

# Agenda – External Affairs and Additional Legislation Committee

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Meeting Venue:	For further information contact:
Committee Room 2 – Senedd	Alun Davidson
Meeting date: 9 July 2018	Committee Clerk
Meeting time: 14.00	0300 200 6565
	<a href="mailto:SeneddEAAL@assembly.wales">SeneddEAAL@assembly.wales</a>

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## Private pre-meeting

(13.45–14.00)

**1 Introductions, apologies, substitutions and declarations of interest**  
(14.00)

**2 Wales’ future relationship with Europe – part two: evidence session**

(14.00–15.00)

(Pages 1 – 89)

Councillor Sir Albert Bore, leader of the UK Delegation to the Committee of the Regions

## Break

(15.00–15.05)

**3 Wales’ future relationship with Europe – part two: evidence session**

(15.05–15.45)

Tom Jones, member of the European Economic and Social Committee

**4 Papers to note**

(15.45)

**4.1 Paper to note 1 – Correspondence from Mark Drakeford, Cabinet Secretary for Finance, regarding the Welsh Government’s policy paper on regional investment after Brexit – 2 July 2018**

(Page 90)



- 4.2 Paper to note 2 – Correspondence from Mark Drakeford, Cabinet Secretary for Finance, to the Chair of the Constitutional and Legislative Affairs Committee regarding Section 16 of the European Union (Withdrawal) Act – 5 July 2018**  
(Pages 91 – 92)
- 5 Motion under Standing Order 17.42(vi) to resolve to exclude the public from the remainder of the meeting**  
(15.45)
- 6 Wales’ future relationship with Europe – part two: consideration of evidence**  
(15.45–16.00)
- 7 Legal briefing on European Union law and Brexit transition**  
(16.00–16.20) (Pages 93 – 104)

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Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref

David Rees AM  
Chair of the External Affairs and  
Additional Legislation Committee

2 July 2018

Dear David,

During my evidence to the Finance Committee on 27 June 2018, I referred to the summary report on the engagement exercise (from December 2017 to March 2018) which gave our partners and stakeholders the opportunity to provide feedback on the proposals set out in the Welsh Government's 'Regional investment in Wales after Brexit' policy paper.

This policy paper followed on from an inquiry into the future of regional policy in Wales published by the External Affairs and Additional Legislation Committee in June 2017, which recommended principles for the Welsh Government to consider: clarity of purpose, measuring and evaluating, simplification and flexibility, and international best practice. These principles are reflected in the policy paper, which was published in December 2017.

The findings from the exercise have now been published in an independently produced summary report which is available by following this link: <https://gov.wales/funding/regional-investment-in-wales-after-brexit/?lang=en>

As noted in my evidence to the Finance Committee, the report finds broad support of the proposed policy direction, including the need for the Welsh Government to set the strategic direction, a rejection of a centralised UK approach, and the removal of current artificial boundaries. Specific issues, such as those around simplification, outcomes, and partnership arrangements were also raised by both individuals and organisations across Wales. These are detailed in the summary report and will form an integral part of the next phase of continuing to develop a regional investment policy for Wales outside of the EU.

We will now reflect on these findings and will set out next steps for development after the summer.

Best wishes,

**Mark Drakeford AC/AM**  
Ysgrifennydd y Cabinet dros Gyllid  
Cabinet Secretary for Finance

Mark Drakeford AM/AC  
Ysgrifennydd y Cabinet dros Gyllid  
Cabinet Secretary for Finance

Llywodraeth Cymru  
Welsh Government

Mick Antoniw AM  
Chair, Constitutional and Legislative Affairs Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

5 July 2018

Dear Mick,

I am writing in response to your letter of 21 June about the Letwin amendment to the EU (Withdrawal) Bill which is now Section 16 of the EU (Withdrawal) Act.

You are of course right that if the UK Government were to introduce a Bill which related only to England but dealt with matters which were both otherwise devolved and were subject to section 12 regulations, then this would be a violation of the Intergovernmental Agreement (IGA). To clarify therefore, my letter did not seek to suggest that the single fact that a UK Bill was to relate only to England is a reason why there would be no potential breach of the IGA. That is plainly not the case.

But at the root of your question is, I believe, a misunderstanding of the terms of the IGA, in particular in relation to the list of policy areas annexed to the IGA. These are policy areas, which both Governments agree, require further work and analysis to identify if, and where, legislative frameworks, and therefore section 12 regulations may be required. They are therefore not areas over which section 12 regulations will apply, but areas within which section 12 regulations may be brought forward. Further work may in fact indicate that no legislative underpinning is required at all and therefore no section 12 regulations will be required at all in respect of some of the policy areas.

The discussion of frameworks which is underway between the UK Government and the devolved administrations in each of these areas is a process of narrowing down within these areas to identify those elements where frameworks will need legislative underpinning, if any are required at all. Only in respect of these elements will section 12 regulations be required. We do not believe the likely scope of the draft Bill, insofar as it applies only to England but in areas of devolved competence, is likely to be 'caught' by any potential section 12 regulations in respect of environmental quality.

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

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

[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@llyw.cymru)  
[Correspondence.Mark.Drakeford@gov.wales](mailto: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.

I hope this clarifies matters.

Yours sincerely

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

**Mark Drakeford AM/AC**

Ysgrifennydd y Cabinet dros Gyllid  
Cabinet Secretary for Finance



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