



Llywodraeth Cymru  
Welsh Government

PUBLICATION

# Cabinet Sub-Committee on Cost of Living meeting: 23 January 2023

Minutes of the Cabinet Sub-Committee on Cost of Living  
meeting on 23 January 2023.

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Cost-of-living challenges

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## Present

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

## External attendees

- Ruth Marks, Wales Council for Voluntary Action
- Naomi Alleyne, Welsh Local Government Association
- Abdul-Azim Ahmed, Assistant Secretary General Muslim Council
- Shavanah Taj, Trades Union Congress
- Reverend Andy John, Archbishop of Wales
- Tom Lee, Child Poverty Action Group
- Paul Slevin, Chambers Wales

## Officials

- Andrew Goodall, Permanent Secretary
- Des Clifford, Director Office of the First Minister
- Rebecca Dunn, Head of Cabinet Division
- Jane Runeckles, Special Adviser
- Ian Butler, Special Adviser
- Alex Bevan, Special Adviser
- Kate Edmunds, Special Adviser
- Philippa Marsden, Special Adviser

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- Jo-Anne Daniels, Director General Education, Social Justice and Welsh Language
- Reg Kilpatrick, Director General, COVID-19 recovery and Local Government
- Judith Paget, Director General, H&SS
- Jo Salway, Director Social Partnership and Fair Work
- Claire Bennett, Director Communities and Tackling Poverty
- Andrew Jeffreys, Director Welsh Treasury
- Emma Watkins, Deputy Director Budget and Government Business
- Jonathan Price, Chief Economist
- Toby Mason, Head of Strategic Communications
- Catrin Sully, Cabinet Office
- Liz Lalley, Director, Recovery & Re-start
- Maureen Howell, Deputy Director, Tackling Poverty and Supporting Families
- Christopher W Morgan, Head of Cabinet Secretariat
- Damian Roche, Cabinet Secretariat (Minutes)
- James Burgess, Acting Deputy Director, Cost of Living
- Christopher Morgan, Cost of Living team

## **Item 1: Update from social partners on the emerging responses to the cost-of-living challenges faced by communities**

1.1 Croesawodd y Prif Weinidog pawb i'r cyfarfod a gwahodd partneriaid i gyflwyno i'r grŵp. The First Minister welcomed everyone to the meeting and invited partners to present to the group.

1.2 It was reported that feedback from County Voluntary Councils referenced certain groups with protected characteristics experiencing challenging impacts from the cost-of-living crisis.

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1.3 For example, someone suffering from sight impairment could be up to 73% more exposed to the impacts of the crisis, compared to those without a sight impairment.

1.4 In addition, 50% of those referred for income advice in the Black, Asian and Minority Ethnic communities were experiencing negative budgets, where incomes were not matching outgoings on a regular basis.

1.5 The point was made that data sources still needed more work to provide a complete picture of impacts across those with protected characteristics and the government's equality and data units would work with partners to improve the online data dashboard shared with partners.

1.6 The committee noted that rural communities were facing increased costs due to their geography, such as transport, rises in off-grid energy costs and the apparent lack of affordable rental housing amongst smaller communities, which in turn led to increased rental costs.

1.7 The point was made that engagement through food banks, warm hubs and with those who accessed energy support services had improved and these should continue to be used as gateways for a wider range of benefits and other support advice. Allied to this, energy companies could also make better use of this type of customer contact and links made with organisations such as care and repair Cymru.

1.8 The committee welcomed the co-ordination role played by the WCVA and CVCs, bridging the gap between voluntary services and statutory provision by LAs.

1.9 In terms of the Muslim Community, feedback had highlighted the issues of cash flow diminishing due to rising food and other bills, and there was evidence that savings were being depleted to cope with the crisis, this was more of an issue for younger families, who had limited savings to call upon.

1.10 The WLGA reported positive benefits from the warm hubs set up throughout local authority areas in Wales, the spaces had been used regularly and welcomed by communities. It was suggested more could be done to provide holistic advice services through these first points of contact. There was anecdotal evidence that some warm hubs in Cardiff were open for fewer hours and on fewer days per week than originally intended, which would be checked.

1.11 The committee requested that partners use all their networks and contacts, including utilising the warm hubs and other advice services to encourage people to take up the Welsh Government Winter Fuel Support Scheme, which provided £200 to eligible households and had been very successful with 72% take-up. This support would cease at the end of the financial year.

1.12 In addition, the Fuel Bank Foundation was providing vouchers for pre-paid meter customers, and this should be flagged with any not already accessing the support. It was noted that 97% of PPM installations, when challenged, had been reversed, and this avenue should be raised with those struggling with energy bills.

1.13 It was highlighted that work was ongoing to automate payment support schemes across LAs and all partners agreed to raise the schemes via warm hubs, ensuring they were also operating to agreed hours of opening.

1.14 The issue of hidden poverty was discussed and evidence from the Resolution Foundation pointed towards several difficulties in this area, including people extending debt by either missing payments on different bills in different months; exhausting their savings; selling or pawning household items; or eliminating certain expenditure in the short term, such as pension payments or insurance cover. These were signals of distress that were not easy to identify but could lead to longer-term issues.

1.15 There were examples of schools intervening to assist parents in whatever way they could to cope with the rising costs of living, including installing shared

washing machines. There was evidence of significant mental health and wellbeing deterioration amongst the lowest paid households.

1.16 Despite relative poverty rates having fallen, this was set against the fact that the poorest often carried the highest personal inflation rates.

1.17 Good work had been achieved by the Church in Wales working with supermarkets to support food banks and some 10,000 hygiene boxes had been delivered through networks, although it was acknowledged that more needed to be done to address the underlying issues of poverty.

1.18 In relation to business confidence, there was some optimism that the second half of the year might improve, subject to the ongoing downward trajectory of interest rates and inflation. However, there were significant worries from businesses in Wales about the reduction in support from the Energy Support Scheme, with some hospitality businesses likely to only receive a tenth of the current support from April, and bills were set to rise again. 47% of businesses had reported they would struggle to pay the increased costs.

1.19 It was reported that businesses had done their best to support employees with additional payments and flexibility, but this had resulted in some unintended consequences, with some leaving skilled employment for better wages in lower skilled jobs. There was some concern about the emerging evidence that personal insolvencies were rising, with females between 24-40 the worst affected.

1.20 The committee noted that pension credit had some of the lowest uptake rates in Wales and that government and partners were working with the Older People's Commissioner to address the shortfall.

1.21 The First Minister thanked partners for their presentations and analysis, summarising the themes and noting the cost-of-living crisis was far from over and the need to contact those most in need of help continued to be paramount.

Cabinet Secretariat  
January 2023

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