

Finance Sub Group of the Partnership Council for Wales - Minutes

Wednesday 8 July 2026 10:30-12.00 MS Teams

Attendees

Welsh Government Ministers

Siân Gwenllïan MS, Cabinet Minister for Local Government, Housing and Planning (CMLGHP) – Chair

Welsh Local Government Association

Cllr Anthony Hunt (Leader of WLGA, Torfaen)
Cllr Lis Burnett (Vale of Glamorgan)
Cllr Dimitri Batrouni (Newport)
Cllr Ben Callard (Monmouthshire)
Cllr Christopher Weaver (Cardiff)
Cllr Rob Stewart (Swansea)
Cllr Simon Knoyle (Neath Port Talbot)

Welsh Local Government Association/ Local Government officers

Dr Chris Llewelyn – Chief Executive, WLGA
Jon Rae – Director of Resources, WLGA
Nathan Gardner – Finance Manager, WLGA
Jane Thomas – S151 Powys Council

Welsh Government officials (excluding Observers)

Tracey Breheny – Director, Local Government and Planning
Reg Kilpatrick – Director, Local Government and Planning
Judith Cole – Deputy Director, Local Government Finance Policy & Sustainability
Emma Smith – Local Government Finance Policy & Sustainability
Andrea Melvin - Local Government Finance Policy & Sustainability
Simon Edwards - Local Government Finance Policy & Sustainability
Rhianon Jones – Local Government Finance Policy & Sustainability
Jacob Squires - Local Government Finance Policy & Sustainability
Luke Nicholas – Special Advisor
Shona O'Shea – Private Secretary

Apologies

Cllr Mark Pritchard (Wrexham)
Cllr Gary Prichard (Ynys Mon)

Item 1: Welcome and Introductions

1. The CMLGHP thanked members for attending, welcomed Cllr Ben Callard to his first FSG meeting and recorded her thanks to previous FSG members – Cllrs

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Andrew Morgan, Paul Griffiths and Darren Price. Apologies from Cllr Mark Pritchard and Cllr Gary Pritchard were noted.

Item 2: Terms of Reference

2. The CMLGHP introduced Paper 1 (updated Terms of Reference), highlighting the intention to formally write to the Police and Crime Commissioners (PCCs) to ascertain whether they wish to retain their representation on the group. Attendees were asked if they were content to sign off the revised ToR.
3. Cllr Hunt confirmed that he concurred with the Minister's approach to PCC representation on the Group and welcomed the commitment within the ToR to work collaboratively.
4. Jane Thomas identified an inaccuracy in the ToR regarding her job title. There were no other points of accuracy and the group confirmed they were content for the ToR to be signed off.

Item 3: Minutes of last meeting

5. The minutes of the previous meeting were agreed without comment.

Item 4: Update by the CMLGHP

6. The Minister provided an update on: First Supplementary Budget, Implementation of the Homeless Act and Carbon Budget 3. Funding for ALN pressures was mentioned but discussion withheld until Agenda Item 7.
7. Cllr Hunt thanked the Minister for recognition of the pressures and the commitment to early intervention and prevention. He gave two examples of prevention programmes in his council in health and housing
8. The Minister mentioned that she was aware of good practice in relation to homelessness and asked members to make her aware of any preventative projects they wished to highlight.

Item 5: Formula Review

9. The Minister introduced this item by expressing her gratitude for the work done in this area by local government officers through the Distribution Sub Group.
10. The Minister highlighted the manifesto commitment to review the funding formula and her commitment to continue to work in partnership with local government.
11. Simon Edwards introduced the paper, providing an update on progress with the funding formula review. He outlined work to update the evidence base underpinning the formula, including progress on education and personal social services. He also highlighted the recommendations relating to the scope of the review, the principles underpinning the work, and the potential for further consideration of wider approaches to distributing funding.

