

Agenda Supplement – External Affairs and Additional Legislation Committee

Meeting Venue:

Committee Room 2 – Senedd

Meeting date: 5 November 2018

Meeting time: 14.15

For further information contact:

Alun Davidson

Committee Clerk

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– Supplementary pack: Update on progress with recommendations contained in the report on ‘How the Welsh Government is preparing for Brexit?’

Please note the documents below are in addition to those published in the main Agenda and Reports pack for this Meeting

3.4 Paper to note 4 – Correspondence from the First Minister of Wales regarding an update on progress with recommendations contained in the report on ‘How the Welsh Government is preparing for Brexit?’ – 1 November 2018

(Pages 1 – 20)

Attached Documents:

Correspondence from the First Minister of Wales regarding an update on progress with recommendations contained in the report on ‘How the Welsh Government is preparing for Brexit?’

Annex A: Correspondence from Simon Dean, Deputy Chief Executive of NHS Wales to the Chief Executives of NHS Wales regarding preparations for leaving the European Union – 23 August 2018

Annex B: Correspondence from Sioned Evans, Chief Executive of the Welsh European Funding Office to Welsh European Funding Office stakeholders regarding Brexit technical notices – 23 August 2018

Annex C: Correspondence from Sioned Evans, Chief Executive of the Welsh European Funding Office to Welsh European Funding Office stakeholders regarding technical notices relating to the European Regional Development



Fund and the European Social Fund – 13 September 2018

Annex D: Correspondence from Sioned Evans, Chief Executive of the Welsh European Funding Office to Welsh European Funding Office stakeholders regarding the European Territorial Cooperation technical notice – 24 September 2018

Annex E: Correspondence from Dr Andrew Goodall to Chief Executives of NHS Wales regarding preparations for Leaving the European Union – 5 October 2018

David Rees AM
Chair of the External Affairs and Additional Legislation Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

SeneddEAL@assembly.wales

2 November 2018

Dear David

Re: Request for an update on progress with recommendations contained in the report on 'How the Welsh Government is preparing for Brexit?'

I am writing in response to your letter of 8 October requesting further clarifications about Brexit preparedness. You requested further information about the UK Government's technical notices and in particular the engagement the Welsh Government had prior to their publication and any follow up action that will be taken. You also asked for further information about legislation in a 'no deal' scenario, and the EU Transition Fund.

First of all, as you know, we have been clear that a 'no deal' outcome to the negotiations would be catastrophic for Wales and the UK. We continue to urge the UK Government and the European Union to make the compromises needed to avoid such a result.

Nevertheless, officials are continuing to plan for all possible outcomes including a 'no deal' scenario and Brexit planning is intensifying. However it is not possible to prepare in isolation and the ability to plan is limited by what the UK Government shares. Despite this, the Welsh Government has published detailed, evidence-based Brexit proposals and a blueprint for negotiations on how to protect jobs and Wales' economy.

UK Government's technical notices

The technical notices (TNs) provide important advice for businesses, citizens and public bodies on what to do if there is a 'no deal' Brexit

The UK Government have published 106 TNs in four batches (23 August, 13 September, 24 September and 12 October 2018). They cover a broad range of issues but it is disappointing that in some key areas (e.g. rights of citizens), no guidance has been published.

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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.

Whilst we welcome the UK Government's engagement with Welsh Government on the technical notices, it has been far from perfect. While all of the Technical Notices were shared in draft, in some cases, UK Government departments provided insufficient time for the Welsh Government to provide comments on the basis of proper consideration. Whilst final versions of the TNs were shared with officials – generally only a matter of hours before publication - there was no opportunity to effect any real change at that point and it was not clear in advance whether our earlier comments had been taken on board.

As a whole, the TNs paint a negative picture of the dire consequences of a no deal Brexit. The overarching theme of the TNs is that many processes and ways of doing business currently taken for granted will significantly change or come to an abrupt halt. The majority of the TNs are of interest to business, and citizens of Wales.

