

# 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: 17 September 2018	Committee Clerk
Meeting time: 13.45	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 Scrutiny session with the First Minister of Wales

(14.00–15.30)

(Pages 1 – 26)

Rt. Hon Carwyn Jones, First Minister of Wales

Piers Bisson, Welsh Government

### 3 Papers to note

(15.30–15.40)

#### 3.1 Paper to note 1 – Correspondence from the Llywydd regarding the Senedd@ initiative – 19 July 2018

(Page 27)

#### 3.2 Paper to note 2 – Correspondence from the First Minister regarding the equality and human rights implications of Brexit – 23 July 2018

(Pages 28 – 30)



- 3.3 Paper to note 3 – Correspondence from Sir William Cash, Chair of the European Scrutiny Committee and Lord Boswell, Chair of the EU Select Committee to Dominic Raab MP, Secretary of State for Exiting the European Union regarding the scrutiny of EU documents during a post–exit transition or implementation period – 24 July 2018**  
(Pages 31 – 32)
- 3.4 Paper to note 4 – Correspondence from David Lidington MP, Minister for the Cabinet Office to the Lord McFall of Alcluith regarding intergovernmental activity relating to Brexit – 25 July 2018**  
(Pages 33 – 34)
- 3.5 Paper to note 5 – Correspondence from Mark Drakeford, Cabinet Secretary for Finance regarding the 2 July scrutiny session follow up – 2 August 2018**  
(Pages 35 – 37)
- 3.6 Paper to note 6 – Correspondence from Ken Skates, Cabinet Secretary for Economy regarding trade policy after Brexit and the implications for Wales – 3 August 2018**  
(Pages 38 – 39)
- 3.7 Paper to note 7 – Correspondence from Mark Drakeford, Cabinet Secretary for Finance regarding EU Law in Wales: What happens during the Brexit transition? – 10 August 2018**  
(Pages 40 – 41)
- 3.8 Paper to note 8 – Correspondence from Robin Walker MP, Parliamentary Under–Secretary of State for Exiting the EU regarding EU Law in Wales: What happens during the Brexit transition? – 13 August 2018**  
(Pages 42 – 43)
- 3.9 Paper to note 9 – Correspondence from Julie James, Leader of the House to Mick Antoniw, Chair of the Constitutional and Legislative Affairs Committee, regarding the operational matters relating to the scrutiny of regulations made under the European Union (Withdrawal) Act 2018 – 28 August 2018**  
(Pages 44 – 46)

**3.10 Paper to note 10 – Correspondence from David Lidington MP, Minister for the Cabinet Office regarding the arrangements for the Ministerial Forum on EU Negotiations – 3 September 2018**

(Pages 47 – 48)

**3.11 Paper to note 11 – Correspondence from the First Minister regarding the request for an update on progress with recommendations contained in the report on 'How the Welsh Government is preparing for Brexit?' – 10 September 2018**

(Pages 49 – 54)

**3.12 Paper to note 12 – Correspondence from Robin Walker MP, Parliamentary Under-Secretary of State for Exiting the EU regarding the future relationship with the European Union – 11 September 2018**

(Pages 55 – 56)

**4 Motion under Standing Order 17.42(vi) to resolve to exclude the public from the remainder of the meeting**

(15.40)

**5 Scrutiny session with the First Minister of Wales – consideration of evidence**

(15.40–16.00)

**6 Monitoring the EU negotiations**

(16.00–16.15)

(Pages 57 – 111)

Document is Restricted

Document is Restricted

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted



Committee Chairs  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

Your ref:  
Our ref: EJ/KD/LPR

18 July 2018

Dear Committee Chair

I write to you about our plans for the next two Senedd@... Initiatives:

- Senedd@Aberystwyth - week commencing 3 December 2018;
- Senedd@Caerphilly – week commencing 25 March 2019.

We are currently in the process of designing our events programme which will be complemented by outreach and education sessions with schools, colleges, youth groups, community groups, businesses and charities in the area.

During previous Senedd@ initiatives, committees have held formal meetings and informal engagement sessions in community locations, to encourage people to participate in their work. Both Senedd@Aberystwyth and Senedd@Caerphilly provide an opportunity to raise your Committee's profile, and directly engage with local stakeholders and citizens. As such, we would be grateful if you could consider whether your committee would like to be involved in one or both Senedd@ and advise us of your intentions by contacting Kevin Davies ([kevin.davies2@assembly.wales](mailto:kevin.davies2@assembly.wales)).

Thank you in advance for your co-operation.

Yours sincerely

Elin Jones AM  
Llywydd

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English



David Rees AM  
Chair  
External Affairs & Additional Legislation Committee

23<sup>rd</sup> July 2018

Dear David

## Equality and human rights implications of Brexit

I am writing in response to your letter of 28 June. Please see the response below to your request for further clarification on points raised in my last letter.

### **The EU Charter of Fundamental Rights: how the Welsh Government will ensure that Charter Rights continue to apply in Wales.**

The Welsh Government had previously supported efforts to amend the EU (Withdrawal) Bill in the House of Lords to ensure that the Charter was fully incorporated into UK law after Brexit. We are therefore disappointed that the Charter will not form part of domestic law after the exit day.

The 'Charter of Fundamental Rights of the EU: Right by Right Analysis'<sup>1</sup> sets out the UK Government's analysis of the effect of the treatment of fundamental rights in the EU (Withdrawal) Bill.

The UK Government's position can be summarised as follows:

- The UK Government has chosen not to incorporate the Charter into domestic law on the basis that the Charter does not create any new rights, freedoms or principles but instead catalogues the rights and principles already protected by EU law.

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<sup>1</sup> [Charter of Fundamental Rights of the EU Right by Right Analysis](#) 5.12.2017



- The UK Government notes that the Charter is only currently applicable to Member States when they are ‘acting within the scope of EU law’.
- The UK Government argues that the removal of the Charter will not affect the rights that individuals already benefit from as the Charter is not the source of these rights.

The Right by Right Analysis document suggests that the Human Rights Act 1998 and European Convention on Human Rights will be integral in ensuring the continued protection of the Charter rights following the withdrawal from the EU.

These are matters which require careful consideration. We will work with the UK Government to seek assurances on individual rights in the coming months. We will also continue to engage actively with the Equality and Human Rights Commission on these issues.

**Non-regression: how the Welsh Government intends to ensure that existing rights and obligations (particularly equality and human rights standards in devolved competence) are not eroded or removed as a result of Brexit.**

Human rights are built into the DNA of the Welsh Government. In addition to the current requirement to act compatibly with EU law, the Government of Wales Act 2006 also requires the Welsh Government to act compatibly with “the Convention rights”, as reflected in the Human Rights Act 1998, and likewise the Assembly cannot legislate in a way which is incompatible with those rights. This legislation will on exit, rightly continue to influence everything we do.

