

- **Farming protests / Sustainable Farming Scheme**
- **Covid inquiry / why no Wales inquiry**
- **Tata**
- **Cultural ALBs**
- **Doctors' pay deal negotiations**
- **Cancer Stats *[to be published Tues Feb 27]***
- **Latest NHS performance stats *[published last Thursday 22nd February 2024]***
- **Council Tax rises**
- **Business rates relief**
- **182 days *[covered on ITV, Monday 25th]***
- **South Wales fire chief row**
- **Budget cut to police visits to schools**

Farming protests / Sustainable Farming Scheme

- Farming is very important to Wales and our economy and we want a successful future for Welsh farming.
- We have had a seven-year conversation with farmers to design future farming support and we are committed to continuing to working with farmers to develop the Sustainable Farming Scheme.
- The scheme is currently out for consultation and we would like to thank the thousands of farmers who have already responded and attended the 10 Welsh Government Roadshow sessions across Wales. This is a genuine consultation and no decisions will be taken on any element of the proposal, including how we achieve the requirement for habitat and trees, until we have conducted a full analysis of the consultation responses.
- We fully expect to make changes to the proposals as a result of the consultation. We are listening and we will consider all responses. We encourage everyone to reply with their views by 7 March.

If needed on the meetings yesterday [Monday, 26th] with farming representatives in Welshpool and Carmarthen:

- The First Minister and Minister for Rural Affairs would like to thank the farmers for their time. It was an opportunity for the First Minister and Minister to hear directly from the farmers about their concerns but also about their suggestions for change in a range of areas. There was a commitment to continue talking and listening.

Covid inquiry / why no Wales inquiry

- Our thoughts and sympathies are with everyone who lost loved ones during the pandemic.
- We continue to engage fully with the inquiry to ensure all actions and decisions are fully and properly scrutinised.

- Full scrutiny of the decisions made by Welsh Ministers and Welsh public services, together with their interconnected nature with those taken by other UK governments, can only be achieved by a comprehensive UK-wide inquiry.
- Welsh Ministers and government officials will be giving detailed evidence to the UK Covid Inquiry in Cardiff over the coming weeks.

Background

Redacted – information not related to misinformation, messaging strategies, or reputational risk

Tata

- The Welsh Government has worked closely with Tata and its workforce for many years to safeguard the long-term future of steel production in Wales and we have urged the UK Government to provide the investment needed to support the move to greener methods of steel production.
- Steel production underpins all of our manufacturing across the UK and it has an essential role to play in our future.
- We have a history of supporting our steel sector in Wales with capital investment and with support to develop people and skills for today and the future.
- Clearly the Welsh Government does not have the resources or indeed the powers that the UK Governments has but we have always made it clear that we would be prepared to do what we can to support.
- British Steel has also announced proposals to transition to green steelmaking for their UK operations. The eventual closure of their blast furnaces will result in the end of virgin steelmaking in the UK.
- The consequence of this means the UK would be the only G7 nation without primary steelmaking capability and exposes the UK to global market conditions on the import of steel.
- According to the Metals Processing Institute, today's scrap-based EAFs are not all capable of producing all grades of steel – a significant limitation, particularly for flat products for the automotive sectors and packaging:
 - the advanced high-grade steels for automotive exterior body panels and the range of high-quality steel substrate for packaging, a key product for the UK industry. Currently made in TSUK Trostre.
- However, the limitations associated with EAFs are rapidly being overcome, some of the high-quality steel for the automotive sector is now produced via electric arc furnaces in the USA.
- TSUK has confirmed that during transition, downstream supply will be protected through imported steel, and post transition, the Company has said it is confident they will have capability to supply the high-quality steel required via the new EAF to support the majority of their order book for Trostre.