The TNs outline disruption, barriers, red tape and new burdens under a 'no deal'. They include making it much more difficult for holidaymakers to travel with their cars or with their pets. They mean less protection for consumers buying goods or taking holidays abroad and higher prices for electricity and other goods and services. UK citizens could face new passport requirements. Even more significantly, they reveal potentially huge disruption for Wales' aerospace, food and chemicals businesses. They raise further uncertainty for employers in significant sectors – especially Wales' car manufacturers, shipping companies, hauliers and exporters. The TNs in the last batch of notices highlight the very major problems service suppliers will have in selling into and in some cases even operating in EU markets.

The TNs outline huge potential changes that raise questions about the time, capacity, expertise and ability of firms (especially small firms) to be able to adapt. Far from freeing up the private sector to grow, a 'no deal' Brexit imposes huge new burdens on trade with the EU, Wales' biggest export market.

The TNs simply underline the key message of the Welsh Government: that a no deal scenario must be avoided.

Welsh Government Communications

In parallel to the Technical Notices, the Welsh Government has already undertaken steps to provide its own information as well as engaging directly in discussions with stakeholders on the potential impacts of a 'no deal' Brexit .

The Welsh Government has also set up groups to engage with stakeholders. The Health & Social Care Brexit Ministerial Stakeholder Advisory Forum was set up following an initial Brexit round table event organised by the Welsh NHS Confederation on 11 September. It provides a forum for engagement between the Welsh Government and its key stakeholders across the health and social care system in planning for Brexit. It is made up of senior leaders from across the health and social services sector, and led by the Cabinet Secretary for Health and Social Services and the Minister for Children, Older People and Social Care. The first meeting was held on 25 October. An Environment and Rural Affairs Brexit Roundtable Stakeholder Group was set up after the referendum, as a forum for engagement and collaboration between the Welsh Government and the food, fisheries, farming, forestry and the environment sectors.

In September the Brexit Business Portal was launched by the Cabinet Secretary for Economy and Transport: this provides practical advice for businesses to help them prepare for a range of Brexit scenarios including a 'no deal' one. The Portal has been designed to provide companies in Wales with up-to-date information and advice and guidance on a

range of crucial issues including international trading and workforce planning. Feedback from business has been positive.

Where necessary officials have supplemented the UK Government technical notices with additional guidance. Following the publication of the structural funds and the Treasury guarantee technical notices, the Welsh European Funding Office wrote out to stakeholders to expand what that would mean in a Welsh context. There have also been communications with the Welsh NHS. When I appeared before the Committee in September, I said that I would provide more information about these communications and the letters accompany this letter. Officials will continue to consider what further information may be needed over the coming weeks and months.

Legislation

The Welsh Government has identified the changes that need to be made to the statute book in the event of no deal, in order to have a functioning statute book at the point of exit. A programme of subordinate legislation has been created to make these corrections in time for exit day.

Welsh Government's policy is that where powers lie with the Welsh Ministers, it is the responsibility of the Welsh Ministers to legislate for Wales. However, in the extraordinary circumstances of the UK's withdrawal from the EU, the Welsh Government has recognised that the UK Government could make the corrections in certain devolved areas in order to have a fully operational statute book on exit day, where there is no divergence between the Welsh Government and the UK Government on the policy for the correction.

We are currently anticipating that around 55 Exit SIs will be laid in the National Assembly between November and February. The majority of the SIs will be made using EU (Withdrawal) Act powers, though a very small number may be made under other existing powers. This number is subject to change, because, as drafting is finalised, some SIs may be merged or disaggregated.

We are anticipating around 150 SIs to be laid in Parliament to legislate in areas devolved to Wales, though this number is also subject to change as drafting progresses for the reasons stated above or because policy divergences become apparent during drafting and so the Welsh Government decides to legislate for Wales.

The first UK Exit SI in areas devolved to Wales to be made under the relevant sections of the EU (Withdrawal) Act was laid in Parliament on 24 October, and the laying process will continue over the coming months. The Welsh SIs will start to be laid from November. However, due to the interdependencies with the changes made by the UK legislation a significant proportion of the Welsh SIs cannot be laid before the corresponding UK SIs are laid. This means that any delay to the UK SI programme will result in a subsequent delay to the Welsh SI programme.

