

Note of the Meeting between the Voluntary Sector and Minister for Finance & Local Government, 21 October 2021

Present:

Rebecca Evans - Minister for Finance & Local Government (Chair)

Third Sector Representatives:

Iestyn Wyn - Stonewall Cymru
Chris Johnes - BCT Wales
Gethin Rhys - Interfaith Council for Wales
Phil Fiander - Funding & Compliance Sub-Committee
Helene Hayes - Citizens Advice Cymru
Michelle Hunt - Wales Environment Link
Roxanne Treacy - Co-Production Network Wales
Derek Walker - Wales Co-op
Sheila Hendrickson-Brown - Cardiff Third Sector Council
Andrea Cleaver - Wales Refugee Council
Rocio Cifuentes - Ethnic Minorities & Youth Support Team
Kay Denyer - Race Council Cymru
Rob Simkins - Homes for All Cymru

Wales Council for Voluntary Action:

Anna Nicholl - Director of Strategy & Sector Development
Ben Lloyd - Head of Policy
David Cook - Policy Officer
Alison Pritchard - Sustainable Funding Manager

Welsh Government Officials:

Chris Buchan - Community & Third Sector Policy
Matt Wellington - Budget Policy & Delivery
Janine Downing - Budget Improvement Lead
Ruth Leggett - Tax Strategy & Inter-Government Relations
Emma Smith - Local Government Finance Policy
Lisa Daniels-Griffiths - Budget Improvement & Engagement

Secretariat:

Paul McDonagh
Sandra Stephenson

1. Welcome

1.1 The Minister extended a warm welcome to attendees and explained that Anna Nicholl would be leading the meeting on behalf of the Third Sector in Ruth Marks' absence.

2. Budget

- Update from Minister

2.1 The Minister reported that she, and Finance Ministers from the other Devolved Governments, had recently met the Chief Secretary to the Treasury. The Minister had pushed for financial flexibility and funding for coal tips. However, the Chancellor's Comprehensive Spending Review and Autumn Budget on 27 October would shape the Welsh Government's draft budget which would be published on 20 December.

2.2 The Wales Governance Centre's projections for the budget over the next few years had been helpful in giving an indication of our potential settlement highlighting a potential cash increase of just £300m in the core resource budget in 2022-23 and increases of around £600m in each of the following years. The core capital budget was set to stay at around £2.5bn pa in real terms over the course of the next five years and there would be a loss of £375m of EU funding a year. Funding for Covid19 is also not expected beyond 2021-22 resulting in a decrease in our resource budgets. However since then the UK Government has also announced as a result of the increased national insurance contributions Wales could now receive an additional £600m a year in revenue funding.

- Third Sector feedback on priorities

2.3 The Third Sector welcomed the update but highlighted concerns about the funding of cross cutting issues in the Programme for Government, particularly equality issues which they would like to see embedded across all government budgets. The need for a shared sense of responsibility for equality and recognition of the distinct needs of refugees were also highlighted.

2.4 The need for the Programme for Government to recognise nature in addition to climate change was also highlighted, as was the need for nature to be included in all government budgets to encourage a nature positive economy.

2.5 The work being done by social enterprises and the lack of access to EU funding replacement schemes were stressed, as were multi-year funding and flexibility in the way funding is received, especially for small, community organisations.

2.6 Anna Nicholl suggested a webinar on the budget process would be helpful and agreed to take this up with officials.

2.7 Matt Wellington reported that budget improvement plans would issue with the draft budget and that officials had been working with others, including other governments, to understand how equality issues could be better addressed.

2.8 The Minister acknowledged the importance of transparency of budget processes and advised that she was looking to continue to improve this. The Minister agreed

to draw the Third Sector's concerns to the First Minister's attention but urged Third Sector colleagues to send details of their concerns about equalities to officials and to share ideas on nature and climate change with the respective portfolio Ministers, copied to her.

Action:

- *Rocio Cifuentes to send more information about coproduction in relation to Equalities and Integration funding to officials.*
- *Third Sector to send ideas around climate change, budget transparency and communication of budgeting decisions to officials.*
- *Officials to explore idea of a webinar for the voluntary sector about the budgeting process.*

3. Funding and Compliance Sub Committee

- Update from Phil Fiander, Chair

3.1 Phil welcomed the Sub Committee's ability to work with officials, particularly in respect of policy development. He recognised the positives of longer term funding and advised that the lack of flexibility was being worked through. However, he stressed the need to comply with the Code of Practice and for early and continuous engagement, including by the wider community, and highlighted the importance of core funding, collaboration and innovation.

3.2 Phil asked the Minister to remind local authorities of the loss of EU funding and of the need to follow the Code of Practice, no matter where funding came from.

3.3 The benefits of longer term funding and Welsh Government's efforts were recognised. However, the rigidity of the system in respect of end of year funding and the adverse effect on small organisations were stressed.

3.4 Matt Wellington advised that Welsh Government continued to explore the potential for greater flexibility.

3.5 The Minister highlighted the difficulty of benchmarking due to the wide range of services but welcomed the Sub Committee's contributions and agreed to speak to local authorities on following the Code of Practice.

Action:

- *Minister to remind WLGA Executive Committee about the importance of the Funding Code of Practice.*
- *Minister to discuss with officials flexibility within budgeting system.*

4. Relations with Local Government

4.1 Anna Nicholl introduced the paper provided by the Third Sector and advised that the Third Sector Partnership Council and Minister for Social Justice were also

considering these relationships. Anna stressed that the Third Sector was very keen to build on the lessons from Covid19 and called for this to form part of the Minister's conversation with local authorities, along with support from Welsh Government officials.

4.2 Third Sector representatives called for more consistent relationships with local authorities and stressed that a culture change and financial investment would be required. They were keen to use the learning from Covid19, for example community participation and Third Sector groups' involvement in local democracy.

4.3 The Minister recognised the major opportunities that came out of the pandemic and the role of Third Sector organisations. The Minister was keen to follow-up the Third Sector paper with the Local Authority Partnership Council and asked for good examples to be sent to her. The Minister also agreed to ask officials to get in touch about the democracy handbook.

Action:

- *Minister agreed that her officials should support the work of the sub-group*
- *Third Sector to send examples of where local government has worked well with the voluntary sector to officials.*
- *Minister to discuss this with the WLGA Executive Committee.*
- *Officials to contact group re engagement with the democracy handbook.*