# STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Prime Minister and Heads of Devolved Governments Council** |
| **DATE** | **2 December 2022** |
| **BY** | **Mark Drakeford MS, First Minister** |

The inaugural Prime Minister and Heads of Devolved Governments Council met in person on 10 November 2022 in Blackpool. I attended the meeting virtually.

The Council was Chaired by the Prime Minister, Rt Hon Rishi Sunak MP. Others in attendance were the Chancellor of the Exchequer, Rt Hon Jeremy Hunt MP; Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations, Rt Hon Michael Gove MP; and the First Minister for Scotland, Rt Hon Nicola Sturgeon MSP. In the current absence of a First and deputy First Minister of the Northern Ireland Executive, officials from the Northern Ireland Civil Service attended the meeting in an observational capacity.

The Council discussed the economic outlook, and how the governments should work together to address the cost of living, the impact of rising inflation, and the shared challenges in supporting the NHS.

In contributing to this discussion, I asked the Prime Minister and the Chancellor of the Exchequer to consider the following:

* Whilst it is the Welsh Government’s responsibility to manage the NHS in Wales, the ability to fund it relies on funding decisions taken in the UK Government. Necessary funding must be made available.
* The borrowing and reserve limits agreed as part of the 2016 Fiscal Framework should be uprated with inflation
* Removing standing charges for prepayment metres would be in keeping with the Prime Minister's proposed compassionate approach. It cannot be right that the money individuals pull together for electricity should be consumed by standing charges levied during periods where they had no credit and no electricity was being used. The Chancellor should require companies absorb these costs instead.
* Local Housing allowances and discretionary housing payments should be reviewed to ensure they meet the real costs of living.
* There should be a guarantee against loss fund for credit unions UK wide to enable them to lend to those less able to access credit through traditional means so people do not access expensive payday lenders. A loan guarantee fund of this nature exists in Wales already which could be expanded if wider funding were available.
* There is an opportunity to work across the administrations to develop an active strategy to draw back into the workforce those who have chosen to leave it.

A short joint Communiqué was issued directly after the meeting, which is available at:

[Prime Minister and Heads of Devolved Governments Council communiqué 10 November 2022 - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/prime-minister-and-heads-of-devolved-governments-council-communique-10-november-2022)