The Welsh Government believes that the mechanisms contained within the Human Rights Act are an important and appropriate means for the people of Wales to challenge inequality and injustice and the Convention rights enshrined within that Act rightly continue to influence its policies, legislation and decisions. We have consequently continued to be fundamentally opposed to any withdrawal from the European Convention on Human Rights or any repeal of the Human Rights Act 1998.

We therefore welcomed the fact that when the UK Government recently published its White Paper, ‘The Future Relationship between the United Kingdom and the European Union’ on 12 July 2018 it confirmed that ‘the UK is committed to membership of the European Convention on Human Rights’.<sup>2</sup>

The Government of Wales Act 2006 also includes provision relating to international obligations beyond the Convention rights and we similarly remain committed to reflecting the principles of our international obligations in our policies, legislation and decisions.

An example of this commitment is the Social Services and Well-being (Wales) Act 2014 which places duties on persons exercising functions under the Act to have regard to the United Nations Convention on the Rights of a Child and the United Nations Principles for Older Persons. Likewise, the Rights of Children and Young Persons (Wales) Measure 2011 made provision in connection with giving further effect in Wales to the rights and obligations set out in the United Nations Convention on the Rights of the Child.

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<sup>2</sup> [The Future Relationship between the United Kingdom and the European Union](#) – 12.07.2018, Page 52

The Well-being of Future Generations (Wales) Act 2015 further reinforces our resolve to maintain and drive forward our commitment to equality by placing a legal duty on specified public bodies to set and publish well-being objectives, which maximise achievement of the well-being goals, including a more equal Wales. This coordinated action will help ensure that equality and human rights are safeguarded in Wales.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carwyn Jones', written in a cursive style.

**CARWYN JONES**



European Scrutiny Committee  
House of Commons  
London  
SW1A 0AA

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## Agenda Item 3.3



European Union Committee  
House of Lords  
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SW1A 0PW

Tel 020 7219 6083  
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Rt Hon Dominic Raab MP  
Secretary of State for Exiting the European Union  
9 Downing Street  
London, SW1A 2AS

24 July 2018

Dear Dominic

### **Scrutiny of EU documents during a post-exit transition or implementation period**

As Chairs of the Committees responsible for scrutiny of EU documents in the House of Commons and House of Lords, we are writing to express our resolve to maintain a strong and effective scrutiny system during any post-exit transition or implementation period agreed as part of the withdrawal negotiations.

Since the referendum, both our Committees have continued to fulfil their obligations to scrutinise EU documents. The Government, in turn, has made a commitment to continue to fulfil its obligation fully to support parliamentary scrutiny for as long as the UK remains a Member State. We would be grateful for your confirmation that this commitment remains in force.

Under the draft EU/UK Withdrawal Agreement, most EU laws which take effect during a post-exit transition/implementation period will apply to the UK as if it were a Member State until the end of December 2020. We welcome the commitment made by the Government in its response to the House of Commons European Scrutiny Committee's March 2018 report on *EU Withdrawal: Transitional provisions and dispute resolution* to "continue to support and facilitate" a strong scrutiny process "for as long as EU legislation will continue to affect the UK".

To achieve this, we ask you to confirm that the Government will:

- continue to provide extensive access to information and documentation, as at present, and draw up guidance for Departments accordingly; and
- produce Explanatory Memoranda (EM), on a similar timescale to now, on all new EU documents published during the transition or implementation period that affect the UK.

We recognise that the current EM template may need to be modified and are open to discussing any necessary changes with your officials. We would also be willing to consider proposals for reviewing the categories of EU document that should be deposited.

The scrutiny committees will also wish to scrutinise the implementation of the Withdrawal Agreement and the Government's input into the institutional structures established under it, including the Joint Committee and specialised committees. The Joint Committee provides a forum in which to raise concerns about the management and operation of the Withdrawal Agreement during the transition/implementation period. The possibility to raise concerns about the impact on the UK of specific new EU laws being negotiated or proposed during the transition/implementation period creates a direct link with the document scrutiny work of the European Scrutiny Committee in the Commons and the European Union Committee in the Lords. We therefore envisage establishing a new mechanism to enable either House (acting on a recommendation from the relevant scrutiny committee) to require the Government, in good time, to:

- raise concerns about specific EU legislative proposals which may have a detrimental impact on the UK; and
- place a particular issue on the agenda of the Joint Committee (or a specialised committee) for discussion.

To facilitate effective scrutiny, we also expect the Government to:

- ensure that meeting schedules and agendas are made available in sufficient time for Parliament to consider (and comment on) the items to be discussed;
- formally deposit draft decisions, recommendations or proposed changes by the Joint Committee to the Withdrawal Agreement; and
- undertake that a Minister will appear in person before the Scrutiny Committees in advance of Joint Committee meetings and report on the outcome afterwards.

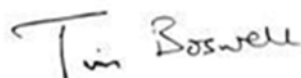
We would be grateful for your confirmation that the Government is willing to support this approach in outline, subject to further discussion at official level.

We will consider these issues further when Parliament returns in September. In order to inform our deliberations, we would be grateful for a response to this letter by 3 September 2018. We would also be very happy to speak to you, or your officials, to discuss these issues in more detail.



Sir William Cash MP  
Chair, European Scrutiny Committee

*Yours sincerely,*



Boswell of Aynho  
Chair, European Union Committee



Our Ref: CDL/1970

Rt Hon Lord McFall of Alcluith  
Senior Deputy Speaker  
House of Lords  
London  
SW1A 0PW

25 July 2018

Dear Lord McFall

Following your request earlier this year that the Interparliamentary Forum on Brexit be kept informed of intergovernmental activity, I am pleased to provide here an update on engagement and meetings that have taken place since our last exchange on 26 March.

### **Joint Ministerial Committee (EU Negotiations)**

Since March I have chaired three further constructive meetings of the Joint Ministerial Committee (EU Negotiations) (JMC(EN)) on 2 May, 22 June and 5 July.

At the most recent meeting on 5 July, Robin Walker provided an update on negotiations, a full overview of June European Council and an update on further progress on the Future Relationship White Paper. The Committee also discussed the UK Government's proposals for the forthcoming Withdrawal Agreement and Implementation Bill. It is my intention to reconvene JMC(EN) in September following summer recess and that the Committee continue to meet regularly as we draw closer to exit day.