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12. Cllr Stewart supported the use of the most up-to-date data within the formula. He highlighted concerns regarding any perceived trade-off between sparsity and deprivation and emphasised that any additional need identified through the review should not simply be addressed through redistribution of existing funding. He also highlighted the importance of appropriate transition arrangements.
13. Cllr Burnett echoed Cllr Stewart's comments regarding the use of the most up to date data, while highlighting the importance of ensuring that the correct data was used, and that any unintended consequences are fully understood.
14. Cllr Batrouni also agreed with updating the data items but questioned the line in paragraph 16 which suggested the possibility of, 'less emphasis on redistribution and recognition of need' and noting the importance of population as a key driver within the current formula. He also asked when the group might get sight of the weightings.
15. Judith Cole clarified that paragraph 16 did not indicate a confirmed direction of travel but was intended to illustrate the range of approaches that could be considered as part of any wider review of distribution methodologies or principles. Judith also confirmed that exemplifications would be produced to reflect any revised weightings once known.
16. Jon Rae suggested that paragraph 14 (principles) could explicitly recognise the importance of ensuring that data within the formula remains current and up to date. He recommended that DSG come up with a form of words.
17. The Minister noted that fairness should remain the overarching principle underpinning the formula. She welcomed the discussion, including the wider issues that had been raised, and it was noted that members supported all recommendations within the paper.

Item 6: Grants Protocol

18. The Minister confirmed the Government's commitment to refresh and continue the partnership working set out in the Strategic Partnership Agreement; including proposals for a formalised Grants protocol. The Minister highlighted that she was keen to get members view on the paper prior to further discussion with Cabinet colleagues.
19. Emma Smith introduced the paper stating that it had been drafted in collaboration with Jon Rae of WLGA. She also mentioned that it had been written in a way that enabled flexibility to be applied to manage differing circumstances.
20. Emma summarised progress to date on grants rationalisation including, a reduction of hypothecated grants from circa 100 to circa 80, a reduction in administrative burden and an increase in flexibility in some areas. She confirmed that the draft protocol gave an overarching framework to advance further progress.

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21. Cllr Hunt welcomed the thrust of the paper and the progress towards enabling more focus on outcomes and less time on process. He asked what work had been done on exit strategies for existing grants. He also mentioned the requirement for staff consultation when grants are coming to an end – which is not always possible if insufficient notice is given by Welsh Government.
22. Emma confirmed that officials have been stronger on exit plans for new grants – ensuring that review points were added in. She confirmed that older grants were more problematic and a case-by-case basis was needed to try and encourage grant merger or increased flexibility to terms and conditions.
23. Cllr Hunt suggested that a discussion on outcomes was preferable to a discussion on grant conditions.
24. Cllr Burnett highlighted that the reporting restrictions for relatively small grants can be onerous and costly. She stated that the simpler the reporting mechanism the more agile authorities can be in delivering outcomes.
25. Emma asked the group for any examples where changes or new grant terms and conditions has worked well. Cllr Hunt confirmed that he would be keen to have that discussion.
26. The Minister thanked the group for the constructive comments and confirmed that discussion on this topic would continue with Cabinet colleagues.

Item 7: WLGA update

27. The Minister asked Cllr Burnett to introduce the paper on ALN pressures, stating that she appreciated that this was area that was causing concern in local government.
28. Cllr Burnett talked through the ALN related issues facing local government. She confirmed that there needed to be a shared understanding that the problem isn't different to that experienced in England – Wales had simply had a different approach for dealing with the pressure.
29. The Minister confirmed her and the Government's understanding that the pressures were dealt with in a different way (compared to England). She stated that the paper will be shared with Cabinet colleagues and stressed that conversations regarding the supplementary budget remain ongoing until 15 July.

Item 8: Any Other Business

30. The Minister stated that she was keen for some future meetings of the Group to be held in person and not always in Cardiff.
31. The Minister concluded the meeting by thanking the group for their contributions.