work was ongoing with the Wales Tackling Poverty and Inequality Officer Network and to develop a comprehensive cost-of-living communications strategy. The WLGA digital team were working with local authorities to simplify access to their services by supporting a “no wrong door” approach to accessing support. Ensuring every contact with the council counted was a priority, alongside raising awareness of data sharing and collaboration opportunities.

2.4 The committee noted that local authorities were working to support their residents through 5 main areas:

- governance and accountability
- targeting and co-ordinating support
- accessibility of affordable products and services
- early intervention and crisis prevention
- awareness raising and information sharing

2.5 It was noted that direct support for people had been welcomed across Local Authorities, along with practical support for the wellbeing of staff and volunteers.

2.6 The committee thanked the WLGA for its presentation, welcoming the positive collaboration between all partners.

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