At the meeting on 22 June, we provided the First Minister of Wales, Carwyn Jones, and the now Cabinet Secretary for Government Business and Constitutional Relations, Mike Russell, with an update on the priorities for the June European Council. Robin Walker provided an update on progress on the Future Relationship White Paper, and led a discussion on increased engagement around operational readiness.

Discussion at the meeting on 2 May included an update on negotiations and March European Council and the agreement reached on the terms of the Implementation Period. The Committee discussed the UK Government's paper on the Devolved Administrations' role in the Negotiations as well as the EU (Withdrawal) Bill. The Committee also noted the need for continued engagement on common frameworks.

### **Ministerial Forum (EU Negotiations)**

At the meeting of the Joint Ministerial Committee (EU Negotiations) (JMC(EN)) on 2 May 2018 the UK Government proposed additional engagement with the devolved administrations in the

next phase of negotiations, including the creation of a new Ministerial Forum on EU Negotiations (MF(EN)), chaired by the Minister for the Constitution Chloe Smith and Parliamentary Under Secretary of State for Exiting the EU Robin Walker.

The MF(EN) builds on the UK Government's commitment to engaging with the devolved administrations as we leave the EU, by ensuring they have the opportunity to contribute to the development of the UK negotiating line in advance of negotiations with the EU in areas which intersect with the devolution settlements or have a significant impact on the devolved nations. The MF(EN) will meet regularly over the summer and beyond to cover issues relating to the future partnership.

In parallel, technical sessions at official level are taking place to discuss negotiation topics relating to the future partnership with the EU. These technical sessions provide an opportunity for UKG and the DAs to discuss a range of negotiation options on specific issues. These discussions will highlight policy areas and issues to be covered at future MF(EN)s.

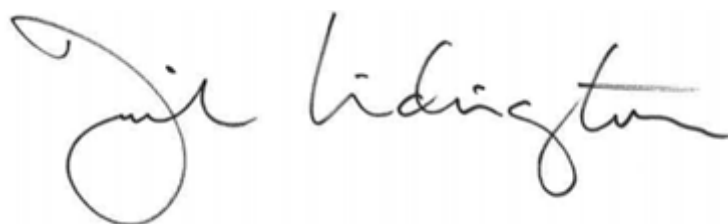
The first MF(EN) met in Edinburgh on 24 May 2018 and was a constructive meeting. This Ministerial Forum focused on the Future Relationship White Paper, as well as how the Ministerial Forum would work in practice. Complementing existing Inter-Governmental Relations architecture, MF(EN) will use the JMC(EN)'s terms of reference and will provide an important space to share our respective views. Where differences exist, political discussions will be fed up to JMC(EN). We held the second meeting of this new Ministerial Forum on 27 June in Westminster, again focusing on the publication of the White Paper. The forum will next meet in Cardiff on 1 August.

### **British-Irish Council**

The 30th Summit of the British-Irish Council (BIC) was held on 22 June, hosted by the Government of Guernsey. The main discussion items at the Summit meeting focussed on marine environment issues and latest political developments, including EU Exit and the political situation in Northern Ireland. The next BIC Summit will be held on 9 November 2018, hosted by the Government of the Isle of Man.

In addition to engaging through these formal structures, I continue to speak regularly with my counterparts in the devolved administrations to take stock of progress of ongoing joint working in areas of shared interest.

I do hope this information is of interest to the Forum and will prove useful in facilitating discussion at future meetings.

A handwritten signature in black ink, reading "David Lidington". The signature is fluid and cursive, with a large loop at the end of the name.

**Rt Hon David Lidington CBE MP**

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



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA-P/MD/2753/18

David Rees AM  
Chair  
External Affairs and Additional Legislation Committee

2 August 2018

Dear David,

Thank you for your letter of 19 July seeking further information following the scrutiny session on 2 July.

### **The European Union Transition Fund**

Previewed in our 'Welsh Government Final Budget 2018-19: a New Budget for Wales' in December 2017 and announced earlier this year by the First Minister, our £50 million EU Transition Fund was established to help business, public services and other partner organisations in Wales plan for and prepare for the impacts of Brexit.

We are providing an initial £50m for the Fund, which will be available over the transition period. This will be a mix of revenue, capital and loan finance (funded via financial transactions capital) and will be drawn from a number of funding streams. The funding profile for the £50m will be firmed up as and when specific measures are agreed. Any capital provision and loan finance will deploy some of the resources we received in the 2017 UK Autumn Budget. The new Welsh Reserve will also provide additional flexibility if needed. We will continue to keep the need for additional funding under review.

Among the first projects to benefit from the funding was £2.15 million to support the development of the red meat sector in Wales. It will support farmers to identify improvements to their businesses to help them become more competitive and in a better position to trade profitably following Brexit. Funding of £100k will also be given to an import substitution project to help identify and secure supply chains within the UK and encourage companies based in the EU to set up operations in Wales.

Bae Caerdydd • Cardiff Bay  
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[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.

Also, over the next two years, the fishing and aquaculture industries will receive financial support to help that sector find new markets and prepare for future trading outside the EU. Funding of £390k and £440k is being made available to transforming Government Fisheries Management Systems for EU Exit and to supporting Welsh fisheries and Aquaculture sectors to prepare for EU Exit respectively.

We recently announced £3.5m for a programme run by Wales' universities to drive international partnerships and promote Wales as a study destination in a post Brexit world. We are also facilitating the WLGA to deliver a Brexit support package to all 22 local authorities in Wales (£150k) and for research to collect data on social care workforce and dependency on EU nationals (£200k). I anticipate further announcements of allocations from the EU Transition Fund will be made in September. This will continue to increase spending from the Fund.

The above projects will help future proof our economy. The Fund is designed to help business and others, but while this investment will boost our resilience, it cannot insulate us from the effects of 'no deal' or a hard Brexit. We nevertheless continue to welcome ideas for initiatives and interventions that will be of strategic value to Wales over the coming months.

### **Brexit Preparedness Consequential**

Brexit is creating resource pressures across Welsh Government as work intensifies to prepare for operational implications of exit, negotiate positions to influence the UK's future partnership with the EU, and develop post-EU common frameworks.

Alongside the UK Spring Statement it was confirmed that our 'share' of the £3bn over two years announced by the UK Government for Brexit preparedness is £20.7m in 2018-19. This consequential will be available to support Brexit related staffing costs in addition to the external facing fund.

Following a cross Welsh Government analysis of workforce requirements, subject to final budgetary approval, we are launching a recruitment campaign to resource the pressures identified. To ensure the organisation responds quickly to the pressures Brexit has resulted in, whilst maintaining a clear focus on affordability in the long term, this resourcing will be based on a mixture of permanent and fixed term arrangements.

