

PUBLICATION

Inter-Institutional relations agreement between the Senedd and the Welsh Government: report on intergovernmental relations covering the period 2021 to 2023

Overview report covering the period April 2021 to March 2023.

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Introduction

1. This overview report covers the period April 2021 to March 2023, and is published in the context of the **inter-institutional relations agreement** between the Senedd and the Welsh Government in 2019. The positions outlined within this report may have changed and/or progressed since this reporting period. Therefore, the report is provided alongside the regular Welsh Government updates to the Senedd in plenary and committee, and via statements and correspondence, which are available on the Senedd website.

Summary

- 2. The Welsh Government has continued to benefit from strong relationships with the other devolved governments and with British-Irish Council member administrations outside the UK during this period.
- 3. There have been areas in which constructive joint work and dialogue has been possible with the UK Government, for example in relation to aspects of responding to the COVID-19 pandemic, and in relation to Ukraine.
- 4. However, the UK government's attempts to undermine the devolution settlement and its continued disrespect for the Welsh Government and the Senedd during much of this period has impaired intergovernmental working and damaged the union of the United Kingdom. The UK government's Shared Prosperity Fund and its repeated breaches of the Sewel Convention are particular illustrations of this.
- 5. However more recently, the agreement reached in late March to develop 2 freeports in Wales shows what is possible when the UK government seeks to work openly and jointly.

- 6. A notable strategic development during the period was the publication of the Review of Intergovernmental Relations in January 2022. Following this, there were positive early indications of improvements, utilising the robust intergovernmental machinery collectively developed by the UK government and the devolved governments. Sixteen of the proposed 20 portfolio-level interministerial groups have been established, and the middle tier Interministerial Standing Committee and the Finance Interministerial Standing Committee have met, albeit irregularly. The first meeting of the Prime Minister and Heads of Devolved Governments Council was held in November 2022.
- 7. However, given the instability of the UK government over this period and frequent UK ministerial changes, progress and momentum in implementing the new ways of working and mechanisms agreed as part of the review were slower than anticipated. Sadly, the summer and early autumn of 2022 represented a particular low point in engagement from the UK government.
- 8. The Welsh Government wants to see a strong Wales in a successful UK. The structures and mechanisms arising from the Intergovernmental Relations Review can provide a step towards a reformed and strengthened UK, where all the governments work together for mutual benefit. The Welsh Government will continue to work constructively to this end, but progress is only possible where the behaviours and mindset of the UK government facilitate this.
- 9. In the longer term, we hope that the work of the Independent Commission on the Constitutional Future of Wales, which published its interim report in December 2022, will provide an important foundation for constitutional change and for improved intergovernmental relationships.

Intergovernmental relations

Constitution and devolution

- 10. The circumstances arising from the UK's exit from the EU and also COVID-19 have improved knowledge and understanding within the UK government of the Senedd, and Welsh Government's roles and responsibilities and have highlighted the need to strengthen devolution to secure the future of the Union. The response to COVID-19 brought devolution to the fore in Wales and elsewhere. People across the UK now have a wider appreciation of what having 4 governments and legislatures really means, and how the powers of our institutions interact.
- 11. During 2021 and 2022, Welsh Government continued to use our powers with strength and confidence to mitigate the worst effects of the pandemic on our citizens, our public services and our economy. This highlighted our ability to pursue our own approach, as well as our desire to co-operate with others. Devolution is now well established, endorsed by our citizens, and its permanence enshrined in law.
- 12. The content of the UK government's legislative programme and their engagement with the Sewel convention have brought particular strains during this period. On some UK government Bills, work between the governments has been timely and constructive. Such collaborative working has, in some instances, allowed the Welsh Government to recommend that the Senedd consent to UK legislation in some devolved areas, in line with Welsh Government principles.
- 13. However, the wider picture on UK Legislation is not positive. Late engagement from Bill teams in UK government, alongside unwillingness to share information and drafting, are symptoms of a disregard for the legitimate interest the Welsh Government and Senedd have in UK legislation which touches on

devolved issues. As a result, of the UK Bills introduced during 2022 the Senedd refused consent to the Northern Ireland Protocol Bill; the Genetic Technology (Precision Breeding) Bill; the Trade (Australia and New Zealand) Bill; the Procurement Bill (in part) and the Retained EU Law Bill. The UK government has proceeded to ignore the Senedd's clear refusal of consent in breach of the Sewel convention – the Precision Breeding and Trade Bills are now law.

- 14. As of 31 March, the Welsh Government has also recommended consent be withheld in relation to the Strikes (Minimum Service Levels) Bill, the Illegal Migration Bill and the majority of the Levelling-up and Regeneration Bill. Consent has not yet been recommended in relation to several other introduced Bills, including the Data Protection and Digital Information (No. 2) Bill.
- 15. More widely, the constitutional structures of the United Kingdom have been fundamentally tested. The UK government's decision to use s35 of the Scotland Act to prevent legislation passed by the Scotlish Parliament in relation to gender recognition from becoming law marked a dangerous moment. Meanwhile, the lack of an executive in Northern Ireland has left one part of the United Kingdom without functioning ministerially-led devolved government. These pressures have prompted more general public discussion about the proper functioning of the constitution of the United Kingdom as a whole.
- 16. In the autumn of 2021, the Welsh Government established the Independent Commission on the Constitutional Future of Wales, which forms part of the Co-Operation Agreement with Plaid Cymru. The commission has been tasked with developing options for the fundamental reform of the UK's constitutional structures, and with considering and developing options to strengthen Welsh democracy and deliver improvements for the people of Wales. The commission published its **interim report** in December 2022. The commission highlighted the fragility of intergovernmental relations as a key pressure point in the current constitutional arrangements. They note in their interim report that the machinery for intergovernmental relations operates at the discretion of the UK government, and its reduced engagement in recent years has coincided with its willingness to

override conventions. This enables unilateral decision-making which does not contribute to the best outcomes for citizens.

17. The work of the commission was referenced in the report published by Gordon Brown's Commission on the Future of the United Kingdom, which made a series of radical proposals for constitutional reform. The commission has commenced the next phase of its work and is expected to produce its final report by the end of 2023.

The review of intergovernmental relations

- 18. Following years of intensive work by Ministers and officials during the joint Review of Intergovernmental Relations, the Welsh Government, along with the UK government, the Scottish Government, and the Northern Ireland Executive, agreed to use the package of reforms that emerged from the Review as the basis for the conduct of intergovernmental relations.
- 19. The package was published in January 2022 and is available at: **Review of intergovernmental relations** on GOV.UK
- 20. Since the publication of the Review variable progress has been made in the establishment of its machinery. Following each meeting a short joint Communique is published, however Welsh Ministers have worked to provide more information in Written Statements or detailed letters to the relevant Senedd committees:
 - 16 IMGs have been established and are operational.
 - The inaugural Prime Minister and Heads of Devolved Government Council met on 10 November 2022, focusing on cost of living and the NHS (Written Statement: Prime Minister and Heads of Devolved Governments Council).
 - The Interministerial Standing Committee met 3 times during this period

- (March and June 2022 and February 2023) and focused on cross-cutting issues such as UK legislation, the ongoing situation in Ukraine, and the rise in the cost of living, amongst other issues (Inter-Ministerial Standing Committee Written Statement 1, Written Statement 2).
- The FISC met 4 times during this period (March, June and October 2022 and February 2023); and discussed key issues such as COVID-19 recovery, Net Zero, and the rise in cost of living (Interparliamentary Finance Committee Forum on senedd.wales).
- Progress was made towards the establishment of an independent IGR Secretariat.
- 21. The Intergovernmental Relations Review sets out best practice for intergovernmental working, and provides escalation routes where disagreement arise. Dispute avoidance is built into the machinery established, with dispute avoidance and resolution mechanisms available as a last resort where needed. We have continued to press our concerns on relevant intergovernmental topics (for example, in relation to the UK government's legislative programme, and the Shared Prosperity Fund) with the UK government at every opportunity, using the full suite of machinery in place, and stand ready to escalate where appropriate.

British-Irish Council

22. In this reporting period there have been 4 British Irish Council summits, including one hosted in Wales.

Northern Ireland summit: 11 June 2021

23. The Northern Ireland Summit focused on priorities for COVID-19 recovery. The council had a constructive and informative discussion on the topic covering the potentially long-lasting impacts of Covid-19, and sustainable approaches to

recovery (Written Statement: 35th Meeting of the British-Irish Council on GOV.WALES).

Welsh summit: 19 November 2021

24. The Welsh summit was hosted at St Fagan's National Museum of History in Cardiff. The Welsh Government was keen to ensure that the summit showcased the vibrancy of Wales and Welsh culture. A particular focus for the summit was supporting Minority, Indigenous and Lesser-Used Languages, with specific reference to early years and childcare policy. In leading this item, we showcased the Welsh Government's pioneering work on early years language education (A detailed oral statement on the summit on senedd.wales).

Guernsey summit: 7 and 8 July 2022

25. The Guernsey summit focused on collaborative spatial planning. The council reflected on recent political developments and took the opportunity to engage on a number of topics of mutual interest. The council also held a thematic discussion on the contribution of spatial planning to town revitalisation and the decarbonisation agenda (Written Statement: British-Irish Council Summit in Guernsey on GOV.WALES).