EU Transition Fund

The £50m EU Transition Fund, previewed at the final Budget last year and which I announced earlier this year, will include specific funding allocations made as part of the draft Budget 2019-20.

The EU Transition Fund has been designed to help private, public and third sector organisations prepare for Brexit. It will provide direct financial support to sectors across Wales to plan for the significant changes associated with leaving the European Union.

The Welsh Government has been working with partner organisations including the Welsh Local Government Association, Natural Resources Wales, Hybu Cig Cymru, NHS Confederation and the Wales Council for Voluntary Action among others.

The interventions we are supporting with the EU Transition Fund to date includes £5m to support farming, food and fishing sectors post-Brexit; £200k for research work on likely impacts and implications for social care workforce; £3.5m support for Welsh Universities to drive international partnerships and promote Wales as a study destination; £6m funding for training and up-skilling the workforce in Wales' automotive and aero-industry sectors; and £150k support for the WLGA to facilitate authorities with plans and preparedness for Brexit.

In addition, on 24 October we announced a £7.5m 'Business Resilience' scheme which seeks to assist businesses as they adapt to the new business environment, developing the expertise and processes necessary to support business continuity and explore new growth opportunities, supported with specialist advice. It will significantly enhance our overall understanding of trade flows between Wales and the rest of the UK and beyond to inform strategic decision-making in the future. It will assist businesses in boosting capacity to sell Wales to the world alongside strengthening Wales' visibility as a destination for trade and investment, raising the profile and visibility of Welsh Government services and support to business and underpinning business confidence.

To underpin this work with a contribution of £350k from the Fund we are establishing a partnership with the OECD to inform both our future regional investment approach and the implementation of the Economic Action Plan. This will enhance our understanding of international best practice, inform our transition from EU funding systems as we create a new regional model and support our delivery of the Economic Action Plan.

Recent announcements by Airbus illustrate the risks which Wales face as a result of the uncertainty surrounding Brexit. Our support for the skills and training needs of workers in some of the economically significant business supply chains at this uncertain time demonstrates our positive action and a commitment to them as employers and their employees.

We continue to position Wales as a supportive place to do business and demonstrate the priority we give to up-skilling and retraining at this challenging time. Any opportunity to up-skill a workforce with transferable skills is imperative in order to continue showcasing Wales on the global stage as a desirable place for business, especially in a post-Brexit world.

Our direct skills support programme requires a 50% matched contribution, and our support for Airbus for example will in turn result in further investment in the workforce by the company. Our funding support will also provide Welsh Government the opportunity to lever further outcomes including, providing a larger number of apprentices than available to the wider labour market, engagement with Wales' training providers including further and higher education as well as schools. Also engagement with the Regional Skills Partnerships to ensure that the training being put forward for additional direct support is of high-quality, desired by the sector and that the skills being funded are transferable. The intervention is therefore designed in a way to provide support for employees to increase skills in areas that will help future employment and career prospects.

Our support for the WLGA is designed to enhance knowledge and understanding and help identify subsequent preparation required across local government. The WLGA will commission research, arrange a series of events and workshops on Brexit, share resource materials and toolkits for LAs to customise and use locally, and will cover Brexit related matters such as workforce, future funding programmes, networking and partnerships, procurement, State aid and business support.

Of course, alongside this support to the WLGA there are other bespoke interventions such as research on social care workforce and dependency on EU nationals which will aid with local government planning and preparations as the UK leaves the EU. Work is already underway to ensure we support EU nationals contend with the Settled Status scheme and to safeguard social cohesion post Brexit, and further details on these work streams will be shared with the Committee once finalised.

Wales currently receives £370m a year of EU structural investment funding, much of which is used to support local authorities. We continue to press for full replacement investment to allow us to continue funding structural reforms, including with local government at the same level.