I will make a statement to the Assembly on Brexit resourcing matters as these plans are finalised in the near future.

### **EU-UK Joint Committee**

I fully agree with you that the Welsh Government and the other Devolved Administrations must be given an active role in the Joint Committee arrangements to oversee the Withdrawal Agreement. The same logic applies to any Joint Committee arrangements to be set up to oversee the Future Economic Partnership or other specific agreements between the EU and the UK which relate to it. You can take it that we will make it very clear to the UK Government that such approaches are absolutely necessary in order for any future agreements to be fully operable in relation to devolved matters, or to non-devolved matters that impact on devolved ones, which covers a very broad scope of issues. We will continue to press these points at the appropriate levels with UK Government in the coming weeks and months as negotiations develop.



## **Cabinet Responsibilities for Brexit**

The Welsh Government Cabinet's position is outlined in 'Securing Wales Future' and a Cabinet Sub-Committee was established to conduct European Transition business. The First Minister leads our public presentation, notably to both the UK Prime Minister and directly with the chief EU negotiator, Michel Barnier. I represent Cabinet colleagues at JMC(EN) while the Minister for Housing and Regeneration is leading at the Ministerial Forum, bringing in other Cabinet Secretaries and Ministers to consider negotiating positions based on portfolio role and responsibilities.

Through the European Transition Officials Group Brexit related matters are being mainstreamed.

Ministers and officials participate in to the following inter-governmental forums:

- Joint Ministerial Committee on EU Negotiations (JMC(EN))
- Ministerial Forum on EU Negotiations (MF(EN))
- Official level technical working groups on UK negotiating positions, feeding into the MF(EN)
- Joint Ministerial Committee on Europe (JMC(E))
- Official level discussions on common UK Frameworks (commonly known as "deep dives")
- DEFRA Ministerial Quadrilateral
- Finance Ministers Quadrilateral
- BEIS –DA Official level Forum
- UK Government/Devolved Administration Forum on Operational Readiness (Official level)
- EU Exit Secondary Legislation and Devolution Central Management Group (Official level)

I look forward to discussing these issues further with the Committee.

Best Wishes



**Mark Drakeford AM/AC**

Ysgrifennydd y Cabinet dros Gyllid  
Cabinet Secretary for Finance

# Agenda Item 3.6

Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth  
Cabinet Secretary for Economy and Transport



Llywodraeth Cymru  
Welsh Government

David Rees AM

Chair of the External Affairs and  
Additional Legislation Committee

03 August 2018

Dear David

Thank you for your letter of 19 July regarding the UK Government's engagement with the devolved administrations on developing trade policy post Brexit and in particular, the Welsh Government's involvement in the forward programme of work developed by the Department for International Trade (DIT).

As you will be aware during Oral Assembly Questions on 04 July 2018 Steffan Lewis AM raised a similar point with me and I offered to write to all Assembly Members to clarify what engagement has taken place between the Welsh Government and the UK Government. May I refer you to my response which I believe will provide you with the information you have requested; a copy is attached at Annex A.

I would like to also take this opportunity to restate that the Welsh Government believes it is absolutely imperative that the UK Government engages comprehensively and effectively with the devolved administrations on the development of trade policy, on mandates for specific trade negotiations and on the negotiations themselves to ensure the future UK trade relationships work in the interests of the whole of the UK.

To date DIT has not invited the Welsh Government to take part in any of the Trade Working Groups it has set up, consulted us on their work (despite them covering areas within devolved competence) or fed back details of the meetings. On 20 July DIT published a number of public consultations to inform its preparations for possible trade negotiations with Australia, New Zealand and USA as well as a possible accession to CPTPP once the UK leaves the EU. Neither the consultation questionnaires nor the accompanying information packs setting out the background evidence to support the consultations were shared with the Welsh Government in advance of publication.

Let me reassure you that I will continue to impress upon DiT Ministers the need to engage fully with the Welsh Government and other devolved administrations on UK trade policy to ensure that there is fairness and transparency in how future trade agreements are reached.

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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.

I and colleagues within the Welsh Government will also have no hesitation in raising these issues through inter-governmental discussions at the highest level, should the current unacceptable level of inter-action from DiT continue.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken', written in a cursive style.

**Ken Skates AC/AM**

Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth  
Cabinet Secretary for Economy and Transport

# Agenda Item 3.7

Mark Drakeford AM/AC

Ysgrifennydd y Cabinet dros Gyllid  
Cabinet Secretary for Finance



Llywodraeth Cymru  
Welsh Government

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

10 August 2018

Dear David,

Thank you for your letter regarding the inquiry of the External Affairs and Additional Legislation Committee into “European Union Law in Wales: What happens during the Brexit transition?”, particularly the principles you have developed regarding, firstly, the legal mechanism for maintaining EU law and, secondly, for inter-governmental relations relating to the EU, both during the transition period.

On the first principle, as stated in the White Paper on the EU (Withdrawal Agreement) Bill, while the European Communities Act 1972 (“the ECA”) will be repealed by the EU (Withdrawal) Act 2018, the intention is for EU law to continue to apply in the UK during the transition period. This is to be achieved by the EU (Withdrawal Agreement) Bill saving the effect of the ECA during the transition period. However, the effect of the ECA is to be saved selectively to reflect the fact that the UK will no longer be a Member State of the EU during the transition period.

My officials are in discussion with DEXEU officials on the details of this provision but our expectation remains that there will be a high degree of similarity between the application of EU law in the UK both now and during the transition period and that this would include the roles of the National Assembly for Wales and the Welsh Government. There are currently several options for implementing EU law in Wales, through both legislative and executive competence, and we expect that all existing mechanisms for the implementation of EU law for the purpose of the Withdrawal Agreement will remain available during any transition period.

This is without prejudice to separate discussions both on the need for common frameworks, to be implemented under the procedures set out in the Intergovernmental Agreement between the Welsh Government and the UK Government and which would be subject to the agreement of the National Assembly, and on primary legislation related to EU exit. We would anticipate that most, if not all, of these frameworks would apply only after the transition period has ended.

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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.

Regarding your second principle, and building on my letter to you in June, it is certainly our ambition that there should be no diminution of our appropriate participation in the UK representation to the EU during the transition period. The precise nature of that is still to be determined, but we have raised, with the UK Government, the matter of our participation in the Joint Committee and we will continue to argue for that and for appropriate participation in any other areas of interaction with the EU, for example in the negotiations on the future economic partnership.

As I highlighted in June, this draws on the approach set out in the Concordat on Co-ordination of European Union Policy Issues, within the Memorandum of Understanding on Devolution, regarding the attendance at Council of Ministers meetings by Ministers of the Devolved Administrations, as strengthened by an amendment in 2013 agreed between the UK Government and the Devolved Administrations.

