# Intergovernmental Relations Secretariat Annual Report

13 January 2022 – 31 March 2023

#### OFFICIAL

# Contents

1.	Foreword by the Intergovernmental Relations Secretariat	2
	Purpose and Structure	
	The Secretariat and the Review of Intergovernmental Relations	
	Tiers of Engagement	
3.	Engagements	6
	Prime Minister and Heads of Devolved Governments Council	6
	Interministerial Standing Committee / Finance Interministerial Standing Committee	7
	Interministerial Groups	8
4.	Conclusion	13
Gl	ossary of Abbreviations	14
lm	age Attribution	15
An	nnex A – Meeting Communiqués	16

# 1. Foreword by the Intergovernmental Relations Secretariat

We are pleased to present the first Annual Report of intergovernmental activity produced by the Intergovernmental Relations Secretariat ("the Secretariat"). The functions of the Secretariat are set out in the Review of Intergovernmental Relations ("the Review") with further detail in the Policy Paper on its Function and Role. These functions include a requirement to produce an annual report.

This annual report provides an overview of formally recorded intergovernmental relations between the United Kingdom (UK) Government, the Scottish Government, the Welsh Government and the Northern Ireland Executive. Further background on the Review and the role of the Secretariat is included in Section 2. Please note that this report provides a summary and does not supersede the Review itself.

The reporting period covers the publication of the Review on 13 January 2022, through to 31 March 2023. Future annual reports will cover four quarters and will report in line with financial years. Following the publication of the Review, much of the early work described in this report was formative in nature, with new intergovernmental forums being developed in line with the recommendations of the Review.

Notable events during this reporting period include:

- The absence of a functioning Northern Ireland Executive
- Two changes of Prime Minister, in September and October 2022
- One change of First Minister of Scotland, in March 2023
- Operational pressures related to the COVID-19 pandemic throughout

Whilst the Secretariat was unstaffed during this reporting period, its functions were carried out by officials from across governments. We would like to acknowledge the significant work undertaken to implement the Review and to establish new structures to support Intergovernmental Relations by those involved.

The information presented has been compiled retrospectively from a range of published sources. We are grateful to officials from the UK Government, the Scottish Government, the Welsh Government and the Northern Ireland Executive for their support in preparing this report.

Intergovernmental Relations Secretariat

# 2. Purpose and Structure

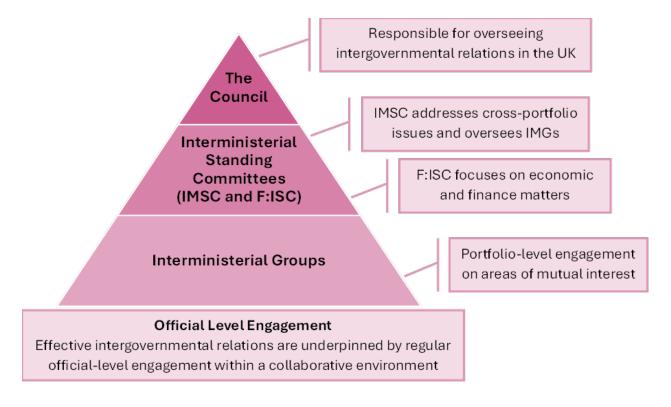
# The Secretariat and the Review of Intergovernmental Relations

The Intergovernmental Relations (IGR) Secretariat was established as part of the <u>Review of Intergovernmental Relations</u>, published in January 2022. More detail on the function and role of the Secretariat is set out in a <u>UK Government policy paper</u>, published in November 2023.

The Review sets out new tiered structures for IGR relations and ways of working. This includes the Secretariat. The Secretariat is impartial and is staffed by officials on placement from across governments. The Secretariat promotes the efficient and effective maintenance of intergovernmental relations across tiers, facilitates prompt handling and resolution of disputes, and provides administrative support across the structures. Its function includes publishing an annual report on intergovernmental activity.

