

Agenda – Committee for the Scrutiny of the First Minister

Meeting Venue:

Glyndwr University, Wrexham

Meeting date: 7 July 2023

Meeting time: 10.00

For further information contact:

Meriel Singleton

Committee Clerk

0300 200 6565

ScrutinyFM@senedd.wales

1 Introductions, apologies and substitutions

2 North Wales

(10.00 – 12.00)

(Pages 1 – 29)

Rt Hon Mark Drakeford MS, First Minister of Wales.

Elin Gwynedd – Deputy Director, North Wales.

Christopher Warner – Deputy Director Transport Strategy and Policy.

3 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of this meeting

4 Discussion of previous evidence sessions

5 Discussion of future meetings

6 Papers to note

(Pages 30 – 40)



Document is Restricted



David Rees MS
Chair of the Committee for the Scrutiny of the First Minister
Committee for the Scrutiny of the First Minister
Welsh Parliament
Cardiff Bay
Cardiff
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14 June 2023

Dear Chair

Thank you for your letter of 3 April requesting further information on some of the issues we discussed during my attendance at Scrutiny Committee on 24 March.

In addition to answering the Committee's follow up questions, during the meeting I offered to share a copy of the letter written by the Minister for Finance and Local Government to the Chancellor of the Exchequer ahead of the UK Government's Spring Budget. I have attached a copy of the letter as an annex to this letter. I also offered to send a copy of a report called 'Token Gesture' that I wrote with Jane Davidson in 1995, as it related to my discussion with Jack Sergeant on prepayment meters. Unfortunately, I have not been able to obtain a copy of the report to share with you, as there are none available in the Welsh Government, Senedd or National Libraries.

How is the Welsh Government tackling the public health agenda as a consequence of the cost of living crisis?

Poverty is one of the biggest influences on health. Even before the current cost of living crisis there were wide gaps in life expectancy between the most and least deprived areas of Wales, and the proportion of total deaths that were avoidable continued to be substantially larger in the most deprived areas compared with the least deprived areas.

Current actions to address health inequalities are embedded across all activity in line with the strategic planning required by the Well-being of Future Generations (Wales) Act 2015 and through our health in all policies approach, which is supported by the Health Impact Assessment process.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

In addition, the pandemic has had a significant impact on our dietary behaviours and rising food prices are having severe impacts on population health and nutritional status. Therefore, people who change their diet pattern for economic reasons may develop a range of nutritionally related disorders and diseases.

The Welsh Government's 10-year Strategy, *Healthy Weight: Healthy Wales*, is centred on the prevention and reduction of obesity across Wales. The strategy embodies a long-term approach, incorporating a range of actions that collectively have a positive influence on people's choices in safeguarding their health. Importantly, at a time of cost-of-living pressures the focus is on creating opportunities for people to make healthier lifestyle choices.

We are working across programmes such as an All Wales Diabetes Prevention Programme, Children and Families Pilots and through to physical activity related programmes such as our over 60s scheme, to ensure that they are focussed and targeted towards supporting health inequalities. We are also focussing on the early years, which includes increasing the uptake of our Healthy Start scheme to ensure that families can access nutritious food. We are also working with schools through Free School Meals, delivering schemes such as Food and Fun to provide food in holiday periods and through schemes such as Big Bocs Bwyd, to enhance access to nutritious food.

Cold weather combined with rising energy prices can also have an impact on public health. [The Cold Weather Resilience Plan](#) was published on 3 December 2021, and includes 12 actions designed to improve the cold weather resilience of lower income households. One of the 3 key objectives of the plan is: To work with partners to better co-ordinate advice and support services to vulnerable and lower income households to reduce the risk of avoidable ill health resulting from living in a cold home.

Financial help to repair boilers for lower income households and to buy domestic fuel for off grid and rural homes through the Discretionary Assistance Fund are included in the plan. It also supports joint working with energy suppliers to ensure support is targeted on households struggling to pay their energy bills and to improve referrals into schemes such as the Warm Homes Programme and the Energy Company Obligation Scheme.

What are the implications of the Retained European Union Law (Revocation and Reform) Bill on the capacity of the Welsh Government?

The Welsh Government fundamentally opposed the whole intent of the UK Government's Retained EU Law (Revocation and Reform) Bill as it was introduced and continued up to committee stage in the House of Lords. Our various Legislative Consent Memoranda and the speech by the Counsel General and Minister for the Constitution in the first debate in the Senedd on 28 March, outlined our issues with Bill as an ill-conceived, damaging and unnecessary piece of legislation. Senedd Members expressed a range of significant concerns and voted to withhold consent to the Bill.