I am grateful for the copies of your letters to the Chairs of the Committees in the Commons and the Lords and for your Committee's continuing work in ensuring that the implications of EU exit are properly addressed and that preparations are made so that the interests of Wales, and the devolution settlement, are protected.

Best wishes,

A handwritten signature in black ink that reads "Mark". The letters are cursive and slightly slanted to the right.

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

# Agenda Item 3.8



Department  
for Exiting the  
European Union

**Robin Walker MP**  
Parliamentary Under Secretary of State for  
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David Rees AM  
Chair  
External Affairs and Additional Legislation Committee  
National Assembly for Wales  
Cardiff Bay  
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CF99 1NA

13 August 2018

Dear David,

## **EXTERNAL AFFAIRS AND ADDITIONAL LEGISLATION COMMITTEE - INQUIRY INTO EUROPEAN LAW IN WALES DURING THE IMPLEMENTATION PERIOD**

Many thanks for your letter of 20 July, and for setting out so clearly the thinking of the External Affairs and Additional Legislation Committee of the Welsh Assembly.

As you know from my previous appearances in front of your committee, I am keen to engage with the Welsh Government and the National Assembly as we continue preparations for exiting the EU, and progress the programme of exit legislation.

### **Legal Mechanism**

We set out the UK Government's early expectations for the European Union (Withdrawal Agreement) Bill in the White Paper on *Legislating for the Withdrawal Agreement between the UK and the EU* on 24 July. This Bill will give legislative effect to the Withdrawal Agreement, and will only be introduced once the negotiations have concluded and Parliament has approved the final deal we agree with the EU.

Chapter 3 of the White Paper sets out the Government's plans for legislating for the implementation period. The EU (Withdrawal) Act will repeal the European Communities Act 1972 (ECA) with effect from 29 March 2019. However, we will need to ensure that EU law continues to apply in the UK for the duration of the time-limited implementation period. This will be achieved by way of transitional provision, in which the EU (Withdrawal Agreement) Bill will amend the EU (Withdrawal) Act so that those elements of the ECA necessary for the operation of the implementation period are preserved. This approach will provide legal certainty to businesses and individuals, and will ensure there is continuity in the effect that

EU law has in the UK during the implementation period. The Bill will make provision so that, on 31 December 2020, the saved effect of the ECA will cease to apply.

With regard to the transposition, implementation and enforcement of EU law in Wales during the implementation period, your expectation of a 'high degree of similarity' with current processes is correct. The Welsh Government and the National Assembly for Wales will have powers of transposition and implementation, in relation to Wales, over non-reserved policy areas requiring domestic implementation. Responsibility for implementing EU law in reserved policy areas (and in any non-reserved areas agreed with the Welsh Government) will continue to sit with the UK Government and Parliament in Westminster for the duration of the IP.

### **The Assembly's scrutiny role**

The UK Government has noted with interest the External Affairs and Additional Legislation Committee's considerations regarding the Welsh Assembly's scrutiny role during the implementation period.

The scrutiny arrangements during the implementation period will need to be informed by the detailed arrangements for the period agreed between the UK and the EU, and the exact nature of involvement in the EU institutions, agencies and bodies during the implementation period.

I do however wish to take this opportunity to assure you that the UK Government supports a strong ongoing parliamentary scrutiny process, and will continue to support this process for as long as EU legislation will continue to affect the UK. We will be engaging in further dialogue with the UK Parliament's committees as to how scrutiny during the implementation may best be achieved.

### **Intergovernmental relations relating to the EU during transition**

At present, the devolved administrations work closely with UK Government departments in developing the final UK Government position on draft EU laws which impact on devolved areas. We anticipate maintaining this system during the implementation period. The Intergovernmental Relations review commissioned by the Plenary of the Joint Ministerial Committee in March 2018 may further refine this process.



**ROBIN WALKER MP  
PARLIAMENTARY UNDER SECRETARY OF STATE FOR  
EXITING THE EUROPEAN UNION**



Mick Antoniw AM  
Chair  
Constitutional and Legislative Affairs Committee  
National Assembly for Wales  
Cardiff Bay  
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28 August 2018

Dear Mick,

I am writing with regard to your Committee's recent report on operational matters relating to the scrutiny of regulations made under the European Union (Withdrawal) Act 2018 ("the 2018 Act"), and in particular recommendation 2, which stated:

*We recommend that as the Committee assigned the function of sifting regulations under the 2018 Act, we should be required by the National Assembly's Standing Orders to publish the criteria that we will apply to regulations subject to the sifting process.*

You first identified and recommended criteria that should be applied to regulations subject to the sifting process in your report of February 2018, and reproduced these criteria on page 20 of your most recent report, linked to the above recommendation.

Since your Committee first developed its proposals on the sifting criteria, the Procedure Committee of the House of Commons and the Secondary Legislation Committee of the House of Lords have also published reports recommending criteria that should be applied by the sifting committee of each House.

The House of Commons' Procedure Committee identified in its report<sup>1</sup> published on 9 July:

*"...a number of factors which the new committee may want to consider when deciding whether the instrument ought to be subject to the affirmative procedure. The main ones are:*

- *Legal importance: does the instrument amend existing law or make new law in a way which is significant? Would it normally fall within the "Brooke criteria", which since the 1970s have been a general guide as to whether an instrument ought to engage the affirmative procedure?*
- *Political importance: is the Government proposing a legislative change which involves a substantive change in policy?*

<sup>1</sup> <https://publications.parliament.uk/pa/cm201719/cmselect/cmproced/1395/1395.pdf>



- *Overall significance: is a proposed legislative change, taken together with other proposals, significant enough to merit the affirmative procedure?*

In its report<sup>2</sup> published on 20 July, the House of Lords' Secondary Legislation Committee concluded:

*"...we propose, at this stage, to adopt a case by case approach:*

- *We shall consider each proposed negative instrument on its merits, taking into account the Minister's reasons for his or her opinion that the negative procedure should apply.*
- *We shall apply the overarching test: "is the subject matter of this instrument and the scope of any policy change effected by it of such significance that the House would expect to debate it?"*
- *In assessing whether the test is met, the Committee will take into account certain features of an instrument (such as those listed in paragraph 5 [of the report] above), although we stress that this is not a definitive list.*
- *The Committee will also apply a presumption of the affirmative procedure where a proposed negative instrument contains significant amendments to primary legislation or retained direct principal EU legislation, rebuttable by a full and convincing explanation for the negative procedure."*

I note that whereas the two Parliamentary committees propose to focus on the substance of the subject matter within each SI, and in particular, the extent to which it might involve a substantive change of current government policy, the criteria proposed by your Committee focus on the clarity and transparency of the explanatory memoranda accompanying the instruments.

