

**PUBLICATION** 

# Cabinet meeting: 5 June 2023

Minutes of a meeting of the Cabinet on 5 June 2023.

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**Present** 

**Previous meeting** 

**First Minister's items** 

Senedd business

First Supplementary Budget 2023 to 2024

**Revised Child Poverty Strategy** 

#### **Present**

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

#### **Officials**

- Andrew Goodall, Permanent Secretary
- · Des Clifford, Director Office of the First Minister
- · Rebecca Dunn, Head of Cabinet Division
- Toby Mason, Head of Strategic Communications
- Jane Runeckles, Special Adviser
- · Madeleine Brindley, Special Adviser
- Alex Bevan, Special Adviser
- · Daniel Butler, Special Adviser
- Ian Butler, Special Adviser
- · David Davies, Special Adviser
- Kate Edmunds, Special Adviser

- · Sara Faye, Special Adviser
- Sam Hadley, Special Adviser
- · David Hooson, Special Adviser
- Clare Jenkins, Special Adviser
- · Owen John, Special Adviser
- · Phillipa Marsden, Special Adviser
- · Tom Woodward, Special Adviser
- Christopher W Morgan, Head of Cabinet Secretariat (minutes)
- · Damian Roche, Cabinet Secretariat
- Helena Bird, Permanent Secretary's Office
- · Catrin Sully, Cabinet Office
- Tracey Burke, Director General Climate Change & Rural Affairs
- Jo-Anne Daniels, Director General Education, Social Justice and Welsh Language
- Reg Kilpatrick, Director General, COVID-19 recovery and Local Government
- Tim Moss, Chief Operating Officer
- · Andrew Slade, Director General, Economy, Treasury and Constitution
- · Helen Lentle, Director Legal Services
- Gawain Evans, Director of Finance (item 4)
- Sharon Bounds, Deputy Director Financial Controls (item 4)
- Amelia John, Interim Director, Communities and Tackling Poverty (item 5)
- Claire Germain, Deputy Director Tackling Poverty and Supporting Families (item 5)
- David Willis, Head of Tackling Poverty (item 5)

## Item 1: Minutes of previous meetings

1.1 Cymeradwyodd y Cabinet gofnodion y 22 Mai / Cabinet approved the minutes of 22 May.

#### **Item 2: First Minister's items**

#### Recent engagements during recess

- 2.1 The First Minister informed Cabinet that during recess he and a number of other Ministers had attended the Urdd Eisteddfod in Llandovery, which had been well attended.
- 2.2 In addition, the First Minister had met the Scottish First Minister during a visit to Edinburgh, where amongst other things, they discussed the impact of the UK government's decision to use the Internal Market Act to limit the Scottish Government's planned Deposit Return Scheme. The UK government would not allow glass to be included within the Scottish Scheme. This would have implications for the Welsh Government's policy, which was due to be introduced in 2025.
- 2.3 The First Minister also attended the Hay Festival on Saturday.

#### Item 3: Senedd business

3.1 Cabinet considered the Plenary grid and noted that voting time would be around 5.40pm on Tuesday and 6:25pm on Wednesday.

### Item 4: First Supplementary Budget 2023 to 2024

4.1 The Minister for Finance and Local Government introduced the paper, which asked Cabinet to approve the First Supplementary Budget of 2023-2024.

