



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

Y Pwyllgor Materion Allanol a Deddfwriaeth
Ychwanegol

Cyfarfod Anffuriol

The External Affairs and Additional Legislation
Committee

Informal Meeting

29/01/2018

Cynnwys Contents

- 6 Gosod y Cyd-destun
Setting the Context
- 8 Y Broses Gyfreithiol a Gwleidyddol ar gyfer Cytuno ar y Berthynas
rhwng y DU a'r UE yn y Dyfodol
The Legal and Political Process for Agreeing the Future Relationship
between the UK and the EU
- 16 Ein Perthynas â'r UE yn y Dyfodol: Blaenoriaethau i Gymru
Our Future Relationship with the EU: Priorities for Wales
- 48 Ein Perthynas â'r UE yn y Dyfodol: Cyfleoedd i Barhau i Ymgysylltu â'r
Undeb Ewropeaidd a'i Sefydliadau ar ôl Brexit
Our Future Relationship with the EU: Opportunities for Continued
Engagement with the European Union and its Institutions after Brexit
- 60 Bil Parhad: Sylwadau gan Randdeiliaid
Continuity Bill: Observations from Stakeholders
- 69 Ein Perthynas â'r UE yn y Dyfodol: Datganiadau Terfynol
Our Future Relationship with the EU: Final Statements

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn
ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in
the committee. In addition, a transcription of the simultaneous interpretation
is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Suzy Davies
[Bywgraffiad](#) | [Biography](#)
 Ceidwadwyr Cymreig
 Welsh Conservatives

Jane Hutt
[Bywgraffiad](#) | [Biography](#)
 Llafur
 Labour

Mark Isherwood
[Bywgraffiad](#) | [Biography](#)
 Ceidwadwyr Cymreig
 Welsh Conservatives

Jenny Rathbone
[Bywgraffiad](#) | [Biography](#)
 Llafur
 Labour

Eraill yn bresennol
Others in attendance

Dr Rachel Bowen
 ColegauCymru
 CollegesWales

Beth Button
 Prifysgolion Cymru
 Universities Wales

Ben Cottam
 Ffederasiwn Busnesau Bach Cymru
 Federation of Small Businesses Wales

Alan Davies
 Farmers' Union of Wales
 Undeb Amaethwyr Cymru

Natasha Davies
 Chwarae Teg
 Chwarae Teg

Lisa Edwards
 Undeb Prifysgol a Choleg
 Universities and Colleges Union

Jim Evans
 Cymdeithas Pysgotwyr Cymru
 Welsh Fishermen's Association

Zélie Flach
 Celfyddydau Rhyngwladol Cymru
 Wales Arts International

Ifan Glyn	Ffederasiwn y Meistr Adeiladwyr Cymru Federation of Master Builders Cymru
Lowri Gwilym	Cymdeithas Llywodraeth Leol Cymru Welsh Local Government Association
Eluned Haf	Celfyddydau Rhyngwladol Cymru Wales Arts International
David Hughes	Arsyllydd Observer
Jo Hunt	Prifysgol Caerdydd Cardiff University
Keith Jones	Sefydliad y Peirianwyr Sifil Cymru Institution of Civil Engineers Wales
Tobias Lock	Prifysgol Caeredin University of Edinburgh
Nesta Lloyd-Jones	Welsh NHS Confederation Cydffederasiwn GIG Cymru
Dr Rachel Minto	Prifysgol Caerdydd Cardiff University
Dr Stephen Monaghan	BMA Cymru BMA Wales
Dr Tim Peppin	Cymdeithas Llywodraeth Leol Cymru Welsh Local Government Association
Nick Perdikis	Prifysgol Aberystwyth Aberystwyth University
Glyn Roberts	Undeb Amaethwyr Cymru Farmers' Union of Wales
Jim Rollo	Prifysgol Sussex

University of Sussex

Rhea Stevens	Sefydliad Materion Cymreig Institute for Welsh Affairs
Huw Rhys Thomas	NFU Cymru NFU Cymru
Lisa Turnbull	Coleg Nyrsio Brenhinol Royal College of Nursing
Mary van den Heuvel	National Education Union Cymru National Education Union Cymru
Carol Wardman	Cytûn Cytûn
Catriona Williams	Plant yng Nghymru Children in Wales

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Alun Davidson	Clerc Clerk
Manon George	Cynghorydd Cyfreithiol Legal Adviser
Gemma Gifford	Dirprwy Glerc Deputy Clerk
Elisabeth Jones	Prif Gynghorydd Cyfreithiol Chief Legal Adviser
Rhys Morgan	Ail Glerc Second Clerk
Nia Moss	Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 12:01.
The meeting began at 12:01.*

Gosod y Cyd-destun Setting the Context

[1] **Jane Hutt:** Croeso, a **Jane Hutt:** Welcome, and good phrynhawn da. afternoon.

[2] I think we'll make a start. Can I start by welcoming you all?

[3] Croeso i chi i gyd y prynhawn Welcome to you all this afternoon. yma.

[4] I am very sorry that David Rees, the Chair of this committee—the External Affairs and Additional Legislation Committee—is poorly today. I was actually going to take over from him anyway, later on, because he was going up to the House of Lords to be there to hear the latest. But he's not well, so I'm very pleased, in my relatively new role as a member of this committee, to be chairing this very important event this afternoon, and, of course, we'll be joined by colleagues on the committee.