While clarity as to what is being proposed is essential to the Committee being able to do its job in terms of sifting, I agree with the arguments put forward by Assembly Committees, in the Brexit context, that the different legislatures of the United Kingdom ought to act in concert on these matters.

I would therefore suggest that your Committee might consider revisiting your proposed criteria in light of the reports of the UK Parliamentary committees and, indeed, any proposals made by the Scottish Parliament in this regard.

I also wish to provide an initial response to the proposed approach to Standing Orders.

In your report in February, you recommended that *'the sifting criteria... should be set out in the National Assembly's Standing Orders'*. By contrast, your July report, as noted above, recommends that Standing Orders should only require the relevant Committee to publish the sifting criteria that will be applied to regulations subject to the sifting process. In making this change, the report refers to the Welsh Government's response to your February report, which stated the government was not persuaded the criteria should be included in Standing Orders. This was because the government was of the view that the criteria would need to be consistent with the final framework for the sifting mechanism, which was not known at that time. We now have clarity about what is provided for by the 2018 Act, including certain correcting regulations that must be made according to the affirmative procedure and the sifting process for those regulations that are proposed to be made according to the negative procedure.

Accordingly, the Government is now of the view that the recommendation within your Committee's February report is sensible and that the criteria to be applied by the sifting

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<sup>2</sup> <https://publications.parliament.uk/pa/ld201719/ld201719hac0702/ld201719hac0702.pdf>

committee should indeed be set out in the Assembly's Standing Orders. This would be consistent with Standing Orders 21.2 and 21.3, which set out the grounds on which a responsible committee may report when considering all statutory instruments and draft statutory instruments laid before the Assembly.

The Business Committee, and the Assembly itself, will of course return to this matter when the Assembly returns in September, and will consider the proposed changes to its Standing Orders to establish procedures for the scrutiny of regulations made under the 2018 Act.

I am grateful to the Committee members for their work on this matter. The Government will provide a formal response to the recommendations in your Committee's report in due course.

Yours sincerely,



**Julie James AC/AM**  
Arweinydd y Tŷ a'r Prif Chwip  
Leader of the House and Chief Whip

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Cabinet Office

Our Ref: CDL/2036

David Rees AM  
Chair of the External Affairs and Additional Legislation Committee  
National Assembly for Wales  
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3 September 2018

Thank you for your letter dated 19 July regarding the Ministerial Forum (EU Negotiations). I understand you discussed this with the Minister for Housing and Regeneration at the External Affairs and Additional Legislation Committee on 2 July 2018.

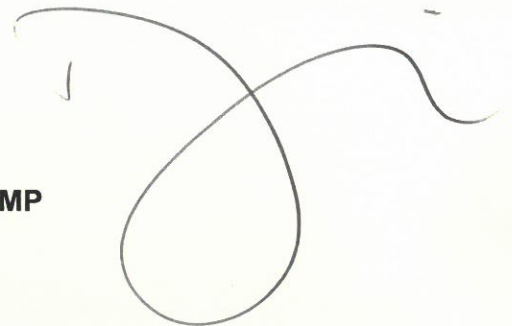
Building on discussions at the Joint Ministerial Committee on EU Negotiations (JMC (EN)), the Ministerial Forum on EU Negotiations (MF(EN)) has been established to ensure the devolved administrations have increased opportunity to contribute to the development of the UK negotiating position in greater breadth and depth. Officials from the UK Government, Welsh Government, Scottish Government and Northern Ireland Civil Service make up the joint secretariat for the Ministerial Forum. As the Minister for Housing and Regeneration mentioned at the External Affairs and Additional Legislation Committee on 2 July our officials work together to jointly agree the logistics, operations, papers and agenda items for the Ministerial Forum.

The third Ministerial Forum (EU Negotiations) was hosted by the Welsh Government in Cardiff on 1 August 2018. There was a constructive discussion on the role of the Ministerial Forum in supporting negotiations on the future relationship with the EU. There was also a useful discussion on Open and Fair Competition, on which there was a good deal of common ground, including with regard to the UK Government's vision for an economic partnership that includes a common rulebook for goods including agri-food.

As Chair of JMC(EN) I have had productive conversations with Ministers from the devolved administrations and I look forward to moving to a more frequent cycle of engagement from September. The Ministerial Forum will continue to meet regularly and the timing of meetings will need to be flexible to the emerging structure and sequencing of negotiations.

With regard to the sharing of negotiation texts and communications, which I appreciate is a concern of the Welsh Government, we will always endeavour to provide the DAs with early sight and the opportunity to provide meaningful comment. We were pleased to have been able to share specific sections of the Future Relationship White Paper with the DAs in advance of publication. We were grateful for the comments received on these sections, as well as the wider contributions on the broader content of the Future Relationship White Paper. Ministers were also able to discuss the proposals for the Withdrawal Agreement Bill at JMC (EN) on 5 July, significantly in advance of publication, due to earlier information we were able to share.

I am copying this letter to the Minister for Housing and Regeneration and the Cabinet Secretary for Finance in the Welsh Government.

A handwritten signature in black ink, consisting of a series of loops and curves.A large, stylized handwritten signature in black ink, featuring a prominent loop and a long horizontal stroke.

**Rt Hon David Lidington CBE MP**



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

[SeneddEAAL@assmebly.wales](mailto:SeneddEAAL@assmebly.wales)

10 September 2018

Dear David

**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 19 July, requesting an update on progress with the recommendations contained in the report "How is the Welsh Government Preparing for Brexit?". You expressed a particular interest in specific actions taken in order to fulfil the Committee's recommendations, an indication of any additional resources required to prepare for Brexit and an indication of timescales for completion of any ongoing preparedness work. Thank you for agreeing to a brief extension, which has allowed me to reflect the latest developments in my response.

You rightly highlight in your letter the continued lack of certainty about the likely outcome of negotiations. This is obviously leading to increased speculation that the UK may leave without securing a deal. It is my view that such an outcome would represent a catastrophic political failure by the UK Government, which poses very significant threats to the prosperity and well-being of the people of Wales, and indeed the whole of the UK.

I have repeatedly stressed this point to UK Government, and will continue to do so as we approach the vital European Council meetings in the autumn. Despite my strong conviction that a deal must be struck, I recognise that we have a responsibility to prepare for EU exit without a deal, just as we would prepare for any disaster which it is not in our power to prevent. But I will not pretend to the UK Government or the public that such an outcome is simply one of a range of credible alternatives; drifting into, or seeking, a "no deal" should be unthinkable.