The information presented in this section of the report summarises the structures of IGR as they are set out in the Review. These structures have developed and evolved in practice over the intervening period.

# Tiers of Engagement



The Review sets out three tiers of engagement for intergovernmental relations.

The top tier of engagement is the Prime Minister and Heads of Devolved Governments Council ("the Council"). All middle tier and portfolio tier engagements, as well as the IGR Secretariat, are ultimately accountable to the Council. The review sets out that the Council will meet annually, with the ability to meet extraordinarily. The Council is chaired by the Prime Minister and is attended by the First Ministers of Scotland and Wales, and the First Minister and deputy First Minister of Northern Ireland. The Council is supported by the Secretariat.

The middle tier of engagement is the Interministerial Standing Committee (IMSC) and the Finance Interministerial Standing Committee (F:ISC). The IMSC usually consists of ministers with responsibility for intergovernmental relations from each government. The IMSC considers issues cutting across several ministerial portfolios and ensures positive policy collaboration across all four governments. In accordance with the Review, the IMSC is intended to meet every other month, but it can meet more or less frequently according to need and if agreed by consensus. Meetings of the IMSC are chaired by its members on a rotating basis. The IMSC is supported by the Secretariat, which is responsible for coordinating meetings, capturing minutes and actions, and preparing and publishing communiqués.

The F:ISC consists of ministers with responsibility for finance and budgeting from each government and considers the impact of economic and finance matters affecting the UK. In accordance with the Review, the F:ISC should meet quarterly, but meetings may occur less or more frequently if agreed unanimously, and meetings should take place around key events. The F:ISC will be chaired by the UK Government or a Devolved Government finance minister on a rotating basis. The F:ISC is supported by its own Secretariat, led collectively by officials from all four governments.

Tier one is portfolio level engagement, consisting of the Interministerial Groups (IMGs). The IMGs cover a range of policy areas and consist of relevant portfolio ministers from each government. IMGs are organised, and secretariat support provided, by the participating teams in each government. The IMGs meet in accordance with their jointly agreed Terms of Reference and publish their own communiqués. When the Review was published, it set out a number of preliminary IMGs to be established. The IMGs envisaged in the review are:

	Business and Industry	<u></u>	Tourism	<u>\$</u>	Science and Research
د	Net Zero, Energy and Climate Change	2	Environment, Food and Rural Affairs	<b>%</b>	Health and Social Care
<b>✓</b>	Elections and Registration		Education		Work and Pensions
100 M	UK-EU Trade and Cooperation Agreement		Higher Education		Safety, Security and Migration
	Culture		Transport		Housing, Communities and Local Government
<b>Ļ</b> 0.	Sports Cabinet	$\leftrightarrows$	Trade	$\overline{\mathbf{U}}$	Justice

This list was not intended to be exhaustive or definitive and, as seen in this report, IMGs have been adapted according to evolving needs.

These three tiers of ministerial forums are in place to consider and, where appropriate, reach agreement on issues of mutual interest across various policy areas. This ministerial oversight is essential for promoting effective collaboration and ensuring political accountability. However, effective IGR is underpinned by ongoing regular engagement between officials.

# 3. Engagements

#### Prime Minister and Heads of Devolved Governments Council

The Council's inaugural meeting was held on 10 November 2022.

#### Attendees:



The Rt Hon Rishi Sunak MP
Prime Minister of the United Kingdom



The Rt Hon Nicola Sturgeon MSP First Minister of Scotland



The Rt Hon Mark Drakeford MS
First Minister of Wales

In the absence of a First Minister and deputy First Minister, officials from the **Northern Ireland Civil Service** attended in an observational capacity.

**The Rt Hon Jeremy Hunt MP**, then Chancellor of the Exchequer and **the Rt Hon Michael Gove MP**, the then Secretary of State for Levelling Up, Housing and Communities, and Minister for Intergovernmental Relations also attended from the **UK Government**.

The Council discussed:

- The **economic outlook**, and how the governments should work together to address the **cost of living**;
- The impact of rising inflation; and
- The shared challenges in supporting the NHS.

A communiqué of the meeting can be found here.

# Interministerial Standing Committee / Finance Interministerial Standing Committee

There were **three** meetings of the IMSC and **three** meetings of the F:ISC within the reporting period. A link to the published communiqué from each meeting can be found at <u>Annex A</u>.

Meeting	Date	Matters Discussed
	23 March 2022	<ul> <li>Ongoing situation in Ukraine.</li> <li>The implementation of the new IGR arrangements.</li> <li>UK legislation and future ways of working.</li> <li>The Levelling Up White Paper.</li> </ul>
IMSC	29 June 2022	<ul> <li>UK Parliament legislative programme.</li> <li>Approaches to UK legislation and ways of working.</li> <li>Rise in the cost of living.</li> <li>Progress on establishing IMGs.</li> </ul>
	1 February 2023	<ul> <li>UK Parliament legislative programme.</li> <li>Common Frameworks reporting.</li> <li>Cost of living pressures.</li> <li>Progress on establishing IMGs.</li> </ul>
	21 March 2022	<ul> <li>The role of F:ISC.</li> <li>Evolving situation in Ukraine.</li> <li>Spring Statement 2022 and action on cost of living.</li> <li>Devolved Government budgeting and communication.</li> <li>The Levelling Up White Paper.</li> <li>UK Infrastructure Bank Bill.</li> <li>Redundancies at P&amp;O Ferries.</li> </ul>
F:ISC	15 June 2022	<ul> <li>Economic outlook / addressing cost of living pressures.</li> <li>Net Zero.</li> <li>End of year budgeting and communication.</li> <li>Updates from Devolved Government Finance Ministers on key areas of work.</li> <li>EU replacement funding.</li> <li>COVID-19 recovery.</li> <li>UK Infrastructure Bank Bill.</li> <li>Freeports.</li> </ul>
	9 February 2023	<ul> <li>UK Government's economic and fiscal plans.</li> <li>Replacement EU funding.</li> <li>Interim report by the Independent Commission on the Constitutional Future of Wales.</li> </ul>

# **Interministerial Groups**

**Nine** IMGs were established and met formally within the reporting period. Overall, there were **28** IMG meetings, which can be broken down as follows:



In addition to these formal IMG meetings, a further **two** ministerial intergovernmental meetings took place during the reporting period in the portfolio areas of Sports and Trade. These groupings subsequently transitioned to become IMGs and are recognised as being of relevance to this report during a period of adjustment in the landscape of IGR.

A link to the published communiqué from each meeting can be found at Annex A.

IMG	Date	Matters Discussed
Business and	8 February 2022	<ul> <li>The economic recovery of, and challenges facing, the retail and hospitality sectors.</li> <li>Levelling Up White Paper.</li> <li>Conclusions of the IGR Review.</li> </ul>
Industry	24 March 2022	<ul> <li>The impact of the Russia/Ukraine conflict.</li> <li>The Welsh Government's Employability and Skills Plan.</li> </ul>