Blackpool summit: 10 and 11 November

26. The Blackpool summit focused on Sustainable Growth and Regeneration. The council focused on efforts underway across BIC member administrations to stimulate and support sustainable economic growth, the development of more inclusive communities, and pressures on housing in particular (**Written Statement: British-Irish Council Summit in Blackpool** on GOV.WALES).

Commemoration of late Queen Elizabeth II

- 27. Following the sad death of Her Majesty, Queen Elizabeth in September 2022 there was a period of national mourning to reflect on Her Majesty's reign. There were tributes across the UK and King Charles and the Queen Consort visited all UK nations, including Wales, welcomed by the First Minister.
- 28. These events were successfully and respectfully delivered through close working and coordination across the 4 nations. This coordination was enabled and ably supported through effective 4 nation strategic and operational governance structures, from planning phase through to delivery.

COVID-19

- 29. During 2021-2022 Welsh Government continued to focus on the response to the most significant public health emergency of our time. The Welsh Government continued to lead a careful and evidence informed response to the pandemic in Wales, working in partnership with the other UK nations and working closely with our partners, leading on our substantial devolved responsibilities.
- 30. Engagement with UK government on COVID-19 has been mixed, and while there are positives to draw on and close engagement across the 4 nations in some areas, there have also been long periods of only minimal contact with UK ministers and too often developments have emerged through the press and stakeholders before UK government has engaged on an intergovernmental level with Welsh Government.
- 31. In the early stages of the pandemic, the First Minister and Minister for Health and Social Services attended COBR meetings. COBR brings together senior ministers and officials from UK government departments and the devolved

governments to provide high-level co-ordination and decision making in response to the pandemic. The last COBR meeting the Minister for Health and Social Services attended was 1 January 2021.

- 32. Routine meetings between ministers remained in place during 2021/2022 but following the peak of the Omicron wave in January we saw a divergence in transition arrangements and timing of removal of legal restrictions across nations during 2022. Funding discussions for 2022/2023 were challenging with UK government due to a significant reduction in funding and intergovernmental arrangements as emphasis moved to nations developing their own transition arrangements and plans for living with COVID-19 focusing on protecting the most vulnerable. Changes in Ministers in UK government has also impacted the level of engagement.
- 33. Welsh Government officials from across all departments engaged regularly with their counterparts in UK government and the other devolved governments and predominantly these relationships have continued to be constructive.

Ukraine

- 34. There has been significant intergovernmental working on the Homes for Ukraine visa scheme since its launch in March 2022. UK government has led a 4-nation approach, with weekly senior officials meetings and a regular pattern of interministerial engagement.
- 35. For the first 6 months, discussions were focused on operational issues to ensure the scheme was rolled out and worked across all the devolved administrations, taking into account different approaches on issues in non-devolved areas such as safeguarding, transport and education. This engagement has been maintained as the scheme developed and the numbers of arrivals increased sharply during the summer months.

- 36. Ongoing ministerial engagement has focused on parity of support for different cohorts arriving under various visa routes, funding for integration tariffs and hosts and the longer-term plans for the programme. These discussions escalated from December 2022 following the UK government's decision to cut integration tariff funding from 1 January 2023.
- 37. With the exception of the funding cuts mentioned above, the intergovernmental working on the Ukraine Response has been a good example of how the UK government and the Welsh Government can work constructively to support the integration of migrants in our communities. We are encouraging the UK government to replicate the respect for devolution, the access to data and constructive engagement we have had through this scheme in relation to schemes relating to Afghanistan, Hong Kong, the asylum system and refugee resettlement.

Other protection-based migration

- 38. Our engagement with UK government in relation to other protection-based migration schemes has been less positive. There is regular engagement between Welsh Government and Home Office/Department for Levelling Up officials in respect of Afghanistan and Hong Kong BNO schemes but the Welsh Government is frequently not provided with sufficient data or advance notice of proposed policy changes to enable the most effective delivery possible.
- 39. In relation to the asylum system, the Welsh Government is provided with very little data and there is no regular bilateral engagement between ministers or officials to ensure policy changes are understood and likely devolution impacts are understood in advance. The Interministerial Group (IMG) on Security, Safety and Migration has only met once and the Minister for Social Justice and Chief Whip has separately had just one meeting with the current Minister for Immigration, Robert Jenrick MP.

- 40. The asylum system continues to rely heavily on devolved public services, including healthcare services, education services and local government, but the Welsh Government is not consulted adequately to understand and prepare for changes and appropriate funding is not made available by UK government.
- 41. Welsh Ministers are now notified of Home Office intentions to procure asylum accommodation with 24 hours' notice. This is a limited improvement on previous circumstances, but often Welsh Government questions about proposals cannot be answered by Home Office counterparts in a timely manner.
- 42. Welsh Ministers have laid legislative consent memoranda in relation to the Nationality and Borders Act 2022 and the Illegal Migration Bill but Home Office ministers have restated their position that the legislation relates to reserved matters only. This is despite Senedd Cymru agreeing with Welsh Ministers that the provisions in the Nationality and Borders Act 2022 were within devolved competence and voting to withhold consent for the UK Parliament to legislate. Senedd Cymru will debate with provisions in the Illegal Migration Bill in June 2023.
- 43. Whilst the immigration and asylum system is reserved, the responsibility for integrating those residing in Wales rests with the Welsh Government. UK government departments with equivalent responsibilities (Department for Education; Department of Health; Department for Levelling Up) are engaged in cross-Whitehall planning for integration support but such engagement is not offered to the Welsh Government.

Statistics and analysis

44. An updated **concordat on statistics** was published in October 2021 which sets out the framework for co-operation across the UK on statistical matters. The concordat was signed by the then Welsh Government Permanent Secretary, along with the National Statistician and Permanent Secretaries from each UK

administration.

45. The concordat has operated well since its update, with intergovernmental relations largely coordinated at official level between Chief Statisticians and the National Statistician. The Welsh Government's Chief Statistician has been proactive in taking forward the spirit of the concordat, working constructively and collaboratively with statisticians in the UK government and other devolved governments. Particular attention has been given to improving the comparability and coherence of statistics across the UK, with a recent focus on health statistics where the Welsh Government has played an active role.

Procurement

Public Procurement Common Framework

- 46. Divergence in public procurement policy between the 4 administrations already existed preceding Brexit and continues post Brexit. However, the Common Framework for Public Procurement has firmed up the commitment from each administration to share information on domestic and international policy issues regarding procurement, including any proposals to legislate, which might impact upon the rest of the UK. Despite being non-legislative, this commitment has been maintained during the period covered by this report and though policy divergence continues to exist between the administrations, it is now implemented in a more considered way.
- 47. At a meeting between senior officials from the 4 administrations, hosted by the Welsh Government in March of this year, it was unanimously agreed that the Common Framework promotes a positive working relationship which has delivered benefits beyond the scope of the framework including joined-up discussion of policy ideas and exploring common approaches.

Procurement legislation

- 48. Relations with the UK Cabinet Office on the development of the Procurement Bill and its secondary legislation have been largely positive during this period.
- 49. Throughout the development of the Procurement Bill, the Welsh Government and the UK Government have worked closely at both Ministerial and Official level to ensure maximum alignment and to minimise the risk of any divergence in the legislation as it would apply in Wales and England.
- 50. Before the Bill was introduced to Parliament, 2 members of the Welsh Government Procurement Reform Team were seconded to the UK Cabinet Office for 3 days a week. Through this, and the positive engagement between officials generally, the Welsh Government has been able to extensively influence the content of the Bill to ensure appropriate policies are reflected in the Bill's provisions. This is essential to ensure we maintain consistency for suppliers who participate in cross-border procurements.
- 51. This engagement has also received recognition in achieving 'highly commended' in the Government Commercial Function's (GCF) Collaboration and Partnership award.
- 52. There were matters of concern which needed to be resolved as the Bill made its journey through Parliament. Officials and ministers have been able to resolve all these issues aside from those relating to Trade (as detailed below). Relations with the Cabinet Office at both official and Ministerial level continue to be positive.
- 53. A key area of collaboration between the Welsh Government and the UK government is the development of the learning package that will be made available to the public sector to support the implementation of the Procurement Bill. In association with the Welsh Government, the Cabinet Office is creating a

comprehensive funded learning and development (L&D) programme to support everyone operating within the new procurement regime to understand what is changing from the current systems in place.