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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.

Wales cannot prepare for EU exit in isolation; again, a point I have regularly and strenuously stressed to UK Government. It is imperative that all the administrations across the UK work collaboratively to plan how to mitigate the most serious effects of a breakdown in the negotiations between the UK and the EU27. And that must start with the UK Government working with us as a partner in government, engaging openly with us and sharing information with us in a constructive matter. For too long and too often, they have engaged with us too little and too late on issues. Recently, we have seen encouraging signs of improved engagement in response to our pressure but there is much, much more they should do.

I will now turn to the specific recommendations in the Committee's report. These responses supplement the government response that was published in March

*Recommendation 1: We recommend that the Welsh Government urgently examines the likely parameters of various Brexit scenarios, including a "no deal scenario", and reports on progress within 6 months.*

As stated in the Government response to the Committee's report, it is important to stress that it will not be possible to completely mitigate the impacts of a no deal outcome on Wales, and it is the responsibility of the UK Government to make the necessary arrangements in many key areas.

However, as outlined above, as a responsible Government, we have been pressing UK Government to develop a programme of work to prepare for a "no deal" scenario. As a result of this pressure, UK Government has set up a UK – DA Forum, which convenes fortnightly to ensure that all administrations have a shared understanding of readiness requirements and preparations.

Within Welsh Government, a sub group of the European Transition Officials Group has been established. This meets fortnightly to ensure a joined-up approach across Welsh Government on overall operational readiness, to make sure we are ready for the practical implications of leaving the EU. The European Transition Officials Group, informed with expert advice from the European Advisory Group, works extensively on the many parameters of Brexit and this work underpins the Welsh Government's evidence based approach as we seek to influence and prepare for exiting the EU.

The UK Government has recently published the first batch in a series of Technical Notices. These notices outline the implications of a "no deal" exit on businesses, citizens and consumers, and cover issues from customs and borders, to delivering humanitarian aid programmes. More notices are planned over the coming months. Through this process, there have been positive signs of UK Government improving efforts to work with Devolved Administrations, but it is far from perfect. We have had to respond on detailed technical issues within too short timeframes, which inevitably detracts from the overall effectiveness of UK-wide preparations.

*Recommendation 2: We recommend that the Welsh Government publish both the nine sectoral analyses described by the Cabinet Secretary for Economy and Infrastructure and the outcome of the forthcoming research being undertaken by Cardiff Business School.*

As outlined in the official response to the Committee report, our initial internal work led us to commission wider research, which has overtaken the early analysis. For example, the report “EU Transition and Economic Prospects for Large and Medium Sized Firms in Wales”, commissioned by the Welsh Government and prepared by Cardiff Business School, which is available on the Welsh Government website at:

<https://gov.wales/topics/businessandconomy/economic-action-plan/eu-transition-and-economic-prospects-for-large-and-medium-sized-firms-in-wales/?lang=en>

This report includes sectoral analyses and further policy work is currently being developed to build on the initial research, looking in more detail at trade opportunities and threats for Wales.

In addition to commissioned research and an ongoing programme of direct business engagements, we are planning to utilise information already being provided to us by businesses to provide insight into Brexit preparedness and potential responses.

We are also seeking to deepen our analysis on trade between Wales, the UK and the world. There are currently no data on Wales’ exports to, and imports from, the other nations of the UK and the extent to which Welsh businesses’ outputs to other parts of the UK ultimately lead to exports from the UK as well as how Welsh businesses’ supply chains are dependent – directly and indirectly – on imports from outside the UK. Specific consideration is being given to funding work, utilising the EU Transition Fund, to develop more detailed trade data for Wales. Further details of this work, if progressed, will be made available in due course.

*Recommendation 3: We recommend that the Welsh Government improves communication with individual organisations through greater encouragement of representative bodies to cascade information to those organisations. We also recommend that individual organisations undertake two-way engagement on the issue of Brexit within their own structures.*

Against the backdrop of stymied progress in the negotiations and the absence of clarity and detail from the UK Government on the kind of Brexit they want, we have nevertheless increased our engagement with stakeholders in a range of ways.

We use a range of structures to engage with organisations across Wales, covering the private, public and third sectors, so we can have discussions on the potential impacts of Brexit, get information on their experiences and work together to prepare for the many practical implications of leaving the EU. Extensive engagement has continued through our standing fora where stakeholder organisations are represented. These fora include the Environment and Rural Affairs Roundtable Stakeholders Group, the Higher Education Brexit Working Group, the EU Exit Working Group (a sub group of Council for Economic Development) and the European Advisory Group, where we have recently expanded the membership.

Direct departmental engagement with stakeholders supplements these set piece meetings, allowing Brexit-related issues to be discussed; for example in relation to health at bi-monthly meetings with the Royal College of Nursing, British Medical Association, and Trades Unions.

Cabinet Secretaries and Ministers have also increased Brexit stakeholder engagement in the months since January, with a range of activity taking place across Wales. Examples include:

- the Cabinet Secretary for Economy and Transport held Brexit trade talks with North Wales businesses, chaired the EU Exit Working Group, and spoke at the Wales Export Conference of 2018 on the in Welsh Government's proactive approach to helping companies prepare for life after Brexit;
- the Cabinet Secretary for Energy, Planning and Rural Affairs has continued to chair her Brexit Roundtable and also held a joint stakeholder event with the Secretary of State for Wales;
- the Cabinet Secretary for Finance addressed two WLGA conferences, and spoke at a NHS research and development conference in Newport and at a Children in Wales event at the Eisteddfod; and
- the Minister for the Welsh Language and Lifelong Learning met representatives of further education at Colegau Cymru Conference.

With increased speculation on a 'no deal' Brexit, the European Transition Team and departmental officials have also engaged directly with a range of stakeholders – including the Federation of Small Businesses Wales, Welsh Local Government Association, Welsh NHS Confederation, and the Countryside Landowners Association - to discuss Brexit issues and how we can work together to better inform their members on the implications of the various potential forms of Brexit. These discussions will continue through to March 2019 and beyond. We have also written to the Chairs of the Local Resilience Fora asking them to consider civil contingencies action.

*Recommendation 4: We recommend that the Welsh Government issues clear and accessible guidance to businesses, public sector organisations, and the third sector on what the implications of various Brexit scenarios, including a “no deal” scenario, could mean for those organisations. This guidance should be issued as soon as practically possible after the publication of this report.*

We are no closer to knowing the form Brexit will take, meaning confusion and uncertainty remain. We have produced detailed, evidence based policy proposals on how the right kind of Brexit can protect jobs, and we have put forward proposals on trade, immigration, the future of the UK and a range of other issues once we are out of the EU.

