

## **Minister for Finance & Local Government Meeting with Representatives of the Third Sector 10 November 2022**

### **Note of the Meeting**

Attendees:

#### Third Sector

Uzo Iwobi	-	Race Council Cymru
Roxanne Treacy	-	Co-Production Network Wales
Clair Brick	-	Siawns Teg
Selima Bahadur	-	EYST
Gethin Rhys	-	Interfaith Council for Wales
Ruth Power	-	Shelter Cymru/Homes for All Cymru
Izzabella James	-	Homestart Cymru
Gareth Lynn Montes	-	Welsh Refugee Council
Sheila Hendrickson Brown	-	CVC Cymru
Chris Johnes	-	Building Communities Trust Wales
Rachel Sharp	-	WT Wales/ Wales Environment Link
Kate Young	-	Health & Social Care Planning Group
Michele Hunt	-	Wales Environment Link
Catrin James	-	Council for Wales Voluntary Youth Services
Michelle Clarke	-	Community Transport Association
Annie Smith	-	RSPB/Wales Environment Link

#### Funding and Compliance Sub-Committee

Phil Fiander	-	Chair
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#### WCVA

Matthew Brown	-	Director of Operations
Ben Lloyd	-	Head of Policy
David Cook	-	Policy Officer

#### 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
Paula James	-	Local Government Strategic Engagement

#### Secretariat

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

### **1. Minutes of the Last Meeting**

## 1.1 Action from the previous meeting on 4 May 2022

Minute 2.7 Third Sector representatives welcomed confirmation that a presentation to BIIAG on the Infrastructure Investment Strategy would take place in the New Year. Emma Watkins advised that she would be happy to speak in the meantime.

Minute 3.5 The Minister had mentioned her support for the review of the Code of Practice for Funding the Third Sector to the Minister for Social Justice.

Other actions arising would be covered during this meeting.

## 1.2 Draft Budget 2023-24 Engagement Meeting 15 September 2022

Matt Brown thanked the Minister for this meeting, which the 3<sup>rd</sup> Sector found helpful and informative.

## **2. The Welsh Government Budget**

2.1 The Minister stressed the uncertainty surrounding the economic and fiscal outlook following the UK Government's mini-Budget. In addition, she expected the £140m funding allocated for employers' National Insurance contributions, already factored into spending plans next year and the year after, to have to be returned to HM Treasury.

2.2 The Minister reported that she had met the Chief Secretary to the Treasury on 27 October and stressed that the UK Government must use the forthcoming Autumn Statement to use its tax levers more equitably, including targeting excess profits in the energy and banking sectors, and by investing more in infrastructure, particularly to improve future energy security and respond to the climate emergency. She also called for the UK Government to provide the additional financial flexibilities needed to support the Welsh Government's response to these economic challenges.

2.3 The Minister advised that the Welsh Government's budget would be published on 13 December and that the work of BIIAG's had been integral to budget decisions.

2.4 The Third Sector emphasised the adverse effects on the most vulnerable. They called for investment in prevention and resilience and stressed the impact on the Third Sector's own staff, including recruitment and retention. It was also hoped that the UK Government would address the issue of the 45p mileage rate for volunteers.

2.5 It was hoped the Budget would address the massive impact of the UK Government's deregulation legislation and the critical need to invest in nature's recovery.

2.6 Investment in Third Sector infrastructure and recognition of its contribution in supporting the most vulnerable were called for or risk services having to cease.

2.7 The Minister supported investing in prevention. She recognised the challenges, particularly relating to homelessness, and also the challenges in meeting the needs of

Ukrainian refugees via the welcome centre approach (for which the Welsh Government received no specific funding) but stressed that the cost-of-living crisis was widespread across the whole public sector. She had had discussions with the Older Peoples Commissioner and called upon the UK Government to prioritise assisting people to get through this crisis by increasing benefits.

2.8 The Minister recognised the effects of deregulation on nature and confirmed that there was no intention to replicate the UK Government's plans in Wales. The Welsh budget would be cognisant of the cumulative impact on the vulnerable and disadvantaged.

2.9 Third Sector colleagues recognised the impact of the cost-of-living crisis on local government, which they felt highlighted their role. However, they called for the simplification of services available to allow people easier self-access.

2.10 The Minister recognised the funding gap reported by local authorities. She reported on the thinking and discussions underway to explore some of local government's budget management requests. The Minister for Social Justice was already looking at simplification and she agreed to ask her for a note to share with this group. The Minister invited the group to send her details of their experiences of the Shared Prosperity Fund.

**Actions:**

- A note on the simplification of services available to be circulated amongst the meeting attendees (Minister/Secretariat).
- Experiences of the Shared Prosperity Fund to be sent to the Minister (WCVA).

**3. Funding and Compliance Sub-Committee update/Code of Practice for Funding the Third Sector**

3.1 Phil Fiander reported that the review of the Code of Practice was underway by Sub Committee to try to make it fit for purpose and to promote good practice. The Sub Committee was trying to produce no more than 8 principles, including:

- Early and continuous dialogue;
- Flexibility / adaption to delivery;
- Coverage of full costs;
- Uplift/passing on of budgets;
- Social value;
- Equity and parity of organisations; and
- Consideration of end users

It hoped to test the principles after Christmas.

3.2 The Minister thanked Phil for his report and the Sub Committee for all their work. She recognised the value of a more focussed document and asked Phil to let her know if there was anything she could do to assist with progress.

#### **4. Relationships and Regional Partnerships - how the Third Sector works locally/regionally**

4.1 Paula James advised that she would welcome further discussion with the group on the details of the focus of a roadmap signposting organisations on where to go for guidance.

4.2 Chris Buchan reported that the community policy work was being taken forward with PSBs and highlighted the need to make best use of resources through connectivity of different workstreams.

4.3 Third Sector colleagues reported that there was evidence of good practice and positive outcomes but that there were challenges, so they wanted to be a more active, resilient partner. However, the Welsh Government was not explicit enough on the role and funding of community organisations so that they can deliver on the Programme for Government. They would like to see Welsh Government officials become enablers rather than gatekeepers.

4.4 Third Sector colleagues stated that partnership working was inconsistent. The default assumption for small scale funding (for warm hubs for example) was that it should always go to local authorities whereas funding through the Third Sector would allow greater flexibility and enable cross sectoral engagement to ensure local voices were heard. Clearer guidance was called for.

4.5 The Minister agreed to take this up with the Grants Centre for Excellence. She was also talking to Partnership Boards about ensuring that they liaise with the Third Sector and community organisations.

#### **Action:**

- Discussion to be held with the Grants Centre for Excellence on analysis of how funding is allocated at different levels (Minster).