I hope that this is of use in continuing to update the Committee on the Welsh Government's plans for preparedness as we move closer to March 2019

Yours sincerely

CARWYN JONES



Chief Executives – NHS Wales

:

Date: 23 August 2018

Dear colleagues

PREPARATIONS FOR LEAVING THE EUROPEAN UNION

The Welsh Government has been working with the UK Department of Health and Social Care to ensure robust plans are put in place to protect patient safety and healthcare provision as the UK leaves the EU, including in the event of a ‘no deal’ scenario. Today, the UK government has announced details of their preparations to ensure that the NHS, other service providers, and ultimately patients continue to get the supplies they need, in a timely way. I am writing to share these with you and set out their applicability in Wales.

Continuity of Supply

The UK Government has set out a new scheme to ensure a sufficient and seamless supply of medicines in the UK in the event of a ‘no deal’ Brexit. Under this scheme, pharmaceutical companies are asked to ensure they have an additional six weeks supply of medicines in the UK on top of their own normal stock levels. This is the current planning assumption but will be subject to revision in light of future developments. The scheme also includes separate arrangements for the air freight of medicines with short shelf-lives, such as medical radioisotopes. The Government is working closely with companies who provide medicines in the UK to ensure patients continue to get the medicines they need.

On the basis of the work they have undertaken, the UK Government are confident that supplies of medicines to patients can continue unhindered in the event of a no-deal Brexit.

Hospitals, GPs and community pharmacies in Wales do not need to take any steps to stockpile additional medicines, beyond their business as usual stock levels. There is also no need for clinicians to write longer NHS prescriptions. Local stockpiling of medicines is not necessary.

Clinicians should advise patients that the UK Government has plans in place to ensure a seamless supply of medicines to NHS patients from the moment we leave the EU. Patients will not need to store additional NHS medicines at home.

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.



The UK Government is also putting in place plans to ensure the supply of medical devices and clinical consumables. Measures have been developed for these products that leverage the infrastructure and logistics capability of the NHS Supply Chain operation. In Wales, NHS Shared Services are working with colleagues in Scotland, England and Northern Ireland to align contingency approaches for the benefit of the NHS and patients across the UK. More details regarding the approach is set out in letters sent to medical devices and clinical consumables companies (<https://www.gov.uk/government/organisations/department-of-health-and-social-care>). Further information and guidance for Welsh organisations will be issued in due course.

Other preparatory measures

The UK Government is also putting in place measures to manage the other potential implications for the NHS including important issues such as: the status of EU citizens in the UK; future immigration rules; continuity of research funding and pan-European clinical and research collaborations; and future reciprocal healthcare arrangements, among others. We will write to you separately with more details on the impact of these in Wales as they become available.

Business Continuity Plans

The Welsh Government's position remains that a 'No deal' should be unthinkable. A 'no deal' exit from the EU will cause significant disruption and damage our economy, jobs, trade, services and a range of other sectors. It would be extremely difficult to mitigate the effects of no deal and that is why we have worked tirelessly against that possibility. Despite this strong conviction, we recognise that we have a responsibility to prepare for such a potential situation.

Local Resilience Forums in Wales have therefore been asked by the Director, Local Government and Public Service Department to specifically consider the implications of a possible no deal BREXIT on their contingency arrangements. In your consideration of your business continuity arrangements, you should ensure you have taken appropriate and proportionate account of the impact of leaving the EU, including a "no-deal" exit from the EU.

Andrew Goodall has therefore asked that Brexit be a key agenda item for our consideration at the September NHS Wales Executive Board meeting.

Yours sincerely,



SIMON DEAN

Deputy Chief Executive – NHS Wales

cc: Medical Directors
Directors of Planning
Directors of Primary Care
Directors of Public Health
Health Board Chief Pharmacists
Director Welsh NHS Confederation

GOVERNMENT'S PREPARATIONS FOR A MARCH 2019 'NO DEAL' SCENARIO

I am writing to provide an update on the Government's ongoing preparations for a March 2019 'no deal' Brexit scenario and what the health and care system needs to consider as we step up preparations over the autumn and in the period leading up to March 2019.

