



Llywodraeth Cymru
Welsh Government

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Cabinet Sub-Committee on Cost of Living meeting: 10 July 2023

Minutes of the Cabinet Sub-Committee on Cost of Living
meeting on 10 July 2023.

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Present

- Mark Drakeford MS
- Jane Hutt MS (Chair)
- Rebecca Evans MS
- Lesley Griffiths MS
- Julie James MS
- Jeremy Miles MS
- Hannah Blythyn MS
- Julie Morgan 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
- David Hooson, Special Adviser
- Jo-Anne Daniels, Director General Education, Social Justice and Welsh Language
- Reg Kilpatrick, Director General, COVID-19 recovery and Local Government
- Nick Wood, Deputy Chief Executive NHS Wales
- Amelia John, Interim Director Communities and Tackling Poverty
- Claire Germain, Deputy Director Tackling Poverty and Supporting Families
- Jo Salway, Director Social Partnership and Fair Work
- Andrew Jeffreys, Director Welsh Treasury

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- Emma Watkins, Deputy Director Budget and Government Business
- Jonathan Price, Chief Economist
- Toby Mason, Head of Strategic Communications
- Catrin Sully, Cabinet Office
- Neil Buffin, Legal Services
- Liz Lalley, Director, Recovery & Re-start
- Emma Spear, Deputy Director, H&SS
- Christopher W Morgan, Head of Cabinet Secretariat
- Damian Roche, Cabinet Secretariat (Minutes)

External attendees

- Helenà Herklots, Older People's Commissioner for Wales
- Victoria Lloyd, Chief Executive, Age Cymru
- Naomi Alleyne, WLGA
- Paul Butterworth, Chambers Wales
- Josh Traynor, Student Observer, St Andrews University

Apologies

- Mick Antoniw MS
- Vaughan Gething MS
- Eluned Morgan MS
- Lynne Neagle MS
- Dawn Bowden MS
- Lee Waters MS

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Item 1: Minutes of previous meetings

1.1 Croesawodd y Gweinidog Cyfiawnder Cymdeithasol Gweinidogion a phartneriaid i'r cyfarfod. The Minister for Social Justice welcomed Ministers and partners to the meeting.

Item 2: Update on the work of the Cost of Living Expert Group

2.1 The Minister for Social Justice and Chief Whip provided an update on the work of the Cost of Living Expert Group.

2.2 Ministers met the expert group on 24 May and again on 6 July, where the group presented a number of recommendations for the short, medium and long term.

2.3 The views of the group were welcomed and would help the government plan for next winter and beyond, although a number of the recommendations were likely to be challenging given the constrained financial context.

2.4 The group had been asked to clearly prioritise their recommendations and, where possible, for recommendations to focus on how the government could effectively target existing activity, if in their view, that activity was not currently having the desired impact.

2.5 The expert group would likely wish to continue to highlight all the potential priority actions they considered could be taken, irrespective of potential cost. However, the group acknowledged that some of the higher cost items would be subject to funding becoming available.

2.6 The expert group would be aiming to deliver their formal report on the framework by the end of July.

2.7 The sub-committee noted the update.

Item 3: Impact of the cost of living on older people in Wales

3.1 The Minister for Social Justice and Chief Whip welcomed Helenà Herklots, the Older People's Commissioner for Wales and Victoria Lloyd, Chief Executive of Age Cymru and invited them to present their findings on the impact of the cost-of-living crisis on older people in Wales.

3.2 It was reported there was significant anxiety amongst the older population about the coming winter months, with 22% of 1200 survey respondents over the age of 50 indicating they were worried.

3.3 It was noted that only 5% of respondents were in receipt of Pension Credit, and many were worried about simply surviving and being able to afford basic bills and food. Managing health conditions with such high heating costs was another major concern, along with maintaining relationships and loneliness.

3.4 Pensioner poverty had been rising since before the pandemic, and despite some managing to hold a financial buffer during the crisis, this was now being used up by the cost-of-living impacts and inflationary erosion of savings.

3.5 Community transport enquiries had increased at Age Cymru, with petrol and other transport costs cited as reasons for not visiting relatives and attending appointments.

3.6 Missed appointments would create more pressure on the health service in

the longer term. There were also concerns about the costs of living with illnesses with some estimates of a cancer diagnosis costing people approximately £1,000 per month in various additional expenses.

3.7 Housing was another area of concern, with many private landlords leaving the market creating rent inflation and increased evictions, alongside homeowners being worried about affording basic home maintenance costs.

3.8 It was reported that 64% of older people had reduced spending during the last 12 months, particularly on energy, food shopping, social activities, clothing, transport, holidays, water and connectivity via phone and internet services.