- 54. Welsh Government officials are actively involved in the development of the learning content to ensure that the small amount of policy divergence between different jurisdictions of the UK is appropriately reflected in the L&D materials. The Welsh Government is represented on both the Transforming Public Procurement L&D Working Group and the Transforming Public Procurement L&D Programme Board, which provides for a more diverse range of views from a wider range of stakeholders to be considered in the development of the learning. Furthermore, stakeholders from across the Welsh public sector are engaged as "superusers" who represent their individual organisation / sector as part of the ongoing UK government's Communities of Practice (CoP) activities.
- 55. Linked to this, but in a separate move, the Department for Health and Social Care in England (DHSC) decided to introduce a new procurement regime for the sourcing of health services in England, known as the 'Provider Selection Regime' (PSR). In order to do this, the UK government have included a disapplication provision within the Procurement Bill that would allow them to effectively 'carve out' health services in England from the requirements and processes being brought in under the Procurement Bill. The intention of the PSR is to move away from competition as a default, into a more flexible and collaborative procurement regime to source clinical health services.
- 56. As the PSR and the disapplication provision would apply only to England, this meant health service procurement in Wales would remain under the existing Public Contracts Regulations 2015 regime and the forthcoming new Procurement Bill regime. This would have resulted in 2 distinctly separate NHS health services procurement regimes in operation between Wales and England.
- 57. NHS Wales provided feedback that the introduction of the PSR in England could adversely impact the procurement of 'clinical' health services in Wales by

inadvertently distorting the supplier market. It could also impact the ability to commission health services on a co-compliant / collaborative basis between the NHS England and NHS Wales and negate any associated cost and resource benefits. As a result, Welsh Ministers considered how best to mitigate those risks, it was decided to bring forward similar legislation in Wales to provide an option to align with the PSR.

58. The Health Service Procurement (Wales) Bill; introduced in February 2023 and now at Stage 3 in its Senedd scrutiny; seeks to remedy this situation and provide the necessary powers for Welsh Ministers to disapply the provisions in the Procurement Bill for health services in Wales, in the same way as that which has been provided for DHSC. It also provides for a regulation-making power to be inserted into the National Health Services (Wales) Act 2006 to provide for a bespoke health service procurement regime in Wales. These powers will provide an option to align health service procurement regimes between Wales and England by mirroring the PSR, as far as is appropriate and necessary, whilst also providing the flexibility to diverge from the PSR where it is not in line with wider Welsh Government policies.

59. Welsh Government officials are in regular contact with their counterparts in DHSC to ensure early understanding of how the PSR proposals, regulations and guidance are being developed.

Trade and procurement

60. Monthly UK government and Devolved Government Forum meetings have been held throughout 2021-2023 with Welsh Government Trade, Legal and Procurement officials present to discuss ongoing details to be included in procurement chapters within draft Free Trade discussions and these have been mostly positive.

61. Relations have been negatively affected by the Concurrent Powers included

in the Trade (Australia and New Zealand) Bill and the Concurrent Powers included in the Procurement Bill relating to Trade and the refusal to amend these.

62. During the final stages of March 2023, it was decided that Welsh Government would make and lay their own SI for amendments relating to details included in the Australia and New Zealand FTA's, which needed to be reflected in Domestic Procurement Regulations. This will be taken forward after the period covered by this report.

Elections

- 63. The Welsh Government has attended and hosted the Interministerial Group for Elections and Registration, which met 4 times in 2021-2023 (Communiqués from the Interministerial Group for Elections and Registration on GOV.UK), and officials' working groups. These for have become key points of contact for identifying shared issues interdependences, and best practice solutions.
- 64. The Welsh Government undertook extensive discussions with the UK government on the Elections Act 2022 throughout its journey into legislation, at both Ministerial and official level. On 9 September 2021 the Welsh Government laid a Legislative Consent Memorandum not recommending consent to the Bill as introduced, preferring some of the issues to be explored through Senedd legislation.
- 65. Amendments to the Bill were laid in the later stages to carve Wales out of provisions. These ensured that the Act better recognised devolved powers.
- 66. Despite this disagreement on competence relating to digital imprints and intimidation, a legislative consent motion recommending consent was agreed by the Senedd on 29 March 2022.

- 67. Ongoing work is being undertaken to manage the implications arising for the differences in approach taken by the Welsh and UK governments. A divergence working group is examining the practical effects of the Elections Act 2022 changes, in particular on postal vote applications, and how to best avoid voter confusion.
- 68. Given this concern, Welsh Ministers and Welsh Government officials engaged with UK government counterparts to reduce the risk of devolved and reserved elections coinciding or being combined in future. Welsh Ministers welcomed the UK government's response to this: a November 2021 Dispatch Box commitment that a Prime Minister would look to avoid holding elections under different arrangements simultaneously or in close proximity.

European transition

- 69. Throughout the period covered by this report, the Welsh Government sought to engage constructively with the UK government in respect of the work following the end of the transition period, given the complex overlap of devolved and reserved responsibilities. Welsh Ministers continued to attend meetings of the former XO Committee (the UK Cabinet Committee which oversaw matters relating to post-transition, latterly renamed as the Global Britain (Operations) Committee) where matters of direct relevance to the devolved governments were discussed. The Interministerial Group on UK-EU Relations was established as part of the Intergovernmental Relations Review and is now in operation.
- 70. Following the UK's exit from the EU and the end of the transition period, the Welsh Government has been working jointly with the Scottish Government, the Northern Ireland Executive and the UK government on policy areas where powers returned from the EU and intersect with devolved competence, by developing UK Common Frameworks. This is a significant development in the way the governments of the UK work together in the long term. Provisional frameworks were agreed at the end of the transition period, in December 2020.

Since then these have been functioning as agreements at official level and have been undergoing scrutiny by legislatures, which will be completed when the Northern Ireland Assembly reconvenes. **UK government publications relating to the UK Common Frameworks programme** on GOV.UK.

- 71. The UK Internal Market Act received Royal Assent without the consent of the Senedd or Scottish Parliament. The Act is problematic for devolution and has the potential to undermine the progress made through the Common Frameworks programme. The Welsh Government subsequently initiated legal action challenging parts of the Act and its purported impact on the devolution settlement. The Supreme Court dismissed this action on the basis that it was premature in the absence of any practical examples in the form of Senedd legislation against which to test the issues under consideration. However, the Welsh Government maintains its position advanced in the litigation and will continue to monitor opportunities for further challenges in the future. The UK Government's use of the financial assistance powers within the Act nevertheless continue to undermine devolution and represent poor value for money for the taxpayer.
- 72. Throughout 2021/2022 discussions with the UK government with regards to its plans and proposals for communications related to the EU Settlement Scheme (EUSS) continued and this avenue continued to be utilised to share resources and related communication assets. The engagement with the Welsh Government with regards to the EUSS has been both forthcoming and of a collaborative nature with a collective objective to deliver the best outcomes for EU citizens.
- 73. The Welsh Government continued to provide funding for EUSS advice services throughout 2021/2022 and into 2022/2023 for the continuation of such services in Wales. In parallel, the UK government announced further funding for EUSS advice services, though this announcement was at a very late stage in their funding term and resulted in a number of Welsh stakeholders in Wales voicing concerns that this approach had left them with a high level of uncertainty

about future delivery.

- 74. As with previous years, there has been no prior engagement with devolved governments regarding proposed changes to the immigration system and no opportunity for devolved governments to feed into the autumn and spring amendments.
- 75. In general, the UK government's engagement regarding immigration has improved somewhat and the Future Borders and Immigration System forum proved a very useful mechanism for information sharing.
- 76. In terms of a new borders regime, the Welsh Government continues to work with the other nations, while maintaining respect for the devolution settlement. This is key to avoid potential confusion for businesses and to maintain a consistent regime of import health controls across Great Britain. In the design of the new Target Operating Model its key principles are supported by all 3 administrations. The governance bodies for animal and plant health risk assessment are also UK-wide.
- 77. The Welsh Government continued to work with the other governments of the UK to establish the Safety, Security and Migration Inter-ministerial Group, with extensive progress being made in this area and the first meeting of this IMG being held in February 2023.
- 78. Engagement with the Migration Advisory Committee (a sponsored body of the UK government) has been very positive and the Committee's recruitment of a Welsh representative in 2022 shows its commitment to engagement with devolved governments.
- 79. The EU Exit Statutory Instruments (SIs) deemed to be required by the end of transition, to make further corrections to retained EU law to ensure an operable statute book and to implement the Withdrawal Agreement and related agreements, were delivered on schedule. A small number of these SIs continued

to be made by the Welsh Ministers, and with consent being given to UK SIs in devolved areas, as the power to make them expired at the end of 2022.

- 80. The UK government's Retained EU Law (Revocation and Reform) Bill was introduced in Parliament in September 2022. The Welsh Government is strongly opposed to the Bill and has made this clear to the UK government, while the Senedd withheld legislative consent for it in March 2023, but there has been engagement with the UK government on the implications for retained EU law under the Bill, both centrally and in policy areas, as set out later in this report.
- 81. The UK government's digital regulation is continuing, most notably with the Online Safety Bill, the Data Protection and Digital Information(No.2) Bill and the Digital Markets, Competition and Consumer Bill. Some aspects of these are devolved and there is an inconsistent approach taken to sharing early drafts of Bills. This is resulting in a lack of agreement on devolved matters during the passage of Bills, and also puts undue pressure on policy and legal teams.