The Government has made significant progress in negotiations with the EU and remains confident we will leave with a good deal for both sides, that supports existing and future healthcare collaboration. However, as a responsible government, we continue to prepare proportionately for all scenarios, including the unlikely outcome that we leave the EU without any deal in March 2019.

Along with other Government departments, the Department of Health and Social Care has stepped up its planning for a 'no deal' scenario. We now have robust plans in place to protect patient safety and healthcare provision. Today's announcement concerns our preparations to ensure that the NHS, other service providers, and ultimately patients continue to get the supplies they need, in a timely way.

Continuity of Supply

Today the Government has set out a new scheme to ensure a sufficient and seamless supply of medicines in the UK in the event of a 'no deal' Brexit. In the unlikely event we leave the EU without a deal in March 2019, based on the current cross-Government planning scenario we will ensure the UK has an additional six weeks supply of medicines in case imports from the EU through certain routes are affected. This is the current planning assumption but will of course be subject to revision in light of future developments.

Under the medicines scheme, pharmaceutical companies should ensure therefore they have an additional six weeks supply of medicines in the UK on top of their own normal stock levels. The scheme also includes separate arrangements for the air freight of medicines with short shelf-lives, such as medical radioisotopes. The Government is working closely with companies who provide medicines in the UK to ensure patients continue to get the medicines they need. I am today also writing to pharmaceutical companies with more details.

Hospitals, GPs and community pharmacies throughout the UK do not need to take any steps to stockpile additional medicines, beyond their business as usual stock levels. There is also no need for clinicians to write longer NHS prescriptions. Local stockpiling is not necessary and any incidences involving the over ordering of medicines will be investigated and followed up with the relevant Chief or Responsible Pharmacist directly.

Clinicians should advise patients that the Government has plans in place to ensure a continued supply of medicines to patients from the moment we leave the EU. Patients will not need to and should not seek to store additional medicines at home.

I am also today writing to medical devices and clinical consumables companies to set out further details of plans to ensure a continuity of supply of these products as well.

Given the significant amount of work that has now been done, I am confident this gives a clear basis for the health and care sector and the life sciences industry to plan so that patients can continue to receive high quality care unhindered.

Other Preparatory Activity

The Government is also putting in place measures to manage the other potential implications for the health and care sector, including, for example, future immigration rules; continuity of research funding and pan-European clinical and research collaborations; and future reciprocal healthcare arrangements.

There are three points in particular that I would note at this stage.

First, I would like to take this opportunity to reiterate that the Government recognises the valuable contribution that EU citizens make to the UK, including those working in the health and care system. The Home Office have recently launched a toolkit to assist employers in reassuring and supporting EU citizens already resident in the UK and their dependents to apply for settled status. Details have already been communicated to you and I would encourage you to draw these to the attention of your staff.

Second, the Government recently announced that doctors and nurses are now exempt from the cap on skilled worker visas. This means that there will be no restrictions on the number of doctors and nurses who can be employed through the Tier 2 visa route – giving you the ability to recruit more international doctors and nurses to provide outstanding patient care when required.

Third, the Treasury is extending the government's guarantee of EU funding to underwrite the UK's allocation for structural and investment fund projects under this EU Budget period to 2020. The Treasury is also guaranteeing funding in event of a no deal for UK organisations which bid directly to the European Commission so that they can continue competing for, and securing, funding until the end of 2020. This ensures that UK organisations, such as charities, businesses and universities, will continue to receive funding over a project's lifetime if they successfully bid into EU-funded programmes before December 2020.

We have created a new page at [gov.uk] that brings together this and other information relevant to your organisations and it will continue to be updated over the coming months. Our intention is that where you need to take specific action, you will be given sufficient notice and clear guidance on the steps to be taken.

Business Continuity Plans

In the meantime, where appropriate, preparations for a March 2019 'no deal' scenario should be seen in the context of the work you are already doing to update your existing business continuity plans in line with the NHS England EPRR Core Standards and the NHS England EPRR Annual Assurance process. As it is a requirement that the EPRR assurance report is taken to your public board meetings I am assured your Accountable Emergency Officer will have oversight of this work. You will wish to have your business continuity teams/directorate leads, and other relevant colleagues as necessary who may not normally be involved in this process, ready to refresh those plans as new information becomes available over the coming months.

Further Information

You will already have well-established points of contact in national organisations to assist on specific areas. Please use these if you have queries about any areas which require further clarification. For updates on this, and other health-related issues, please visit [gov.uk landing page] where key information will be collated.



23 August 2018

Dear Colleague,

Today (23 August), the UK Government published the first wave of Brexit technical notices to provide advice to businesses and citizens should the UK leave the EU without a negotiated agreement (i.e. a 'no deal').

It is understood that the UK Government plans to publish around 80 technical notices before the end of September, which cover some practical steps on a wide range of issues from financial services, health, climate change to transport. Amongst the technical notices published today is the notice on the UK Government guarantee for EU funding programmes if there is no Brexit deal. This is available via the www.gov.uk website. The draft Withdrawal Agreement between the EU and UK included the provision for us continuing to participate in these funding programmes and activities until their closure in 2023.

The Welsh Government has maintained that a 'no deal' would be disastrous for Wales and the UK, hitting the Welsh economy, jobs, trade, services and a range of other sectors hard. The first priority has therefore been to guard against that possibility and achieve the best outcome for Wales. There is now a need, however, to scenario plan in light of the emerging possibility of a 'no-deal' outcome.

The UK Government is currently consulting with Devolved Administrations on the detail of the technical notices relating to the European Regional Development Fund and the European Social Fund, and expects to publish these in the coming weeks.



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Rydym yn croesawu gohebiaeth Gymraeg. Cewch ateb Cymraeg i bob gohebiaeth Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome correspondence in Welsh. Correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not involve any delay.

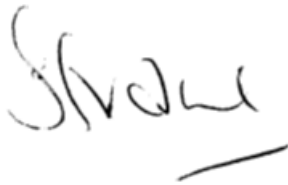
Beneficiaries and potential beneficiaries of EU programmes in Wales can be assured that should there be a 'no-deal' outcome to negotiations with the EU, the UK Treasury guarantee will underwrite all expenditure during the life of projects awarded European Structural Funds before the end of December 2020. Existing and potential beneficiaries should therefore continue to:

- (1) deliver their respective projects as agreed with WEFO; and
- (2) apply for EU funds support in the usual way via the existing business plan process.

If you have any queries about this letter in respect of your EU funded projects and / or project proposals please contact your EU funds Priority Controller as follows:

- ESF: Dean Langley (dean.langley@gov.wales; 0300 062 8242) or Michael Parkinson (Michael.parkinson@gov.wales; 0300 062 2441)
- ERDF: Paul Smith (paul.smith@gov.wales; 0300 062 8486) or Geraint Green (Geraint.green@gov.wales; 0300 062 8357)

Yours faithfully,



Sioned Evans
Chief Executive
Welsh European Funding Office



13 September 2018

Dear Colleague,

As you are aware, the UK Government has been publishing technical notices to provide advice to businesses and citizens in the event the UK leaves the EU without a negotiated agreement (i.e. a 'no deal').

Today (13 September 2018), the UK Government published technical notices relating to the European Regional Development Fund and the European Social Fund. These are available via the www.gov.uk website. The draft Withdrawal Agreement between the EU and the UK included the provision for us continuing to participate in these funding programmes and activities until their closure in 2023.

The Welsh Government maintains that a 'no-deal' exit from the EU would be disastrous for Wales and the UK, but recognises the need to plan in case of such an outcome. Beneficiaries and potential beneficiaries of EU programmes in Wales can be assured that should there be a 'no-deal' outcome to negotiations with the EU, the UK Treasury guarantee will underwrite all expenditure during the life of projects awarded European Structural Funds before the end of December 2020. Existing and potential beneficiaries should therefore continue to:-

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The UK Treasury guarantee also covers the European Territorial Co-operation (ETC) programmes and we understand a technical notice on these programmes will be published by the UK Government shortly. Existing and potential beneficiaries should continue to:-

- (1) deliver their respective projects jointly with their project partners and continue working under a common framework; and
- (2) apply for ETC funding in the usual way, via the existing processes as set out by each programme.