3.9 The evidence was clear that single, older women over 75 were the greatest impacted and most likely to be living in poverty.

3.10 The actions taken to mitigate these circumstances were welcomed, including targeted campaigns to increase take up of Pension Credit, the DAF, Fuel Support Scheme and Warm Hubs, alongside support from the voluntary sector and local authorities.

3.11 However, there were still elements of the older population that were difficult to reach, and it was suggested that more targeted action was needed to increase the numbers claiming the money they were entitled to through Pension Credits.

3.12 It was noted that almost 80,000 individuals in Wales were missing out on Pension Credits, which meant that almost £200m was going unclaimed from the UK Treasury.

3.13 Claiming Pension Credits also provided access to a raft of other benefits such as council tax discounts, help with housing costs, free dental and eye care treatment and free TV licences for people aged over 75.

3.14 The 'ask' of the Welsh Government and other delivery partners was to

ensure that as many older people as possible were claiming their full entitlements.

3.15 One suggestion to deliver this was to improve data matchup between local authorities to target approximately 4000 households, a third of whom could be helped within the next 6 months.

3.16 Another suggestion was that communications needed to improve about Pension Credit take up, to remove any stigma or embarrassment about claiming something people were entitled to. The use of social media would have limited impact if targeted to older people who did not use such methods of communication, but campaigns could be targeted at younger generations to assist their older relatives.

3.17 Also, regular points of access for older people needed to be used to communicate with individuals, including through primary care and local authorities. It was also suggested that trade unions for those who had retired could be a useful point of contact and advice for older people.

3.18 It was suggested that organisations also had capacity to deal with enquiries at source, such as when older people accessed local authority support, signposting could take place to relevant benefit information.

3.19 There was a question about whether those who were just above the level of claiming Pension Credit were aware that returning to work, even if part-time and at lower levels of responsibility, could bolster their income.

3.20 All age apprenticeships could also be highlighted as part of this return to learning and work, with more evidence needed around workforce age discrimination.

3.21 In addition, there was a need for more evidence about what things people were managing without, or substituting, to cope with the cost-of-living crisis,

including cancelling utilities such as phone and broadband contracts or insurance policies.

3.22 The sub-committee thanked the presenters and agreed that ministers would highlight these issues at every opportunity.

Item 4: Update from partners on the impact of the cost of living on older people in Wales

4.1 The Minister for Social Justice and Chief Whip invited social partners to provide an update from their perspective on the crisis and its impact on older people.

4.2 The sub-committee noted the recent announcement by the DWP about delivery of a pilot to directly target older people living in households receiving housing benefit, which would encourage them to also claim Pension Credit. The pilot would take place in 10 Local Authorities across the UK, including a sample of urban and rural authorities and Powys was the area selected in Wales. Officials were engaging with the DWP on how the pilot would be delivered.

4.3 It was reported the Welsh Government was doing all it could to put money into the pockets of people across Wales and delivering excellent results through making every contact count.

4.4 An Income Maximisation Task and Finish Group had been set up, and a specific Pension Credit sub-group whose membership included both the Older People's Commissioner and DWP. Through cross-government approaches and by joint working with local authorities and other key partners this group would drive improvements in the take-up of welfare benefits and payments.

4.5 Through the Welsh Government's Single Advice Fund (SAF), partners were

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also working together to reach older people to raise their awareness of welfare benefit entitlements and it was noted that 33% of all people accessing the SAF were older people.

4.6 As suggested earlier in the meeting, work was already ongoing between Welsh Government officials, who had discussed with the WLGA and Revenue and Benefit representatives from Local Authorities how data held could be better used to directly target households who might be missing out on Pension Credit.

4.7 The sub-committee heard views of businesses across Wales, who were currently focused on increasing revenue wherever possible, and in turn profits, so that wage increases could be met.

4.8 It was noted that many businesses in West and mid-Wales were struggling to reinvigorate their local economies by bringing some of the lost older workforce back into the workplace, but large regions such as Cardiff were fairing better with the challenge.

4.9 In relation to the DAF, the committee acknowledged it was a demand-led crisis fund of last resort and was there for people who were in a crisis and needed financial help, which included older people.

4.10 Work was ongoing to identify and address potential barriers to accessing support from the DAF with those organisations connected with older people and digital exclusion was recognised as a particular issue.

4.11 Therefore, in addition to web resources and the DAF partner network, information on the DAF had been distributed to local organisations including food banks and warm hubs to encourage take up, with more to be done to raise levels of awareness.

4.12 The sub-committee recognised that some older people had different funding streams open to them, which they were accessing instead of the DAF.

4.13 The sub-committee thanked all partners for their contributions.

Cabinet Secretariat

July 2023

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