International relations

- 82. The Welsh Government's International Relations team has received regular briefings from the UK government departments, including the Cabinet Office, FCDO and Home Office, on the UK Presidency of the G7 and from the Cabinet Office on the Integrated Review of Security, Defence, Development and Foreign Policy.
- 83. The FCDO has cascaded information from the UK government in response to international crises such as the UK's withdrawal from Afghanistan and the humanitarian issues following Russia's invasion of Ukraine. During the evacuations from Afghanistan in August 2021, the International Relations team was the main point of contact with the FCDO. Officials obtained key intelligence and shared it with other Welsh Government departments, including those who were developing policy on resettlement. Following the Russian invasion of

Ukraine in February 2022, officials liaised with the FCDO and shared daily information/sitreps with the WG Preparedness and Risk Coordination Group. Humanitarian sitreps continue to be provided on a fortnightly basis along with a fortnightly economic dashboard which sets out the effects of the conflict on the Russian and Ukrainian economies.

84. Regular senior official level meetings between the FCDO and devolved governments have also been set up, to discuss the full range of international issues.

Free trade agreements

85. The Welsh Government has continued to work with lead policy departments in the UK government on the UK-EU Trade & Cooperation Agreement (TCA) Specialised Committees. Each committee has been established along slightly different lines depending on the lead UK government policy department with Welsh Government involvement ranging from an initial discussion of agendas, through attending the committees as observers, to attending the committees with a full participatory role. Generally, the engagement with the lead policy departments of UK government has been positive. Agreement regarding how the devolved governments will be involved in the committees that have been set up as a result of Free Trade Agreements (FTAs) with the Rest of the World has been reached. These arrangements will mirror the arrangement put in place for TCA committees, with officials engaging on the committees and the option to discuss attendance where we have a particular interest.

86. The relationship with the Department for International Trade (DIT) (Department of Business and Trade since February 2023) on Rest of the World negotiations remained largely positive. Information sharing in areas considered 'devolved' by the UK government is good and there have been some improvements in how information is shared during the end stages of negotiations. Broader improvements in information sharing were also put in

place in early 2023 and officials now see most of the information needed for them to be able to engage fully in different stages of the negotiations. Officials have already seen the benefit of this in some of the newer negotiations, such as with the Gulf Co-operation Council and Canada.

87. There have been 2 formal meetings (in July and January) of the Ministerial Forum for Trade (which now forms part of the wider IGR structure as the Inter-Ministerial Group for Trade) during 2021/2022, in addition to regular ministerial bilateral meetings. We have had the opportunity to comment on matters relating to all of the on-going trade negotiations, including the final stages of negotiations with Australia and New Zealand and mandate setting for new upcoming negotiations, such as India. Whilst adequate information was not always shared with us during the end stages of negotiations with Australia, improvements were made during the negotiations with New Zealand and, despite concerns about the deal itself, the process for engagement ran more smoothly. We hope to see continued progress in this area.

88. Engagement on the accession to the Comprehensive and Progression Agreement for Trans-Pacific Partnership (CPTPP) has differed from the negotiations for new FTAs, partly driven by the fact that the UK will be acceding to an existing agreement. However, engagement on the deal improved over 2022 and into early 2023.

Finance

89. From April 2021 to December 2022, 7 meetings of the UK finance ministers took place. Quadrilateral meetings were held on 20 July 2021, 14 October 2021 and 12 January 2022. On 21 March 2022 the ministers met for the first time as the Finance Interministerial Standing Committee (F:ISC), with 3 further meetings taking place on 15 June 2022, 20 October 2022 and 9 February 2023, although the October meeting was cut short due to the resignation of the Prime Minister during that meeting. The F:ISC formalises the former finance ministers'

Quadrilateral under the Intergovernmental Relations Review.

- 90. Discussions over the period focused on a wide range of issues including our response to COVID and recovery from COVID, the cost-of-living crisis, supporting those fleeing war in Ukraine, public sector pay, use of the Financial Assistance powers in the UK Internal Market Act, EU replacement funding, Net Zero and budget flexibilities, as well as the implementation of the new F:ISC arrangements.
- 91. With the emergence of Omicron during winter 2021-2022 engagement during this period focused on COVID funding requirements and government responses, with a collective request from the devolved governments that the UK government remain pragmatic should circumstance in any of the 4 nations require the Coronavirus Job Retention Scheme and Self Employment Income Support Scheme to be revived as well as a request to make permanent the £20 uplift to Universal Credit.
- 92. We also continued to place an emphasis on the value of early certainty and enhanced transparency in regard to UK government financial decision making. Alongside the other devolved governments, we secured a guarantee from the UK government that money allocated to support the COVID-19 response would be provided in full, and further obtained agreement that funding allocated by the UK government to the devolved governments late in the financial year could be carried forward for deployment in the following year. Discussions have also focused on the importance of certainty and parity of funding in relation to support for Ukrainian people in the UK.
- 93. Several discussions took place on the emerging cost-of-living crisis and tackling fuel poverty. Devolved governments shared updates on respective plans to provide support to households and business. Information was also sought on the UK government's proposals, recognising that the main fiscal resources and levers to tackle the crisis were held by the UK government. As the crisis continued, we urged UK government to target support to the most vulnerable,

putting forward practical actions in relation to housing, energy and welfare that the UK government could take to make a real difference to those hit hardest. We also requested that the UK government take steps to address the impact of inflation on public sector budgets and to invest in infrastructure to support economic growth.

94. With the backdrop of COP26 in November 2021, there was a focus on our collective efforts to tackle the climate and nature emergencies. We shared information on innovative steps taken by the Welsh Government to achieve Net Zero. We also highlighted the importance of our request to the UK government for additional budgetary flexibilities, specifically in relation to our capital borrowing limits, to allow investment in low-carbon infrastructure.

95. In relation to the UK Internal Market Act and use of the Financial Assistance Powers within it, we continued to press the UK Government on how it intended to work with the grain of devolved government policy, as stated by the UK Minister for Intergovernmental Relations. We also continued to press the UK government to fulfil its commitment to replace EU funding in full and provided examples of national programmes, including apprenticeships and business support, which relied on this funding and were vital to our economy. On replacement EU rural funding, alongside the other devolved governments we expressed our concerns with the methodology applied by the UK government, outlining how it does not fully replace EU funding, and secured an action at the February 2023 F:ISC for UK and devolved governments to discuss the differences in their assessment of the quantum in EU replacement funding through an open book exercise and to explore how they can achieve greater strategic alignment in their delivery of EU replacement funds.

96. In addition, we continued to press UK government to ensure they meet the additional costs of new functions directly resulting from EU Exit such as the operations needed at the Welsh border.

97. A proposal was put forward to the F:ISC seeking improvements to

strengthen processes to provide greater end of year certainty for the devolved governments supported by appropriate budget flexibilities and discussions are ongoing.

- 98. Ahead of UK Fiscal Events we outlined the Welsh Government's priorities and sought clarity from the UK Government on its spending and tax plans. Prior to the Autumn Budget and Comprehensive Spending Review in October 2021, we asked the UK government to work with us and provide funding to support the long-term remediation and repurposing of coal tips in Wales. We also pressed for clarity on the Shared Prosperity Fund and none was forthcoming. Ahead of the UK Spring Statement in March 2022, the UK government fiscal events of autumn 2022 and the UK government Budget in March 2023, the primary focus of our engagement with the UK government was to press for urgent action to address the cost-of-living crisis and invest in public services.
- 99. We also continued to press the UK government to address its historical under-investment in rail and Research and Development in Wales, and highlighted opportunities in relation to decarbonisation and renewable energy, including support for the Steel Industry and improving transparency in regard to the UK Emissions Trading Scheme and Carbon Border Adjustment Mechanism.
- 100. No or limited information was provided by the UK government in advance of its fiscal events despite the implications for the devolved nations, including our own budget planning and Senedd scrutiny. We were only notified of the UK government's cost of living package in February 2022 on the morning of the Chancellor's Statement.
- 101. There have been occasions where the UK government has worked with us positively and constructively, for example, in relation to freeports where the UK government showed willingness to work as equal partners. This is an example of how we can work together and bring our different powers, levers and expertise to deliver for Wales. This way of working needs to applied to other areas including the UK Shared Prosperity Fund and Levelling Up Fund, where funding

should come directly to Welsh Government so that all sectors can benefit from these programmes.

102. The establishment of the F:ISC in March 2022 was the culmination of considerable efforts to strengthen and formalise fiscal intergovernmental relations. The finance ministers approved the F:ISC Terms of Reference and agreed to an operating protocol which places meetings on a more equal footing with a rotating chair and secretariat. Officials have also been working together to provide a joint secretariat function. There is also a willingness to enable officials from across the administrations to work together to consider issues of common interest including end of year budget communication and flexibilities. It is hoped that this new approach will continue to develop, to enable greater engagement and information sharing in a spirit of mutual respect.

Freeports

103. The Freeport Programme in Wales policy serves as a benchmark for how Welsh Government can act in a partnership of equals with UK governments. Both governments co-designed the process for selection; officials from both governments jointly assessed the bids and both governments had an equal say in the final decision on the sites which will move forward in the process. Both governments, at official and Ministerial level, have been committed to this approach.

104. We worked extensively with UK government to ensure that the Freeport Programme in Wales was designed to align with our policies on fair work and net zero.

