



Ein cyf/Our ref MA/FM -/0815/22

Delyth Jewell MS
Chair
Culture, Communication, Welsh Language, Sport
and International Relations Committee
Senedd Cymru

8 March 2022

Dear Chair,

I am writing in response to your letter of 04 February which requested further information on the Welsh Government Draft Budget 2022-23 for International Relations following my attendance at the Committee session on 19 January.

Transparency on expenditure plans

We already publish significant amounts of information as part of our Draft Budget. This includes an extensive summary of all Ministers' written evidence to Senedd scrutiny committees on allocations within each MEG as well as the main draft budget narrative and for the first time this year a detailed infrastructure finance plan under our new Wales Infrastructure Investment Strategy.

We recognise there is always more we can do to improve transparency on our plans which is an area contained within our Budget Improvement Plan with supporting actions to take forward this ambition.

Funding for action plans

The total International Relations budget for 2022-23 is £8.904 million. Of this, £3.47 million is now allocated to International Engagement and £5.434 million is allocated to our overseas office network. Of the £3.47 million allocated to International Engagement, £2.09 million is allocated to our Action Plans. The remaining budget of £1.38m will be used for cross-cutting activity.

This £1.38m cross cutting activity funding supports our overarching international relations objectives that are not associated with a particular Action Plan. This includes inward and

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Mark.Drakeford@llyw.cymru
Correspondence.Mark.Drakeford@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

outward visits, communications activity and our flagship initiatives and activity which cuts across our Action Plans.

In 2022-23, for example, this budget will support the Ireland/Wales Forum and activity supporting delivery of the Ireland/Wales Joint Statement, Wales in Canada 2022 and Wales in France 2023. This cross cutting budget will also support the role and activity of the Welsh Government's Representative on Europe.

The international actions plans and cross cutting activity are all funded from a single budget line - the International Engagement budget. The term 'internal management purposes' was used to describe the allocation of the budget, set at branch level, to assist with budget management. Each plan receives a soft funding allocation based on a forward work plan. The level of activity against each plan will vary from year to year which is why the allocations are not flat profiled and differ from year to year. In addition, some work-streams also have contractual obligations which will trigger spend and lead to changes in budget allocation. The flexibility in the budget allows for the reactive re-allocation of funds for unforeseen changes in market conditions or opportunities that arise mid-year. We do however envisage a broadly similar profile against plans and cross cutting activity for 2023/24 and 2024/25.

Wales for Africa programme

The International Relations budget was increased to allow for the delivery of the new International Strategy. At that time the then Minister for International Relations and Welsh Language agreed to transfer £350,000 a year from that budget into the separate International Development budget to support delivery of the Wales and Africa elements of the International Strategy. The Wales and Africa programme and budget, including the transferred £350,000, is the responsibility of the Minister for Social Justice. Any additional funding for Wales and Africa projects from the International Relations budget is approved by the First Minister but the Minister for Social Justice would approve and be responsible for the projects themselves. The Minister for Social Justice receives a monthly update on Wales and Africa.

International office expenditure

The total expenditure for the international offices is £5,434,000 which is split into a programme budget and an activity budget. The programme budget is £4,684,000 and is for the running of the overseas network and includes rent, FCDO platform charges, staff salaries and on-costs. A budget of £750,000 supports network-wide activity for the overseas offices.

The Overseas Operations team manages the programme running costs budget and the Overseas Office Performance and Delivery Manager manages the activity budget. The network of overseas offices has an annual combined programme budget of £4.684m and an annual combined activity budget of £750,000. We do not set programme running cost budgets for each office as these are managed centrally. Each office is able to bid into the central activity budget.

Final, draft and indicative budgets are shown in the table below.

	Final budget 2021-22	Draft budget 2022-23	Indicative budget 2023-24	Indicative budget 2024-25
Programme Budget	£4,684,000	£4,684,000	£4,684,000	£4,684,000
Activity Budget	£750,000	£750,000	£750,000	£750,000
Total	£5,434,000	£5,434,000	£5,434,000	£5,434,000

The offices are sometimes supported with additional funding from the International Engagement budget to deliver one-off or flagship programmes of work. £150,000 has been allocated from the 2022-23 International Engagement budget to support the *Wales in Canada* initiative and £50,000 has been allocated in 2022-23 for the *Wales in France* initiative for example.

There is no direct funding to the international offices from other Welsh Government Ministers and departments. However, there can be occasions where the costs from elements of a trade mission or an invest activity are met from the offices. The offices have objectives to deliver Trade and Investment activity and work closely with the Trade and Investment teams in Cardiff providing support on the ground for their overseas programme.

Funding international relations work elsewhere in government

The table at Annex A outlines the other international programmes that are directly funded by other departments with a dedicated budget for international activity.

The figures in the funding column are indicative allocations as spend across all of these programmes has been impacted by the Covid-19 pandemic.

Some departments do not allocate dedicated budgets to their international engagement as activity is generally embedded across a range of their functions. As an example, Event Wales' annual budget of £34.718m supports a balanced and sustainable portfolio of both 'home-grown' and international events which deliver economic impacts to Wales through visitor spend and raises Wales' profile on the international stage through associated media coverage.

Regular scrutiny of International Relations

I have considered the committee's request carefully and decided that a session dedicated to the scrutiny of international relations during one of the regular First Minister scrutiny appearances is the most appropriate approach to take.

I am not aware that any previous First Minister attended Committees to discuss individual portfolio responsibilities and, therefore, I believe the half-termly scrutiny of the First Minister is sufficient.

Yours sincerely,



MARK DRAKEFORD