[5] So, welcome once again to the Assembly and thank you for attending our meeting. This is very much your meeting, and it's going to be listening to you and your views—of course, you've seen the agenda—so we want to make sure that it's clearly a stakeholder view coming back to the committee. Because many of you will know that the committee has been working continuously since last summer—the summer of 2016—to understand the implications for Wales of leaving the European Union, and doing what we can to ensure that those implications are understood and acted upon appropriately.

[6] Our current inquiry into Wales's future relationship with the European Union builds on the work previously completed; for example, our work on the implications for Wales of leaving the EU, the future of regional policy, ports and preparedness. And as the next phase of the article 50 negotiations progress, towards defining the future shape of the UK-EU relationships, we felt it important to ensure that we had a thorough understanding of what Welsh stakeholders see as a priority for that future relationship. To an extent, we've identified some initial priorities when considering the implication for Wales of leaving the EU, during the first six months following

the referendum. But, a year or so on, whilst we might not know as much as we would like about the shape of our future relationship with the EU, we certainly know more, and a number of positions have become clearer. For example, the Welsh Government has published its vision for a future relationship, in 'Securing Wales's Future'. Also, the Welsh Government published policy papers on fair migration, regional funding, and, of course, more of what the EU and the UK might want is known, if not entirely certain.

[7] So, today, as I said, it provides you with the opportunity to tell us, and for us to hear and understand what your priorities are and how they might accord or diverge from these positions. We also decided to hold this type of event, with this plenary format, so you have an opportunity to hear each other. I know you actually meet each other; the sectors know each other, the representatives, and, of course, there are many events happening during this period, which you are engaging with. But we do want to hear from you and for you to hear from each other. And we hope that the transcript from the discussions today will act as a stimulus for wider debate, beyond the confines of this afternoon's work.

[8] So, I'm going to hand over in a moment to Dr Tobias Lock, from the University of Edinburgh. In a parliamentary context, Tobias has been advising our counterpart committee in the Scottish Parliament, and he's contributed to the work of committees here and in Westminster too. He's going to say a few words about what we might be able to expect in the coming period, and that's going to help to set the context for our subsequent discussion this afternoon.

[9] We'll then start our work proper—after a bite to eat, I have to say. We'll start our work proper and consider the two core areas we want to cover today: first, identifying your priorities for a future relationship; and secondly, identifying EU programmes, networks or other structures that you believe we should consider continuing to participate in after exit.

[10] We'll then move to an item on the continuity Bill. You'll be aware that the Welsh and Scottish Governments have prepared their own legislation for exiting the EU, and that they intend to introduce this legislation if amendments to the European Union (Withdrawal) Bill are not made. The Cabinet Secretary for Finance, Mark Drakeford—you might have heard him—already confirmed earlier today that this continuity Bill has been submitted to the Llywydd for pre-introduction checks.

[11] Looking at the timescales involved, the scrutiny of any such Bill would be likely to be extremely tight. So, we did decide to offer some time this afternoon to take any initial views that you might have on such an approach, and any aspects of such legislation that you think that we might need to be particularly alert to.

[12] The final item this afternoon is a wash-up to make sure you've all had a say and you've all had an opportunity to make the points that you came here to make. We've got a lot of people here—a good representation today—and we've got a lot of ground to cover. So, the final item is to make sure that we have got a summary of that and you've all been able to contribute.

[13] So, once again, thank you for attending the event today; it's very important to us in the committee. I'm looking forward very much to hearing your priorities and to continuing to work with you as we navigate our way towards a new relationship with the European Union.

**Y Broses Gyfreithiol a Gwleidyddol ar gyfer Cytuno ar y Berthynas
rhwng y DU a'r UE yn y Dyfodol
The Legal and Political Process for Agreeing the Future Relationship
between the UK and the EU**

[14] **Jane Hutt:** At this point, I'm going to hand over to Tobias to say a few words. After Tobias has finished, we'll then adjourn for our lunch. We can, obviously, network over lunch and then come back together to start the formal session. Diolch. Thank you.

[15] **Dr Lock:** Thanks a lot, everyone, for coming, and thanks a lot for inviting me; it's a great honour and it's a great pleasure to be here in Cardiff today. What I want to do is, I'm briefly going to talk about—well, it's a mouthful of a title—a legal and political process for agreeing the future relationship between the EU and UK. I can't talk about everything, but I want to talk about three things: where we are now, what's going to happen—presumably during the transition—and a little outlook as to the future. Most of this is based on my little report that I wrote for the Scottish committee, which is available on their website, so anyone can download it and feel free to read it, or not.

[16] So, where are we now? We are, obviously, in the process of negotiating the UK's way out of the EU. The starting gun was fired officially with the

Prime Minister's notification letter of 29 March 2017. That set in motion a two-year deadline for negotiating a withdrawal agreement. The two-year deadline can be extended, in theory, but I think at the moment that is not desired on the UK side, and I don't think it is very much desired on the EU side. So, I think for the time being we have to work on the assumption that we've only got until 29 March 2019 to get it all done and dusted, including ratifications at the EU level and at the UK level.

[17] The withdrawal agreement itself will cover what I would describe as the legacy of the UK's EU membership, broadly speaking. So, it tidies up, or it should tidy up, everything that needs to be tidied up: the UK's financial contributions that it has committed to in the past, which, of course, were committed with a view to the UK staying in the EU concerning pensions, concerning EU programmes for funding, and so on and so on. That has been settled in principle, in December. There is a principled agreement on that. The same goes for citizens' rights, citizens living here in the UK with EU passports—EU-27 passports—and UK citizens living in the rest of the EU. What happens to them? Are they allowed to stay, and are they allowed to stay under the same conditions as now? That has, in principle, been agreed. There are still a few loose ends here and there, but, broadly speaking, these people will have the same rights in perpetuity, and that's good to hear.