105. This joint working has been extended to investment zones. We are in early discussions with the UK government now it has relaunched and refocused its Investment Zones programme, as announced at the Spring Budget.

Shared Prosperity Fund

106. As a replacement to EU funding, the Shared Prosperity Fund (SPF) not only leaves Wales £1.1 billion short compared to EU Structural and Rural funds, but also sets up a funding system that: bypasses the Welsh Government and the Senedd; excludes key growth sectors including universities, colleges and the voluntary sector; prevents high-impact strategic projects; and puts unacceptable demands on our local authorities.

107. The poor design and delivery of the scheme is clear. Funding under the SPF for the financial year 2022/2023 was only released to local authorities at the end of January 2023 (UK government was due to approve the plans and start payments in October 2022). To ensure that spending is completed as required by 31 March 2025, SPF project activity will need to cease by December 2024. This means that despite being a 3-year scheme, the SPF will only have around 18 months of project delivery.

108. The smaller and narrower scope of the SPF compared to the EU funding programmes is having a real impact on the economy and skills in Wales.

109. The UK government is also top-slicing the SPF to support a UK government adult numeracy scheme called Multiply, while denying us funding to support strategic priorities like Business Wales, SMART Cymru and Apprenticeships. Not only is Multiply poorly designed and beset by delays, but it also encroaches on a devolved policy area, is too narrow in focus and risks duplicating provision in Wales.

110. We have continued to raise our concerns with the UK government that its approach to SPF fragments the funding landscape in Wales, puts at risk established ways of regional working and passes responsibility to local authorities to deal with the consequences.

Economy, energy and climate change

- 111. In December 2022 the Minister for Climate Change attended COP15 as part of the Convention on Biological Diversity. At COP15 the Minister for Climate Change spoke at a number of events and held bilateral meetings with other devolved or state governments such as Quebec and Catalonia. We shared the approach developed in Wales to meeting the 30x30 target, highlighted the importance of the role of subnational governments in addressing biodiversity loss, and discussed the need to identify additional sources of funding that avoided greenwashing and benefitted local communities.
- 112. A new Global Biodiversity Framework was agreed at COP15 which sets out four long-term goals and 23 targets which seek to achieve a nature positive world by 2030. The Minister for Climate Change will be introducing statutory domestic biodiversity targets in a forthcoming Bill to support delivery against the new global framework.
- 113. Significant effort has been focused on improving our intergovernmental relations and joint working with BEIS (prior to machinery of UK government changes in 2023) and these relationships have been strengthened although some challenges remain.
- 114. A shared priority of responding to the economic impacts of Covid-19 in 2021 necessitated an acceleration in the efforts which were already underway and provided a clarity of purpose to our engagement. The immediate response to the pandemic saw the Interministerial Group (IMG) for Business and Industry (B&I) move to weekly meetings and established a new Directors' forum with the devolved governments, BEIS and HMT. The establishment of a joint secretariat marked a shift in approach and meetings were conducted in the spirit of mutual respect. These fora, coupled with regular bilateral meetings with the UK government, ensured Wales had a direct voice during the development of some important UK-wide policy approaches.

- 115. However, whilst engagement was significantly increased during the pandemic, we continued to face challenges around working collaboratively; Welsh Government was often treated as a stakeholder rather than a devolved government partner. The opportunity to inform policy that ensured Wales' needs were properly reflected could be sometimes challenging when faced with decisions already taken by UK government with only minimal consultation.
- 116. Since the end of the pandemic the frequency of intergovernmental ministerial groups and other intergovernmental fora was reduced to monthly or quarterly meetings. This was a positive and welcomed step in a period of significant economic challenge for Wales and the UK.
- 117. However, only 2 B&I IMGs took place in 2022; the last being held in May. The turbulence in UK government over the summer months of 2022 meant departmental ministerial portfolios were often unclear, and subsequent engagement in this period at the political level was problematic. Yet it must be noted that relations with BEIS at an official level always remained constructive throughout these months of uncertainty. The joint secretariat remained in place and regular contact was enacted in a spirit of mutual cooperation.
- 118. With the eventual calming of the turbulence in UK government and the introduction of a new administration in October 2022, it was intended that intergovernmental relations would settle into a rhythm of regular forward-looking engagement. A meeting of the B&I IMG took place in January 2023. The meeting was conducted in a constructive spirit and the future strategy of the IMG going forward was discussed.
- 119. The creation in February 2023 of 3 new UK government departments to replace BEIS (the Department for Science, Innovation and Technology, the Department for Energy Security and Net Zero, and the Department for Business and Trade) has disrupted the IMG process. We still await confirmation of new Ministerial portfolios and for departmental responsibilities to be established. However other fora, such as the Economy Directors' Forum, have continued at

their regular pace.

- 120. Over this period, the Welsh Government has also worked closely with DLUHC and BEIS on projects of joint strategic importance. In particular, good progress has been made on the implementation of the UK Government's freeport policy in Wales, discussions on providing support to non-domestic energy users in response to the sharp increase in energy prices, and on the development of proposals for Investment Zones.
- 121. The IMGs play an essential role in decision making across the UK Emissions Trading Scheme (UK ETS), which is jointly run by the 4 governments of the UK. In particular, it has provided a forum for discussion on more contentious areas as well as an effective vehicle for final sign off across the portfolio Ministers. However, due to the technically complex and often urgent nature of the UK ETS, discussions on this at IMG risk taking time away from other agenda items, resulting in delays to these work streams.
- 122. There has also been continued engagement on EU Transition issues, with regular cross-Whitehall and other devolved governments sharing intelligence in relation to business issues. Regular engagement on REUL and relating international trade issues have also been conducted through the monthly BEIS-DA forum throughout 2022.
- 123. The Minister for Climate change attended the first Islands forum held in Orkney on 28 October 2022 which focused on energy security and the opportunities that renewable energy provided. The minister focussed on the potential for offshore renewables especially the developments of tidal stream around island communities in Wales and the broader opportunities that the transition to a net zero energy system gave to Wales.
- 124. On balance, intergovernmental relations have strengthened in the economic space. However, significant challenges remain, with persistently poor engagement in areas like the Shared Prosperity Fund and in other areas that are

of strategic significance to Wales. Nonetheless, we continue to build on the formal structures now in place and will continue to pursue a positive approach to intergovernmental relations across the 4 nations in relation to economic development.

Skills and employability

125. The Welsh Government funds the education and learning provision and prison libraries in Welsh prisons through a joint Memorandum of Understanding with Her Majesty's Prison and Probation Service (HMPPS). These arrangements enable a close and productive working relationship with HMPPS and allows the Welsh Government to align the provision of education in prisons with Welsh Government policies.

Education

126. Regular meetings were held at official level during 2021 and 2022 to discuss issues affecting the Minister for Education's portfolio. The main focus of discussions during this period was the impact of the COVID-19 pandemic including operational arrangements in schools and colleges and education recovery.

127. Linked to the impact of COVID-19, there were also discussions about qualifications. The pandemic created a need for closer collaborative working and information sharing across the 4 nations in all areas of education. During the first year of the pandemic, many decisions by UK Government were made or shared with little time for the Welsh Government to account for these appropriately in decision making (an example of this would be the adaptations to 2020 qualifications).

128. The situation has improved since then, where all nations now recognise the

interdependencies. There have been in-depth policy discussions (for example the scope of the appeals process in summer 2021 and differences across the UK) and different approaches have been recognised and respected. Qualifications Regulators also worked together during this period.

129. There have also been tensions around the scope and remit of the proposed English Curriculum Arm's Length Body. Both Welsh and Scottish Governments made representations to the UK government in 2022 emphasising how digital approaches align and differ across the 4 nations, not just driven by different curricula but also the fact that devolved governments have their own organisations, processes, and digital networks to support learning and resource development.

130. On 27 January 2022 the UK Education Ministers Council met for the first time. The UK EMC intends to provide central co-ordination and promotion of greater collaboration in areas of shared interest between Education Ministers. While ministerial portfolios differ in scope across the four administrations, the areas of shared interest cover the full range of education services, from Early Years through to Adult Education. These include the policy, delivery, technical and legislative matters where the governments have determined to engage on a multilateral basis.

131. The 2nd meeting of the UK EMC was held on 17 June in Edinburgh and the 3rd meeting was held in Cardiff on 9 December 2022. The meeting was chaired by the Minister for Education and Welsh Language and focussed on challenges and developments in the areas of the rising cost of living, general and vocational qualifications and lifelong learning with a presentation from the Cardiff and Vale College on the broad offer from the post-16 sector. The UK government will host the next meeting in June 2023.

