

Minutes of a meeting of the Cabinet on 20 November 2018

Present:

- Rt. Hon. Carwyn Jones AM, First Minister (Chair)
- Alun Davies AM
- Mark Drakeford AM
- Vaughan Gething AM
- Lesley Griffiths AM
- Julie James AM (from item 3)
- Ken Skates AM
- Kirsty Williams AM
- Jeremy Miles AM
- Hannah Blythyn AM (item 5)
- Shan Morgan, Permanent Secretary
- Des Clifford, Director General Office of the First Minister
- Carys Evans, Principal Private Secretary, First Minister
- Peter Greening, Head of Cabinet Division
- Toby Mason, Head of Strategic Communications
- Jo Salway, Deputy Director Cabinet Office
- Matt Greenough, Special Adviser
- Madeleine Brindley, Special Adviser
- Kate Edmunds, Special Adviser
- Andrew Johnson, Special Adviser
- Rachel Maycock, Special Adviser
- Huw Price, Special Adviser
- Jane Runeckles, Special Adviser
- Alex Rawlin, Special Adviser
- Tom Woodward, Special Adviser
- Christopher W Morgan, Cabinet Secretariat (minutes)
- Damian Roche, Cabinet Secretariat
- Andrew Jeffreys, Director Treasury (item 4)
- Margaret Davies, Deputy Director of Strategic Budgeting (item 4)
- Jonathan Oates, Head of Clean Growth (item 5)
- Katy Hossack, Head of HSS Government and Corporate Business (observer)

Item 1: Minutes of the previous meeting

1.1 Cabinet approved the minutes of the previous meeting.

Item 2: First Minister's items

Local Government

2.1 The First Minister advised Cabinet that they would be considering a paper on the UK Budget implications later that morning, which included a package of additional support for Local Government. Should the paper be approved, the First Minister would write to Local Government leaders later that afternoon, and the Cabinet Secretary for Finance would issue a Written Statement.

Brexit

2.2 The First Minister indicated that the motion for the debate on the UK Government's draft EU Withdrawal Agreement, which was discussed at Cabinet the previous day, had been circulated to Ministers.

2.3 The First Minister informed Cabinet that he would be meeting the Prime Minister the following day to discuss Brexit matters, although there had been no progress in securing a Plenary meeting of the JMC.

Item 3: Government Plenary Business

3.1 Cabinet discussed the contents of the Plenary Grid and noted that a Statement on the draft agreement on the withdrawal of the UK from the EU had been scheduled for that afternoon. With the Statement by the Chair of the Assembly's Children, Young People and Education Committee on Universal Children's Day being scheduled for 19:15, Plenary was not expected to finish until 19:45 that evening.

Item 4: UK Government Budget: Implications for the Welsh Government's Final Budget 2019-20

4.1 The Cabinet Secretary for Finance introduced the item, which asked Cabinet to note the implications of the UK Government's Budget and agree the allocations outlined within the paper.

4.2 As a result of the UK Government's spending decisions, Wales received Barnett consequentials of £554.9m for allocation between 2018-19 and 2020-21. This comprised of £486.5m revenue, £59.9m general capital and £8.5m of financial transactions.

4.3 However, this additional funding actually included previously announced funding for the NHS and this had been further reduced by £32m, as some of the additional funding for the NHS in England was from existing budgets. Furthermore, the UK Government had pre-determined that around half of the health funding would be spent on pay and pensions.

4.4 Therefore, there was only an additional £190m for allocation over three years, of which almost £116m, £63.1m of revenue and £52.6m of capital, was for the current financial year.

4.5 In line with the commitment to Local Government a series of additional allocations were set out in the paper, which included an increase of £100m of capital over three years to the Local Government general capital fund and a further £7.5m in both 2018-19 and 2019-20 to meet the cost pressures faced by Local Authorities in implementing the teachers' pay award. It was noted that the extra funding for Local Government would be announced later that afternoon.

4.6 The whole of the £26m consequential relating to rates relief for retail businesses to support high streets in England would be allocated for additional rate relief in Wales.

4.7 There would also be a small number of targeted investments in specific areas. These included an extra £0.8m revenue and £3m capital to Natural Resources Wales in 2019-20 to respond to a number of pressures including those relating to pay. There would be an additional £1m over two years to further enhance music service provision and an extra £4.771m revenue in 2019-20 to support the pay settlement in the Further Education sector.

4.8 In addition, a further £5m of capital would be allocated in 2019-20 to move to the next stage of the feasibility studies into the National Contemporary Art Gallery and the National Football Museum, which was part of the Budget Agreement with Plaid Cymru. Furthermore, there would be extra resources available to increase tree planting, in line with the consequential from the UK Government.

4.9 Cabinet welcomed the paper and in particular the extra funding for Local Government, rate relief for businesses, music service provision, apprenticeships the feasibility studies and to address pay pressures in Further Education and for Natural Resources Wales.

4.10 Cabinet approved the paper.

Item 5: Climate Change Adaptation Plan for Wales

5.1 The Minister for the Environment introduced the paper, which asked Cabinet to approve the draft Climate Change Adaptation Plan for Wales and that the consultation exercise should commence in December.

5.2 Wales was already experiencing the impact of climate change. So far in 2018, the UK had witnessed the joint hottest summer on record and whereas, the warm weather brought benefits to tourism in Wales, with coastal resorts experiencing an economic boom, the heat-wave had led to difficult times for farmers. A lack of rain had led to stunted crop growth and early ripening, which would impact on winter feedstock and the overall agricultural economy.

5.3 In addition, Storm Callum had brought the worst floods for 30 years in parts of Wales, with many rivers having burst their banks leading to Natural Resources Wales pledging to review flood defences. A man had been killed as a result of a landslip at Cwmdud and current estimates indicated that over 250 properties across Wales had been flooded.

5.4 The Welsh Government was committed, within Prosperity for All: Economic Action Plan, to publish a new Climate Change Adaptation Plan for Wales, which would prepare Wales for the anticipated impact of climate change, both now and in the future.

5.5 The draft Climate Change Adaptation Plan for Wales, set 32 actions to be completed over the next 5 years. The areas that required more action included, risks to infrastructure from all sources of flooding, threats to public water supplies from drought and low pressure and addressing some land management practices which exacerbated flood risk. There were also risks to ecosystems and agriculture from changes in climatic conditions.

5.6 There was also a need for further research into risks to communities from all sources of flooding and the potential for a rise in sea levels and threats to infrastructure, business and buildings from high river flows, erosion and extreme weather. There would be a need to consider risks from changes to agriculture and forestry productivity and threats to people's health and well-being and associated service delivery from high temperatures, flooding and extreme weather.

5.7 Cabinet welcomed the paper, but agreed that climate change would have a greater impact on the poorest in society, this extended to those with protected characteristics.

5.8 Cabinet approved the paper.