Generally, we believe that retained EU law, like EU law before it, works well. Of course, it would be reasonable to amend this gradually, over time in the normal way, as with any body of law. We therefore regard the UK Government's decision to abandon the arbitrary, and irresponsible, deadline for the sunset of retained EU law at the end of 2023, through amendments at report stage in House of Lords, as a step in the right direction.

However, the Bill as it remains is not without problems. It gives Ministers sweeping powers to amend, replace or revoke pieces of retained EU law with minimal scrutiny or proper

impact assessments and leads to the possibility of the UK Government choosing to lower standards and protections in a drive to deregulate.

Moreover, it gives UK Government Ministers powers to legislate in devolved areas without a requirement on the face of the Bill for them to obtain the consent of the Welsh Ministers before doing so, thereby undermining the devolution settlement.

We laid a further Supplementary Legislative Consent Memorandum on the amended Bill, explain our remaining concerns with it, on 26 May, as soon as we could after the amendments had been adopted. The Senedd then voted to withhold consent for the Bill on 6 June.

The full implications of the Bill can only become clear once definitive policy choices are made by UK Government Ministers about which pieces of retained EU law should be amended, replaced, restated or, ultimately, revoked and that causes difficulties for both the Welsh Government and for the Senedd.

As a responsible Government, our priority is to deal with the Bill in order to minimise the damage it will cause to Wales, particularly in relation to maintaining vital environmental and social protections and regulatory standards for businesses. We are prioritising our resources to ensure we do not jeopardise our commitments and legislative programme as a result of having to deal with this unwelcome Bill.

How is the Welsh Government monitoring whether rural local authorities are using local food providers for free school meals?

Rolling out our Universal Primary Free School Meal (UPFSM) commitment reiterates the importance of supporting the procurement and promotion of local, sustainable, and healthy food. We encourage local authorities to maximise the amount of Welsh produced food on school plates, by working closely with Wales-based manufacturers, producers and wholesalers and collaborating with other local authorities, where appropriate, to aggregate demand. This will shorten supply chains and reduce food miles, support local food producers and distributors, and strengthen the Foundational Economy.

Public sector food procurement is devolved to a local authority level, however, as a part of the grant terms and conditions agreed with local authorities for the UPFSM offer, Welsh Government's legal procurement guidance '[Harnessing the Purchasing Power of the Public Plate: A legal guide to embedding sustainability into food procurement to create a healthier, wealthier Wales](#)' for all food framework agreements should be followed to maximise opportunities to source healthy, local and sustainable food. Officials regularly meet with catering leads in each local authority to discuss roll out of UPFSM, and local food supply is often discussed as a part of the monitoring process. The Welsh Government's Food in Schools team are working with local authorities and wider stakeholders to identify where support is needed to achieve local supply ambitions.

The Welsh Government's Foundational Economy (FE) unit is working closely with the UPFSM team to increase the amount of Welsh food on school plates, as part of its wider FE food work to embed foundational economy approaches into food procurement activity in local authorities and health boards tenders, support local food suppliers/producers to build strong resilient Welsh supply chains and encourage more innovative approaches. A number of pieces of work are underway in this regard:-

- School meal data analysis is underway across a sample of local authorities and wholesalers. This baseline data is helping to highlight what is being bought, from where, its origin, the volumes and spend to highlight where switches to Welsh food could be made.
- North Star Transition are working with Bridgend Council and other local authorities to apply their 'mission innovation' approach to school meal supply chains, replicating the work they have done with health boards, to examine the food system from farm to fork, map stakeholders, identify weaknesses in the system and develop innovative solutions to address them.
- Also planned this year, is a new public sector food procurement strategy, a public sector food supplier programme and a cost benefit analysis tool to show how any increases in food costs can be offset by wider socio-economic, environmental and cultural benefits.
- Thirteen food-related proposals are being assessed for consideration under the Backing Local Firms Fund, with a focus on increasing supply of healthy, sustainable Welsh food onto public plates and increasing horticulture.

Further, the Social Partnership and Procurement Bill is expected to come into force in 2023 and represents a real opportunity to strengthen approaches in food procurement and data reporting.

What preparatory work is taking place to develop a framework to assist with the potential devolution of the administration of welfare benefits?

In addition to cross government work to streamline our own devolved Welsh benefits system and the development of a Welsh Benefit Charter, which are essential elements of preparing the infrastructure required to deliver any future devolved benefits, officials are developing an objective evidence base that will guide the Welsh Government's decisions on the specific administration powers that it will seek to have devolved from a (future) UK Government. Activities being progressed include:

- Developing a proposal for the Wales Centre for Public Policy to undertake further research on administering social security in Wales to determine:
 - i) the specific functions that fall within the legal definition of administration of welfare.
 - ii) the outcomes that would be achieved by the Welsh Government having the power to deliver these administrative functions.
 - iii) why the current arrangements for administering social security prevent the attainment of these outcomes and could changes be introduced in the current system in order to achieve these outcomes.
- Working with stakeholders to examine individual DWP benefits to ascertain whether the problems people face in accessing and/or maintaining their entitlements are due to administration processes or the policy decisions and legislation that underpin a particular DWP benefit.
- Liaising with Scottish Government counterparts to learn lessons from their experience of delivering the benefits that have been devolved to them.

We are also working with the Designated Member for Plaid Cymru, Sian Gwenllian MS to oversee the commitment within the Co-operation Agreement to "Support the devolution of

the administration of welfare and explore the necessary infrastructure required to prepare for it.”

Can you confirm whether the new Warm Homes Programme will be operational before next winter?

The Minister responsible expects to procure a new, demand led scheme which tackles both the climate emergency and fuel poverty before the end of the calendar year, to be mobilised over the winter. The current Nest contract has been further extended to the end of March 2024 to ensure there will be no gap in provision between the new and existing programmes, to provide continuity of service and maximise spend.

What actions is the Welsh Government taking to work with the non-statutory sector in social care when resources are scarce?

Social care is delivered through a variety of private, voluntary and public organisations – and we are clear that our support through organisations like Social Care Wales extends across all of these vital parts of the sector. For the workforce, the offer from Social Care Wales is available across the sector, regardless of the type of provider. This means, for example, registration, well-being programmes and WeCare are available for the voluntary and private sectors as much as for the public sphere.

Approximately 82% of workers registered with Social Care Wales work in the non-statutory sector. This demonstrates that the Government’s commitment to the Real Living Wage for registered workers has predominately impacted on the private and voluntary sector workforce.

The Social Care Wales Workforce Development Grant, over £7.5 million of funding annually, is explicitly to be utilised across all the workforce, regardless of type of provider. In supporting services, Social Care Wales is also bringing the non-statutory and statutory parts of social care together – for example establishing digital communities of practice, embedding evidence programmes, a data portal and facilitating the establishment of the community resourcefulness partnership. Social Care Wales, under the remit letter, is also piloting a specific leadership programme to support leaders from the voluntary and statutory sector to come together on their leadership journeys.

The Social Care Workforce Development Programme (SCWDP), funded by the Welsh Government and managed by Social Care Wales, provides over £10.2 million funding to local authorities to deliver training and development placements for their staff, including those in the voluntary and private sectors across Wales. The programme provides flexibility to meet specific pressure points and the workforce development strategy in each region, whilst having several national priorities defined by the national workforce strategy.

The Grant supports Welsh Ministers’ priorities of an equal relationship between people and practitioners; early intervention and prevention; and transforming the way people’s needs for care and support are met.

To support older people across Wales, the following projects are funded through this grant:

- Age Cymru: Developing person-centred service models to identify, and better meet the needs of older carers and carers of people with dementia - 2022-25 - £155,179 per year (maximum of £465,537 for the 3 years)

- Care and Repair in Powys: Mamwlad - 2022-25 - £148,367 per year (maximum of £445,101 for the 3 years)
- Carers Trust Wales: Carer aware – transforming carer recognition, respect and support across health and social care setting in Wales - 2022-25 - £294,159 per year (maximum of £882,477 for the 3 years)
- Cruse Bereavement Care: Putting bereaved people first in Wales - 2022-25 - £265,988 per year (maximum of £797,964 for the 3 years)
- Platform for Change: Effro - 2022-25 - £436,852 per year (maximum of £1,310,556 for the 3 years)
- Women Connect First: Let's age well - 2022-25 - £86,385 per year (maximum of £259,155 for the 3 years)
- Carers Wales: Carer Well-being and Empowerment project 2022-25 : £260,465 per annum (maximum of £781,395 for the three years)

The Caring Communities of Change project provides £165,518 of funding per year between 2020 and 2025 to put learning disability family carers and their relatives at the heart of collaboration in service design and delivery across health and social care in Wales. The All-Wales Forum of Parents and Carers work in partnership with our regional carer-led networks and engage with third sector colleague organisations to co-produce and scale up innovative, practical and different solutions. Collectively, they will target three core areas of change – transitions ('All Moves Matter'), respite ('Break from the routine'); and doing different things ('Creative Carer Communities') – that have been brought to their attention by family carers as areas that need improvement. Working together we have identified different solutions and are generating innovative pilot schemes.