On financial support for Tata Steel UK:

- We have been supporting Tata with substantial support from both capital and revenue for many years

Cultural ALBs

- The Final Budget includes an additional £1.4m for CADW and the Royal Commission, providing parity to these bodies in terms of reductions across other cultural ALBs of 10.5%.
- After exploring their options, and following discussion with their trade unions, the Culture ALBs have launched redundancy consultations.
- We are providing additional funding in 2023/24 for these severance schemes at the Culture ALBs. We will not know the final number of redundancies or the cost until this work is complete.
- We have agreed with the Plaid Cymru Designated Member our immediate and short-term focus must be on supporting jobs. We agreed revenue allocated to delivering the culture strategy in 2024/25 should be re-purposed to mitigate against the impact of job losses at the Culture ALBs and the wider arts sector.
- Amgueddfa Cymru is exploring all available fundraising opportunities and options for further income generation. This includes considering whether charging for entry to some or all its museums is something it should take forward.
- I take the safety of the national collections very seriously. This is why we provided Amgueddfa Cymru and the National Library with an increased capital budget, which is being maintained in 2024/25.
- We are facing extremely challenging economic times but I will continue to support our arm's length bodies upgrade their estate and protect the national collection.

Doctors' pay deal negotiations

- I am disappointed that doctors have decided to take further industrial action, but I understand their strength of feeling about our 5% pay offer.
- We wish to address their pay restoration ambitions, but our offer is at the limits of the finances available to us and reflects the position reached with the other health unions for this year.
- We will continue to press the UK Government to pass on the funding necessary for full and fair pay rises for public sector workers.
- We remain committed to working in social partnership with the British Medical Association and NHS Employers to find a solution and are always ready to talk.

IS this the worst pay offer in the UK? Junior Doctors now on lower pay in Wales than England.

- The offer we have made – a 5% increase which has already been paid into junior doctor pay packets is equal to that made and accepted by other NHS workers this is at the limits of the finances available to us.
- Whilst we have not been able to meet the recommendations of the pay review body this year, during the last financial year we offered a significantly higher sum than was offered in England and higher than that recommended by the pay review body.

- A new Junior Doctors contract was negotiated in social partnership with the BMA and NHS Wales Employers in 2022 with an additional investment of in the region of 3% of the contract costs (up to £8 million), unfortunately junior doctors voted to reject this contract, this has resulted in junior doctors pay in Wales falling behind that in England as any pay awards have been based on the 2002 contract.
- The new contract for junior doctors if accepted would have resulted in slightly higher pay for junior doctors in Wales compared to England and improved terms and conditions.

Consultants will go to ballot on 4 March on industrial and with now new money on the table, a strike there looks likely, how will the NHS cope with that?

- I hope a strike by consultants can be avoided and we are always open to more talks to try to find a way forward, but as I've said before there is no new money at the moment.
- A strike by consultants would cause even more disruption than the junior doctors strikes.
- Planned care would be significantly affected and we could expect more postponed operations than we did during the junior doctors strike.
- But we would work with the BMA and NHS Wales to ensure patient safety was protected during any industrial action.

But the Welsh Government announced extra money for the NHS in the second supplementary budget – why can't this be used to increase the pay of junior doctors?

- This isn't additional funds available to be spent and we can't use these allocations to deliver a pay-rise for doctors.
- The money announced today is an adjustment of the 2023/24 budget and reflects existing spending plans.. Most of it is for the recovery pay award announced last April; reflects current NHS deficits and , an increase in capital funding.
- The Second Supplementary Budget contains two main sets of changes – those announced by the Finance Minister in October 2023 and some additional allocations and changes made during the 2023-24 financial year.

Cancer Stats published Tues Feb 27

- Access to cancer treatment is a priority and clinical teams and managers across the NHS in Wales are working hard to improve cancer performance.
- We have seen a record increase in referrals for cancer diagnosis, of 50%, in the last three years.
- In 2023 record numbers of patients started treatment for cancer (over 21,700) and a record 165,000 people were informed they don't have cancer.
- We are investing heavily in cancer services to improve diagnosis and access to high-quality care, and we have also launched a national programme to

support recovery in cancer waiting times supported by £2 million per year for three years.

Background

Redacted – not in scope for relating to misinformation, public messaging strategy, or reputational risk

Latest NHS performance [published last Thursday 22nd February 2024]

- These figures cover the period of the year when our NHS and its heroic staff is under the most intense pressure.
- So I am delighted that the overall number of people on waiting lists has come down again, for the second month in a row. Those waiting more than two years for treatment also fell for the 21st consecutive month.
- I am pleased to see performance increased against the 62-day cancer target too, from 53.5 per cent to 58 per cent in December. The number of people told they don't have cancer was also the highest figure on record for any December.
- We have placed a clear focus on tackling both those patients with an urgent need and those that have waited the longest.
- The immense pressure on our health service continues. New referrals to secondary care facilities like hospitals are the highest on record, having increased 11 per cent in the latest year. Attendances at Emergency Departments were the highest for any January on record.
- Despite this, performance increased against the four-hour target, while the average time spent in emergency departments decreased in January compared to the previous month.
- The number of patients to receive a 'red' or most urgent ambulance response in eight minutes was the second highest on record in January, with an average response time of 8 minutes and 11 seconds. And despite pressure on the system, the average response to 'amber' patients improved on December.
- The new urgent primary care centre services we have funded to help deliver care closer to home, and reduce pressure on GPs and emergency departments are helping significantly more people than this time last year. These centres are ensuring people receive the right care, in the right place, first time, with the vast majority avoiding the need to attend an emergency department following assessment.
- Progress continues to be made on Pathways of Care Delays, with significant reductions in the number of assessment related delays.
- I would again like to thank our dedicated NHS Wales staff. They have continued to provide a high quality service under extremely challenging circumstances this winter.

Other lines to take:

- It is disappointing to see one-year waits for a first outpatient appointment increase, and the number of waits of longer than eight weeks for diagnostic

services rise. The overall number of waits for diagnostic services did fall however.

- While I recognise we have not achieved our original commitment to clear two-year waits across the majority of specialities, I am pleased that five of the health boards have achieved the interim milestone I gave them – for at least 97% of their pathways to be waiting under two years by the end of December. In fact, we were just 0.2% below the target being achieved nationally. Betsi still have challenges in a number of areas, and Swansea Bay just missed it.

Council Tax – will you cap local authority rises?

- When I published the Provisional Local Government Settlement in December, I wrote to local authority leaders to remind them to engage meaningfully with local communities as they consider priorities.
- I do not consider it appropriate for the Welsh Government to set arbitrary targets irrespective of local circumstances or choices.
- I reminded local authorities they must carefully balance the demands on services with the impact of council tax increases on household finances.
- Since devolution we have respected the responsibility of local authorities and not used powers to cap council tax.
- The UK Government has not provided an adequate funding settlement for Wales and our budget next year is worth £1.3bn less than at the time it was set, as a result of inflation.
- While we've had to take some really difficult decisions to radically reshape our budget, we are protecting the core local government settlement by providing the 3.1% increase to local authorities promised last year, with a total annual core funding contribution of £5.7bn.
- We recognise the settlement falls short of the funding needed to meet all the inflationary pressures being faced by services and that local authorities face difficult decisions as they set their budgets.
- Council tax is more up-to-date in Wales than elsewhere, and we have an additional tax-band for the highest value properties. We've delivered local powers to help manage empty and second homes, removed the threat of imprisonment for non-payment, taken a citizen-focus on people struggling with debt, and created a new exemption for young care leavers. We have maintained a national scheme of support for 261,000 low-income households, an important lever for tackling poverty.
- Nearly half of households in Wales currently receive a discount or reduction on their council tax bill, and this will not change as a result of this consultation. We are committed to retaining the one-adult discount and keeping the discount at 25%.

Business rates relief

- We're providing a package of additional support for non-domestic rates worth £134m next year on top of our permanent relief schemes, which are worth £250m a year.
- The reduction to 40% RHL relief will be for 2024-25 – so from April onwards.
- Every ratepayer will benefit from this package.

- This will be the fifth successive year we provide a dedicated retail, leisure and hospitality relief scheme.
- An additional £78m will be available for this targeted relief in 2024-25. Eligible ratepayers in Wales will receive 40% non-domestic rates relief. As in previous years, the relief will be capped at £110,000 per business across Wales.
- This builds on the almost £1bn of support provided through our retail, leisure and hospitality rates relief schemes since 2020-21.
- This temporary relief was never intended to continue indefinitely. As we move to more frequent revaluations, we will ensure non-domestic rates bills better reflect up-to-date market conditions for all sectors.
- We will cap the increase to the non-domestic rates multiplier for 2024-25 to 5%, at a recurring annual cost of £18m. This is lower than the 6.7% increase that would otherwise apply. It will benefit all ratepayers who do not already receive full relief.
- We will also be introducing a new £20m “Future Proofing Fund” in early 2024-25 to provide grant aid for businesses to invest in measures to future proof their business.
- We will continue to provide transitional relief to businesses affected by last year’s revaluation.

Tax-base comparison Wales & England

- The tax-base in Wales differs significantly from that in England. It is right that our rates system and reliefs reflect these differences and the unique circumstances of Wales.
- Capping the multiplier increase to 5% in 2024-25, compared to the UK Government’s 6.7% increase, reduces the difference between the multiplier in Wales and England’s standard multiplier.
- The multiplier is one factor that determines a ratepayer’s bill and it should not be considered in isolation. Another factor is the rateable value of the property. Our tax-base, with an average rateable value of around £19,000, is very different from that in England, with a much higher average around £34,000. This drives a large difference in the average liability of ratepayers.
- Reliefs are then applied to bills, which reduce or remove liability for the majority of ratepayers in Wales.
- A single multiplier applies to the whole tax-base in Wales. We cannot currently consider setting different multipliers for different sectors, as exist in other parts of the United Kingdom. The Local Government Finance (Wales) Bill aims to address this limitation in the existing legislative framework for Wales.
- Our Small Business Rates Relief supports up to two properties per local authority for businesses in Wales. This is much more generous than in England, where businesses can only claim for one property in the country.
- Small businesses account for a much higher proportion of the total rates revenue in Wales compared to England – more than double. The cost of Small Business Rates Relief in Wales is fully funded by the Welsh Government and makes up 10% of total rates revenue, compared to 4% in England.

- Almost half of all ratepayers, including small businesses across Wales, benefit from full rates relief. When partial support is included, ratepayers for more than 80% of properties will benefit from relief in 2024-25. That equates to 104,000 properties across Wales getting full or partial relief.
- To put it another way, less than 20% of properties will attract full rates in 2024-25.

Businesses seems to be closing at a more rapid rate in Wales – how are you responding to this?

- According to UK Business Counts data from the ONS, the number of enterprises in the pubs, bars and restaurants sector in Wales increased marginally (0.2%) between 2022 and 2023, compared to a reduction (-0.2%) for the UK as a whole. Employment in the sector increased (by 12.7%) between 2021 and 2022 (latest data available), exceeding the growth in Great Britain as a whole (7.5%).
- Our relief for retail, leisure and hospitality does not exist by default and providing additional support will help thousands of businesses in Wales.
- The decision to provide further relief is intended to support businesses in these sectors to continue their recovery from the impact of economic challenges they have faced over recent years.
- There are many factors which affect the viability of businesses. However, non-domestic rates liability is a predictable contribution to local services, which businesses plan for.

Classification of self-catering properties (182 days)

- **The changes to the local tax rules for self-catering accommodation and second homes are designed to help develop a fairer housing market and ensure property owners make a fair contribution to the communities where they own homes or run businesses.**
- **We believe that everybody has a right to a decent, affordable home to buy or to rent in their own communities so they can live and work locally.**
- **We are taking radical action using the planning, property and taxation systems to achieve this, as part of a joined-up package of solutions to a complex set of issues.**
- Properties which do not meet the criteria to be classified as non-domestic can still continue to operate as self-catering providers, but they will make a contribution to the local community through council tax, in the same way as other homeowners already do. Those which meet the criteria will make a contribution through the higher levels of economic activity they generate.
- It is for each local authority to decide whether to apply council tax premiums to the second homes and long-term empty properties in their area.
- There are a number of exceptions to the premiums and, following consultation, we have recently extended these. Holiday lets captured by one of the exceptions should not be charged a premium. We have also updated our guidance to confirm local authorities have discretionary powers to reduce

or remove the requirement to pay a premium or the standard rate of council tax in the event that the new letting thresholds are not met.

- The 300% limit for council tax premiums is a maximum. Local authorities may apply a premium at any level up to the maximum.
- We amended the criteria for self-catering properties to be classified as domestic for local tax purposes, from 1 April 2023. Previously, properties that were available to let for at least 140 days and actually let for at least 70 days, within a 12-month period, could be liable for non-domestic rates rather than council tax. These thresholds have been increased to at least 252 days available to let and at least 182 days actually let.
- This reflects our policy view that, in order to be listed for non-domestic rates, self-catering properties should be operating as businesses for at least half the year.
- The Welsh Government has recognised that some self-catering properties are restricted by planning conditions preventing permanent occupation as someone's main residence. As a result, we have extended the existing exceptions to the council tax premium for properties with a planning condition which specifies that the property may only be used for holiday let or which prevents their permanent occupation as a person's sole or main residence.
- Such properties would become liable for council tax at the standard rate if they do not meet the letting criteria for classification as non-domestic property, but they could not be charged a premium. This is consistent with our policy view that property owners should make a fair contribution to local communities either through local taxation or through the economic benefit they bring to an area.
- We published revised guidance for local authorities on implementing and enforcing council tax premiums for long-term empty dwellings and second homes on 9 March 2023. This highlights the discretionary powers and additional options that are available to local authorities in the event that self-catering properties not restricted by planning conditions do not meet the letting criteria.
- The Welsh Government continues to monitor the effect of the legislation but has no plans to undertake a formal review of the changes to the self-catering criteria in the short-term nor in isolation from the broader package of measures within our three-pronged approach to tackling the impact of large numbers of second homes and holiday lets can have on communities and the Welsh language.
- Such a commitment could create uncertainty for the self-catering sector, which is unlikely to be helpful in diverting their focus from responding, as they consider necessary, to the criteria in place now and for the foreseeable future.
- The new requirements have been in place for less than a year and a review at this stage would be premature, particularly given that the latest evidence from the sector is consistent with our initial assessment of the anticipated impacts and benefits of the policy. It is much too early to draw firm conclusions.

South Wales fire chief row

- The Commissioners are doing important and valued work to implement the changes needed at South Wales Fire and Rescue Service.

- They have full powers to restructure and reform Service management and instil a positive, non-discriminatory culture. They will remain until the Service is demonstrably an inclusive and welcoming workplace for all.
- An interim Chief Fire Officer has been appointed by the commissioners and a permanent Chief Fire Officer post will be advertised and appointed as soon as possible.

Budget cut to police visits to schools / School Beat Cymru scheme

- The NHS and services in Wales are facing the toughest financial pressures in recent history. We have had to take very difficult decisions about the Welsh Government's commitments and priorities, with a focus on protecting front-line services and saving lives.
- In spite of the challenging budget, we have continued to protect our front-line substance misuse funding at £67m. That includes increased ring-fenced allocations for children and young people to £6.25m.
- As a result, we have decided to end the Welsh Government's contribution to the Wales Police Schools Programme, which currently comes from the substance misuse budget. The landscape around wellbeing for learners on a range of important issues has changed significantly since the introduction of the programme; particularly with the introduction of the new curriculum.
- We have worked, and are continuing to work, closely with the police on the impact of the funding changes.
- The budget from the UK Government was received later than expected, so the Welsh Government had to issue our draft budget as late as possible in order to give due consideration to the difficult decisions that had to be made. Ministers were working to a tight timescale and making decisions on the 2024/25 budget during December. However, we informed trusted partners, in this case the Police, as soon as possible prior to the budget publication.