



Llywodraeth Cymru  
Welsh Government

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# Cabinet meeting: 8 August 2024

Minutes of a meeting of the Cabinet on 8 August 2024.

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# Present

- Eluned Morgan MS (Chair)
  - Huw Irranca-Davies MS
  - Jayne Bryant MS
  - Mark Drakeford MS
  - Rebecca Evans MS
  - Jane Hutt MS
  - Lynne Neagle MS
  - Ken Skates MS
- 
- Dawn Bowden MS
  - Jack Sargeant MS

# Apologies

- Sarah Murphy MS

# Officials

- Andrew Goodall, Permanent Secretary
- Rachel Garside-Jones, Transition Director Office of the First Minister
- Victoria Jones, Principal Private Secretary, First Minister
- Toby Mason, Head of Strategic Communications
- Catrin Sully, Head of Cabinet Office
- Madeleine Brindley, Special Adviser
- Haf Davies, Special Adviser
- Sam Hadley, Special Adviser
- David Hooson, Special Adviser
- Philippa Marsden, Special Adviser

- Maddie Rees, Special Adviser
- Victoria Solomon, Special Adviser
- Mary Wimbury, Special Adviser
- Christopher W Morgan, Head of Cabinet Secretariat (minutes)
- Tomos Roberts, Cabinet Secretariat
- Kathryn Hallett, First Minister's Office
- Helena Bird, Permanent Secretary's Office
- Tracey Burke, Director General Climate Change & Rural Affairs
- Sioned Evans, Director General, Public Services and Welsh Language Group
- Tim Moss, Chief Operating Officer
- Judith Paget, Director General Health and Social Services
- Andrew Slade, Director General, Economy, Treasury and Constitution
- Nia James, Director Legal Services
- Andrew Jeffreys, Director Treasury (items 3&4)
- Jo Salway, Director, Social Partnership, Employability & Fair Work (item 4)

## **Item 1: Introduction and minutes of previous meeting**

1.1 Cymeradwyodd y Cabinet gofnodion y 15 Gorffennaf / Cabinet approved the minutes of 15 July.

## **Item 2: First Minister's items**

### **Cabinet changes and summer activity**

2.1 The First Minister welcomed Cabinet Secretaries and Ministers to the

meeting and informed them that she did not intend to make substantial changes to responsibilities at this stage. Consideration would be given how to shape portfolios over the next few weeks, while taking into account the summer listening exercise with the Welsh public.

2.2 In the meantime, the Cabinet Secretary for Climate Change and Rural Affairs had been confirmed as Deputy First Minister, with Mark Drakeford MS returning to Government as Cabinet Secretary for Health and Social Care, on an interim basis.

2.3 In addition, Elisabeth Jones had been appointed as Counsel General designate, also on an interim basis.

2.4 The First Minister had already undertaken a number of physical and virtual meetings, which included discussions with the Prime Minister and Professor Emmanuel Ogbonna. Earlier that day the First Minister and Deputy First Minister had attended the National Eisteddfod at Ynysangharad Park in Pontypridd.

## **Civil disturbances**

2.5 The First Minister referred to the numerous incidents of disorder, violence, racism and Islamophobia that had taken place following the devastating incident in Southport on 29 July. Although Wales had not witnessed the level of disorder experienced in England and Northern Ireland, there was a need to avoid being complacent, not least as there had been reports of people from Black, Asian and Minority Ethnic communities being the target of racial abuse.

2.6 The First Minister, along with the Cabinet Secretary for Culture, Social Justice, Trefnydd and Chief Whip, would be attending a number of meetings the following day to discuss concerns and how to improve community cohesion. Attendees at the meetings would include Police and Crime Commissioners, Chief Constables and representatives from the WLGA, the TUC, the Third

Sector and community groups, along with faith leaders.

## **Tata Steel**

2.7 The First Minister informed Cabinet that discussions were continuing with Trade Unions, management, the UK government and local representatives on the future of the steel works at Port Talbot. The Transition Board would be meeting the following week.

## **Item 3: Chancellor of the Exchequer's statement of 29 July**

3.1 The First Minister referred to the Chancellor of the Exchequer's recent statement to the House of Commons on the state of the UK's finances and invited the Cabinet Secretary for Finance, Constitution and Cabinet Office to outline the implications for the Welsh Government.

3.2 The statement had confirmed several unfunded and undisclosed spending commitments by the previous government resulting in an in-year pressure of £35 billion. This had been reduced to £19 billion once in-year slippage and the Reserve, of around £11 billion, had been taken into consideration. In addition, the Office for Budgetary Responsibility had confirmed that borrowing was £3.2 billion higher than forecast.

3.3 In response, the Chancellor had set out urgent action to find savings and identified long-term reforms to restore public spending controls and improve public services. This included establishing an Office for Value for Money, to identify areas to reduce or stop spending, alongside efforts to drive productivity in the public sector.

3.4 Amongst the pressures identified by the Chancellor was the cost of agreeing the recommendations of the independent Pay Review Bodies for public sector pay. The Chancellor confirmed that the UK Government had agreed these recommendations in full and had published the remit for civil service pay with an average increase of 5%.

3.5 To help absorb costs, UK departments had been asked to find savings to meet at least a third, which equated to £3 billion. Departments had also been asked to stop all non-essential spending on consultancy, government communications and deliver 2% back-office cost savings. It was unclear whether any new funding would be baselined for future years, and this would be considered as part of the future UK Spending Review.

3.6 This would have implications for the Welsh Government's approach to public sector pay, which would be discussed later in the meeting.

3.7 To respond to the deficit, the Chancellor had confirmed several unfunded infrastructure projects, such as new hospitals and road and rail improvements, would not proceed.

3.8 Other decisions taken by the Chancellor to control public spending included maintaining the two-child benefit cap and limiting the universally applied winter fuel payment to pensioners in receipt of pension credit. This highlighted the difficulty of the overall public spending position.

3.9 During the statement, the Chancellor had also confirmed 30 October as the date of the 2025-2026 UK Budget. Alongside this, the Chancellor also launched the next multi-year Spending Review, which would settle resource budgets through to 2027-2028 and capital through to 2029-2030. This review would conclude in spring 2025.

3.10 A rolling approach to future spending reviews would then be adopted where spending plans would be reviewed every 2 years to avoid annual settlements.

There would also be a single fiscal event each year, with the timing to be confirmed. This would aid the planning of future Welsh Government budgets and was particularly important for the new strategic approach to the Welsh Spending Review.

3.11 The intention was to publish the Welsh Government's Draft Budget for 2025-2026 on 10 December 2024, which would enable just under 8 weeks for Senedd scrutiny.

3.12 Cabinet welcomed the update.

## Item 4: Public Sector pay

4.1 The Cabinet Secretary for Finance, Constitution and Cabinet Office introduced the paper, which asked Cabinet to agree, in principle, to accept the recommendations of the Pay Review Bodies and adopt the same pay remit for Civil Servants as offered to UK departments.

4.2 As highlighted during the previous discussion, public sector pay had formed a key part of the Chancellor's recent statement, where it was confirmed that the UK government would accept the Independent Pay Review Bodies' recommendations in full for public sector workers in England and set a 5% pay remit for the UK civil service.

4.3 In light of these developments, Cabinet would need to agree its approach for responding to the Pay Review Bodies' recommendations in Wales.

Cabinet Secretariat  
August 2024



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