The Technical Notices, explained above, go some way to outlining the implications of a “no deal” exit on businesses, citizens and consumers. Where necessary, Welsh Government is supplementing this information with direct communications to impacted sectors. For example, the Deputy Chief Executive of the NHS wrote to health bodies following the release of the first batch of notices. The Welsh European Funding Office (WEFO) is writing to all its stakeholders following the publication of the notices on structural funds and other EU funded programmes.



Policy areas have detailed discussions with their stakeholders. For example, within the Energy, Planning and Rural Affairs portfolio, we have been working closely with stakeholders to examine the possible threats and opportunities of Brexit, including publishing in February 2018 an EU Exit scenario report for the food, fisheries, farming, forestry and the environment sectors. The report, developed with stakeholders, outlines the implications of five scenarios, including defaulting to WTO terms, an EU-UK Free Trade Agreement and complete access to the single market with new FTAs with third countries.

The Welsh Government is preparing to launch a new Brexit Portal in the autumn. This will include a diagnostic tool to help business assess their level of preparedness for Brexit. We are planning to use the data which is generated by businesses completing the diagnostic to further strengthen our understanding of the level of business preparedness and where Welsh Government intervention and support can add the greatest value.

Our support for stakeholders will continue, we will work closely with them as we consider carefully the implications of developments in the negotiations, and how they will impact on Wales.

*Recommendation 5: We call upon the Welsh Government to seek clarity from the UK Government on how the proposed Shared Prosperity Fund would be allocated and administered.*

As noted in the Government response to the Committee report, economic development is a devolved competence and the possibility of a centrally-administered UK fund is not compatible with the distinctive approaches to regional development adapted by the different UK nations.

The Welsh Government continues to press UK Government to explain how the proposed UK Shared Prosperity Fund is to operate, whilst ensuring that Wales' devolved economic development competence is respected and that Wales does not lose a penny as a result of Brexit.

To date, no specific details of the proposal have been made available, though it is hoped that a meeting between Welsh Government and UK Government officials in September will mark the start of meaningful dialogue.

*Recommendation 6: We recommend that the Welsh Government – in conjunction with the Higher Education Working Group – publish any work that it has conducted to date in reviewing its strategy in relation to research and innovation in the higher education sector to take account of the implications of Brexit in this area.*

The Reid Review was published by the Welsh Government on 6<sup>th</sup> June. Reid made three recommendations: that the Welsh Government should increase the visibility and influence of Welsh research by creating a new Welsh Research and Innovation London Office; that the Welsh Government strengthens the Welsh research base and enables Welsh researchers to attract a greater share of UK-wide funding by implementing Diamond's recommendation for

quality related research funding and creating an additional Future of Wales Fund specifically to incentivise Welsh researchers to win funding from outside Wales; and that the Welsh Government increases the visibility, coherence and impact of research and innovation in Wales by creating a single overarching brand for its innovation activities. The first recommendation is being taken forward. The Welsh Government is considering still its responses to Reid's 2<sup>nd</sup> and 3<sup>rd</sup> recommendations

*Recommendation 7: We recommend that the Welsh Government set out in its response to our report how it intends to spend the anticipated consequential allocations arising from additional money being spent at UK level to prepare for Brexit and clarifies whether these will be ring-fenced for supporting activities in relation to Brexit in Wales.*

Through our £50m European Transition Fund we are providing direct financial support to help stakeholders prepare for Brexit. This includes support to our agriculture and fisheries industry sectors including £2.15 million for the development of the red meat sector in Wales, a £150,000 to help deliver a Brexit support package to all 22 local authorities in Wales, a £3.5m for a programme run by Wales' universities to drive international partnerships and promote Wales as a study destination in a post Brexit world and £200,000 to help the social care sector in Wales for research into how the Brexit process could impact on the workforce and to help the sector plan for any eventualities.

Since the UK voted to leave the EU on June 23 2016, the Welsh Government has been doing everything possible to secure a smooth and successful Brexit for Wales. The approach we have taken to managing this critical work included creating the European Transition Team to give a strategic lead and coordinate the Welsh Government's 'Brexit position', focusing on Brexit policy, negotiations, preparedness and legislation. The team has worked closely with policy and other teams across the organisation to support Ministers in protecting and promoting the interests of Wales.

Brexit is generating large volumes of new work in areas such as legislative correction and reform as well as demanding new capability in areas like rural policy and trade that will enable us to function successfully in a post-Brexit world. So far, we have managed this challenging work primarily through reprioritising resource internally, moving experienced staff into dedicated Brexit roles. Additional staff have been recruited externally to work in Brexit roles related to the environment and rural affairs, and a further phase of external recruitment and internal redeployment will be starting this month.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carwyn Jones', written in a cursive style.

**CARWYN JONES**



Department  
for Exiting the  
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Robin Walker MP  
Parliamentary Under Secretary of State for  
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Agenda Item 3.12

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David Rees AM  
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 September 2018

*Dear David*

#### **FUTURE RELATIONSHIP WITH THE EUROPEAN UNION**

Thank you for your invitation of 2 July to the former Secretary of State for Exiting the European Union to discuss the future relationship between the UK and the EU with the External Affairs and Additional Legislation Committee. The new Secretary of State has asked me to respond on his behalf. I apologise for the delay in responding.

As you know from my previous appearances in front of the EAAL Committee, I am keen to engage with the Welsh Government and the National Assembly as we continue preparations for exiting the EU. Ahead of the October European Council, we are planning two further meetings of the Joint Ministerial Committee (EU Negotiations) to discuss a range of exit issues with the Welsh and Scottish Governments. I will also co-chair the next meeting of the Ministerial Forum on EU Negotiations on 17 September, which will focus on Agri-food Trade, Food Safety and Technical Standards, as well as Fisheries. At official level, regular engagement with the devolved administrations continues apace across a wide range of policy areas.

Provided a suitable date can be found, I would be delighted to attend another of your meetings at the National Assembly before your Autumn Half Term recess to discuss the UK-EU future relationship. My officials will be in touch to make the necessary arrangements.

I am copying this letter to the Secretary of State for Exiting the European Union, the Chancellor of the Duchy of Lancaster and the Secretary of State for Wales.

A handwritten signature in black ink, appearing to read 'you, Robin Walker'.

**ROBIN WALKER MP  
PARLIAMENTARY UNDER SECRETARY OF STATE FOR  
EXITING THE EUROPEAN UNION**

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By virtue of paragraph(s) vi of Standing Order 17.42

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