	24 May 2022	<ul> <li>Scottish Government's National Strategy for Economic Transformation.</li> <li>The Labour Shortages.</li> </ul>
	17 January 2023	<ul> <li>Economic Crime and Corporate Transparency Bill and the associated reforms.</li> <li>The Strikes (Minimum Service Levels) Bill.</li> <li>Review of the Energy Bill Relief Scheme.</li> </ul>
	27 January 2022	<ul> <li>Group's Terms of Reference.</li> <li>Impact of COVID-19 on education.</li> <li>Strategic education priorities for each government.</li> </ul>
Education	17 June 2022	<ul> <li>Lifelong learning with a focus on green skills.</li> <li>Student finance, qualifications and examinations.</li> </ul>
	9 December 2022	<ul><li>The rising cost of living.</li><li>General and vocational qualifications.</li><li>Lifelong learning.</li></ul>
Elections and	8 March 2022	<ul> <li>UK Government's Elections Bill.</li> <li>Welsh Government's plans for local government elections pilots.</li> <li>Scottish Government's plans for a Reform and Representation Bill.</li> </ul>
Registration	25 January 2023	<ul> <li>The Elections Act 2022 implementation.</li> <li>Scottish Government's consultation on electoral reform.</li> <li>Welsh Government's consultation on modernising the electoral system in Wales.</li> </ul>
Environment, Food and Rural Affairs	31 January 2022	<ul> <li>The UK Internal Market Act's (UKIM) impact on Scottish regulations relating to single use plastics.</li> <li>Future Agricultural Policy Proposals for Northern Ireland.</li> <li>UK Agricultural Partnership meeting - overview.</li> <li>Ongoing supply chain issues.</li> <li>Veterinary capacity at borders / changes to the immigration system to address this.</li> <li>Northern Ireland Protocol.</li> </ul>
	21 March 2022	Russia's invasion of Ukraine - key issues.

	<ul> <li>Supply chain issues related to P&amp;O Ferries.</li> <li>UK Government's Nature Green Paper for England.</li> <li>The Environment, Food and Rural Affairs Committee (EFRA) Common Frameworks programme.</li> <li>Preparations for the next phase of border controls.</li> <li>Single Use Plastics.</li> </ul>
16 May 2022	<ul> <li>The ongoing conflict in Ukraine - key issues.</li> <li>UK Government's announcement on the next phase of border controls.</li> <li>UK Government's Future Legislative Programme.</li> <li>Scottish Government's Future Agriculture Policy proposals.</li> <li>Ongoing discussions on Deposit Return Scheme (DRS) VAT issues and Single Use Plastics.</li> </ul>
20 July 2022	<ul> <li>Welsh Government's proposals for a Sustainable Farming Scheme.</li> <li>Implications of the invasion of Ukraine.</li> <li>Retained EU Law (REUL) and the proposed Brexit Freedoms Bill.</li> <li>The Genetic Technology (Precision Breeding) Bill.</li> <li>Development of the borders Target Operating Model.</li> <li>Convention on Biological Diversity (CBD) COP 15 and the planned summit in Montreal.</li> <li>Parliamentary approval of UKIM Act exclusion on single use plastics - confirmation.</li> </ul>
7 November 2022	<ul> <li>REUL and the UK Government's Bill to make it easier to repeal and replace retained EU law.</li> <li>Proposed Target Operating Model for UK Borders.</li> <li>Scottish Government's request to exclude deposits from VAT within its proposed DRS.</li> <li>The Joint Fisheries Statement.</li> <li>Concerns from the Scottish Government on changes to animal health visit regulations.</li> </ul>
5 December 2022	<ul> <li>Issues facing poultry supply chains.</li> <li>The REUL Bill.</li> <li>Offshore Wind Environmental Improvement Package.</li> <li>Border Target Operating Model.</li> </ul>

		• CBD COP 15.
	23 January 2023	<ul> <li>The REUL Bill.</li> <li>Successes from the recent CBD COP 15 in Montreal.</li> <li>UK Agriculture Market Monitoring Group - update.</li> <li>Animal welfare legislation updates, joint working on ongoing animal welfare issues, and the GB Invasive Non-Native Species Strategy.</li> </ul>
	6 March 2023	<ul> <li>The REUL Bill.</li> <li>The need for an exclusion from UKIM for DRSs.</li> <li>Current food shortages / issue of food security.</li> <li>Food supply chain issues and underlying factors.</li> <li>Lack of progress on animal welfare legislation.</li> </ul>
Housing, Communities and Local Government	24 May 2022	<ul> <li>Future ways of working, based on the IGR Review.</li> <li>Future ways of working and discussion topics.</li> <li>Respective approaches to Building Safety.</li> </ul>
	17 January 2022	<ul> <li>Development of the UK Emissions Trading Scheme (UK ETS).</li> <li>The UK ETS Cost Containment Mechanism.</li> </ul>
Net Zero,	9 March 2022	<ul> <li>The UK ETS.</li> <li>Agreement to go to consultation on proposals to develop the UK ETS.</li> </ul>
Energy and Climate Change	26 October 2022	<ul> <li>Energy affordability.</li> <li>Energy security.</li> <li>The Review of Net Zero.</li> <li>Terms of Reference publication.</li> </ul>
	23 March 2023	<ul> <li>The creation of the new Department for Energy Security and Net Zero.</li> <li>The UK ETS.</li> </ul>
Safety, Security and Migration	1 February 2023	<ul> <li>Dialogue across the three core themes of safety, security and migration.</li> </ul>
Sports Cabinet	30 July 2022	Not formally an IMG meeting, but included in this report as it was a precursor to the Sports Cabinet

		IMG. A communiqué for this meeting has not been published.
	26 January 2022	Not formally an IMG meeting, but included in this report as it was a precursor to the Trade IMG. A communiqué for this meeting has not been published.
	5 July 2022	<ul> <li>Terms of Reference for the Group.</li> <li>UK Government's plans to sign and develop memoranda of understanding with US states.</li> <li>UK-India free trade agreement (FTA) negotiations.</li> </ul>
Trade	9 January 2023	<ul> <li>Increased information-sharing in relation FTA negotiations.</li> <li>Funding arrangements for potential international trade disputes.</li> <li>The ongoing negotiations for:         <ul> <li>The UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).</li> <li>The UK-India FTA.</li> <li>The UK-Gulf Cooperation Council (GCC) FTA.</li> </ul> </li> </ul>
UK-EU	17 February 2022	Communiqués for these IMGs have not been
Relations	4 July 2022 20 March 2023	published.

Some IMGs envisaged in the Review were not established until after the period covered by this report. These include:

- Culture.
- Sports Cabinet<sup>1</sup>.
- Tourism.
- Transport.
- Health and Social Care.
- Work and Pensions.
- Justice.

<sup>&</sup>lt;sup>1</sup> This grouping met within the reporting period, but was not established as a formal IMG until afterwards.

### 4. Conclusion

The publication of this report supports the commitment to transparency in intergovernmental relations activity, as set out in the Review.

Over the reporting period, beginning when the Review was published on 13 January 2022 through to the end of March 2023, progress was made in establishing and refining the structures and processes recommended by the Review. The inaugural meeting of the Council facilitated discussions on issues such as the economic outlook, inflation and NHS support.

The IMSC and F:ISC each held three meetings, covering topics from the situation in Ukraine to economic and fiscal plans, addressing both immediate and long-term challenges.

IMGs engaged across various policy areas, with 28 formal meetings held within the reporting period. At the end of the reporting period, some IMGs were yet to be established.

The progress made will provide a foundation for future intergovernmental collaboration. Sustained future effort will ensure the full implementation of the structures and processes outlined in the review.

The Secretariat extends its gratitude to all contributors.

# Glossary of Abbreviations

COP 15 / CBD COP	15th mosting of the nextice to The Convention on Rielegical Diversity	
15	15 <sup>th</sup> meeting of the parties to The Convention on Biological Diversity	
DAERA	Department of Agriculture, Environmental and Rural Affairs of Northern Ireland	
DRS	Deposit Return Scheme	
DWP	UK Government Department for Work and Pensions	
EFRA	Environment, Food and Rural Affairs	
EU	European Union	
F:ISC	Finance Interministerial Standing Committee	
FTA	Free Trade Agreement	
IGR	Intergovernmental Relations	
IMG	Interministerial Group	
IMSC	Interministerial Standing Committee	
MLA	Member of the Legislative Assembly	
MP	Member of Parliament	
MS	Member of the Senedd	
MSP	Member of the Scottish Parliament	
NHS	National Health Service	
OBR	Office for Budget Responsibility	
PM	Prime Minister	
REUL	Retained EU Law	
Rt Hon	Right Honourable	
UK	United Kingdom	
UK ETS	UK Emissions Trading Scheme	
UKIM	UK Internal Market Act 2020	

