
14th Meeting of the Finance Sub Group of the Partnership Council for Wales
Thursday, 14 December 2017
Committee Room 5, Tŷ Hywel, Cardiff Bay
Minutes

MEMBERS

Welsh Government

Alun Davies AM, Cabinet Secretary for Local Government and Public Services - Chair
Mark Drakeford AM, Cabinet Secretary for Finance

Welsh Local Government Association

Cllr Debbie Wilcox, Leader of the WLGA (Newport)
Cllr Anthony Hunt, WLGA Finance Spokesperson (Torfaen)
Cllr Andrew Morgan, WLGA Presiding Officer (Rhondda Cynon Taff)
Cllr Aaron Shotton, Deputy Leader of the WLGA (Flintshire)

ATTENDING

Welsh Government Officials

David Costa – Special Adviser
Reg Kilpatrick – Director, Local Government
Debra Carter – Deputy Director, Local Government Strategic Finance
Rob Hay – Deputy Director Local Government Finance Policy
Simon Edwards – Local Government Finance Policy

Welsh Local Government Association Officials

Steve Thomas – Chief Executive, WLGA
Jon Rae – Director of Resources, WLGA
Steve Jones – Chair, Society of Welsh Treasurers (Head of Finance, Merthyr Tydfil)

Police and Crime Commissioners

Rt Hon Alun Michael – South Wales Police and Crime Commissioner

APOLOGIES

Cllr Paul Miller (Pembrokeshire)
Cllr Peter Fox OBE (Monmouthshire)
Cllr Mark Pritchard (Wrexham) and Cllr Dyfrig Lewis Siencyn (Gwynedd) unable to attend via video conference due to technical difficulties with connection.

Agenda Item 1: Welcome and Introductions

1. The Cabinet Secretary for Local Government and Public Services (the Cabinet Secretary) welcomed members to the fourteenth meeting of the Finance Sub Group.

Agenda Item 2: Minutes and Matters Arising from Previous Meeting (Paper 1)

2. The previous minutes were agreed as a true record. The action on consideration of the Distribution Sub Group (DSG) work programme would be considered at the January meeting. This meeting had been tabled at the request of local government members.

Agenda Item 3: Implications of the UK Government Autumn Budget 2017

3. The Cabinet Secretary for Finance reflected that the macro-economic outlook accompanying the UK Government Budget suggested that austerity was set to continue for an eighth year.
4. The recent UK Government Budget decisions meant an additional £215 million revenue for the Welsh Government Budget over four years.
5. The UK Government announcement also meant an additional £1 billion of Capital funding for Wales over the same period. However £650m of this was in the form of financial transactions and must ultimately be repaid to HM Treasury, leaving £350m capital grant funding.
6. The Cabinet Secretary for Finance reiterated his previous comments that he would look to repair the consequential cuts in the Welsh Government Budget as a result of the assumptions made around the £3.5 billion of unallocated cuts in the UK Government Budget, if these are not carried through in the second year of the budget.
7. The Cabinet Secretary indicated he intended to announce some immediate allocations of capital funding prior to the Final Budget debate on 16 January. This would be followed by further details on capital and financial transactions allocations in the spring.
8. Steve Thomas (WLGA) suggested some work could be done to look at the key pressures and to consider how to target them specifically.
9. **Action: The Cabinet Secretary asked that the respective officials work together to progress this further.**

Agenda Item 4: Reforming Local Government Finance in Wales

10. The Cabinet Secretary for Finance set out the short term and longer term work being taken forward by the Welsh Government in relation to the new permanent Small Business Rates Relief scheme; making Council Tax a more progressive

form of local taxation and the need to address the inconsistencies between local authorities in dealing with the non payment of council tax.