We have funded a number of projects to aid recruitment into social care – across the statutory and third sector. This has included funding Social Care Wales to pilot and roll out the Introduction to Social Care programme, which provides initial training for those who may consider employment in the sector. This programme has since been incorporated into their ongoing delivery programme.

Officials are currently in consultation with a national third sector organisation with regard to a bid to manage a volunteering programme to provide support for people in their own homes. We know supporting people as early as possible enhances wellbeing and allows older people to live well for longer.

The Health and Social Services Regional Integration Fund (RIF) is a five year revenue fund (£144.6m) to the seven Regional Partnership Boards (RPBs) and aims to develop six national models of integrated care through funded project activity aligned to those models of Care. The expectation is that the identified core components of those models will be delivered in a consistent and accessible way wherever you live in Wales: The six interrelated models of care are:

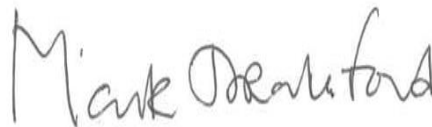
- Community Based Care: prevention and community co-ordination.
- Community Based Care: complex care close to home.
- Home from Hospital
- Accommodation Based Solutions
- Promoting good emotional health and well-being

- Supporting families to stay together and therapeutic support for care experienced children.

From a non-statutory perspective, the RIF guidance makes it clear that a minimum of 20% of the RIF funding should be invested from each RPBs allocation to delivery care and support activities through the social value sector. Local authorities and the RPBs have a statutory duty to promote the social value sector as defined in the Social Services and Well-being Act (Section 16 – for example, third sector organisations, co-operatives, social enterprises, user-led groups). Each RPB have several projects which are led by non-statutory organisations (Section 16 organisations) and small grants available from their allocation or non-statutory providers. We are monitoring closely the allocation of the minimum 20% across each RPB and the contribution of organisations (including the role of volunteers) to support statutory care and support provision. Furthermore, non-statutory organisations are involved in the RIF Communities of Practice, sharing the learning, best practice and contributing the development of the six national models of integrated care.

I trust you will find this additional information of interest and I welcome the opportunity to attend the next Committee meeting in Wrexham in person on 7 July.

Yours sincerely

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

MARK DRAKEFORD



Our ref: RE/65/2023

Rt. Hon. Jeremy Hunt MP
Chancellor of the Exchequer
1 Horse Guards Road
London
SW1A 2HQ

1 March 2023

Dear Jeremy,

As you prepare to publish your Spring Budget, the economic situation in the UK continues to be very challenging. Growth is stagnant and the inflation rate remains high, with the Bank of England raising interest rates in response, all of which continues to erode living standards for people across the United Kingdom. To help in your considerations ahead of your Spring Budget, I thought it would be useful to set out our priorities, which have been informed by the recommendations of an independent Expert Group, formed to support our Cabinet Sub-Committee on Cost of Living, which brings together academic experts and sector representatives.

Budget Pressures

When I wrote to you ahead of your Autumn Statement last November, I outlined the severe impact inflation was having on our budgets. The additional funding you announced in the autumn is not sufficient to address this impact and meet the pressures we face, and the value of our 3-year settlement remains up to £3bn less in real terms, and up to £1bn less next year, than when the funding was announced in 2021.

I have taken some very difficult decisions during the 2023-24 budgetary process and Ministers have had to assess their priorities and scale back activity, to enable me to re-direct funding towards responding to the cost-of-living crisis, supporting frontline public services and helping our economy through recession. It is imperative the Spring Budget is used to increase funding for public services to ensure that the inflation shock does not do more damage. Extra funding is needed, in particular to ensure public sector workers are paid a fair wage for the essential work they do.

NHS and Social Care

The NHS in Wales is under extreme pressure, and we are doing all we can to maintain an effective service for the millions who depend on it every day. In July, the NHS will mark 75 years of service. Coupled with the Prime Minister's priority to reduce waiting lists, this

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presents a crucial opportunity for investment in health and social care, to ensure services can respond to the significant pressures following the COVID pandemic and cost of living crisis, and to deliver wider reform. This funding must be made available as soon as possible, to enable the NHS to plan ahead of next Winter.