# **Image Attribution**

#### **Portrait of Prime Minister Rishi Sunak**

24/11/2022. London, United Kingdom. Portrait of Prime Minister Rishi Sunak in 10 Downing Street. Picture by Simon Walker / No 10 Downing Street

https://flic.kr/p/2oFFFVo

#### First Minister's 2021 Christmas message

First Minister, Nicola Sturgeon delivering her 2021 Christmas message from St Andrew's House, Edinburgh

https://flic.kr/p/2mSUhLt

#### **Portrait of First Minister Mark Drakeford**

Provided by Welsh Government

# Annex A – Meeting Communiqués

#### Interministerial Standing Committee

Interministerial Standing Committee: 23 March 2022

Interministerial Standing Committee: 29 June 2022

Interministerial Standing Committee: 1 February 2023

#### Finance Interministerial Standing Committee

Finance: Interministerial Standing Committee: 21 March 2022

Finance: Interministerial Standing Committee: 15 June 2022

Finance: Interministerial Standing Committee: 9 February 2023

#### The Interministerial Group for Business and Industry

Interministerial Group for Business and Industry: 8 February 2022

Interministerial Group for Business and Industry: 24 March 2022

Interministerial Group for Business and Industry: 24 May 2022

Interministerial Group for Business and Industry: 17 January 2023

#### The Interministerial Group for Education

UK Education Ministers Council: 27 January 2022

UK Education Ministers Council: 17 June 2022

UK Education Ministers Council: 9 December 2022

# The Interministerial Group for Elections and Registration

Interministerial Group for Elections and Registration: 8 March 2022

Interministerial Group for Elections and Registration: 25 January 2023

#### The Interministerial Group for the Environment, Food and Rural Affairs

Interministerial Group for Environment, Food and Rural Affairs: 31 January 2022

Interministerial Group for Environment, Food and Rural Affairs: 21 March 2022

Interministerial Group for Environment, Food and Rural Affairs: 16 May 2022

Interministerial Group for Environment, Food and Rural Affairs: 20 July 2022

Interministerial Group for Environment, Food and Rural Affairs: 7 November 2022

Interministerial Group for Environment, Food and Rural Affairs: 5 December 2022

Interministerial Group for Environment, Food and Rural Affairs: 23 January 2023

Interministerial Group for Environment, Food and Rural Affairs: 6 March 2023

# The Interministerial Group for Housing, Communities and Local Government

Interministerial Group for Housing, Communities and Local Government: 24 May 2022

### The Interministerial Group for Net Zero, Energy and Climate Change

Interministerial Group for Net Zero, Energy and Climate Change: 17 January 2022

Interministerial Group for Net Zero, Energy and Climate Change: 9 March 2022

Interministerial Group for Net Zero, Energy and Climate Change: 26 October 2022

Interministerial Group for Net Zero, Energy and Climate Change: 23 March 2023

# The Interministerial Group for Safety, Security and Migration Interministerial Group for Safety, Security and Migration: 1 February 2023

# The Interministerial Group for Trade

Interministerial Group for Trade: 5 July 2022
Interministerial Group for Trade: 9 January 2023

# The Interministerial Group for UK-EU Relations

17 February 2022: A communiqué for this IMG has not been published.

4 July 2022: A communiqué for this IMG has not been published.

20 March 2023: A communiqué for this IMG has not been published.