

Finance Sub Group Meeting – 29 January 2024 - Minutes

Finance Sub Group of the Partnership Council for Wales- Minutes

Thursday, 29 January 2024 10:40-11:40 MS Teams

Attendees

Welsh Government Ministers

Rebecca Evans MS, Minister for Finance and Local Government – Chair

Jeremy Miles MS, Minister for Education and Welsh Language

Jane Hutt MS, Minister for Social Justice and Chief Whip

Julie James MS, Minister for Climate Change

Eluned Morgan MS, Minister for Health and Social Services

Julie Morgan MS, Deputy Minister for Social Services

Lynne Neagle MS, Deputy Minister for Mental Health and Wellbeing

Hannah Blythyn MA, Deputy Minister for Social Partnership

Welsh Local Government Association

Cllr Andrew Morgan, Rhondda Cynon Taff

Cllr Mark Pritchard, Wrexham

Cllr Rob Stewart, Swansea

Cllr Llinos Medi, Ynys Mon

Cllr Anthony Hunt, Torfaen

Cllr Dyfrig Siencyn, Gwynedd

Cllr Ian Roberts Flintshire

Cllr Paul Griffiths, Monmouthshire

Local Government officers

Dr Chris Llewelyn – Chief Executive, WLGA

Jon Rae – Director of Resources, WLGA

Nigel Aurelius – Torfaen CBC (Chief Finance Officer) Secretary SWT

Nathan Gardner – Finance Manager, WLGA

Lisa Haywood – Finance Policy Officer, WLGA

Welsh Government officials

Reg Kilpatrick – Director Local Government

Judith Cole – Deputy Director, Local Government Finance Policy and Sustainability

Emma Smith – Local Government Finance Policy and Sustainability

Lisa James – Deputy Director, Local Government Policy

Welsh Government special advisors

Philippa Marsden

Sara Faye

Clare Jenkins

Ian Butler

David Hooson

Andrew Pithouse

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Welsh Government officials supporting Ministers / observing

Catrin Awoyemi – Equality, Poverty and Children’s Evidence and Support
Kate Bacon – Private Secretary
Helen Childs - Private Secretary
Sara Cochrane – Grants Centre of Excellence
Lyndon Evans – Private Secretary
Mohammad Ghalati – Local Government Policy
Emyr Harries – Education Business and Governance
Keiran Harris – Private Secretary
Lisa Hughes - Local Government Policy
Paula James – Local Government Policy
Anthony Jordan – Inclusion and Corporate Business (social services)
Lowri Llewellyn – Private Secretary
Steven McGregor – North Wales
Andrea Melvin - Local Government Finance Policy and Sustainability
Geraldine O’Dare – Grants Centre of Excellence
Sarah Rhodes – Housing Policy
Nikita Roach - Legal Services
Andrew Wagstaff - Private Secretary
Emma Watkins – Welsh Treasury

Apologies

Cllr Jane Mudd, Newport
Vaughan Gethin MS, Minister for Economy
Lesley Griffiths MS, Minister for Rural Affairs and North Wales and Trefnydd

Item 1: Welcome and Introductions

1. The Minister for Finance and Local Government (the minister) thanked members for attending this additional meeting of the Finance Sub Group. The focus of the meeting would be to review the work completed on reducing the administrative burden on local authorities.
2. The minister welcome Ministerial colleagues to the meeting.

Item 2: Review of proposed changes to local government grants

3. The minister noted the pause to the work to allow Cabinet’s draft budget discussions to take place over the Autumn. This supported the commitment to

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transparency so that any changes to the value of grants could be clearly seen as part of the draft budget and draft local government settlement.