[18] What still has to be negotiated, actually, or decided in principle, are the technical details. There are lots and lots of technical details about what exactly will happen to judicial proceedings pending on Brexit day. What will happen to goods in transit on Brexit day? Will they become liable for customs duties or not? These are very technical questions. I don't think they are going to raise huge political issues, though from what I've read this morning in *The Guardian*, the EU seems to want to insist on a jurisdiction of the European Court of Justice over these pending cases, even beyond Brexit, which the UK Government is not currently ready to accept. But that seems to be the only stumbling block there and I'm sure that will be removed.

[19] Now, the negotiations have been divided up in two phases. The EU said, 'Well, we have to settle the past issues first and then we can talk about the future,' because article 50, which is the provision that is at stake here and which governs the whole process, says that there will be a withdrawal agreement that will take into account the framework for the future relations with the EU. So, that framework for the future relations has to be clear at that point in time. It will not be agreed formally at that point—it's quite clear that that's not going to happen—but there will be a political agreement on the

basic parameters of that framework. So, I would imagine there will be a political declaration that will be relatively long, and it will set out the key parameters on trade, on co-operation in the field of security, on different types of trade, of course: agricultural products, industrial products, fisheries, all of these things—the key issues, really, that need to be determined. But, again, it means that the future relationship will not have been negotiated at that point in time, and it will be negotiated after Brexit day on 29 March 2019, 11 p.m. UK time.

[20] Now, on 15 December, the European Council agreed that sufficient progress had been made for everyone to move on to the next phase of the withdrawal negotiations. That means there will be new negotiating guidelines adopted by the EU. The negotiating guidelines are interesting in that they are not strictly legal documents, but they tell you what the EU compromise on specific issues is. If you think about it from a purely practical perspective, if you've got 27 member states, the European Commission, and the European Commission will need to agree on the basics. It is very, very difficult for them to do that in the first place, and then, when they enter into negotiations, it's very, very difficult for them to actually move substantially on these negotiation guidelines. So, the negotiating guidelines are going to tell you quite a lot about what the future relationship is going to look like in all likelihood.

[21] So, this brings us to where we are today. Today, I think the EU will hopefully adopt new negotiating guidelines on the transition, and this is the next issue. We're not going to move from membership to the future relations overnight. It has transpired that this is not a possibility in practical terms. So, there will be a transitional period, or, as the UK Government calls it, an 'implementation period'. This difference in the language tells you quite a lot about the different viewpoints as to what this period is supposed to do. From a UK Government perspective, it means it's just an implementation of the future relationship, which has already been agreed, so everyone can get ready. That includes Government bodies that will need to get customs procedures in place and train new staff, have an infrastructure in place, and also for immigration purposes. So, it means that, from a UK Government perspective, the expectation is still that we will know what the future relationship will be.

12:15

[22] The EU side is a lot more cautious. They think that the future

relationship will really be negotiated during that transition period. The transition period will be agreed on the basis of article 50; that is the intention of the EU. That is important, and I think one of the main messages I've tried to convey with my report that I wrote for the Scottish Parliament was that it's really important to look at the EU's competences in this regard. The EU only has the competences that the member states have given it, and that means there are practical constraints in what the EU is willing to do or able to do at certain points in time. Article 50 is the competence for the EU to agree the withdrawal agreement, and the competences are important because different types of competencies come with different types of procedures in practice. So, the article 50 agreement can be agreed by the EU with a qualified majority in the council. That means not every member state can block the agreement at the end. They would need to group together, and that is not going to happen, I'm pretty sure. That, of course, makes it an easy procedure, relatively speaking, to get through.

[23] You also need the European Parliament, which shouldn't be underestimated in all of this, but if you have them on board, it means that you can't have an eleventh-hour member state coming along and saying, 'Well, actually, we're not going to agree; we don't like this; pay us x amount of money to get our vote on this.' So, the EU was very keen to do this on the basis of article 50, but that limits what the EU can do. It has to be time limited, it's quite clear; it cannot morph into a future relationship. So, there has to be a limit to what can happen. That suits the UK Government well in political terms. The UK Government doesn't want to create an impression that this is going to last forever.

[24] So, we're going to agree this transition, and the transition, in practice—. I mean, if you look at the guidelines that will be adopted today—they were leaked, I think, on Friday to Channel 4, so they're out there. I mean, they're probably not going to change very much anyway—it'll be a status quo transition. So, what's going to happen, presumably, is that we're going to have the UK leave the EU officially on 29 March 2019 at 11 p.m.. However, the UK will still be bound by all EU rules and policies for the foreseeable future—for the length of time that the transition agreement will last, around about two years. That seems to be the idea at the moment. This means the UK will still be, presumably, in the common agricultural policy, it probably still means the UK will be in the common fisheries policy, it definitely means the UK will have to agree to all four freedoms of the internal market, including free movement of people, it means the UK will stay in EU funding programmes—Horizon 2020, Erasmus and all of that stuff—but it

also means the UK will not be part of the EU institutions and will no longer participate in the decision-making processes. So, that's the bare bones of the transition agreement.

