

Present

Chair: Minister for Finance and Trefnydd
Counsel General and Minister for European Transition
Damien O'Brien, Non-executive Director
Alex Bevan, Special Adviser
Gareth Williams, Special Adviser
Jane Runeckles, Special Adviser
Andrew Jeffreys, Welsh Treasury

NR	, Strategic Budgeting
NR	Strategic Budgeting
NR	Senior PS, Counsel General and Minister for European Transition

Agenda

1. For consideration: Rail (MA/KS/1003/20)
2. For consideration: Bus (MA/KS/1088/20)
3. For consideration: Third sector (MA/JH/1045/20)
4. For consideration: NHS Staffing (MA/KS/1126/20)
5. For consideration: food supply
6. For discussion: Economic Resilience Fund
7. For discussion: Childcare (MA/JM/1077/20)

1. Rail (MA/KS/1003/20)

- The group commented that consideration should be given to the extent to which the furlough scheme could off-set costs.
- It was noted the Welsh Government had a contractual obligation to support fare revenue if it dropped from expected levels.
- It was recognised this was not a long term commitment.
- For the initial period, this would be managed within the budget allocation, but a call on the COVID-29 Response Reserve was likely.
- £40m should be earmarked within the Response Reserve for this.

Action 27/03-1: Feedback to the policy team.

2. Bus (MA/KS/1088/20)

- The group noted this would be funded initially from Economy and Transport MEG, using funding for concessionary fares and Bus Services Support Grant, so this did not require additional funding from the centre.
- It would be helpful to understand why we were withdrawing Traws Cymru free weekend travel?
- The funding must be based on a conditionality to seek access to UK support packages (Job Retention Scheme through HMRC). If not, the group expected funding to be clawed back.
- The group commented that it needed to understand the overlap between this support and the Economic Resilience Fund.
- Social care setting workers and teachers should also be considered for free travel, in addition to NHS workers.

- This would be available over 3 months, but the group expected work to proceed on the sustainability of the industry after the crisis.

Action 27/03-2: Feedback to the policy team.

Action 27/03-3: Letter about access to future schemes to be re-drafted.

3. Third sector (MA/JH/1045/20)

- The group emphasised this should not duplicate the Local Authorities Hardship Fund.
- The £10m resilience element seemed to duplicate the Economic Resilience Fund.
- The policy team should stipulate to the Wales Council for Voluntary Action that the £10m resilience elements was for specific circumstances. Any support in relation to loss of trading income should be sought from the Economic Resilience Fund.
- The Third Sector needed to draw on Job Retention Fund and other UK measures.
- Points noted:
 - Initial fund of £24m;
 - Work was underway to resolve the issue about the £10m resilience fund, and how it aligned with the Economic Resilience Fund. Comms about the support should not be too specific about the elements of the Third Sector fund until this issue is resolved.

Action 27/03-4: Feedback to the policy team.

4. NHS Staffing (MA/KS/1126/20)

- The group considered this to be well developed and sensible.
- The MA covered students and the potential for returners.
- The cost was less than HSS was re-purposing (£113m).

Action 27/03-5: Feedback to the policy team.

5. Food Supply

- The group noted a consequential of £12m had been received from UK Government as a result of a similar intervention in England. The cost of the scheme in Wales was anticipated to be £13.5m but could be higher.
- It was thought the cost difference was because details of the planning assumptions used in England were not known, rather than because there was a disproportionately higher cohort of shielded people.
- Whitehall had shared the contracts it was making with the two providers, which would help to inform the arrangements made in Wales.
- The costs were demand-led, and could increase by up to £20m.
- The steps to mitigate the potential for fraud was noted, and the expectation to include a break clause in the contract and to undertake benchmarking.
- Further work would be taken forward to look at the potential for using a Wales-based supplier, the role supermarkets might play, and to develop a 'user pay' scheme, so that individuals could pay for their groceries (as they normally would) if the scheme needed to be extended beyond 12 weeks.
- The group noted the fraud risk needed to be kept under close review, to ensure only entitled persons received the food package.

Action 27/03-6: Feedback to the policy team.

6. Economic Resilience Fund

- This focused on the intention to consider further whether, and how, the fund might be used to support the self-employed, in particular, what was available to help individuals with cash flow until payment in June.
- The self-employed would have access to Universal Credit and the Discretionary Assistance Fund (DAF). The group considered whether further help was needed, and whether this was more a welfare matter, not appropriate to the Economic Resilience Fund.
- The group was content with the proposed approach for the Economic Resilience Fund and agreed in principle that £200m (revenue) should be made available initially for the fund, with the potential to increase by a further £200m (revenue). This would be augmented by a £100m (FT capital) loan fund managed by the Development Bank of Wales, and financed by repurposing existing budgets.
- The group noted a separate MA on the FT capital loan aspect of the Economic Resilience Fund was due to be submitted shortly.
- An MA seeking formal approval to the detail of the Economic Resilience Fund and to allocating funding from the COVID-19 Response Reserve would need to be provided as soon as possible. However, the group was content for the fund to be announced on Monday, ahead of the MA if required.

Action 27/03-7: Feedback to the policy team.

7. Childcare (MA/JM/1077/20)

- Advice was being prepared asking the DMfHSS and the MfHSS to agree that, in the medium term, the Childcare Offer was closed to new applications, with the exception of key workers and vulnerable children, to be reviewed in 3 months.
- The Welsh Government had previously announced it would continue to fund settings for any term-time hours of childcare booked under the Childcare Offer for 3 months (this costs c£4m per month). If extended to key workers and vulnerable children, this would increase to just over £5m a month or £60m a year, which is the budget in health.
- Concern was expressed that, despite announcing funding would continue for 3 months, settings were closing anyway (the MA acknowledged some are furloughing staff). There was also concern about childcare for under 3s.
- It was felt additional modelling was needed. What would be the outcome if we did this for 3 months and then reinstated the offer from September as normal?

Action 27/03-8: Feedback to the policy team.