



Llywodraeth Cymru
Welsh Government

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Cabinet meeting: 4 November 2024

Minutes of a meeting of the Cabinet on 4 November 2024.

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Present

- Rt Hon Eluned Morgan MS (Chair)
 - Huw Irranca-Davies MS
 - Jayne Bryant MS
 - Mark Drakeford MS
 - Rebecca Evans MS
 - Jane Hutt MS
 - Julie James MS
 - Jeremy Miles MS
 - Ken Skates MS
-
- Dawn Bowden MS
 - Sarah Murphy MS
 - Vikki Howells MS
 - Jack Sargeant MS

Apologies

- Lynne Neagle MS

Officials

- Andrew Goodall, Permanent Secretary
- Rachel Garside-Jones, Transition Director Office of the First Minister
- Matthew Hall, Head of Cabinet Division
- Victoria Jones, Principal Private Secretary, First Minister
- Toby Mason, Head of Strategic Communications
- Catrin Sully, Head of Cabinet Office
- Kevin Brennan, Special Adviser

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- Sarah Dickins, Special Adviser
- Madeleine Brindley, Special Adviser
- Haf Davies, Special Adviser
- Victoria Evans, Special Adviser
- David Hooson, Special Adviser
- Kirsty Keenan, Special Adviser
- Philippa Marsden, Special Adviser
- Martha O'Neil, Special Adviser
- Maddie Rees, Special Adviser
- Victoria Solomon, Special Adviser
- Mary Wimbury, Special Adviser
- Christopher W Morgan, Head of Cabinet Secretariat (minutes)
- Damian Roche, Cabinet Secretariat
- Helena Bird, Permanent Secretary's Office
- Kath Hallett, First Minister's office
- Tracey Burke, Director General Climate Change & Rural Affairs
- Sioned Evans, Director General, Education, Culture and Welsh Language
- Tim Moss, Chief Operating Officer
- Judith Paget, Director General Health and Social Services
- Andrew Slade, Director General, Economy, Energy and Transport
- Nia James, Director Legal Services
- Andrew Jeffreys, Director Treasury (item 4)
- Dean Medcraft, Director Finance (item 4)
- Emma Watkins, Deputy Director Budget & Government Business (item 4)
- Gian Marco Currado, Director Rural Affairs (item 5)
- Mark Alexander, Deputy Director Land Management Reform (item 5)

Item 1: Minutes of previous meeting

1.1 Cymeradwydd y Cabinet gofnodion y 24 Hydref / Cabinet approved the minutes of 24 October.

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Item 2: First Minister's items

Module 3 COVID-19 Inquiry

2.1 The First Minister reminded Cabinet that Module 3 of the UK COVID-19 Inquiry was underway and both her and the Permanent Secretary would be giving evidence later that month.

UK Budget

2.2 Cabinet noted there would be an oral update later that meeting on the implications of the UK Government's recent Budget. It was reported the RCN in Wales had rejected the Welsh government's proposed 5.5% pay increase for 2024-2025.

Student Tuition Fees in England

2.3 The First Minister invited the Minister for Further and Higher Education to provide Cabinet with a brief update on an imminent announcement on tuition fees in England.

2.4 The minister informed Cabinet that the UK government was expected to inform Parliament that afternoon that there was to be an increase of the fee caps in England to £9,535.

Meeting with the Minister for Migration & Citizenship

2.5 Cabinet noted the First Minister and the Cabinet Secretary for Social Justice, Trefnydd and Chief Whip had met with Seema Malhotra MP, Minister for

Migration & Citizenship in Cardiff earlier that day.

Item 3: Senedd business

3.1 Cabinet considered the Plenary grid and noted that voting time was scheduled for 7pm on Tuesday and around 6.25pm on Wednesday.

Item 4: Update on the UK budget and the implications for Wales and the Draft Budget 2025-2026

4.1 The Cabinet Secretary for Finance and Welsh Language provided Cabinet with an Update on the recent UK Budget and the implications for Wales and the 2025-2026 Draft Budget.

4.2 The UK Budget represented the first of a two-part Comprehensive Spending Review process, designed to stabilise public finances. The Chancellor confirmed the second phase would report in late spring to provide a multi-year settlement for resource to 2027-2028 and capital to 2029-2030. Although this was a step in the right direction, there were still challenges.

4.3 In terms of the settlement, there was an additional £774 million resource and £49m capital for this financial year. A significant proportion of the resource was already factored into spending plans in respect of public sector pay deals.

4.4 There were further increases of £695 million resource and £235 million capital for the 2025-2026 financial year, with confirmation that funding for pay had been baselined. Furthermore, the changes to debt rules, that took into account public sector net financial liabilities, would allow the UK government to

borrow more to release capital for infrastructure projects over the next 5 years. The investment strategy was expected to be announced in the spring.

4.5 There was a series of Wales specific announcements, which included £25 million in 2025-2026 for coal tip safety.

4.6 In addition, the UK government would transfer the investment reserve fund in the Mineworkers' Pension Scheme to its trustees. Furthermore, Welsh Ministers would have autonomy over expenditure related to the Shared Prosperity Fund.

4.7 Cabinet welcomed the update and the additional funding available.

Item 5: The Sustainable Farming Scheme

5.1 The Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs introduced the paper, which asked Cabinet to agree to the updated design of the Sustainable Farming Scheme (SFS) and that the outline should be published in November.

5.2 Developing the SFS was an important Programme for Government commitment, shifting agriculture support post EU into supporting the sustainable production of food, while delivering additional environmental outcomes.

5.3 The work of the Ministerial Roundtable, established to support this co-design process since the consultation, was now at a critical point. It had met on Friday the previous week, where there was a consensus amongst stakeholders on the revised Scheme Outline for modelling. This had followed an intense period of work over the summer and built on the feedback from the consultation.

5.4 The revised Scheme Outline, which was founded on the Agriculture (Wales) Act 2023 (Act) and was consistent with obligations under the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016,

would now be analysed and modelled. This would help understand the likely benefits and impacts before the final decision next year on its introduction in 2026. This decision and the related business case will need to be approved by Cabinet.

5.5 The scheme was intended to strengthen the environmental, economic, cultural and social contribution of farmers in Wales. It incorporated the sustainable production of food whilst also addressing the climate and nature emergencies and recognising the key role of farmers.

5.6 The Cabinet paper outlined the strategic design of the scheme, focusing on the opportunities to support farmers to be more efficient and resilient, whilst operating in an increasingly sustainable manner and delivering more for the environment and society. The proposed public facing Scheme Outline document made multiple references to food to ensure the importance of this was recognised.

5.7 Based on discussions to date in the Ministerial Roundtable, a number of changes were proposed to ensure the Scheme was accessible, deliverable and provided an opportunity for support to all farms in Wales whilst making progress on tackling the climate and nature crisis.

5.8 The biggest change related to the 10% tree cover scheme rule. The Carbon Sequestration Panel, which supported the Ministerial Roundtable, had concluded its evidence review. The Panel considered the effectiveness of tree planting as a carbon sequestration action was dependent upon a range of site specific and management factors, which did not support a mandatory approach.

5.9 Recognising that the 10% rule was a fundamental barrier to entry, and was the trigger for the protests, it was proposed that each farm should develop a tree planting and hedgerow creation opportunity plan. This would be set alongside a national scheme-level target for tree planting and hedgerow creation and a robust governance structure between Government and the farming industry to

deliver on the target.

5.10 The paper also outlined other proposed changes to the scheme.

Cabinet Secretariat

November 2024

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