[25] What do we need to look out for? There are two things, really, that are going to be problematic. One is: will there be an opportunity to extend the transition period? Some people say even those two years are too short. The EU is currently offering 31 December 2020: that's even less than two years. That seems to be very, very ambitious to negotiate a future relationship that is supposed to be comprehensive. So, will there be a provision that says, 'Well, in certain circumstances, this can be extended'? Whether there is such provision or not, it still means we will be negotiating against the clock again, which is difficult. It's not something that normally happens in trade negotiations. Normally, you can just say, 'Well, we'll negotiate until we've got an agreement, and for the time being, we're going to keep our current relations intact.' In this instance it is different; the relations will change if the negotiating time runs out, so it's important.

[26] The other one to watch out for is what happens to the EU's trade agreements with third countries. The EU has those 50 plus free trade agreements, but there are a couple of hundred other smaller sectoral trade agreements on all sorts of stuff—you know better than I. The UK will, from a strictly legal perspective, not be automatically covered by these after it has left the EU on 29 March 2019. The UK cannot agree just with the EU that it will continue to be covered because those third countries might want a say on this matter. So, it is very important that the UK, if it still wants to be covered by these trade agreements, will try to get this sorted with those other countries, especially with the important ones at least—that they agree that the UK is still covered by these free trade agreements. Otherwise, there will be a change in the relationship for traders, say exporting to South Korea or to Canada and so on.

[27] Thirdly, briefly, will the UK be able to negotiate new trade agreements during the transitional period? If you look at the leaked document, it seems that that will be the case. The EU just doesn't want the UK to commit to them in a way that they enter into force during the transition agreement, which would run counter to any EU obligations under the current EU rules, but at least negotiations and probably the conclusion of those agreements, with a view of them entering into force in the future, will be possible. That is the upside.

[28] Now, what's going to happen in the future? 'Who knows?' is the answer, but we can maybe read a little bit into the Prime Minister's Florence speech. She sets out two pillars that she would like to see covered by a future relationship: an economic partnership, which means trade; and a security partnership. So, they're the two pillars that the UK Government seems to think are very, very important. I think, from an EU perspective, it would probably be a similar ambition.

[29] Now, there are all these models that you've all heard of—the Norway model, the Canada model and so on and so on. I don't want to go into the details of them at this point, but really there is the option of rejoining the European Free Trade Association and the European Economic Area—that would be the Norway model—to stay in the single market. That's probably not a very popular choice with the UK Government at the moment because it would involve free movement of people. The second option at the other extreme would be the World Trade Organization option, which nobody really wants, so the second real option would be the Canada-type agreement, a free trade agreement covering goods, and possibly services to whatever extent, which is difficult to tell—very difficult to tell. There is no precedent for a comprehensive agreement on services between the EU and a third country.

[30] And there's an in-between thing, which would be an association agreement. Association agreements are difficult to capture because every association agreement is different from the next one, but what differentiates them from a free trade agreement is that they have an institutional framework attached to them. So, they have an association council, and the association council can adopt decisions, and these decisions become binding. So, there's kind of a law-making body involved in an association agreement. That means that the agreement can in effect be changed by internal mechanisms and can be adapted and updated without having to go through the whole ratification process. That is what the EU has with Turkey and has had since 1960, I believe. There are very, very complex rules, especially about visas and family unification and all of these issues. There's also one with Ukraine, which is a more up-to-date one. That might be an in-between solution that would allow the UK to take part in certain policy areas and be relatively aligned and opt out of others. However, there is the problem that, if you agree to that, or if the UK agrees to that, it will lose, to a certain extent, the ability to make rules autonomously. There will have to be some alignment of rules, and these rules are not negotiated on an eye-to-eye basis; you take and accept the EU acquis on financial services and you

get access to the market. If you don't, you don't. So, that seems to be the key message when it comes to association agreements.

[31] So, what issues do we need to be aware of? Just five, to wrap up. The first is EU competence, again. As a rule of thumb, the more comprehensive any agreement is, the more cumbersome the procedure at EU level becomes. So, you can have a very basic free trade agreement. They can conclude that at the EU level with a qualified majority of the member states. That's ideal if you want to avoid giving any concessions to specific or special interests of member states. However, the more comprehensive it becomes, especially if you include services or foreign direct investment, you need unanimity. So, all member states have to agree. Not only that, if it contains a strong dispute settlement mechanism, or indeed if we add a security component into it, we'll probably need what is called a mixed agreement. That is an agreement that not only the EU is a party to, but all member states. 'All member states' means that every single member state has to ratify the agreement according to its own constitutional rules, which differ wildly. You've got countries like Belgium, where this means that six regional parliaments have to say 'yes' to this agreement. Some people have totted it up, and it amounts to something like 38 parliaments in the EU having to agree. Now, whether that will be the case or not depends on the precise content of the agreement, but that is the extreme scenario on the other end in terms of difficult procedures. So, mind that; it's going to be interesting.

[32] The EU has also formulated certain red lines. In every document that you read, from the very beginning they always say there has to be no cherry-picking—'We cannot allow cherry-picking'—which means that the internal market is indivisible. If there is full access to the market and services and goods and capital, there has to be a free movement component as well, which, of course, makes it difficult for the UK. But, again—. You know, there's one thing—people are saying things and so on, and so on. So, semantics can tidy over a lot of these cracks, I think, in the end, but that is something to look out for.

[33] Services is another one—access to the market and services. Well, okay, the EU could grant that to the UK and could say, 'Okay, we're going to mutually recognise financial services institutions. If a bank has a licence in the UK, we will give it full access to the EU services market, and in banking, whatever banks do, and vice versa'. However, the EU has concluded these free trade agreements with Canada and South Korea, and they all contain a clause saying that if you grant this kind of access to a third country—that

would be the UK—you have to give it to us as well. So, if it was granted to the UK, they'd have to open up their market in the same way, unilaterally, to South Korea, Canada and so on. So, that is something that's not going to be an easy one to overcome. These clauses are not formulated in a very straightforward manner. There are ifs and buts, but it takes some ingenuity to get around them. Now, that's what we have lawyers for, of course, but we have to be aware of it.

[34] Fourth, what about customs? The EEA—even the Norway model—would not mean that the UK would be in the customs union, or in a customs union with the EU. That would have to be negotiated separately and, of course, being in a customs union reduces the ability to negotiate free trade agreements. It doesn't exclude the ability to do so, but what you cannot do is you cannot agree on different customs tariffs with third countries. If you're in the EU customs union and the customs tariff on the import of cars is 10 per cent, you can't negotiate that away with a country that the EU doesn't have a free trade agreement with. What you can still do is you can still talk about non-tariff barriers with these countries, about product standards, safety standards and that kind of stuff, and you can, of course, talk about services, because there's no really meaningful free trade agreement that the EU has in terms of services, and also they have nothing to do with customs duties.

[35] Fifthly, these models that we always talk about: they're all trade models. They tell us nothing about other forms of co-operation in research, security, fisheries, indeed, and so on and so on and so on. They tell us very little about that. These are all add-ons. The fisheries agreement with Norway or with Iceland is an add-on to the EEA. It's not an integral part of it. So, all of that would still need to be negotiated separately, and that will take time. So, a two-year transition period is ambitious in that regard.

[36] That is everything from me. Thank you very much. [*Applause.*]

[37] **Jane Hutt:** Well, thank you very much, Tobias. That really sets us off, I think, and sets the scene. I don't know—I hope you're going to be able to stay with us, Tobias, this afternoon. I think we'll now adjourn for our lunch, which is next door, and come back at 1 o'clock and get on with the formal part of the meeting. Thank you.

*Gohiriwyd y cyfarfod rhwng 12:29 ac 13:04.
The meeting adjourned between 12:29 and 13:04.*

Ein Perthynas â'r UE yn y Dyfodol: Blaenoriaethau i Gymru
Our Future Relationship with the EU: Priorities for Wales

[38] **Jane Hutt:** We're now moving into the more formal part of our meeting today of the External Affairs and Additional Legislation Committee. So, can I again welcome you to the meeting? The meeting is bilingual, so headphones can be used for simultaneous translation from Welsh to English, if required. Of course, I don't have to say this, I'm sure, but turn off your mobile phones and any other electronic equipment that could interfere with the translating equipment. We'll let people know that, in the event of a fire alarm, directions from the ushers should be followed. Again, just to remind delegates that a verbatim transcript will be taken and we'll send it to you to check before it's published.

[39] So, we're moving on to the next formal session, but can I say it was good to just chat to a few people over lunch? And, Tobias, you really set the scene for us today, and I think we've scooped up all the copies of your paper, but I know we can access it on the Scottish Parliament website as well. Thank you. I think a lot will be asking you questions and wanting to follow up your points. An excellent start to the afternoon.

[40] But, we're now moving on to the next part of the session until about 2.30 p.m., when we'll have a break for a cup of tea and a comfort break. I want to just remind you, it would be very helpful, although I can see all your names, if you could, when you speak, just give your name and organisation before you start to make your contribution. Obviously, we want to try and get as many contributions in as possible—that's timely contributions—but we will make sure that everyone has their say if you haven't managed to get in before the end of the day. So, we'll give ourselves reasonable time to get those viewpoints in. I know that, probably, some of the contributions will be questions, but that's fine, we'll be taking those back as well as the comments that you have to make, and if we can respond to any of those points, we will do, particularly in the wash-up session. So, can I just have a volunteer to start, to ask a question or make a comment on our future relationship with the EU, priorities for Wales? Someone brave can start—Keith, if you could just introduce yourself.

[41] **Mr Jones:** I'm Keith Jones, I'm director of the Institution of Civil Engineers in Wales and I'd like to talk about the construction sector, clearly, of course. It contributes some £8 billion to the Welsh economy per annum, so it's a really important thing. We need to build a prosperous Wales and

secure investment for the future. Wales, I'm sure that we all know, has been a net recipient of income, but we need to continue to invest in the infrastructure of society.

[42] One thing we're particularly concerned about is a seat at the table for future codes and standards. We have a seat now and we take part in the way that the rules change, and we need to be able to maintain that, not just if we wish to continue to work in Europe; we have to be able to influence the way that Europe participates—that's the first thing. But, it's not just the codes and standards, it's our platforms—BIM, building information modelling, and those kinds of things. It affects the construction sector quite largely. Thank you.

[43] **Jane Hutt:** Thank you very much. For the £8 billion pound construction sector, there are particularly issues around codes and standards and the workforce. Thank you, Keith. More contributions—Catriona.

[44] **Ms Williams:** Yes. Catriona Williams from Children in Wales, and I suppose, the voluntary sector, also. I think, for our members, there are two key issues to take forward in the future, and for one of which, there may be opportunities for Wales, and that is the fact that nobody really is talking about the social charter—the charter of fundamental rights. We're not happy with the way that the UK Government has had a look at each right under the charter, right by right, as opposed to looking at what the gaps are, and how other international conventions haven't been included and so forth.

[45] In the children's sector, and I guess there may be other sectors linked to rights, we would like to see what we're going to do in the future in Wales, which could actually have some leading edge initiatives. So, clearly, there's got to be working across Europe on major issues like safeguarding children and unaccompanied minors—there's a whole range of issues that we could itemise. But, fundamentally, I think we have to challenge what the UK Government is saying about the fact that no rights are going to be lost. So, that's one big issue, I could elaborate on it later.

[46] The other one is critical around the way in which the structural funds have supported an awful lot of our work in the third sector across Wales. I think the future is, actually, how the UK Government is going to work with Wales—a major issue—and do we want the UK Government to be, if it replaces it, deciding what it replaces the funding pot—what the criteria are for that and what the monitoring and evaluation of that sort of work is? So,

the whole funding, the sort of unintended consequences of getting rid of these various pots of money, and I'm not sure we know exactly in Wales what is going to be lost, because people are quite nervous about working out the impact for them and their staff, because they want to keep staff. I think the UK Government has got to really commit to—. Sorry, Jane, are you—?

[47] **Jane Hutt:** Yes, it was me. I'm just pointing to Jenny Rathbone to come and sit in the—.

[48] **Jenny Rathbone:** I'll join you in a minute.

[49] **Ms Williams:** That's okay, Jenny. Sorry. So, I think it's the effective replacement of what we've got in Wales at the moment, but the processes by which that's decided upon and how it's actually monitored and evaluated.

[50] **Jane Hutt:** Well, that's very helpful, Catriona, and there may be others who will follow on with points from that, but, also, you've touched on a couple of key issues that we're concerned about in the committee, and which we, in fact, are taking forward in terms of future inquiries, particularly issues around equality and the charter of rights, but also the funding scenarios ahead of us. But I think it's very important that you've raised the whole issue of children, children's rights, as well. So, thank you. Behind you, yes.

[51] **Mr Thomas:** Thank you. Huw Thomas, National Farmers Union Cymru, just representing farmer members—our farmer members then. I think the most important issues for them, really, are access to the EU markets, going forward, and for that access to be free from tariff and non-tariff barriers, as well. I think we've heard a lot about tariff barriers, but, I think, we're increasingly looking at non-tariff barriers as a big threat to our exports as well. As Catriona said, as well, funding, making sure that Wales doesn't lose out on any funding after Brexit. I think we're about 5 per cent of the UK population in Wales, but we get about 10 per cent of the EU funds that come to the UK, so there's clearly a big void to fill there, potentially, after Brexit, and ensuring that those promises made about Wales not losing out are held to.

[52] **Jane Hutt:** Thank you, Huw. It may be also useful to hear from other representatives today, but Vanessa, do you want to come in here—Natasha, sorry.

[53] **Ms Davies:** Yes, Natasha Davies from Chwarae Teg. I just wanted to

build on some of the points that Catriona was making, actually. From our perspective, really, the issue of rights and equalities is massively important. I think there is a risk that that issue gets overshadowed by some of the discussion of some of the large themes that, obviously, are massively important as well, but I think it does sometimes get overlooked. From our perspective, it's about making sure that there's no roll-back from where we've managed to get to, and we'd be much more confident if there'd been some legislative steps at the UK level to make sure we weren't going to roll back, rather than just relying on assurances from the current Government, but also ensuring that there's still a focus on moving forward and advancing. I think there's a concern that, once we've left, as the EU continues to move forward in terms of passing legislation and regulations that help to advance equality, we might fall behind.

[54] On the subject of funding as well, obviously, that's a massive concern for us. I think there's concern that we haven't heard much information yet about what a shared prosperity fund might look like, whether or not it will be redistributive, as structural funds have been, and whether or not it will have those cross-cutting themes of tackling poverty and inequality that the structural funding has done, which has meant that a lot of programmes, even if they're not focused specifically on dealing with issues of inequality or tackling poverty, they are there, and they are working towards that ultimate goal.

[55] **Jane Hutt:** Thank you, Natasha. Chwarae Teg—fair play, of course, expanding the role of women in the workforce, and if I could say, a very successful Agile Nation EU-funded project, which has seen—. It actually does deal with skills as well as equality. Those are key issues you've raised for everyone here in terms of: do we get left behind if the EU moves forward in terms of progressive legislation and the shared prosperity fund? Well, we're asking that question, too. So, perhaps if we go back to Glyn or Alan—.

13:15

[56] **Mr Roberts:** Can I use the translation, please?

[57] **Jane Hutt:** Yes.

[58] **Mr Roberts:** Buaswn i'n licio **Mr Roberts:** I'd like to endorse what ategu beth yr oedd Huw yn ei Huw said. It's vitally important that ddweud. Mae'n hanfodol ein bod ni'n we do receive unfettered access to

cael cytundeb dilyffethair i fedru masnachu efo Ewrop, am y rheswm mae 30 y cant o ŵyn Cymru, er enghraifft, yn cael ei allforio i Ewrop, ac, os gollwn ni'r farchnad yna, mae'n mynd i gael effaith mawr ar y diwydiant amaeth.

[59] Mae yna sôn wedi bod y bore yma am y cyfnod trosglwyddo, ac mae yna gwestiwn yn codi o fewn y cyfnod trosglwyddo, 'A ydy dwy flynedd yn ddigon o amser i gael y cytundebau mewn lle?' Buaswn i'n dadlau yn gryf bod yn rhaid i'r cyfnod trosglwyddo bara cyn hired â bo angen i gael y cytundebau hyn. Nid yw rhoi amser—nid yw hynny y peth pwysicaf, ond cael y cytundebau cywir sy'n bwysig. Hefyd, o fewn yr holl gymhlethdodau sydd gyda chi yn y pecyn amaeth cyffredin, mae'n bwysig rŵan ein bod ni yn gwneud yn siŵr bod yr arian, fel y mae wedi'i wneud yn hanesyddol, yn llifo nôl i Gymru.

[60] Un peth y buaswn i'n licio ei godi fanna hefyd ydy—mae sôn wedi bod y bore yma hefyd yn yr araith ddiddorol a da a gawsom ni am fframweithiau, a chyn belled ag yr ydym ni fel undeb yn y cwestiwn, buasem ni'n hoffi gweld fframwaith Prydeinig, ond nad oes yna lawer o wybodaeth a manylion am sut mae'r fframwaith Prydeinig yn mynd i weithio a beth ydy'r cyfansoddiad cywir o fewn y fframweithiau yma. Rydw i'n teimlo bod yn rhaid, rŵan,

the market, because 30 per cent of Welsh lamb, for example, is exported to Europe, and so if we lose that particular market then it's going to have a huge effect on agriculture.

There's been mention made this morning about the transition period and there's a question that arises during that transition period of whether two years is sufficient to have those agreements in place. I'd argue strongly that the transition period will have to last as long as it needs to last to get those agreements in place. I think that setting a time limit isn't the most important thing, but it's about having those right agreements in place. Also, within all of the complexity that you have in the common agricultural policy package, it's important that we do ensure that the funding, as it has done historically, does flow back to Wales.

One thing I'd like to raise is that mention has also been made this morning in the very interesting speech that we had about frameworks, and, as far as we as a union are concerned, we'd like to see a British framework, but there isn't a great deal of information and detail about how the British framework is going to work and what the right constitution within the frameworks would be. I think that now we have to work out what the framework is and

inni weithio allan beth ydy'r what that constitution is in order to cyfansoddiad i greu'r fframweithiau create these frameworks. yma.

[61] **Jane Hutt:** Diolch yn fawr, Glyn. One of the things the committee's been doing has been scrutinising the Cabinet Secretary for Finance and, indeed, we had one committee session when the Secretary of State for Wales, Alun Cairns, also attended, and the issue about frameworks was particularly on the agenda, because we—. We know that there has been engagement, certainly in terms of the Cabinet Secretary attending the Joint Ministerial Committees on leaving the European Union and very much working in partnership or collaboration with the Scottish Government, so Tobias will be aware, of course, Mike Russell and Mark Drakeford particularly are liaising on these issues in terms of where we go.

[62] What would be interesting, perhaps, to know, is if any of you have been engaged or if your opinions have been sought in terms of developing these frameworks from a Welsh perspective, because we were assured by the Welsh Secretary that there was going to be stakeholder engagement, and it's helpful to know whether you have been engaged. So, I don't know, Alan—do you want to say something?

[63] **Mr Davies:** Most certainly. I've been engaged with what the Secretary of State calls his expert implementation panel, and we have, I think, the sixth meeting coming up this week. Their approach has been to look at the 64 areas of competence where there is potential for the creation of frameworks where, when powers are repatriated to the UK and become UK-retained law, whether or not those powers that, having been devolved, should then be retained at a UK level or dealt with in frameworks or agreements or whatever. So, I think there's some good progress. Whether it's the right approach, whether, in terms of spirit, they are approaching it with one of discussion and agreement rather than enforcement, I'm yet to be convinced.

[64] **Jane Hutt:** Right. Thank you, Alan. I think, just going back to the other points that Huw and Glyn have made, obviously, we have sought and talked about the need for unfettered access to the single market, which is crucial, and I think you're both engaged in some of the policy networks with Lesley Griffiths as well, but that's important. Other views? Right, okay. Nesta.

[65] **Ms Lloyd Jones:** I'm Nesta Lloyd Jones from the Welsh NHS Confederation. We support the seven health boards and the three trusts in

Wales. We are part of two UK-wide coalitions—the Cavendish Coalition, which deals with workforce, and I know that other health representatives here are part of that, and also the Brexit Health Alliance, looking at the wider implications for healthcare. I won't go into a significant amount of detail, but the clear thing is that Brexit will impact on all parts of the health and care system. So, in regard to workforce, in Wales we've got roughly 1,300 EU citizens working in the NHS, and, while that is relatively small, we are talking about very highly-skilled people that, if they left—such as medics; I think it's about between 6 per cent and 7 per cent of the medics—will cause huge issues when it comes to retention. And there have been significant recruitment campaigns around 'Train. Work. Live', looking at nursing and other professionals coming to work in Wales.

[66] The other areas that aren't probably as well-known are things like employment rights and employment directives, around health technologies and innovation, Horizon 2020, clinical trials—at the moment, we're part of large clinical trials across Europe—and public health. So, again, if there's a public health outbreak across Europe, we are part of those discussions and trying to mitigate the impact of that. And also things like food standards, cross-border healthcare—so, when we all travel to Europe, there's free healthcare at the moment. So, that's just a canter across. And I think, from speaking to other colleagues here today, there are so many areas of health and care that it would be very useful that the healthcare sector could all come together and work together, because we're all aware of different details and different implications. So, that is something that we may be coming to you or the health committee on in the future.

[67] **Jane Hutt:** I think I will take another health representative before I—. Don't worry; I'm then going to ask Eluned Haf, and Ben, following you. So, can, Stephen, you say a few words?