The Welsh Government will continue to consult with the UK Government on the details of further technical notices or any other information relating to the EU Programmes and the guarantee.

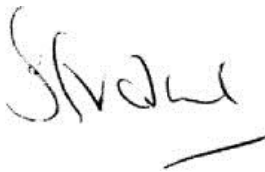
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Michael Parkinson (michael.parkinson@gov.wales; 0300 062 2441)

ERDF: Paul Smith (paul.smith@gov.wales; 0300 062 8486) or
Geraint Green (geraint.green@gov.wales; 0300 062 8357)

ETC: Mike Pollard (mike.pollard@gov.wales; 0300 062 8410)

Yours faithfully,



Sioned Evans
Chief Executive
Welsh European Funding Office



24 September 2018

Dear Colleague,

As you are aware, the UK Government has been publishing technical notices to provide advice to businesses and citizens in the event the UK leaves the EU without a negotiated agreement (i.e. a 'no deal').

Today (24 September 2018), the UK Government published a technical notice relating to European Territorial Cooperation (ETC). This is available via the www.gov.uk website. The draft Withdrawal Agreement between the EU and the UK included the provision for us continuing to participate in ETC programmes and activities until their closure in 2023.

The Welsh Government maintains that a 'no-deal' exit from the EU would be disastrous for Wales and the UK, but recognises the need to plan in case of such an outcome. Beneficiaries and potential beneficiaries of ETC programmes in Wales can be assured that should there be a 'no-deal' outcome to negotiations with the EU, the UK Treasury guarantee will underwrite expenditure in respect of all ETC projects approved on a competitive basis before the end of the programming period.

Managing Authorities can therefore continue to sign new contracts with beneficiaries in Wales after exit for the duration of the programmes. Existing and potential beneficiaries should therefore continue to:-

- (1) deliver their respective projects jointly with their project partners and continue working under a common framework; and



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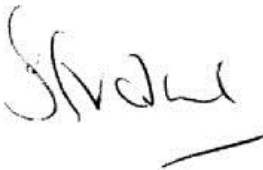
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(2) apply for ETC funding in the usual way, via the existing processes as set out by each programme.

The Welsh Government will continue to consult with the UK Government on the details of further technical notices or any other information relating to the EU Programmes and the UK Treasury guarantee.

If you have any queries about this letter in respect of your EU funded projects and / or project proposals please contact Mike Pollard, Head of European Territorial Cooperation (mike.pollard@gov.wales; 0300 062 8410).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Sioned', with a horizontal line underneath.

Sioned Evans
Chief Executive
Welsh European Funding Office

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

To:

Chief Executives – NHS Wales

5th October 2018

Dear Colleagues

Preparations for Leaving the European Union

My colleague and Director of Local Government, Reg Kilpatrick, wrote to Chairs of Local Resilience Forums (LRFs) in Wales on 26 July asking them to consider the implications of Brexit as part of their forward work programmes and develop local planning and response arrangements to the risks which may potentially emerge. I am now writing to set out the actions and measures I expect you as leaders in the health and social care sector to take in support of this work and to ensure the smooth and effective running of services for our patients and service users, in the event of disruption to supply chains following our withdrawal from the European Union.

While the final shape and timetable for Brexit remains unclear we do know that what happens in the coming months will determine the future prosperity of Wales and the sustainability of our public services. You will be aware that Welsh Government Ministers have set out a clear policy position on the terms of our withdrawal, but control of most aspects of EU transition remains with the UK Government and the final shape of any settlement may not be known until the last minute.

