

## **Minutes of a meeting of the Cabinet on 31 January 2017**

### **Present:**

- Rt. Hon. Carwyn Jones AM, First Minister (Chair)
- Mark Drakeford AM
- Vaughan Gething AM
- Lesley Griffiths AM
- Jane Hutt AM
- Carl Sargeant AM
- Ken Skates AM
- Kirsty Williams AM
- Mick Antoniw AM
- Sir Derek Jones KCB, Permanent Secretary
- Des Clifford, Director – Office of the First Minister and Cabinet Office
- Peter Greening, Head of Cabinet Division
- Jo Salway, Head of Cabinet Office
- Toby Mason, Head of Strategic Communications
- Matt Greenough, Special Adviser
- Madeleine Brindley, Special Adviser
- David Costa, Special Adviser
- Andrew Johnson, Special Adviser
- Huw Price, Special Adviser
- Alex Rawlin, Special Adviser
- Jane Runeckles, Special Adviser
- Tom Woodward, Special Adviser
- Christopher W Morgan, Cabinet, Plenary and Committee Secretariat (minutes)
- Damian Roche, Cabinet, Plenary and Committee Secretariat
- Matt Denham-Jones, Deputy Director Financial Controls (item 4)
- Nik Amor, Financial Reporting Accountant (item 4)

### **Item 1: Minutes of the previous meeting**

1.1 Cabinet approved the minutes of the previous meeting.

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

### ***JMC Plenary – Cardiff***

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2.1 The First Minister reported on the plenary meeting of the Joint Ministerial Committee (JMC) which had been held in Cardiff the previous day. The main issue for discussion was the UK's exit from the European Union, where the Welsh Government's White Paper on Securing Wales' Future, which had been produced with Plaid Cymru, was tabled as a formal paper for discussion. It was noted that the First Minister's call for full and unfettered access to the single market was now being echoed by other members of the JMC.

2.2 The First Minister had also met separately with the Prime Minister, who confirmed that exiting the EU would not be used as cover for a 'land grab' on devolved powers.

2.3 In addition, the First Minister met with the First Minister of Scotland and agreed that both administrations should continue to co-operate over Brexit arrangements. Discussions also took place with Sinn Fein and DUP representatives of the Northern Ireland Executive.

2.4 Finally, together with the Cabinet Secretary for Finance and Local Government and the Leader of Plaid Cymru, discussions took place with the Secretary of State for Exiting the EU.

### ***Permanent Secretary's retirement***

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2.5 The First Minister referred to the fact that the Permanent Secretary was attending his final Cabinet meeting and put on record his thanks to Sir Derek for the work he had done over the past four and a half years highlighting the progress that had been made, and the helpful legacy which he had put in place.

2.6 Sir Derek responded by stating that it had been an honour for him to serve the Welsh Government.

## **Item 3: Second Supplementary Budget 2016-17**

3.1 The Cabinet Secretary for Finance and Local Government introduced the paper, which asked Cabinet to approve the proposed content and arrangements for the Second Supplementary Budget 2016-17.

3.2 The Second Supplementary Budget allowed the Government to regularise final adjustments to allocations before the end of the financial year. It also provided details of distributions from reserves, transfers between Main Expenditure Groups (MEGs) and the approach to the use of the Budgetary Exchange scheme.

3.3 The Budget included consequentials and transfers from UK Departments of £12.7m revenue and £4.9m capital, most of which had been passed on to portfolio MEGs.

3.4 In terms of additional allocations, the largest element of revenue, £172.5m, would be for the Health, Well-Being and Sport portfolio to respond to a number of issues, such as winter pressures and performance improvement. There would also be a further £7.5m to relieve budgetary pressures and help balance the MEG. There would be an additional revenue allocation of £28m for Higher Education, student support and school standards and £18.1m for transport and business support.

3.5 Capital allocations included £71.9m for roads construction and business support and £30m to bring forward work on delivering 20,000 affordable homes. There were also a number of allocations from the 'non-cash' reserve relating to asset depreciation charges and student loan provisions.

3.6 The Budget outlined the approach taken to carry forward underspends under the Treasury's Budget Exchange scheme, where £113.3m revenue and £9.9m capital had been brought forward from 2015-16 into the current financial year.

3.7 There had been discussions with the Treasury to secure an additional carry forward of £160m capital from the current financial year to help support the steel industry in Wales, resulting in a total capital reserve of £185.7m. There would be a revenue reserve of £69.6m, of this, £9m would also be earmarked to support the steel industry and £10m would be held for the Cardiff Capital City Deal.

3.8 The Second Supplementary Budget would be laid on 7th February and debated in the Assembly on 7th March. In advance of this Plaid Cymru would be provided with a technical briefing as part of the arrangements through the Finance Liaison Committee.

3.9 Cabinet approved the paper.

## **Item 4: Government Plenary Business**

4.1 Cabinet noted the contents of the Plenary Grid.

### ***Assembly's Business Committee***

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4.2 The Leader of the House advised Cabinet that the Assembly's Business Committee had agreed that the 30 minute legislative proposal debate the following week would be Suzy Davies' motion on a Life Saving Skills Bill.

## ***Debate on Brexit***

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4.3 It was reported that there had been an agreement with Plaid Cymru that the Debate on 7th February should cover both the White Paper on Securing Wales' Future and the UK Government's EU (notification of withdrawal) Bill (Article 50), and therefore, the time available would be extended to two hours. A draft motion was being discussed with Plaid Cymru.

**Cabinet, Plenary and Committee Secretariat  
January 2017**