

Brexit update: Summer recess

Pwyllgor Materion Allanol a Deddfwriaeth Ycwhanegol | 11 Awst 2016
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Research Briefing:

1. Introduction

This paper provides Members with an update on the most recent developments on Brexit of relevance to the Assembly. The period covered is 12 July to 10 August.

The next update will be prepared for the Committee's meeting of 12 September, and from that point forward the intention is to produce the Brexit update on a fortnightly basis, as a publicly available document published on the Assembly website and on social media.

2. Developments in Wales

2.1 National Assembly for Wales

In this section of the update we will include information on the planned work of the [External Affairs and Additional Legislation Committee](#) as the lead Committee on Brexit within the Assembly. This is primarily aimed at an external audience to enable them to have a snapshot view (in addition to using the Committee's web-pages) on the Committee's current and planned work.

We will also include in this section information (as far as possible - i.e. where the Chairs/Committees are happy for this to be in the public domain) on the work of the other Assembly Committees on Brexit-related matters falling within their remits.

Some initial discussions have taken place in a number of Committees and between Chairs and officials on potential future work on Brexit.

The most advanced of these is [Climate Change Environment and Rural Affairs Committee](#) which has launched an inquiry on agriculture in Wales after Brexit. The Committee visited the Royal Welsh Show at the end of July and met with farmers and rural stakeholder organisations including NFU Cymru and FUW.

Since the referendum there have been a number of Brexit related debates in plenary in the Assembly. The latest (falling in the time period covered by this update) was held on 13 July, [Plaid Cymru Debate: UK Withdrawal from the European Union](#) (13 July)

On 3 August the National Assembly for Wales and Wales Governance Centre hosted a [discussion on Brexit at the Eisteddfod in Abergavenny](#), distributing copies of the Assembly's Research Paper on [Wales and the EU: What does the vote to leave the EU mean to Wales?](#)

2.2 Welsh Government

On 9 August the Welsh Government [announced](#) that a new External Advisory Group on Europe was being set up. The list of responsibilities of Cabinet Secretaries had been tweaked in recent weeks and included the addition of a responsibility for Mark Drakeford AM to chair an 'external advisory Panel on EU Withdrawal'. We understand that the Panel is due to hold its first meeting in September and that it will meet regularly over an initial 12-month period.

The First Minister also announced that he will chair a Cabinet Sub-Committee on European Transition from September.

On 21 July the Cabinet Secretary Leslie Griffiths met the UK Farming Minister George Eustice at the Royal Welsh with ['Brexit' at the top of the agenda](#), as well as meeting Welsh stakeholders during the visit.

And of course the First Minister Carwyn Jones met the new Prime Minister in [Cardiff on 18 July](#). Both leaders described the meeting as positive and constructive.

In a [statement](#) following the meeting the First Minister underlined the importance of guarantees on future funding and on securing the future of the steel industry in Wales.

Of the visit Prime Minister Theresa May stated:

The union is very important to me and I'm pleased to visit Wales so early in my premiership... What I want to see is the best possible deal for the whole of the UK and I want the Welsh Government to be involved in the discussions – that's why I am here.

2.3 Welsh stakeholders

On 18 July the Arts Council for Wales published a [briefing](#) as an initial response to the outcome of the EU referendum and potential impact on the cultural sector in Wales. It highlighted a number of areas where the sector has keen interest including access to EU funding, access to EU markets, freedom of movement/artists mobility, pan European rules and regulations, and European Capital of Culture. It also raised questions around future relations with the EU, with Europe more broadly, and the 'recalibration' of relationships between the Welsh Government and UK Government.

The Public Policy Institute Wales published a [blog](#) on 28 July looking at the potential impact of Brexit on Wales. It considered different types of 'Brexit' and the potential financial impact on funding coming to Wales, impact on trade, employment and public service delivery.

The Bevan Foundation on 2 August published a report [Wales after Brexit: an agenda for a fair, prosperous and sustainable country](#). The report sets an:

agenda for principles and key actions which should underpin Wales' economy, society, environment and democracy as Wales withdraws from the EU and responds to the risks and opportunities ahead.

On 13 July NFU Cymru published a briefing for its members (not available publicly) on the EU referendum decision and what this means for the Basic Payment Scheme to farmers under CAP and to the Rural Development Programme Wales.

Councillor Phil Bale, Leader of Cardiff Council, became the WLGA's Europe spokesperson in July, replacing Councillor Bob Bright who stepped down as leader of Newport earlier this year. Councillor Bale will represent WLGA on the Welsh Government's new external advisory panel on withdrawal from the EU.

3. EU level developments

3.1 European Council/Council of Ministers

In mid-July the UK relinquished the Presidency of the Council, which had been scheduled for the second half of 2017. This followed several weeks' speculation as to whether or not the UK would assume the rotating EU Presidency in light of the EU referendum leave vote.

On 26 July the [Council published a revised calendar of Presidencies](#), which sees Estonia take over the UK's slot.