Environment, agriculture, food

- 132. Relations with Defra have been mostly positive during this period and the majority of EFRA common frameworks have been published and are operating in provisional form. However, there have been some areas where the UK government is seeking to diverge from the EFRA common frameworks where relations have been poorer with engagement very late leaving little time to consider our responses. This has been a particular issue where there are no specific frameworks in place or where a policy fits between multiple frameworks.
- 133. For example, engagement on the UK government's Genetic Technology (Precision Breeding) Act, for which there is no common framework, was very late in the day despite the impact this legislation will have in Wales.
- 134. Relations are also beginning to suffer due to the Retained EU Law (REUL) Bill. The delay to receiving information on Defra's plans regarding REUL has at times increased tensions, as have concerns that the Bill has potential to introduce divergence where it wasn't previously expected. While engagement on REUL has improved in 2023, Defra's deadlines have been unachievable, and engagement has been patchy across policy areas. Since this reporting period and following the revised approach in relation to the sunset clause in the UK REUL Bill, Defra provided officials with a list of legislation proposed for revocation to be included in the proposed schedule. Initial analysis withing the tight timescale indicates the majority of the proposed SIs would likely be fine. Only one area of concern remains on the National Air Pollution Control Plan (NAPCP) and discussions between officials are currently ongoing Defra but have been slow.
- 135. Concern also remains over the loss of EU law supremacy and interpretive effects, several requests were made at official and ministerial level for Defra's analysis of the impacts but nothing was shared. Since the end of this reporting period officials of the devolved governments and Defra have met to discuss the

work on interpretative effects and a commitment to share the analysis has been given.

- 136. Where Defra were the lead department on a particular matter, relations were generally better than where there was involvement from other UK government departments, especially in relation to information sharing or timescales for providing feedback. Wider UK involvement has also slowed or hindered progress in some areas where agreement with Defra and the DAs had already been made through frameworks. Work on borders and on single use plastics are areas where relations have been affected by wider UKG interests than Defra.
- 137. The Interministerial Group EFRA continued to meet regularly during this period, and meetings have been mostly constructive with discussions of shared issues. However, with several meetings being cancelled at short notice and the Defra Secretary of State not attending meetings since 7 November 2022, the quality of these meetings has diminished, and the relationship has become strained.
- 138. The Food Standards Agency (FSA) In Wales has the function of developing policy and advising Welsh Ministers in relation to food safety, food standards and animal feed. Relations have been mostly positive during this period.
- 139. Collaboration with the FSA on the border target operating model has been positive. Officials and the Ministers have met with the FSA regularly and have been briefed throughout the process.
- 140. Although a Defra policy, the Genetic Technology (Precision Breeding) Act (PB Act) required considerable involvement from the FSA. As is the case with Defra, 2 FSA common frameworks have been established setting out the principles by which the 4 nations of the UK should follow when developing policy and how divergency and disputes should be managed. Neither framework was engaged for early consideration and discussion between the 4 nations on PB.

Although an England policy, the PB Act triggers the mutual recognition element of the Internal Market therefore impacts businesses and enforcement bodies in Wales. The PB Act puts into question the influence the UK government has over FSA expertise and policy focus and whether the Welsh Government could command the same.

141. The Food Standards Agency is currently undergoing a programme of regulatory reform activity with the aim of ensuring food regulation remains proportionate, appropriate for the current climate and effective. A collaborative agreement has been established for Wales and sets how the Welsh Government, FSA and local authorities work together to ensure proposals are appropriate for Wales and all relevant Welsh stakeholders are fully engaged in the process.

142. In light of above, and the new responsibilities falling to the FSA following the UK's departure from the EU, a review of the FSA function in Wales will be conducted this year. The review will consider whether the current structure and operation of the FSA and its interface with the Welsh Government are appropriate to best deliver the FSA in Wales's statutory objectives.

Health

143. Discussions during this period at ministerial level continued to focus largely on COVID-19 related matters; although there was also engagement on other issues including those relating to EU Transition, the UK government's Health and Care Act and strategic policy issues of interest across the UK such as the health contribution to the climate change agenda. Later in the year consideration was given to incrementally developing the existing 4-nations mechanisms into an Interministerial group (IMG) structure.

144. Two formal IMG meetings have been arranged but both were cancelled at very short notice due to the UK government minister's availability. This lack of

progress with the IMG agenda makes cooperation on a UK-wide basis very difficult; there are several important issues that would benefit from a 4-nations discussion and approach. Welsh and Scottish Ministers have written to UK government to request an IMG meeting.

145. Welsh, Scottish and UK government ministers met to discuss the Minimum Services Level Bill (ambulance services consultation); Welsh Government and Scottish Government made their policy position clear and stated that Officials would not engage with this consultation.

146. Behind this, intergovernmental work was mostly operational, with generally constructive engagement at official level through various official-level mechanisms. Examples included a 4-nations EU Transition co-ordination group, a UK-wide supply resilience group, and discussions around the UK Life Sciences Vision. Intergovernmental work also continued to be supported by the detailed work undertaken through NHS relations, particularly involving NHS Wales organisations such as Public Health Wales and NHS Wales Shared Services Partnership.

Science

147. There has been a variety of discussions, meetings and engagements with UK government departments at an official level involving the Chief Scientific Adviser(CSA) for Wales or representatives from his office. This has included regular meeting with the UK CSA network chaired by the UK government's Chief Scientific Adviser, Sir Patrick Vallance FRS FMedSci FRCP HonFREng. Professor Dame Angela McLean DBE FRS is due to take over the role in April 2023.

148. In addition, ongoing engagement has taken place throughout this period on subject specific issues involving science, innovation, research and development with relevant UK departments such as Department for Science, Innovation and

Technology (DSIT). This covers a range of issues such as UK government's Nurse Review (Research, Development and Innovation landscape), the Horizon Europe Association or Plan B (now termed Pioneer as the programme to support research and innovation in the UK should association to the Horizon Europe scheme not prove possible), to promoting opportunities in Wales to UK departments such as engagement on proposals involving Project ARTHUR (Advanced Radioisotopes Technology for Health Utility Reactor). The primary purpose of engaging on science, research and innovation with UK departments is to help gather information and better understand available evidence. All of which can be utilised in the provision of clear advice to ministers on issues impacting on Wales, or helping to identify options for Welsh Ministers' that will help promote opportunities for investment or collaborative initiatives culminating in a benefit to Wales.

Justice

149. The UK government's Intergovernmental Relations Annual Report for 2022 states that:

" progress has also been made between the Ministry of Justice and the Welsh Government around the findings of the Thomas Commission"

The Welsh Government considers this gives a more positive impression than is due.

150. Our Programme for Government commitment is to pursue the case for the devolution of justice and policing. The UK Government does not support the devolution of justice, and therefore dismissed out of hand the central recommendations of the Thomas Commission. The UK government did agree in 2021 to work with the Welsh Government to undertake a 'triage' of the other Thomas Commission recommendations to identify areas where there was

mutual benefit in taking action, but it is important to note the limitations of this exercise.

- 151. Even within this limited area, while conversations at both an official and ministerial level have been held from later 2021 to present, there have been significant periods of inactivity due to the level of MoJ ministerial turnover which impacted on triage discussions. This process was characterised in **Delivering Justice for Wales** (p20-22) in May 2022 as "frustrating" and "slow to produce results", and there has not been any marked improvement since. The process is still ongoing and, of the 45 recommendations identified as being within scope, only 14 have been discussed to date, with a degree of agreement being reached only on 5.
- 152. Overall, this has been a disappointing response from the UK government. Given that the exercise overlaps with programmes of work that the MoJ were taking forward irrespective of this process, it remains unclear whether the MoJ are intending to undertake any significant further activity as a result of the Thomas Commission discussions.
- 153. The one recommendation that does show promising progress is in the area of disaggregation of Welsh justice data. Welsh Government officials have completed a mapping exercise of criminal justice data and have identified a number of areas where data for Wales is collected but not separated from English data. This analysis has been shared with MoJ officials and we are awaiting a response.
- 154. Given the lack of progress, the Welsh Government may need to consider the viability of continuing with the triage process.
- 155. Relations with the UK government on justice more broadly remains fairly positive, supported by robust Welsh Government engagement in work to improve outcomes under the current system. We continue to work with MoJ, HMPPS, Policing in Wales and the Youth Justice Board Cymru on the delivery of

the Youth Justice Blueprint and Women's Justice Blueprint. This includes work on the proposed Residential Women's Centre (RWC).

156. We published Implementation Plans highlighting progress against both Blueprints in May 2022 and we are working with MoJ to develop further work on women's and youth justice issues to deliver further improvements to the system. These will draw on the recommendations from the Senedd Equality and Social Justice Committee's inquiry into women's experiences of the justice system.

Community safety

157. Community Safety Division in Wales Government continue to work with the Home Office across a breadth of different policy areas. This is supported by regular and positive engagement between the Welsh Government and the Home Office's UK Domestic, Overseas Territories, Americas and 5 Eyes Unit. Examples of relevant work across the report period include:

- Work continues with the Home Office and key stakeholders across Wales to support implementation of the Serious Violence Duty which commenced on 31 January 2023. We worked with Welsh partners and Home Office colleagues on a bespoke Welsh chapter for the statutory guidance for the Duty to ensure it fully reflected the distinct delivery context in Wales.
- The Home Office has launched a review of Community Safety Partnerships. We have worked with the Wales Safer Communities Network to ensure that the views of stakeholders in Wales are fed back to the review team. It will be important to ensure this work, reflects the devolved context of services in Wales.
- We continue to work with the Policing in Wales and other emergency services colleagues on an Emergency Services Covenant in Wales, whilst still being linked into UK government work on the Police Covenant.
- The interests of the Armed Forces Community in Wales (Serving People, Veterans and their families) and the Armed Forces footprint are conducted

through relations with the MOD and the Office for Veterans Affairs. There were regular meetings at officials level and over the reporting period exchange between ministers in relation to the Armed Forces Covenant, in particular preparing for the new 'Duty of Due Regard'. Going forward we hope to see better co-ordination with the Office for Veterans Affairs in relation to plans and announcements for UK-wide initiatives.

