



Llywodraeth Cymru
Welsh Government

PUBLICATION

Cabinet Sub-Committee on Cost of Living meeting: 13 March 2023

Minutes of the Cabinet Sub-Committee on Cost of Living
meeting on 13 March 2023.

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Present

- Mark Drakeford MS
- Jane Hutt MS (Chair)
- Mick Antoniw MS
- Rebecca Evans MS
- Vaughan Gething MS
- Lesley Griffiths MS
- Julie James MS
- Jeremy Miles MS
- Hannah Blythyn MS
- Dawn Bowden MS
- Julie Morgan MS
- Lynne Neagle MS
- Lee Waters MS

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
- 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

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- Jo Salway, Director Social Partnership and Fair Work
- 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
- Heather O'Sullivan, Cost of Living Team

Item 1: Minutes of previous meeting and welcome

1.1 Croesawodd y Gweinidog Cyfiawnder Cymdeithasol pawb i'r cyfarfod Gweinidogol. The Minister for Social Justice welcomed everyone to the ministerial meeting.

1.2 The sub-committee agreed the minutes of 6 February / Cytunodd y Pwyllgor cofnodion o 6 Chwefror.

Item 2: Update on Cost of Living Expert Group meeting with ministers

2.1 The Minister for Social Justice reported that ministers had met with the Cost of Living Expert Group, chaired by Professor Rachel Ashworth the previous week.

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2.2 The Group had been working on priority areas for engagement with the UK government, particularly in relation to the 'ask' from the Treasury. Many of the areas identified dovetailed with those being considered by the government, for example around seeking an increase in the Local Housing Allowance, reducing deductions to benefits, and the removal of premium charges for pre-payment meters.

2.3 Other areas included asking the UK government to instigate a Competitions and Market Authority Inquiry to investigate apparent inflationary increases in prices, where there did not appear to be any corresponding increase in costs for those companies, such as for internet and mobile phone contracts.

2.4 In addition, the Expert Group, had been considering what the Welsh Government and others could best do to support people through the cost-of-living crisis. Hearing some of the impacts of the crisis on already vulnerable people was particularly difficult.

2.5 The meeting with the Group focused on inflation, energy and negative budgets, areas which were led by Professor Huw Dixon, National Energy Action and Citizens Advice Cymru respectively. In addition, the Expert Group's early thoughts were discussed, including on potential action the Welsh Government could be taking, led by The Bevan Foundation.

2.6 The overriding message from the Expert Group was that the cost-of-living crisis was not going away and the effects would be long lasting. Nevertheless, it had been noted that the support provided by the Welsh Government had helped significantly, and all partners in Wales should do everything possible to continue mitigating the impacts of the crisis.

2.7 Whilst it was clear that the government would not have the funding to intervene as often and at the scale that the Expert Group would like to see, their recommendations were nonetheless helpful in providing focus and priority should be given to those areas that could deliver the best outcomes for those

struggling the most.

2.8 The Minister for Social Justice thanked members for their engagement with the Expert Group and noted that further updates would be provided to the sub-committee as the work developed.

Item 3: Council Tax Reduction Scheme

3.1 The Minister for Finance and Local Government introduced the item, which updated the sub-committee on the work ongoing in relation to the Council Tax Reduction Scheme.

3.2 The Welsh Government had provided £244 million each year to local authorities to fund the scheme, which was provided through the local government settlement. Those who qualified for CTRS paid either reduced or zero council tax.

3.3 When first established in 2013, the government's Council Tax Reduction Scheme assisted over 300,000 households in managing their council tax liability and avoiding financial hardship.

3.4 Caseload had been monitored regularly and was noted to have fallen gradually since 2013, with a temporary rise during the pandemic. The latest figures indicated that around 265,000 households received support with their bills, with around 210,000 households paying no council tax.