- 4.2 This budget was the first opportunity to take into account changes since the Final Budget. It included the changes arising from the UK government's Spring Budget and 2023-2024 Main Estimates in respect of consequentials and transfers from and to UK government departments. There were also technical changes to reflect the implementation of the International Financial Reporting Standard (IFRS) 16 on leases.
- 4.3 Excluding the changes relating to IFRS16, the Wales DEL had increased by £228 million. This comprised of £128 million fiscal resource, £103 million general capital, with a reduction of £3 million financial transactions as a result of consequentials in the UK Main Estimates.
- 4.4 The increase of £128 million revenue related to £28 million drawn from the Wales Reserve and allocated to the Education and Welsh Language MEG to cover the costs of the 2022/2023 pay award for teachers in schools and Further Education for the remainder of the academic year within the current financial year. There were £44 million consequentials from the UK Spring Budget and Main Estimates and £56m (net) transfers to and from UK government departments.
- 4.5 The increase of £103 million capital comprised of £37 million consequentials from the UK Spring Budget and Main Estimates, £58 million ringfenced for City and Growth Deals and £8 million (net) transfers to and from UK government departments.
- 4.6 In respect of IFRS16, the capital budget had increased by £436 million relating to new and renewed leases already planned for 2023-2024. Non-fiscal resource had increased by £104.8 million with a corresponding decrease in fiscal resource of £100.1 million. These adjustments reflected the information provided by departments and would flow straight through to MEGs within this supplementary budget. All adjustments relating to IFRS16 were ringfenced for this specific purpose and there was no effect on overall spending power.

- 4.7 Finance officials were in the process of finalising and translating the material for publication and the Minister would be meeting the Plaid Cymru designated member the following day to provide briefing on the content of the budgetary changes.
- 4.8 Cabinet welcomed the paper and recognised that the Supplementary Budget was largely procedural.
- 4.9 Cabinet approved the paper and noted that the First Supplementary Budget would be laid on 13 June and debated in the Senedd on 4 July.

# Item 5: Revised Child Poverty Strategy for Wales – Consultation

- 5.1 The Minister for Social Justice and Chief Whip introduced the paper, which invited Cabinet to approve the 5 key objectives and 5 priorities to be included in the revised Child Poverty Strategy for Wales. In addition, ministers were asked to agree that the co-constructed draft revised Child Poverty Strategy should be issued for formal consultation.
- 5.2 The Children and Families (Wales) Measure 2011 required the government to publish a strategy for contributing to the eradication of child poverty in Wales and report on progress every 3 years. The latest report on the current strategy was published in December 2022. In January it had been agreed there was a need to develop the next iteration of the strategy.
- 5.3 Since Cabinet previously considered this policy in January, and with the support of external organisations, there had been engagement with over 3,000 people with lived experience, made up of nearly 1400 children and young people and their families, particularly disabled people and those from Black, Asian and Minority Ethnic communities. There had also been meetings with over 200

representatives of organisations that supported families in poverty.

- 5.4 Building on the recommendations of the Wales Centre for Public Policy, it had been possible to co-construct a strategy, which set out cross-government work that contributed to tackling poverty and inequality, while identifying priority areas where there was a need for a renewed focus to realise policy ambitions. It also clearly set out where Welsh Government did not have the levers.
- 5.5 The revised strategy included 5 objectives, 5 priorities and recognised the contribution that all parts of society would need to make to deliver the change needed for children and families. It was set within the context of the current cost of living crisis and the development of a longer-term approach to preventing and reducing poverty and inequalities. This supported the ambitions of the Wellbeing of Future Generations (Wales) Act 2015, improving wellbeing and outcomes for children as they grow and in the future.
- 5.6 Consulting within the next month would allow for a final strategy to be published before the end of the calendar year. The aim was to drive change and create a more equal Wales.
- 5.7 Cabinet welcomed the paper and agreed it was important to ensure that children, young people and their families were treated with dignity and respect by the people and services who support them. Furthermore, it was important to challenge the stigma of poverty.
- 5.8 Ministers highlighted the importance of Welsh Government policies, such as the Childcare Offer, Flying Start and Breakfast Clubs, in supporting families.
- 5.9 It was important to make clear within the consultation document that the Welsh Government did not have all the levers Wales. In fact, actions by the UK government actually increased child poverty levels, such as making cuts to social security support for families with children, particularly the 2-child limit for certain benefits.

5.10 Cabinet approved the paper.

Cabinet Secretariat
June 2023

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