



Andrew RT Davies  
Chair  
Economy, Trade and Rural Affairs Committee

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17 February 2026

Dear Andrew,

Thank you for the opportunity to give evidence to the Economy, Trade and Rural Affairs Committee on 29 January. I promised to provide you with more information in specific areas. Please see my responses below.

### **Inward Investment**

Each of our overseas offices operates with an annual business plan which details delivery activity across the broad range of roles and responsibilities which they undertake. Within these plans, there are objectives covering the inward investment function, with pipeline-building set out as the primary KPI. Broader objectives are centred around the delivery activities which promote Wales as an investment destination and maintaining a relationship with the headquarters of existing investors.

Business plans remain internal documents due to potential commercial sensitivities contained within each plan, as they include more than just the inward investment targets. In addition, the small number and size of individual offices means that, across the vast majority of our network, just one or two people work in each office so releasing a KPI for individual offices would, in effect, be releasing an individual's performance targets and compromise data protection principles.

However, I am pleased to provide the aggregated lead generation KPI (Investment) across the whole Overseas Network for 2024-25, together with the aggregated performance.

<b>Pipeline KPI (Leads Generated)</b>	<b>Performance against KPI</b>
96	92 (95.8%)

### **UK Government Trade Mission**

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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.

With regards to the UK Government trade mission to China that was led by the Prime Minister last month, I can confirm that the Welsh Government offices in Chongqing, Beijing and Shanghai were informed of a potential visit to China by a VVIP prior to the Christmas break, but were not given the details, not permitted to join the planning meetings led by the FCDO China team, nor were they asked to nominate companies from Wales to take part in the mission. The full list of delegates can be found on the [UK Government's website](#).

During the Prime Minister's visit, the Welsh Government representatives in Beijing and Shanghai were invited to attend "House of UK" receptions linked to the trade mission. The Shanghai team also had the opportunity to promote Welsh brands (Corgi Hosiery, SmoothSkin, Health&Her, Penderyn and Aber Falls gin and whisky) with display and tasting samples at a business reception on 30 January. This was one of the main events during the Prime Minister's visit to showcase the UK's creativity and innovation to 300-400 Chinese and British businesses in East China.

### **Overseas Network – Additional Information**

Following the submission of the formal written evidence from the Welsh Government, I received a request to provide additional information about our Overseas Network. As my formal response had already been submitted, I agreed to write separately on this matter.

Over the last three years, we have seen a year-on-year rise in the number of investment enquiries that have required a detailed response and further engagement from the Invest or Regional teams in Welsh Government. This increase has been especially significant for enquiries sourced by our Overseas Network, where a rise of 145% was delivered.

Overseas Network referrals, as a proportion of all enquiries, saw a rise during this period growing from 15% to 27% - again highlighting the importance of this channel as a source of enquiries.

It is important to note that enquiries only include those projects that have a clearly defined timeline for the investment project and where additional support is required. To arrive at these, each overseas office also has a broader pipeline of enquiries and ongoing discussions with companies.

In terms of converting enquiries into successes, between 2022-23 and 2024-25, the Overseas Network was involved in over 42% of the project wins where there was Welsh Government involvement. These projects created or safeguarded nearly 6,150 jobs.

As set out in my written evidence to Committee, Wales's investment successes form part of ONS official statistics. Therefore, I am unable to provide a detailed breakdown of the investment generated by each individual office, as this would be in breach of the parameters set by the ONS, which does not allow us to discuss investment from individual geographies as there is a risk of identifying individual projects and breaching data protection.

With the exception of Brussels, every overseas office is co-located with the UK Government in an Embassy or High Commission, often sitting close to the DBT teams. This enables good intelligence sharing, strong coordination on lead generation and management, visibility of the proposition in Wales with UK Government partners and joined-up organisation of events to promote investment.

The Brussels office, whilst not co-located, is situated just a few minutes' walk from the UK Embassy. Our Trade & Invest team meets very regularly with the DBT Belgium team, as well as holding occasional meetings with relevant officials from the UK Mission to the EU.