158. The examples above give a sense of how the Home Office engagement with Wales can lead to stronger policy outcomes overall. We continue to stress the importance of early and effective engagement with the Welsh Government given the importance of the distinct Welsh context for community safety issues and the interface with devolved issues such as substance misuse and mental health.

Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV)

159. The Welsh Government VAWDASV team and officials in health worked closely with the UK government's Department of Health and Social Care on the criminalisation of virginity testing and hymenoplasty as part of the Health and Care Act 2022. This relationship was constructive and collaborative, to ensure women and girls are protected from these abhorrent practices that constitute acts of violence against women and girls. The Senedd Cymru gave consent for the UK government to legislate on its behalf in this regard. Welsh Government contributed to UK government guidance to ensure the devolved nature of health and tackling VAWDASV were taken into account. The Welsh Government went a step further and published an **awareness raising toolkit** for the public and professionals to ensure that more people are aware of the criminal nature of these intrusive and degrading practices.

160. As a result of the Domestic Abuse Act 2021, the UK government has produced statutory guidance to support increasing the understanding of some of

the definitions within this Act, as well as on controlling and coercive behaviour. Both sets of guidance were produced with engagement and input from the Welsh Government to highlight devolved responsibilities in line with the ground-breaking Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015 to prevent gender-based abuse and protect and support victims and survivors.

161. Migrant victims of VAWDASV continue to be left behind by both UK government policy and UK legislation. In 2021, the Home Office launched its support for Migrant Victims Scheme (SMVS) to support some migrant victims fleeing domestic abuse. While the Welsh Government supports this scheme, it does not go far enough and there are gaps in provision which leave victims with no choice but to stay with or return to abusive partners. In December 2022, the Welsh Government accepted the recommendation of the Senedd Equality and Social Justice Committee to establish a crisis fund that service providers can access to support migrant women who are victims or survivors of sexual and gender-based violence and who are subject to No Recourse to Public Funds (NRPF). The fund, which will be established in spring 2023, will plug the gaps of the SMVS while we await the publication of the Home Office's evaluation of the pilot scheme.

Housing

Building safety

162. During the reporting period, fortnightly meetings were held with UK government and the devolved governments to discuss matters of building safety, share best practice and any lessons learned. The meetings have been extremely useful in generating an understanding of the different approaches across governments, as well as areas of commonality. The relationship is positive. Sharing of information, such as contract documents, enabled us to take

a consistent approach with developers, which undoubtedly saved time. In addition to this, we have shared best practice, presenting on Welsh initiatives such as the Leaseholder Support Scheme, and attending Northern Ireland's Building Safety Expert Panel to explain our approach in Wales. We also work closely with colleagues in Scotland, and have issued joint letters on matters of mutual interest.

163. In addition to this, a number of meetings have been held between Welsh Government officials and UK government officials to discuss insurance in the context of recommendations of the Financial Conduct Authority Report on Insurance of Multi Occupancy Buildings, issued in September 2022. This included working with the UK government as they develop legislation around transparency in Managing Agents insurance charges and commissions.

164. Furthermore, there has been regular engagement through Inter-Ministerial Group meetings with UK government and devolved governments, in which matters of building safety are discussed.

Homelessness

165. Welsh Government officials met regularly with their counterparts in all 4 UK governments, via a monthly 4 nations meeting, during this reporting period. These meetings will continue throughout 2023 to provide early insight to forthcoming work, share good practice and policy on ending homelessness. We will build on these established relationships to develop our legislative reform to end homelessness.

Leasehold

166. During this reporting period, engagement between administrations on leasehold reform led to the passing of the Leasehold Reform (Ground Rent) Act

in February 2022, which was developed with the involvement of Welsh Ministers, and which received the legislative consent of the Senedd. Further joint working is ongoing towards the expected introduction later this year of a further England and Wales leasehold reform Bill, to implement recommendations from the Law Commission's reports on Enfranchisement, Right to Manage and Commonhold, as well as other reforms to improve the experience of leaseholders. In support of this, a joint consultation was launched in early 2022 on aspects of a revised regime. The Minister for Climate Change met with then UK Minister for Housing Lucy Frazer MP in February 2023, at which meeting both ministers expressed a keen interest in further joint working on aspects of reform where there is mutual agreement.

New Homes Ombudsman

167. Welsh Government officials worked very closely with the UK government to ensure Welsh Ministers have a formal and purposeful role in the New Homes Ombudsman (NHO) scheme design. This includes a statutory duty on the Secretary of State to consult with Welsh Ministers on various aspects of the NHO, given the express provisions on the face of the Building Safety Act ("the Act"), and are the result of inter-governmental co-operation and engagement.

168. Effective negotiations and inter-governmental co-operation have also been experienced in relation to ensuring the Senedd's competence is not negatively impacted through provisions to negate the need to gain the consent of the appropriate UK government minister to remove functions from the NHO should we so wish. Whilst the UK government were always keen for the NHO to be UK-wide, our ability to influence the provisions so as not to restrict Welsh Ministers in the future led to Wales inclusion.

169. Throughout this reporting period, the UK government has engaged constructively with Welsh Government officials and the Minister for Climate Change on the NHO. Together we have secured a vehicle for meaningful and

timely engagement, discussion, and consultation exists between the UK government and the devolved nations via the NHO Cross Government Working Group. We continue to work together positively on the detail of the NHO scheme design, content of Regulations and engagement needed.

New Build Homes Warranties

170. A very late amendment was made to the Building Safety Act, placing a requirement in law for developers of new build homes in England to provide a minimum 15 year warranty; extending the warranty period from 10 to 15 years.

171. The UKG factsheet issued at the time states "We are in discussions with the devolved administrations, and they will consider how this might be taken forward in their jurisdictions." No discussion was held with Welsh Government on this, or the opportunity provided to extend to Wales. This could result in the New Homes Ombudsman (NHO) adjudicating against different provision.

172. Little engagement with Welsh Government has been forthcoming from the UK government, this follows the lack of any engagement on this aspect, prior to the late amendment, contrary to the factsheet details, and is limited to updates via NHO networks rather than Welsh Government policy leads.

Social housing regulation

173. There has been close liaison between Welsh Government and UK government officials in relation to the Social Housing Regulation Bill which is currently in its final stages. Early meetings considered policy implications of the Bill and more latterly, I respect of management and timing of the legislative consent process in the Senedd.

Housing-related benefits

174. Welsh Government officials have ongoing engagement with officials in the Department for Work and Pensions (DWP) and Department for Levelling Up, Housing & Communities (DLUHC) about planned reform to the supported housing sector in England driven by a Supported Housing (Regulatory Oversight) Bill led by DLUHC. These reforms could result in linked reforms to non-devolved Housing Benefit rules for individuals who reside in specific types of supported housing. Welsh Government officials are exploring with key Welsh stakeholders the development of guidance for standards of support within Welsh supported housing settings, commissioned through the Housing Support Grant. This is intended to feed into any future changes to UK housing-related benefit rules. DWP officials are keen to engage regularly about these developments to influence their plans.

Social Welfare/Cost of Living

175. The majority of the levers to tackle poverty and support the people of Wales through the cost of living crisis sit with the UK government and although there have been good working relationships at an civil service officials level which have facilitated the quick introduction of funds such as the Welsh Government Fuel Support Scheme and the Cost of Living Support Scheme there has been little interaction at a ministerial level.

176. The Minister for Social Justice and Chief Whip has repeatedly written to the DWP Secretary of State (including joint letters sent with the other devolved governments) suggesting policy changes that could be made to lift the most financially vulnerable people across the UK out of poverty with no responses received. This total disregard of the only form of communication with the DWP Secretary of State is a major concern. During the reporting period at least 9 letters were sent with no reply.

177. The recent report published by Policy in Practice which estimates that the total amount of unclaimed income-related benefits and social tariffs is now £18.7 billion a year. This serves as timely reminder that a strategic joint effort between all 4 governments is required to ensure that household incomes are maximised by encouraging individuals to claim their entitlements. To be truly effective this needs to be led at a ministerial level.

178. Our Programme for Government commitment to explore the necessary infrastructure required to prepare for the devolution of the administration of welfare is at risk of being undermined by the UK government's lack of support as this will require co-operation from both governments. This was apparent in the UK government's response to the Welsh Affairs Committee (WAC) inquiry into the Benefits System in Wales where they rejected the recommendations completely. The message was clear that they do not intend to devolve any elements of social security to Welsh Government, have no intentions to discuss this further and rejected the recommendation to set up a UK-Welsh Government Inter-Ministerial Advisory Board on Social Security.