3.2 European Commission

On 27 July European Commission President Jean-Claude Juncker [announced](#) that he had appointed former French Minister for Agriculture and Foreign Affairs, and former EU Commissioner (Regional Policy 1999–2004; Internal Market and Services 2010–2014) Michel Barnier as the Head of the Brexit Taskforce within the European Commission. Barnier is due to take up this new role from 1 October, under the title Chief Negotiator in charge of the Preparation and Conduct of the Negotiations.

Barnier's appointment follows that of Didier Seeuws, who was appointed as Head the Special Taskforce on the UK in the Council (in late June), to co-ordinate negotiations with the UK on Brexit.

It remains to be seen how the two taskforces will work together in the negotiations, and what their roles will be specifically. Media reports suggest the Council will focus on political level discussions whilst the Commission will focus on detailed technical issues. However, this should become clearer once the Barnier Taskforce is up and running and as we move towards Article 50 notification.

Sir Julian King, the UK's nominee to replace Lord Hill as EU Commissioner has been assigned the portfolio of [Commissioner for Security Union](#). The procedure for replacing a Commissioner is set out in Article 246(2) of the [Treaty on the Functioning of the EU](#): the Council appoints the new Commissioner by 'common accord' with the President of the

European Commission in consultation with the European Parliament. This means King will appear before Parliament in the early autumn, before being confirmed as Commissioner.

3.3 European Parliament

Nothing to report.

3.4 Other: EU media

There have been numerous articles in EU media on Brexit in recent weeks. Politico.eu includes stories on [Switzerland](#) (suggesting the Swiss could suffer in negotiations with the EU as a result of Brexit), and the [Canada free trade deal](#) (if it fails it could spell the end of EU trade deals according to the article).

Euractiv has a couple of articles on the UK and trade including one on the City of London ([courting old friends US and Japan](#)), revival of [‘made in Britain’](#), and on China’s apparent openness to a [free trade deal with the UK](#).

4. UK level developments

4.1 UK Government

One of the first actions of new Prime Minister Theresa May was the establishment of a ‘Brexit’ department in Whitehall: [Department for Exiting the European Union](#), under the political steer of Secretary of State the Rt Hon David Davis MP. Former Welsh Secretary David Jones MP was named as one of the Ministers for this new department. The Permanent Secretary for this department will be Oliver Robbins.

The Prime Minister has established a new [Cabinet Committee on Economy and Industrial Strategy](#), bringing together 11 State departments (none of the Secretaries of State for the Devolved Nations are included in these) to deliver one of the government’s top 3 priorities: an economy that works for everyone, with a strong industrial strategy at its heart. The Committee met for the first time on 2 August.

The Prime Minister has undertaken a number of bilateral meetings with EU Heads of State including [German Chancellor Angela Merkel](#) (21 July), [French President Hollande](#) (21 July), [Taoiseach Enda Kenny](#) (26 July), [Italian Prime Minister Matteo Renzi](#) (27 July), [Polish Prime Minister Beata Szydło](#) (28 July), and [Slovakian Prime Minister Robert Fico](#) (28 July).

The Prime Minister also met with each of the First Ministers of the Devolved Administrations during her first couple of week in office. More details on this in the devolved sections below.

A [legal challenge for a judicial review](#) of the use of prerogative powers by the UK Government to initiate Article 50 was held on 19 July. No details are available at time of writing of the outcome of this hearing. The Prime Minister has reiterated her intention to take some time before triggering Article 50, with the general assumption that this is unlikely to happen before the new year, and with some commentators suggesting this could be delayed until

well into 2017. Welsh Government First Minister Carwyn Jones has stated he would like to see Article 50 triggered [before the summer of 2017](#).

4.2 House of Commons

The Welsh Affairs Committee announced on 28 July that it is holding an inquiry into the [implications for Wales of the EU referendum result](#).

The Scottish Affairs Committee has also launched an EU-related inquiry, [Scotland's place in Europe](#), following the Brexit vote, with a public consultation (responses received by 31 August will inform the Committee's work in October). The Northern Ireland Affairs Committee has not yet launched an EU-related inquiry following the referendum result.

The European Scrutiny Committee launched a [consultation](#) on 8 July on how its scrutiny work should adapt to Brexit.

The Foreign Affairs Committee published a report on 20 July: [Equipping the Government for Brexit](#). The report takes a particularly critical view of the previous UK Government's planning for the EU referendum outcome:

3. The previous Government's considered view not to instruct key Departments including the FCO to plan for the possibility that the electorate would vote to leave the EU amounted to gross negligence. It has exacerbated post-referendum uncertainty both within the UK and amongst key international partners, and made the task now facing the new Government substantially more difficult.

4.3 House of Lords

The Chair of the House of Lords [EU Select Committee](#) Lord Boswell wrote to David Rees AM in July congratulating him on his appointment as Chair of the External Affairs and Additional Legislation Committee, and underlining his commitment to working closely with the Assembly on EU affairs. He also noted the value of the EC-UK Forum to this work.

Lord Boswell also drew attention to the EU Committee's [report](#), published on 22 July. The report underlines the importance of the scrutiny role played by Parliament (focusing on the Lords), and recommends charging the EU Committee with the explicit responsibility for scrutinising the negotiations. The report also notes that work has already been undertaken to prepare a programme of cross-cutting inquiry work – with a list of 29 themes identified for this work including many of direct relevance to Wales (e.g. agriculture, fisheries, environment and climate change, research, universities and students etc.). It also highlights themes of 'intra-UK relations' and 'inter-parliamentary and inter-institutional relations'.

The [EU Energy and Environment Sub-Committee](#) held a session with academic experts on the impact of Brexit on EU and UK environment policy on 14 July.

4.4 Involvement of Devolved Administrations

Prime Minister Theresa May visited Scotland, Wales and Northern Ireland in the week following her appointment. More on this below in sections 4.2,

4.5 Other UK developments

A number of UK-wide interest organisations have published positions on Brexit setting out priorities for the EU negotiations. These include:

- CBI: [5 key principles for EU negotiations](#): including ease of EU-UK trade, regulatory balance, migration system allowing access to people/skills, clear strategy for international trade
- Greenpeace: [6 priorities for the environment after Brexit](#): including continuing to be a global leader in climate change; ensuring sustainable fishing post CFP; maintaining strong environmental legislation for birds, habitats and water; and safeguarding funds for agriculture and wildlife ensuring money is linked to environmental protection.

5. Scotland

5.1 Scottish Parliament

The Scottish Parliament's European and External Relations Committee [visited Brussels](#) on 17 July for a series of meetings with Ambassadors from EU and European Free Trade Association (EFTA) Member States and other Brussels-based organisations to discuss the implications of Brexit for Scotland.

The Committee also held [evidence sessions](#) with a range of Scottish businesses and stakeholder organisations on 28 July as part of its work on Brexit and Scotland. The Committee has organised these sessions during the summer recess of the Scottish Parliament.

The Convener (Chair) of the Committee is [Joan McAlpine MSP](#), SNP member for South Scotland.

5.2 Scottish Government

As noted earlier the Prime Minister met [Scottish First Minister Nicola Sturgeon](#) in Edinburgh on 15 July.

On 25 July Sturgeon made a speech to the Institute of Public Policy Research, [Scotland in EU](#), which sets out her reflections on what the EU referendum outcome means for Scotland, relations with the UK and with the EU.

5.3 Scottish independence

A [YouGov poll](#) published at the end of July on Scottish independence, the first since the EU referendum vote, gives a majority of 53% to 47% in favour of Scotland remaining as part of the UK.

6. Northern Ireland

The Prime Minister [met](#) Northern Ireland First Minister Arlene Foster and deputy First Minister Martin McGuinness on 25 July at Stormont in Belfast.

Speaking on 20 July ahead of the Extraordinary British–Irish Council in Cardiff Northern Ireland First Minister Arlene Foster stated that [Northern Ireland and Wales must work together to maximise opportunities presented by Brexit](#) (20 July). Foster is the leader of the DUP, which backed Brexit.

7. British–Irish relations

7.1 British–Irish Council

On 22 July the First Minister hosted an [Extraordinary British–Irish Council Summit to discuss Brexit](#). The Irish Taoiseach Enda Kenny attended, together with the Secretary of State for Wales (Alun Cairns MP) and Sec State for Scotland, the Scottish and Northern Ireland First Minister, and Deputy First Minister for Northern Ireland, as well as the Chief Ministers from the Isle of Man, Guernsey and Jersey. A [communiqué](#) (pdf) was published at the end of the Cardiff Summit which underlined the important role of the British–Irish Council in the Brexit process, and which:

reiterated their commitment to facilitating harmonious and mutually beneficial relationships among the people of these islands.

The statement also noted:

...there are a number of priority areas where implications arise, in particular: the economy and trade, the Common Travel Area, relations with the EU and the status of all citizens affected by the change.

7.2 British–Irish Parliamentary Assembly (BIPA)

The British Irish Parliamentary Assembly (BIPA) Committee C – Economic Affairs will be undertaking an inquiry into *The possible implications of the UK's EU referendum on the agri-food sectors of the BIPA member countries*, with a view to producing a report in early 2017.

8. Other reports published

House of Commons Library:

- [Reading list on UK–EU relations 2013–16: reform, renegotiation, withdrawal](#) (24 June)
- [Brexit and local government](#) (20 July)

- [Brexit: some legal and constitutional issues and alternatives to EU membership](#) (25 July)
- [Brexit: how will it affect transport?](#) (25 July)
- [Brexit: What next for UK fisheries?](#) (28 July)
- [Brexit and financial services](#) (1 August)
- [Brexit and UK immigration and asylum policy: a reading list](#) (2 August)
- [Brexit: implications for pensions](#) (10 August)

House of Lords Library:

- [Briefing on UK–Commonwealth Trade](#) (5 August)

Other:

- [The EU Single Market: The Value of Membership versus Access to the UK, Institute of Fiscal Studies](#) (10 August)