Potential Impact of no-deal Brexit on continuity of supply

Although there are recognised medium and long term impacts of Brexit, all of which are being considered, our collective preparations at this stage must necessarily focus primarily on preparedness for the impact of a potential no-deal Brexit on 29 March 2019. Accordingly, I am asking each of you to review and rehearse promptly the existing business continuity and resilience/contingency arrangements within your organisations, and to do so working with your local and regional partners, including through your local resilience forums.

This work should give particular consideration to preparing for the potential impact of a no-deal Brexit on the continuity of supply of medicines and consumables, taking account of the work already underway nationally and described by Simon Dean and Albert Heaney in their letters dated 23 and 28 August respectively (copies attached for ease of reference).



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Arrangements for continuity of supply of medicines remain as outlined in the letter from Simon Dean. Welsh Government is working with NWSSP procurement to commission a review of devices and consumables supply chain in Wales to complement the work already completed at UK level. The scope of this work will include local just in time contracts and blood supply and appropriate contacts will be made within your organisations to take this work forward. Further details will be confirmed as they become available, but in the meantime if you have any particular concerns regarding the supply of consumables please refer these to your local head of procurement.

National communication and co-ordination

Welsh Government has put in place national communication and co-ordination arrangements, including:

- A Brexit Ministerial Stakeholder Advisory Forum made up of senior leaders from across the sector, and led by the Cabinet Secretary for Health and Social Services and the Minister for Children, Older People and Social Care;
- An EU Transition Leadership Group, chaired by Welsh Government, focusing on ensuring operational readiness arrangements for both health and social services in Wales (terms of reference attached);
- Regular meetings of NHS emergency planners, chaired by Welsh Government, as part of established resilience arrangements;
- A 4 Nations public health group addressing public health associated risks and health security concerns, and a joint Welsh Government – Public Health Wales working group considering specific Welsh issues;
- Working in partnership with the Welsh NHS Confederation to ensure ongoing flexible and effective communication and engagement between us and other stakeholders in the health and care system; and
- Regular updates on Brexit to the monthly NHS Wales Executive Board meetings.

Key actions to take

As part of this national co-ordination work, and having listened to concerns you have raised we have prepared the attached 'checklist' of key actions for NHS organisations to take in readiness for a potential 'no deal' Brexit, post March 2019.

We will also continue to engage closely with the UK Government, issuing updates to your organisations whenever possible.

Yours sincerely



Annex 1 –

Checklist of key actions to consider:

- Resilience and continuity

- Confirm that existing business continuity and resilience arrangements are up to date
- Confirm engagement with local and regional partners, through Local resilience Forums, to jointly review arrangements with particular consideration to the potential impact of a no-deal Brexit
- Confirm plans in place for a rehearsal of ‘no deal brexit’ business continuity and resilience arrangements during January 2019 (which would be cancelled in the event of a negotiated deal having been confirmed)

- Continuity of Supply

Current guidance is not to stockpile inventory locally. However NHS Wales organisations should review the accuracy and timeliness of their medicines, devices and consumables inventory management, in order to ensure that they are able to track actual and forecast inventory as close to ‘real time’ as is reasonably possible.

- Identify ‘high volume’ or ‘rapid turnover’ items and categories
- Identify any items and categories directly supplied to the organisation from outside the UK
- Review the organisation’s ability to take an accurate real time ‘snapshot’ of inventory on at least a daily basis
- Prepare an ‘inventory management risk register’ and an ‘inventory pressures management plan’

- Critical machinery and equipment

As well as goods and materials, NHS Wales organisations should review ‘services supply chains’ for potential risks, with a particular focus on repair and maintenance of critical machinery and equipment

- Identify machinery and equipment which is both:
 - ‘critical’, meaning for example that there are no ‘spares’ or ‘spare capacity’ across Wales and that they are essential to the delivery of key health and care services; and
 - ‘intensively serviced’ for example on a regular weekly or monthly maintenance schedule, or where there are known to be repeated failures and repair, or where service contracts include consumables which are delivered weekly or monthly
- Prepare a ‘services supply chain risk register’ for these items, in particular personnel or parts which are sourced from outside the UK