179. The response from the UK government recognised the positive engagement between Welsh Government officials and DWP officials. However, it is important that Welsh Ministers have regular meetings with the DWP Secretary of State, and as part of the intergovernmental machinery, a DWP Inter-Ministerial group should be established at portfolio level between all four nations. Welsh Government have been consistently pushing for this level of engagement and discussions are continuing to agree the best structure for this group.

180. Similarly with the WAC recommendation relating to carrying out a joint impact assessment of the Basic Income Pilot was dismissed out of hand by the UK government. In developing the Basic Income for Care Leavers in Wales pilot, Welsh Government has been engaged with UK government departments on how the scheme interacts with the policy areas of tax, benefits and legal aid. There have been good working relationships between officials and HM Revenue

and Customs in agreeing the handling of tax payments and we had some initial helpful discussions with colleagues at the Ministry of Justice on the implications of the pilot for accessing legal aid. The interaction at Ministerial level with UK government has been less positive in relation to the interaction with the benefits and legal aid systems, in particular the way in which the most recent correspondence regarding legal aid was handled.

Transport

181. After a considerable hiatus, ministerial engagement with the Department for Transport (DfT) resumed in March 2023 when the Deputy Minister for Climate Change met with the Transport Secretary, the Rt Hon Mark Harper. In addition, the Transport IMG was reconstituted, with a rotating chair agreement in place across all 4 governments. After this reporting period, the IMG met for the first time in May 2023, chaired by the Welsh Government (Deputy Minister for Climate Change). Ministers and officials continue to press the case for greater devolution of rail matters to Wales, alongside a fair funding settlement, including our fair share of the £100 billion UK government investment in HS2 that are currently denied to Wales by virtue of HS2 being classified as an England & Wales project. Consultation with Welsh Government is inconsistent. For example, the Welsh Government had no role in, and was not consulted on, the recent extension of the Avanti West Coast contract despite it significantly reducing the level of services to Welsh passengers.

182. Throughout the various Ministerial changes in the UK government over the last year, official level links with DfT have remained positive and constructive, with regular cross-cutting engagement via a monthly 4-nations meeting and well-established relationships between respective policy teams Relations with Transport Scotland and officials in Northern Ireland are equally positive, with frequent engagement in a range of transport policy areas.

183. Regarding bus policy, there has been very limited ministerial engagement

but officials meet counterparts from the UK, Northern Ireland and Scottish governments on a regular basis to discuss common policy and delivery issues. Welsh Government officials have working operational relationships with DVLA, DVSA and DWP to manage operational issues around bus services and concessionary passes.

- 184. Given Welsh Ministers' policy position, engagement with DfT on the Strikes (Minimum Service Levels) Bill has been very limited. There has been more open engagement with respect to Retained EU Law, with officials exchanging information on the policy and legal challenges arising from the proposed changes whilst ensuring that the Welsh Government's policy position has been communicated firmly throughout.
- 185. Welsh Government officials have also continued to work closely with DfT on other matters including, transport decarbonisation, Taxi & Private Hire Vehicle legislation, the Blue Badge Scheme.
- 186. Officials are in regular liaison with the Office for Zero Emission Vehicles (OZEV) on electric vehicle charging infrastructure, facilitating access to funding for Welsh local authorities, and sharing knowledge on amendments to building regulations.
- 187. On Active Travel, Welsh Government takes part in quarterly quadrilateral meetings between policy leads from each of the devolved governments and the DfT, as well as Active Travel England. These mostly online meetings provide an informal forum to share updates on relevant policies and programmes and experience of delivery.
- 188. Throughout 2021 Welsh Government officials were also involved in the steering group for the DfT-led update to the Highway Code that strengthened the Code in relation to the safety of walkers, cyclists and horse riders, which came into force in January 2022 and in the development of the publicity campaign that accompanies the changes.

189. Welsh Government worked together with DfT, the other devolved governments and other stakeholders on the initial development of School Streets Guidance during 2021 and 2022, which each government will now customise and issue separately.

Culture sport and tourism

190. Welsh Government Officials work closely and effectively with Department for Culture, Media & Sport across the whole culture, sport and tourism portfolio. Officials have a strong relationship with regards to Events, and work alongside the Event bodies of all home nations on developing and bidding for events including, for example, the joint UK and I bid for the 2028 Euros.

191. Twice yearly meetings are held with the heads of the heritage agencies from the other UK governments. As Welsh Government's Historic Environment service Cadw participates in the World Heritage Advisory Group established to advise Department of Culture Media and Sport (DCMS) on strategic matters relating to the UK's implementation of the 1972 UNESCO World Heritage Convention. The group provides advice in respect of domestic approach to future nominations of World Heritage Sites by the State Party and strategic issues relating to existing World Heritage Sites across the UK. During 2022-2023 the group supported the review of the UK Tentative List of future nominations.

192. The Culture Division represents Welsh Government on the Cultural Diplomacy Group, meeting with officials and partners from across the UK. In August 2022 officials attended the International Culture Summit in Edinburgh, arranged by the British Council and focusing on Education and Culture, and Culture and a Sustainable Future. Welsh Government hosted a breakfast event and held a series of bilateral meetings with other delegations.

193. Officials regularly met with UK government, Scottish Government and

Northern Ireland Executive to discuss issues relating to the museums sector during this period. This has included work to ensure the impact of the cost-of-living crisis and increased energy prices was fed to UK government's survey to determine need for energy cost support for businesses beyond April 2023. Officials liaised with colleagues in UK government around the changes to the definition of treasure in the Treasure Act 1996 and the associated changes to the code of practice.

194. Welsh Government officials worked closely with UK government counterparts on development of the 2025 UK City of Culture competition, which now encourages applications from towns and regions in addition to cities, and the independent judging panel now includes a Wales representative, appointed with our involvement. Wrexham was one of the three runners-up, receiving £125,000. Despite lengthy engagement at official and ministerial level, the UK government confirmed its decision to use UK Internal Market Act financial assistance powers to deliver runners-up grants, including to Wrexham, despite our call for usual devolved funding arrangements to be applied.

195. Since early 2023, Culture Division officials working on developing a new culture strategy for Wales have met with representatives from the Scottish Government, Northern Ireland, and Ireland to discuss areas of mutual interest.

196. Welsh Government officials also worked closely with officials in Scottish Government, Northern Ireland and UK government to take forward arrangements for a proposed Culture and Creative Industries Inter Ministerial Group.

197. Further discussions have taken place between Welsh Government and UK government officials on a range of cross border, including, participation and competing against Russian/Belarussian athletes and concussion guidance for community sport. This engagement was productive and meaningful. At ministerial level we have struggled to get the Sports Cabinet meeting convened against existing protocols and have only met twice in the last 2 years. The latest

of which was curtailed to an hour with only one main agenda item covered. That was in August 2022, and we have been unable to arrange a follow up meeting to date.

World Cup

198. The Welsh Government sought to maximise the opportunities and benefits from Wales' senior men's football team's participation at the FIFA World Cup 2022 in Qatar. There were 4 objectives:

- the promotion of Wales
- projecting our values
- ensuring the safety of Welsh citizens at the tournament
- securing a positive and lasting legacy from our participation at the World Cup.

Activities were focussed on 4 core strands:

- an enhanced marketing campaign
- · a partner support fund
- engagement through our network of Welsh Government overseas offices
- ministerial engagement at the tournament.

199. Engagement with the FCDO and the UK Ambassador in Qatar, Jon Wilks, was very positive. The UK Ambassador visited Wales in June 2022, shortly after Wales had qualified for World Cup focussed engagement with Wales and the FCDO sent a delegation to Wales for further discussions. The Welsh Government and key stakeholders such as the FAW were also part of the regular cross HMG World Cup 22 Coordination Board led by the FCDO. We worked closely with the British Embassy in Qatar to deliver on events in the run up to and during the World Cup, including a major Wales reception at the Ambassador's residence as part of the First Minister's programme.

200. The Cymru Wales Brand marketing team worked with the UKG GREAT campaign team in the months running up to the FIFA World Cup in autumn 2022 on Wales's representation within a GREAT Pavilion in Qatar which included a bilingual poem by Hanan Issa about the National Forest.

201. Welsh Government offices across the world also worked with the respective UK Embassy and Consulates to deliver joint events.

Conclusion

202. This overview report is intended to provide a substantive and balanced assessment of the nature of intergovernmental work across the Welsh Government within this reporting period and summarise in particular the engagement which has taken place between Welsh Government and UK government.

203. As shown, we continue to have positive relationships with the other devolved governments, and there are also clear examples of constructive and collaborative working with the UK government. However, for much of this period the Welsh Government has encountered a UK government that has been hostile to devolution, and whose actions are damaging to the Union as a result, particularly in relation to the impacts of the UK government's legislative programme and financial issues.

204. There have been some indications that the relationship is capable of being improved since autumn 2022, and we welcome those signs of progress. There are still clear tests to come where we hope to see the UK government follow through on its stated commitment to the Sewel convention, devolution and the Union.

Mark Drakeford MS

First Minister of Wales June 2023



For more information refer to our accessibility statement.