Cost of Living

The cost-of-living crisis continues to take its toll on households and businesses, and it is vital that further support is targeted on the most vulnerable. Pay is reducing in real terms and debt will continue to rise, resulting in sustained impacts on health and wellbeing. The Expert Group has noted that this impact will fall disproportionately on disabled people, Black, Asian and Minority Ethnic groups, women, carers, and those with young children. We have previously suggested some practical actions the UK Government could take to make a real difference to those hit hardest, including abolishing standing charges on pre-payment meters, increasing Local Housing Allowance rates and funding for Discretionary Housing Payments, and providing support for credit unions. The UK government should also consider implementing an additional one-off payment for people on all means tested benefits to provide relief against continued rising prices that prevent many achieving a basic standard of living.

I have repeatedly pressed for the abolition of the Benefit Cap and Two Child Limit which are key drivers of child poverty amongst larger families in Wales. In the absence of any progress in this area, and to ease the pressures on the most financially vulnerable households, the Chief Secretary has agreed to take advice on implementing changes to the Universal Credit deduction policy to reduce the maximum amount for automatic deductions for repayment of government debts to 5%, and to reduce the cumulative level of deductions taken from a Universal Credit award from the current 25% down to 15%.

Given the ability of energy production companies to retain so much of their bumper profits despite windfall taxes, it would be helpful to understand whether reliefs are achieving their intended purposes and if there is scope to close any loopholes, to help generate additional funding that could be used to support those struggling to meet energy costs. Alongside this, the cost of energy price support has been much less than envisaged when the schemes were introduced, and the UK Government should use these additional resources to maintain the Energy Price Guarantee at £2,500 from April. My Ministerial colleagues have written separately to the Secretary of State for Energy Security and Net Zero regarding energy support.

In addition, the UK Government should instigate a Competitions Market Authority (CMA) inquiry to investigate increases in prices when there is no corresponding increase in firm costs, such as for internet and mobile phone contracts.

Fair Funding and Investment

We have been able to work together to establish a constructive relationship on Freeports and conversations on Investment Zones have begun, but there is a wealth of opportunity in Wales for UK Government investment to support enterprise and productivity, including rail, renewable energy and research and development. I am writing separately to the Chief Secretary to the Treasury to provide further detail on these.

As part of this, I would welcome your commitment to review the categorisation of the £100bn investment in HS2 by the UK Government as an England and Wales project, noting the recommendation by the Welsh Affairs Committee to re-classify HS2 as an England only project, and that it severely restricts our ability to invest in rail in Wales. This is an issue with strong cross-party support in the Senedd and the UK Parliament.

If the Prime Minister is committed to growing the economy, it is essential the UK Government drives lasting productivity growth by unlocking business investment and enabling opportunities for investment in green energy and decarbonisation, to improve our energy security for the future. The UK Government must take decisive action to secure the long-term future of the steel industry, which is a vital component for our economic security and skilled employment. Clean steelmaking is crucial in meeting our net zero targets.

The loss of EU funds has had a significant impact on businesses and the higher education and third sectors in Wales, all of which are reporting redundancies and the closure of vital programmes, resulting in the loss of essential talent and opportunities for growth. In Wales, the UK Government must further growth and prosperity through investment in a long-term semiconductor strategy, stronger collaboration on Wales employability programmes and the realisation of nuclear opportunities.

It is important that we work together across the UK to tackle the climate and nature emergency and its consequences, including those from the legacy of Britain's mining past. Our funding settlement does not reflect the disproportionate costs of dealing with the UK's coal-mining legacy, and Welsh communities should not be expected to meet these costs. I would welcome your commitment to provide specific funding to support longer-term costs of investment to address coal tip safety and reclamation.

This letter has been copied to the Chief Secretary to the Treasury and the Secretary of State for Wales.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive, flowing style.

Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref:JJ/PO/180/2023

David Rees MS
Chair
Committee for the Scrutiny of the First Minister
Welsh Parliament
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14 June 2023

Dear David,

I would like to draw your attention to a suite of documents I have published today relevant to the next iteration of the Warm Homes Programme. These documents can be found at <https://www.gov.wales/next-iteration-warm-homes-programme-review-and-recommendations-report>

The documents include a Policy Statement, Lessons Learnt and a Consultation Response document which inform the detailed design of the new Warm Homes programme.

I will publish a tender specification for the procurement of the new demand led scheme shortly.

Yours sincerely,

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change

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