



Llywodraeth Cymru
Welsh Government

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Minutes of a meeting of the Cabinet on 14 February 2022.

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Present

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Present

- Rt. Hon. Mark Drakeford MS
- Rebecca Evans MS
- Vaughan Gething MS
- Lesley Griffiths MS
- Jane Hutt MS
- Julie James MS
- Jeremy Miles MS
- Eluned Morgan MS
- Mick Antoniw MS

- Dawn Bowden MS
- Hannah Blythyn MS

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- Julie Morgan MS
- Lynne Neagle MS

Apologies

- Lee Waters MS

Officials

- Andrew Goodall, Permanent Secretary
- Des Clifford, Director General Office of the First Minister
- Will Whiteley, Deputy Director Cabinet Division
- Toby Mason, Strategic Communications
- Jane Runeckles, Special Adviser
- Madeleine Brindley, Special Adviser
- Alex Bevan, Special Adviser
- Daniel Butler, Special Adviser
- Ian Butler, Special Adviser
- Kate Edmunds, Special Adviser
- Sara Faye, Special Adviser
- Clare Jenkins, Special Adviser
- Owen John, Special Adviser
- Mitch Theaker, Special Adviser
- Tom Woodward, Special Adviser
- Christopher W Morgan, Head of Cabinet Secretariat (minutes)
- Damian Roche, Cabinet Secretariat
- Catrin Sully, Cabinet Office
- Tracey Burke, Director General, Education and Public Services
- Reg Kilpatrick, Director General, COVID-19 Crisis Coordination
- Judith Paget, Director General Health
- Andrew Slade, Director General, Economy, Skills and Natural Resources
- Helen Lentle, Director Legal Services
- Claire Bennett, Director Communities and Tackling Poverty
- Andrew Jeffreys, Director Treasury

- Emma Watkins, Deputy Director Budget and Government Business
- Matt Wellington, Head of Budget Policy and Delivery
- Louise Brown, Head of Employability Plan
- Huw Morris, Director Skills, Higher Education and Lifelong Learning

Item 1: Minutes of previous meetings

1.1 Cymeradwydd y Cabinet gofnodion y 7 Chwefror / Cabinet approved the minutes of 7 February.

Item 2: First Minister's items

Basic Income for Care Leavers

2.1 The Minister for Social Justice provided Cabinet with an overview of plans to pilot a basic income scheme, in line with the Programme for Government commitment.

2.2 Based on learning from global basic income experiments and following discussions with Ministers and a variety of experts, specifically with those who had worked closely with care experienced young people, officials had developed proposals, which considered four key principles. No participant should be worse off, the same payment to everyone, with no conditionality, and no changes to the income midway through the pilot.

2.3 It was the government's intention to develop and deliver a trial with a cohort of young people leaving care, which would test the stated benefits of basic income, such as whether it would address poverty and unemployment and improve health and financial wellbeing. The pilot would focus on care leavers who reached their 18th birthday between 1 July 2022 and 30 June 2023. It would run for a minimum of 3 years with each member of the cohort receiving a basic income payment of £1600 per month for a duration of 24 months from the month after their 18th birthday.

2.4 This amount was significantly higher than any other basic income pilot globally and was broadly equivalent to the real living wage in the UK. This higher level of payment would mitigate financial penalties that may occur for care leavers who were in receipt of UK government benefits and had the potential to make a significant positive change to their lives.

2.5 The purpose of the pilot was to significantly enhance the support available to care leavers to give them the best possible chance to make their way in life and the transition out of care better and easier with a more positive outcome. The pilot would evaluate the effectiveness of this support for care leavers and also enable the Government to learn more about the benefits of basic income.

2.6 A Technical Advisory Group had been established under Sir Michael Marmot of University College London, which would support the policy team in developing, monitoring and evaluating the pilot. In addition to the Technical Advisory Group, officials were in the process of developing an external stakeholder reference group to help develop and monitor progress.

2.7 Cabinet welcomed the progress report.

Item 3: Senedd business

3.1 Cabinet considered the contents of the Plenary grid and noted voting time was scheduled for 7:20pm on Tuesday and around 6:20pm on Wednesday.

Item 4: Final Budget 2022 to 2023

4.1 The Minister for Finance and Local Government introduced the paper, which invited Cabinet to approve the final Budget 2022-23.

4.2 Since the publication of the Draft Budget the cost of living crisis had become worse, which was having a significant impact on households. Cabinet had previously agreed to maximise funding resulting in exceptionally low levels of

reserves. It was on that basis no significant allocations had been planned for the Final Budget, apart from those relating to Financial Transactions Capital.

4.3 However, a recent UK government announcement had resulted in the government's ability to carry forward a further £180m into 2022-23. UK Ministers had suggested this was new money, however it was actually being offset by reductions in consequential elsewhere.

4.4 Despite this, given the action in managing the funding in 2021-22, and with the ability to carry-forward £180 million into 2022-23, the government would announce a package of more than £300 million to respond to the cost of living crisis.

4.5 Cabinet welcomed the paper, particularly the extra support, to help people through the cost of living crisis.

4.6 Cabinet approved the paper and put on record its thanks to all those involved in producing the Final Budget.

Item 5: Stronger, Fairer, Greener Wales: A Plan for Employability and Skills CAB(21-22)71

5.1 The Minister for Economy introduced the paper, which asked Cabinet to agree to the publication of the new plan for employability and skills.

5.2 The Economic Reconstruction and Resilience Policy set out the Government's mission to create a Wales where individuals of all ages would receive a high quality education, with jobs for all and where businesses thrived in a net zero economy that championed fairness and equality.

5.3 The development of the new Plan had been set against a context of cautious optimism as employment levels continued to improve, with more young people going into further learning and the impact of the pandemic on levels of employment was not as severe as initially anticipated.

5.4 However, there were new challenges. Vacancies were higher than pre pandemic levels, employers were increasingly reporting labour shortages and people with long term health conditions were leaving the labour market in increasing numbers. It was clear that a shrinking and ageing workforce was something the government would need to address. At the same time unequal pay and the inability to access fair work prevailed.

5.5 Wales had suffered a substantial loss of replacement European funding and no longer had the ability to control such spending, but work was continuing to maximise the remaining Structural Funds.

5.6 The new plan proposed 5 key areas of action, which were to:

- deliver a Young Person's Guarantee
- tackle economic inequality
- promote Fair Work for all
- support people with a long term health condition to work all whilst raising skill levels and the adaptability of the workforce.

5.7 Cabinet welcomed the paper and agreed it was important to build on the success of the previous strategy.

5.8 It was recognised that the plan would help to embed the rights of employees alongside the responsibilities of employers.

5.9 Cabinet approved the Plan for Employability and Skills.

Item 6: Any other business

6.1 Cabinet were advised the Welsh Rugby Union would be provided with a loan of £18 million to enable the early settlement of a UK government loan taken out in 2020 to support rugby in Wales through the pandemic. The new loan would enable the Regions to meet the repayments and create sufficient operating margins to become more sustainable, in comparison with the constraints of the original lending.

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