
16th Meeting of the Finance Sub Group of the Partnership Council for Wales
Wednesday, 11 July 2018
Conference Room B, 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, WLGA Leader (Newport)
Cllr Anthony Hunt, WLGA Finance Spokesperson (Torfaen)
Cllr Andrew Morgan, WLGA Presiding Officer (Rhondda Cynon Taff)
Cllr Paul Miller (Pembrokeshire)

ATTENDING

Welsh Government (WG) Officials

Rachel Maycock – Special Adviser
Reg Kilpatrick – Director, Local Government
Judith Cole – Deputy Director, Local Government Finance & Workforce Partnerships
Debra Carter – Deputy Director, Local Government Strategic Finance

Welsh Local Government Association Officials

Steve Thomas CBE – Chief Executive, WLGA
Chris Llewelyn – Deputy Chief Executive, WLGA
Nigel Aurelius – SWT Representative

Police and Crime Commissioners

Rt Hon Alun Michael – South Wales Police and Crime Commissioner
Darren Garwood – Finance Officer, Gwent Police

APOLOGIES

Cllr Aaron Shotton, Deputy Leader of the WLGA (Flintshire)
Cllr Peter Fox OBE (Monmouthshire)
Cllr Dyfrig Siencyn (Gwynedd)

Agenda Item 1: Welcome and Introductions

1. The Cabinet Secretary for Local Government and Public Services (the Cabinet Secretary) welcomed members to the 16th 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. Actions arising from the previous meeting were confirmed as complete.

Agenda Item 3: Distribution Sub Group Progress Report (Paper 2)

3. Steve Thomas noted concerns about the volatility of the free school meals data and the impact of welfare reform. Welsh Government officials confirmed that the free school meals data would use a three year average to mitigate for this and that the impact of welfare reform is being closely monitored.
4. Cllr Hunt asked how the funding floor would be delivered. The Cabinet Secretary confirmed he would be discussing this with his officials in the upcoming months.
5. Cllr Wilcox expressed the willingness of the local authorities to engage more closely with the Welsh Government.
6. **ACTION: WLGA and WG officials to consider closer engagement.**

Agenda Item 4: Update from the Cabinet Secretary for Finance

7. The Cabinet Secretary for Finance confirmed funding of £150,000 to WLGA from the Welsh Government's EU Transition Fund had been agreed.
8. He advised that there would be more uncertainty for 2019-20, due to the UK Government conducting a Spending Review in 2019. As a result, the Welsh Government expected to be able to publish a one year only budget for 2019-20, with the draft budget to be published on 2 October and final Budget on 18 December. Brexit continued to create more uncertainty in the budget-setting process.
9. Welsh Government had recently begun formal consultation on eligibility for free school meals in the light of changes to universal credit.
10. The Cabinet Secretary for Finance summarised the developments under local tax reform and highlighted the additional funding which had been provided to local authorities for discretionary relief. He and his officials were currently working with local government to reduce non-domestic rates (NDR) avoidance.
11. The Cabinet Secretary for Finance noted the inconsistent approaches to council tax debt across Wales, and considered there was a need for greater political engagement to ensure that the wider impact of debt management is considered.

12. Cllr Morgan raised the issue of exemptions from council tax for care leavers. The WLGA would be pressing for more collaboration between local authorities, especially regarding providing care leavers with an exemption from council tax.

13. **ACTION: WLGA to consider council tax debt management at its Executive Committee with supporting material provided by Welsh Government officials.**

Agenda Item 5: Local Government Budget Pressures

14. Steve Thomas set out the main factors causing local authorities financial pressure and Cllr Hunt noted that the social care pressures were cutting into councils' ability to provide other services. The Cabinet Secretary for Finance recognised that authorities had done much singly and together but he hoped they would be able to do more.

15. The Cabinet Secretary for Finance confirmed that he had been engaged in discussions with the UK Government regarding the HRA borrowing cap. As a result there is a total revised HRA cap of £73.5m.

Agenda Item 6: Police and Crime Commissioner's Update

16. The paper was presented and noted

Agenda Item 7: Any Other Business

17. No other business was noted.