4. The minister explained there have always been three main options with grants, to transfer into the RSG, amalgamate grants together or leave as they are. Grants are at different stages of their evolution and different solutions will work for different areas. Any changes should not increase the admin burden, whether for Welsh Government or from within local government in their financial and performance monitoring processes.
5. The minister noted her intention to discuss the grants in three sections, ones that are likely to move to the revenue support grant in 2024-25 or 2025-26; those that are amalgamating; and those that are staying as they are.
6. The minister began with her own portfolio, the child burial grant is not a statutory function but an agreed commitment by Welsh Government and Local Government. The final details of how any agreement could work are being worked through.
7. The Minister for Health and Social Services noted the Implementation of the Performance Framework Grant, which has one year left and is paid to all local authorities was intended to be paid through the RSG in 2024-25.
8. The Minister for Climate Change noted the intention to transfer delivery of flood prevention grant to the settlement. She then described work taking place with local authorities on a range of housing grants. The No One Left Out, Discretionary Homeless Provision and Strategic Co-ordinator grants were established after the Local Authority Hardship Fund, to support local authorities with the costs associated with Covid, closed in March 2022. The grants provide transitional support to LAs to meet their statutory duties to maintain the 'no one left out approach' and prevent homelessness.
9. Cllr Mark Pritchard agreed with the transfers but asked for confirmation of the level of funding for housing grants as soon as possible.
10. The transfers were agreed.
11. The minister introduced the next section of the review, the amalgamation of grants.
12. The Deputy Minister for Social Services described a range of grants where there were similar objectives that were planned to be amalgamated together or with the Children and Communities Grant. It was felt the related policies still needed a distinct funding stream to support delivery of desired outcomes.
13. The Minister for Education described the work that had been happening for a number of years and recently accelerated to consolidate grants to the education

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sector, to reduce the administrative burden and increase flexibility on a local level. Grants will all be directed to local authorities and schools and simplified. In parallel there is work going on to redesign the middle tier and school improvement and there is a need to maintain stability in these services while the changes happen.

14. Cllr Mark Pritchard noted that he agreed with the approach to both these areas. He felt the change to regional working could cause some issue as there are currently different arrangements in different areas of Wales but agreed with the principles and supported the joint approach.
15. Cllr Ian Roberts agreed that the approach to school improvement needed to be carefully managed so that we didn't return to six separate services in North Wales, for example.
16. The Minister for Education and Welsh Language agreed and emphasised the work happening on co-design of the future approach.
17. Jon Rae raised the expertise available in the Distribution Sub Group (DSG) when considering amalgamated grant distribution methodology, so that there is consistent treatment with the approach in the revenue support grant where appropriate.

Action – any grant distribution to be explored further with DSG as required.

18. The minister introduced the third section of the review, grants which were staying as they were. She noted that many of these were where grants were only given to one authority, for example the Cardiff Harbour Authority, or grants were given on a regional basis. As the Minister for Economy was unable to attend the minister noted the approach to the Communities for Work Plus scheme which is part of a wider review of employability programmes that is ongoing, so it was not appropriate to change the grant at present.
19. The minister invited other Ministers to comment on any areas they would like to bring to the group's attention.
20. The Minister for Climate Change noted the housing support grant – the distribution formula for this grant is being reviewed, but there are no plans to put into the RSG following discussion with local authorities.
21. The Deputy Minister for Social Services noted that some grants were demand led so had been kept separate.
22. The Deputy Minister for Mental Health and Wellbeing noted that some grants in her portfolio area were paid on a regional basis on the same footprint as the Health Boards as they were joint programmes. The number of grant payments had been reduced and terms were being reviewed with the objective of making

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them simpler. Other grants were waiting for changes in legislation to be delivered so it was not appropriate to change at present but would be reviewed in future.

23. The Deputy Minister for Social Partnership echoed a similar situation with grants that were currently being evaluated.
24. Cllr Paul Griffiths noted that many of the grants that affected workloads were those that were application based, creating inefficiencies in local government in completing the application and Welsh Government in assessing the form.
25. Cllr Andrew Morgan agreed that there seemed to be no correlation with the size or complexity of the funding pot and the level of information and monitoring required.
26. The minister explained that the review had only looked at revenue grants in the first instance, but capital grants could be looked at in future.
27. The Minister for Social Justice and Chief Whip reminded the group of the third sector code of funding and the knock on effect to that sector, especially in relation to local and regional needs.
28. The Minister for Climate Change raised a few grants that are continuing to be reviewed grouped in policy areas – for example waste grants, where a different approach could be used, grants could be transferred into the RSG where targets were being met and kept separate where not. For flood prevention a move to a co-production approach was planned, rather than application, review, feedback, resubmission approach to streamline applications.

Item 3: Any other business

29. The minister thanked the group for their time and input and indicated further updates would be given as part of the normal FSG meeting cycle as necessary.
30. The minister asked for any items of other business, none were raised.