The Brussels team also invests time on regular engagement with DBT posts across Europe (as well as with DBT Wales). Officials visit UK embassies when they are in market to, again, enable intelligence sharing, coordination on lead generation, and inform/educate UK posts about investment opportunities in Wales.

Relationships are held at multiple levels with UK posts, including Ambassadors. There are multiple examples across all overseas teams of joined-up activity with the UK Government and coordination on investment pipelines, including joint activity at exhibitions, shared meetings with existing and target investors, support with contacts and introductions and the joint organisation of inward missions and events. Specific examples include:

- Welsh and UK ministers at an investment roundtable in Paris for St David's Day.
- UK Government support for Welsh ministerial travel overseas, such as my visit to Japan in April 2025 where the Embassy team in Tokyo helped to develop the programme and supported arrangements for a Wales Investors Showcase and business roundtables.
- Use of UK Pavilions at the World Expos in Osaka and Dubai for business events.
- Organising joint business events around St David's Day in markets where we do not have a presence such as Spain, the Netherlands and Denmark.
- Joined up identification and outreach to secure attendees at the Wales Investment Summit.

## **Local Growth Plan**

In response to the Committee's request for details of progress in agreeing the transition approach with local authorities, I can confirm I wrote to leaders in each of the four existing SPF local authority regional leads on 23 December 2025.

These letters were intended to support early planning, avoid unnecessary redundancies, and included indicative regional allocations for the transition year (1 April 2026–31 March 2027). They also set the expectation that this period would be used to actively transition to the proposed regional model via the Corporate Joint Committees (CJCs).

The letters provided information on the transition proposals and model on which we consulted – all subject to outcomes from that consultation and subsequent decisions. The consultation itself was directly informed by ongoing discussions I have with the WLGA economy spokespeople, and which my officials have with local government.

## **Proposed Transition Approach**

The proposal discussed with local government and set out in the consultation is to retain the existing SPF architecture for the transition year, with current SPF Local Authority regional leads continuing as Accountable Bodies for 2026–2027. These bodies would enter into agreements with the Welsh Government governing the use of transition-year funding based on a transition plan for 2026-2027. The geographical coverage of each SPF region is the same footprint as the City and Growth Deals and CJCs, and the regional leads are:

- SE Wales: Rhondda Cynon Taff County Borough Council
- SW Wales: City and County of Swansea
- Mid Wales: Ceredigion County Council
- North Wales: Gwynedd County Council

## Status and Legal Position

Nothing communicated to local government constitutes a promise, guarantee, or warranty by the Welsh Government. Indicative allocations were provided to each region, broken down by capital and revenue, and based on the preferred local government methodology for the transition year of allocating funding in the same proportions as the last year of the SPF during 2025-2026. All figures were indicative based on the consultation proposals and may change due to:

- Outcomes of the public consultation on the Local Growth Fund, which closed on 19 December 2025
- Confirmation of funding and delivery profiles within the Investment Plan and finalisation of agreements with the UK Government
- Completion of Welsh Government due diligence, including compliance with current subsidy control rules and the detailed terms and conditions of any future award letter

Other key points for the transition discussed with local government and reflecting proposals in the consultation include:

- A small amount of revenue funding to be allocated in 2026–2027 to each CJC to support capacity-building and regional planning, reflecting proposals in the consultation to transition to CJsCs from years 2 onwards.
- Up to 4% of funding may be used for management and administration.
- SPF regional leads will develop transition plans for 2026–2027.
- No allocations are being proposed for pan-Wales interventions in the transition year and future pan-Wales activity will be developed collaboratively.
- A six-month review will be undertaken with each SPF regional lead to assess progress against their transition plans and the transition to CJsCs.
- The Welsh Government remains committed to collective planning for transition with local government partners.

Yours sincerely,



**Rebecca Evans AS/MS**

Cabinet Secretary for Economy, Energy and Planning  
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio