

# Inter-Institutional Relations Agreement between the Senedd and the Welsh Government

## Annual Report 2019-2020

In early 2019 the Senedd and the Welsh Government endorsed an inter-institutional relations agreement. The agreement<sup>1</sup> comprises the following:

- keeping the Senedd updated about the formal intergovernmental relations including ministerial forums; and (formal, ministerial level inter-governmental meetings, concordats, agreements and memorandums of understanding); and
- the provision of an annual report summarising intergovernmental relations work undertaken during the year.

This annual report covers the period April 2019 to March 2020. The Welsh Government regularly updates the Senedd in plenary and in committee and via statements and correspondence. Our correspondence, which updates Members on inter-governmental meetings and agreements, is available on the Senedd website.<sup>2</sup>

### Summary

The formal machinery for intergovernmental communication is the Joint Ministerial Committee which has not met in plenary form since December 2018.

We enjoy strong relationships with the other devolved governments; and very much welcomed the return of the Northern Ireland Executive in early 2020.

Levels of engagement and involvement with the UK Government are variable.

### Inter-Governmental Relations

#### *Constitution*

In 2019 we published *Reforming Our Union*<sup>3</sup>, which contributes to the debate about a viable, dynamic future for the UK.

We have continued to make a robust case for further powers in strategically important areas, including Justice (which was supported by the Commission on Justice in Wales<sup>4</sup>).

A great deal of work was done to influence the intergovernmental relations review and to progress the model of shared governance between the UK administrations<sup>5</sup>.

The British Irish Council (BIC), in its Summits hosted by the UK Government and the Irish Government respectively<sup>6</sup>, and among others the Ministerial meeting on Early

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<sup>1</sup> <https://senedd.wales/laid%20documents/cr-ld12097/cr-ld12097-e.pdf>

<sup>2</sup> <https://business.senedd.wales/mglIssueHistoryHome.aspx?lId=25602>

<sup>3</sup> <https://gov.wales/sites/default/files/publications/2019-10/reforming-our-union-shared-governance-in-the-uk.pdf>

<sup>4</sup> <https://gov.wales/commission-justice-wales-report>

<sup>5</sup> <https://www.gov.uk/government/publications/draft-principles-for-intergovernmental-relations>

<sup>6</sup> <https://www.britishirishcouncil.org/bic/summits>

Years policy hosted by the Welsh Government in Cardiff<sup>7</sup>, provided an important forum for discussions and we believe the significance of BIC should grow over time in light of the upcoming changes in the wider political context.

### *European Transition*

The date for the UK leaving the EU was extended three times (29 March, 12 April and 31 October), and was confirmed for 31 January 2020.

The Senedd, as well as the Scottish Parliament and the Northern Ireland Assembly, withheld consent for the European Union (Withdrawal Agreement) Act 2020. The UK Government proceeded with the legislation, citing “singular, specific and exceptional circumstances”.

We continued to advocate Wales’ interests, as set out in our policy documents, most recently in *The future UK/EU relationship: negotiating priorities for Wales*<sup>8</sup>. Our proposals continue to set out what we considered to be the best outcome in the negotiations for Wales within the context the negotiations were taking place – most recently the Political Declaration agreed between the UK Government and the EU.

Through our inter-governmental relations we sought to secure a clear role in negotiations with the European Union, and future trade deals. We were heavily engaged in ensuring an open internal UK market and common frameworks in areas of shared decision making.

We worked to prepare for a no deal outcome. Our preparations included developing the necessary legislation to ensure a functioning statute book on exit day (completing around 50 Welsh Statutory Instruments, and consenting to more than 150 UK Statutory Instruments), working with the UK Government on operational readiness projects, civil contingencies, and Wales-specific projects over and above work on UK-wide measures.

### *UK/EU and Rest of World Trade Negotiations*

There is a complete lack of a formal role for the Welsh Government in the negotiations on the UK/EU future relationship. Meetings of the Joint Ministerial Committee (EU Negotiations) have continued, but the work of that committee is falling a long way short of its terms of reference which included: providing oversight on the negotiations and seeking to reach agreement on negotiation priorities. Despite this, we continue to feed in our priorities and make the case for the kind of future relationship that the evidence shows is in Wales’ best interests.

Unlike the engagement on the UK/EU future relationship, the relationship with the Department for International Trade on Rest of the World negotiations is much more constructive. There have been three meetings of the Ministerial Forum for Trade since it was set up earlier in the year and regular Ministerial bilaterals. We had

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<sup>7</sup><https://www.britishirishcouncil.org/sites/default/files/communiqu%C3%A9s/Early%20Years%20Policy%20Cardiff%20%20Ministerial-%20Communique.pdf>

<sup>8</sup> <https://gov.wales/the-future-uk-eu-relationship>

opportunity to comment on the mandates in areas of devolved competence and are also sighted on and able to comment on the legal text being tabled in the negotiations.

### *Finance*

Against the backdrop of the UK Government's unpredictable approach to public finances, and a chaotic EU exit, we have persistently sought reassurance in Finance Minister meetings that Wales would not receive a penny less than we would have expected within the EU. We have used the Finance Ministers' Quadrilateral meetings to focus on urgent issues such as flooding where we have pressed the UK Government on the need for additional funding to address the impact on our communities.

The Covid-19 pandemic has intensified relationships with meetings of the Finance Ministers being held more frequently and with a focus on the fiscal response to the pandemic including the UK Government's Coronavirus Job Retention Scheme and Self-Employment package. Throughout the period we have continued to press the UK Government for clarity on its funding announcements, plans for the Budget and the Comprehensive Spending Review including pressing for a strengthened Statement of Funding Policy. This clarity is essential to enable us to plan for the future based on the needs of the people of Wales.

### *Economy, Energy and Climate Change*

With the Department for Business, Energy and Industrial Strategy (BEIS), intergovernmental relations and joint working were not well established, posing problems in respect of ensuring we were fully engaged and involved in developing the economic response, our business resilience, and ensuring we continued to benefit from funding to support businesses, research and innovation. Progress was made through the establishment of Ministerial Quadrilaterals covering business and industry, and energy and climate change respectively, but did not represent a serious approach with meetings often postponed and cancelled. However, there was consistent engagement between officials in relation to the energy and climate change aspects of EU Exit, and close working in particular on the proposed UK Emissions Trading Scheme. We continued to press BEIS Ministers on improved intergovernmental relations and enhanced collaborative working.

### *Skills and Employability*

Concerted effort across the four nations to publicise 'Stay Home, Protect the NHS and Save Lives' enabled the initial response to the Covid 19 pandemic. This included a joint approach to schools, colleges, universities and other learning providers moving to online learning and initial consideration of the summer 2020 examination series. The Welsh Government works closely with the Department for Work and Pensions (DWP) on skills and employability policy as well as at an operational level, to ensure DWP activity aligns with Welsh Government policies and priorities. This has been evidenced in particular by the partnership working in the Communities

Employability Programmes, and the Regional Employment Response Groups which were formed as a rapid response to EU exit related labour market conditions. There is good collaborative working between Job Centre Plus and Working Wales, with the aim of building a customer focussed service which is able to signpost and refer citizens to the most appropriate employability support for their needs. The Covid-19 pandemic intensified the collaborative approach between Welsh Government and DWP, and we are keen to ensure that interventions designed rapidly by the UK Government add value to, rather than displace or duplicate, existing provision.

The Welsh Government currently 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 Welsh Government to align the provision of education with several Welsh Government policies, including the Female Offender and Youth Justice Blueprints, and our Reducing Offending Framework 2018-23. We have also delivered against a number of recommendations in the Hanson review of Prisoner Education in Wales, including the establishment of an Offender Learning Stakeholder Group, in collaboration with HMPPS.

### *Education*

Several Ministerial Quadrilateral meetings were held to discuss issues affecting the Minister for Education's portfolio. Topics included the future of structural funds, continued participation/domestic alternative arrangements for EU programme participation (Erasmus, Horizon) student fees and immigration.

These were supplemented by ad hoc telephone calls to establish new relationships with incoming UKG Education Ministers and Universities Ministers.

### *Environment, Agriculture, Food*

At Ministerial level the relationship with the Department for Environment, Food and Rural Affairs (Defra) continued to be positive throughout this period. EFRA Inter-Ministerial Group meetings were put on a more regular footing, and the Retailer Forum, comprising food retailers, Defra and devolved government Ministers, met to discuss UK wide food supply chain and retail issues. Overall the working relationship with Defra on our preparations for departure from the European Union was positive. A collaborative approach was developed early in the process to work on priority areas, although the level of information sharing fluctuated and was lacking or last minute at times. This joint working continued into the transition period.

### *Health*

Discussions at Ministerial level included generally constructive engagement on a range of EU exit-related issues. These included medicines readiness arrangements, medical devices and clinical consumables, freight and import channels, settled status and workforce impacts (which also covered pensions policy in early 2020), legislative

readiness and reciprocal healthcare, and on Wales' contribution to UK Government led arrangements (for example on medicines warehousing and supply).

Behind this, the intergovernmental work for EU exit was mostly operational, through a Supply co-ordination forum of official leads at Director General/Director level, and supported by the detailed work undertaken through NHS relations, particularly between Public Health England and Public Health Wales on public health protection, and between NHS Supply Chain and NHS Wales Shared Services Partnership on buffer stocks and supplier readiness.

Towards the end of March some pressures emerged in relation to the disconnect between trade negotiations (UK reserved) and their policy implications in devolved areas; and as PPE pressures became prominent at the tail end of March, there were challenges in the implementation of the UK-wide assumptions and principles agreed for Brexit readiness.

## **Priorities and Prospects**

The Welsh Government has been at the forefront of constitutional thinking in the UK, making the case for strengthening devolution in publications including 'Securing Wales' Future', 'Brexit and Devolution', and 'Reforming our Union: Shared Governance in the UK'.

Both European Transition and Covid-19 have improved knowledge and understanding of the Senedd and Welsh Government's role in UK governance and highlighted the need for strengthening devolution to secure the future of the Union.

The context of the UK's exit from the EU and Covid-19 pandemic requires a collaborative approach across the governments of the UK based on shared governance, underpinned by mutual respect, parity of esteem, and parity of participation. We will continue to uphold these principles in our engagement with the UK Government.

Through our constitutional affairs and inter-governmental relations work we will continue to seek to protect and strengthen devolution, pursuing a positive outcome to the joint Review of Intergovernmental Relations, deepening our relationships with our British-Irish Council partners, and working with the UK and devolved governments wherever possible to reform our Union.

**Mark Drakeford MS**

**First Minister of Wales**

**26 October 2020**