

Note of the Meeting Between Representatives of the Third Sector and the Minister for Finance and Local Government – 4 May 2022

Attendees

Rebecca Evans - Minister for Finance & Local Government - Chair
Andrew Johnson - Special Adviser

Third Sector

Michelle Hunt - Wales Environment Link
Helene Hayes - Citizens Advice Cymru
Izzabella James - Homestart Cymru
Uzo Iwobi - Race Council Cymru
Victoria Lloyd - Age Cymru
Derek Walker - Cwmpas
Jamie Burt - Siawns Teg
Iestyn Wyn - Stonewall Cymru

WCVA

Ruth Marks - Chief Executive
Alison Pritchard - Sustainable Funding Manager
Ben Lloyd - Head of Policy
David Cook - Policy Officer

Phil Fiander - Funding and Compliance Sub-Committee

Welsh Government Officials

Chris Buchan - Community & Third Sector Policy
Emma Watkins - Budget and Government Business
Lisa Daniels-Griffiths - Budget Improvement & Engagement
Janine Downing - Budget Improvement Lead
Tom Cleaver - Tourism Tax Policy, Welsh Treasury
Paula James - Local Government Strategic Engagement
Elin Morgan - Tourism Tax & Policy Manager, Welsh Treasury

Secretariat

Paul McDonagh - Chief Operating Officer's Group
Sandra Stephenson - Chief Operating Officer's Group

1. Minutes of the meeting held on 21 October 2021

1.1 The minutes were accepted.

2. Welsh Government budget processes for 2023-24

2.1 The Minister reported that following the UK Government's Autumn 2021 multi-year settlement spending review, Welsh Government budget priorities had been set through to 2024-25. Cabinet agreed that spending should focus on prioritising

health and social care, local government, and education; all areas closely related to the Third Sector.

- 2.2 Budget preparations for 2023-24 continued to recognise the ambitious Programme for Government and to maintain the certainty for Third Sector partners in setting their own budgets. Planning will be based on information available, taking into account a wide range of potential scenarios. However, the Minister recognised the challenge increasing levels of inflation presented, in addition to the loss of EU funding, the cost-of-living crisis and the impact of the war in Ukraine.
- 2.3 The Minister realised that the Third Sector scheme code of practice identified increases in Welsh Government funding levels, due to cost of living or inflation, should normally be applied fairly and equitably to Third Sector funding recipients. However, she reported that unfortunately, to date, no increases in funding had been received from the UK Government to reflect rising inflation. As a result, the Welsh Government was not currently in a position to increase funding beyond the levels set in the Budget approved by the Senedd in the previous month, but she continued to press the UK Government.
- 2.4 The Minister also reported that in the first formal Budget Improvement Impact Advisory Group (BIIAG) meeting in March, officials gave a presentation on the Welsh Government Budget Process. She was pleased that so many Third Sector colleagues were engaged in this Group and reported that the presentation would be given to a wider Third Sector Audience on 25th May.
- 2.5 The Minister welcomed Third Sector input in developing the budget strategy and was keen that the Sector's views on the priorities for BIIAG were considered going forward.
- 2.6 The Third Sector welcomed the opportunity to work with officials across Welsh Government but stressed the need to collaborate with the Third Sector early to ensure a diversity of voices. The budget presentation was welcomed, and it was hoped that a recording would be available for those unable to attend.
- 2.7 The Minister agreed to emphasise to Cabinet colleagues the need to collaborate early and also suggested that it would be good for BIIAG to have a presentation on the Infrastructure Investment Strategy. (**ACTION:** Emma Watkins and Lisa Daniels-Griffiths to consider)

3. Update from Funding and Compliance Sub-Committee

- 3.1 Phil Fiander reported on behalf of the Sub Committee expressing their gratitude to officials for working with them at an early stage.

- 3.2 Phil reported that the Sub Committee was keen to review/revisit its Code of Practice for Funding the Third Sector to ensure that it was still fit for purpose. He also stressed the need to raise awareness of the Code to secure buy-in from a range of public bodies.
- 3.3 Alison Pritchard, WCVA reported that she had been working on longer-term grant opportunities and suggested raising the visibility of Welsh Government grants by using Funding Wales, which has almost 15,000 users.
- 3.4 Iestyn Wyn representing the equality and inclusion sector, suggested that the Welsh Government has a role in encouraging larger organisations to advocate for smaller, grassroots groups and for larger organisations to potentially distribute smaller grants.
- 3.5 The Minister was grateful to the Funding and Compliance Sub Committee for their work on longer-term grants. She wholeheartedly supported the review of the Code of Practice and agreed to mention it to Jane Hutt MS when they next spoke. She encouraged further work with officials to raise the profile of Welsh Government grants and queried the potential for combined grant applications. (**ACTIONS:** Minister to discuss Code of Practice with Minister for Social Justice, officials to consider how to raising the visibility of Welsh Government grants)

4. Relationships between the voluntary sector and public bodies - paper by the Third Sector

- 4.1 Ben Lloyd, WCVA introduced this paper which highlighted concerns about the move towards greater regional working and relationships between the voluntary sector and local authorities. There was also some confusion over the evolving regional partnership landscape. Ben stressed that it was essential for statutory bodies to undertake quality engagement, inclusive of the diverse range of voices in Wales, as reflected in the Future Generations Act and the Social Services and Wellbeing Act.
- 4.2 Uzo Iwobi highlighted the complexities of some structures and suggested that the production of a roadmap or guidance to show where organisations should go would improve transparency.
- 4.3 Helene Hayes highlighted the significant demand for Citizens Advice services. She also stressed the data and insight held by Citizens Advice which she would be happy to share with bidding organisations.
- 4.4 Derek Walker welcomed Welsh Government's increasing involvement in the Levelling Up and Shared Prosperity Funds but felt that the Third Sector was not playing a full role. He suggested that Welsh Government make a case around the new structures for meaningful and early Third Sector involvement. He queried the potential for match funding.

4.5 The Minister thanked the group for this paper. She supported the idea of a roadmap/guidance and suggested further discussions with her officials. She also suggested that she use her speech to the WLGA and her meetings with local authority leaders to raise awareness of the role of Third Sector organisations. The Minister advised that match funding had not yet been considered and confirmed that the Minister for Economy was taking the lead on the Levelling Up Fund but that she was happy to facilitate. (**ACTION:** Officials to discuss roadmap/guidance with Third Sector colleagues) (**ACTION:** Officials to share information on the Strategic Partnerships Review)

5. Tourism Levy – Engagement

5.1 Tom Cleaver gave an overview of the proposed tourism levy. He explained the what, why, timing and scope and agreed to share his slides with the group. He advised that a full consultation would take place in the autumn and welcomed the Third Sector's input. (**ACTION:** Tom Cleaver to share slides)

5.2 The Minister apologised for the limited time available for this item but was happy for a longer presentation and discussion to be made at another time to enable Third Sector colleagues to feed in.

5.3 Tom provided an email address (TourismLevy@gov.wales / TourismLevy@llyw.cymru) should anyone wish to contact him for further information.