3.5 This equated to nearly one-in-five households in Wales receiving some support. The value of awards for 2022-23 was currently estimated at £287 million, meaning the average award to eligible households was almost £1,100 a year. As such, CTRS was one of the largest direct interventions the Government was making to alleviate the impact of financial pressures on low-income

households.

3.6 The sub-committee discussed the potential reasons for a falling caseload of numbers, including the replacement of qualifying benefits with Universal Credit, meaning that households who would previously have qualified automatically for council tax support now had to apply separately, and changes to pension ages.

3.7 It was noted that take-up campaigns had been positively received and reinstating the automatic qualification link should improve take-up numbers significantly.

3.8 The sub-committee welcomed the review into all aspects of the CTRS system and the support now provided to care leavers up to the age of 25, which would help to alleviate potential homelessness and indebtedness for those who had experienced a difficult start to their lives.

3.9 It was noted that local authorities were engaged with the work of the Enforcement Conduct Board, to ensure that collections and arrears were managed in an appropriate way, which included consideration of enforced Pre-payment Meter installations.

3.10 The committee welcomed the update and noted it would be essential to draw all workstreams across Government together to ensure continued delivery of a coherent benefits system to the citizens of Wales.

Item 4: Welsh Government role in challenging and convening partners

4.1 The Minister for Social Justice introduced the item, which asked the sub-committee to consider what more could be done to convene and challenge partners about the support they were providing to help mitigate the cost-of-living

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crisis. This item had arisen following a meeting of the Expert Group the previous week.

4.2 It was apparent there were many examples of where ministers had done a great deal to press partners on the action being taken, including regular meetings with utility providers, financial institutions, local authorities and digital companies such as mobile phone providers.

4.3 It was recognised that many institutions were doing a great deal, but there was still potential for some to do more.

4.4 It was acknowledged the Welsh Government did not have the power to compel action in most cases but continued engagement and pressure on organisations would be vital to deliver more.

4.5 There was evidence of responsible lenders and advice services working together to deliver the support people required, such as Cambrian Credit Union and Citizen's Advice.

4.6 It was noted that advice and actions were being delivered through the Partnership Council for Wales and wider social partnership framework, which was bringing different sectors together successfully and there was a focus on the work within communities, such as the attainment champions and initiatives such as 'Big Bocs Bwyd' in schools.

4.7 Universities and schools were also supporting students with various interventions such as longer opening hours, support with food and upcycling of computers.

4.8 It was noted that public services boards were due to publish their new wellbeing plans and it was clear the impacts of poverty should be a priority for all partners.

4.9 In addition, there was an opportunity to work with town and community

councils at the most local level of democracy, to complement support across local authorities and public services. The intelligence and resources at neighbourhood level helped during the pandemic and would do so again for the most vulnerable.

4.10 To this end, funding for One Voice Wales would be provided of £150,000 to complement, not duplicate, existing activities.

4.11 It was noted that work would continue with revenues and benefits teams across local authorities to improve coordination, which could result in schemes being delivered more efficiently and targeted more effectively towards those in greatest need.

4.12 Ministerial visits to warm hubs located throughout the country had highlighted the excellent benefits being delivered to communities locally, and there was potential for support services to be expanded, where funding allowed.

4.13 It was suggested that further work could be undertaken with companies to expand their social tariff offering, noting that in-work customers could not access many of the benefits of these tariffs, despite struggling to meet their bills. The government could play a co-ordinating role in bringing these companies and their suggestions together to share the learning and establish common industry standards where appropriate.

4.14 The point was made that company profits should be re-invested wherever possible to enable automatic referral to social tariffs.

4.15 In addition, further work should be done with the UK government on increasing the Local Housing Allowance, an increase to which would lead to savings for local authorities.

4.16 The sub-committee noted that feedback would be provided to the Expert Group, and they would be challenged to focus on specific actions that could be

taken.

4.17 The committee noted the update.

Cabinet Secretariat

March 2023

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