

**Pwyllgor yr Economi,  
Masnach a Materion Gwledig**

—  
**Economy, Trade and  
Rural Affairs Committee**

**Senedd Cymru**

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Mr William Wrag

Chair

The Public Administration and Constitutional Affairs Committee

House of Commons

11 August 2023

## **PACAC Inquiry: Devolution Capability in Whitehall**

Dear Colleague

I am writing in my capacity as Chair of the Senedd's Economy, Trade and Rural Affairs Committee to respond to the Committee's current inquiry into **Devolution Capability in Whitehall**. In particular I thought it would be useful to provide your Committee with a perspective on our engagement with UK Ministers and civil servants on issues within our Committee's remit.

The Committee's role is to hold the Welsh Government to account. But there are occasions where scrutiny of devolved responsibilities necessitates examining matters that are reserved, or where the Welsh and UK Governments should be working closely together, and where the decisions taken and the direction and pace of policy-making at UK level is pertinent to our work. Examples include: post-EU regional development funding; research and innovation; agricultural support; the operation of Common Frameworks; trade policy; border control posts and freeports; City and Growth Deals and regional investment more generally; and animal health and welfare. This is certainly not an exhaustive list.

On such occasions it is helpful not only to seek answers from the Welsh Government but also information and views from UK Ministers, and/or briefing from UK Government officials. Historically we have had limited success with such approaches, a problem which is shared across Senedd Committees.

In 2021 I wrote to Paul Scully MP, the Minister for Small Business, Consumers and Labour Markets in the Department for Business, Energy and Industrial Strategy, concerning the policy development process around the Subsidy Control Bill, on which the Committee had issued a legislative consent **report**. No response to that letter was received. We have however had positive and proactive engagement with the non-ministerial government department the Competition and Markets Authority, which operates the Subsidy Advice Unit, as well as with the non-departmental public body the Trade Remedies Authority who have met with committee officials and me, and also offered a range of support for our work.

In May 2022 the Committee **wrote to the UK Minister for Transport**, Grant Shapps MP, seeking clarification on devolved versus reserved responsibilities for funding much-needed improvements to HGV rest stop facilities. This followed an inquiry into **HGV Driver Shortage and Supply Chain Issues**. The Committee also corresponded with Welsh Ministers, which provided some clarification, but no reply was ever received from the UK Transport Minister.

This year the Committee was disappointed that, despite several approaches via different channels since March, we were unable to take oral evidence from any UK Minister or Deputy Minister on the Levelling Up agenda and development of the Shared Prosperity Fund. The delay in the Parliamentary Under-Secretary of State subsequently providing limited **written evidence** in June did not allow proper interrogation of important issues arising from this inquiry.

Conversely I was pleased recently to receive a prompt and positive response to a request for a Cabinet Office Minister to discuss the development of Border Control Posts and the Target Operating Model with us, given that trade through Welsh ports is such a critical issue. Although we have at time of writing not secured a date for discussion, the willingness of Baroness Neville-Rolfe to engage with my Committee and be flexible about dates is very much welcomed.

During general scrutiny sessions with Welsh Ministers and their officials, Members regularly ask about engagement with UK Ministers and officials on reserved issues that impact on the Welsh economy. In many cases Welsh Ministers report close and constructive engagement with Ministerial counterparts and official-to-official. But there can be sticking points, for example when engagement and information-sharing is not timely or forthcoming at all, or where Wales-level data is not made available, e.g. to allow the Welsh Government to fully evaluate the impact of post-EU trade deals for Wales.

The development of Freeports has recently been held up as an example of good constructive engagement, but this does not appear to be a consistent position across all policy areas and Whitehall departments. Any lack of understanding in Whitehall of the Welsh context, and the importance of early engagement with the devolved administrations, will be detrimental to sound

policy development and implementation. The design and delivery of post-EU funding programmes is an obvious example, on which the Committee will shortly issue a **report** outlining its concerns.

Thank you for the opportunity to engage with your important inquiry. We look forward to reviewing your findings and the UK Government's response to them.

Kind regards,

A handwritten signature in black ink that reads "Paul Davies". The signature is written in a cursive style with a large initial 'P' and a long, sweeping tail on the 's'.

**Paul Davies MS**

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English