[68] **Dr Monaghan:** I'm Steve Monaghan. I'm representing the British Medical Association and, yes, I back up what Nesta's mentioned there. I'll pick out a couple of points, though, and there are a number of others, especially under public health, that will come up under the subsequent session after the break. But, anyway, at the moment, to take the NHS, I think people assume, because healthcare isn't an EU competence, that it's untouched in theory. In practice, it's among the most affected. So, some examples: about 15 per cent of doctors in the UK are EU nationals—less in Wales, as we've heard. The BMA has surveyed those doctors and about 85 per cent of them are making plans or thinking about leaving. Most of them

are actually thinking about going to other English language-speaking countries, rather than necessarily going back to the member states that they're a national of—so, just anecdotally, two German GPs that are friends of a friend, one has already gone to New Zealand and one's gone to Australia. So, they seem to be mainly targeting Australia, New Zealand, the United States and Canada. So, there's also—. Although in Wales we are less dependent than the UK as a whole—only about 6 per cent or 7 per cent of doctors in Wales are EU nationals—there is a concern that, should there be large gaps left in England by departures, there will be a re-assortment of doctors within the UK, so UK national doctors—the majority, the other 85 per cent—may re-assort, and that may be particularly an issue, as the private sector is growing so fast now in healthcare, in England in particular, especially in London. So, that's on labour, NHS labour if you like, and obviously there are similar issues, although less so in proportion, I think, for nurses, though I'll let others speak, but care workers even more so, is my understanding.

[69] Then, on the patient side, one thing that hasn't been particularly picked up, I don't think, is that, in the phase 1 agreement, in theory, those UK nationals who live in member states—other member states—are covered, in terms of healthcare provision and citizens' rights, to stay in those states. There is a problem, however, that many of the—and they're largely pensioners, the UK nationals who are abroad—. But to take, for instance, the 300,000 or so who are in Spain, a large proportion of them are actually living there resident, in fact, but are relying on the European health insurance card scheme, and have actually signed papers each year to say that they're not resident, because they then don't have to pay local taxes. What they should, in theory, be doing is paying the local taxes, resident, and covered by the S1 insurance scheme, a separate process. So, there is a concern that quite a lot of pensioners may find that, unless they now register as resident and start paying local taxes, their alternative is to come back to the UK and rely on the NHS, which, in theory, some of them may not qualify for if they've been outside the UK for a while. But, in practice, that's an issue. Now, what proportion of those people would come to Wales is difficult to know, or where they originally came from. I don't know if anyone's got that information.

[70] Then, the last one, just on the determinants of health in general, and, for that matter, health inequalities, the EU funding, so, structural funds, et cetera, have been pretty important in terms of supporting initiatives in Wales to close inequalities in health, so it will be very regrettable, with Wales in

particular being such a net recipient of EU funding, for us to lose that funding.

[71] **Jane Hutt:** Thank you very much, Steve. I think an outcome could be that we try and get the health sector together. There's been very valuable intelligence already. I know there'll be more to come, but I'll just quickly move on to Eluned. Where are you? I've lost you. Ah, there. Right.

[72] **Ms Haf:** Prynhawn da. Mi **Ms Haf:** Good afternoon. I will start ddechreuaf siarad yn Gymraeg— by speaking in Welsh—[*Inaudible.*] [*Anghlywadwy.*]

[73] Eluned ydw i, pennaeth Celfyddydau Rhyngwladol Cymru yng Nghyngor Celfyddydau Cymru. Rydym ni'n gweithio mewn partneriaeth efo'r British Council, ac yn rhyngwladol yn Ewrop ac yn ehangach. Rydym ni wedi bod yn gwneud lot o waith dros y flwyddyn a hanner diwethaf, oherwydd mae cynifer o'n cwmnïau cenedlaethol ac artistiaid unigol, a'r sector yn ehangach, yn dibynnu ac yn edrych ar yr Undeb Ewropeaidd fel ein gardd gefn ni, os hoffech chi, lle mae pawb wedi ei gymryd e efallai'n ganiataol. Ac yn y cyd-destun datganoli yng Nghymru, ac yn y Deyrnas Unedig yn ehangach, rydym yn aml yn gorfod atgoffa pobl ar hyn o bryd bod pedwar polisi diwylliant gwahanol iawn wedi datblygu ar hyd y Deyrnas Unedig, sydd yn golygu pan fo'r trafodaethau'n digwydd rŵan, nid yn unig ein bod ni weithiau'n gallu teimlo wedi'n symud un o'r canol, ond, yn aml, ddwywaith o'r canol, oherwydd mae'n sector eang, mae'n sector bwysig.

Hi, my name's Eluned, I'm head of Wales Arts International, which is part of the Arts Council of Wales. We work in partnership with the British Council, and internationally in Europe and wider. We have been doing a lot of work over the past year and a half because so many of our national companies and individual artists, and the wider sector, are reliant and look at the European Union as our back garden, as it were, and we've taken it for granted perhaps. And in the context of devolution in Wales, and in the UK on a wider level, we often have to remind people that four very different cultural policies have developed across the UK, so that, when negotiations are ongoing now, we not only feel that we have moved one from the middle, but maybe twice removed from the middle, because it's a wide-ranging sector, and an important sector.

[74] Jest i rhannu rhai ffigurau gyda chi, mae £91.8 biliwn o economi Prydain, sydd erbyn hyn bron yn 7 y cant o GVA yr economi yn y wlad yma, sydd yn cyflogi dros 2 filiwn o bobl, yn dod o'r sector yma. Rydym ni hefyd yn siarad amdan y ffaith bod £35.9 biliwn o allforion mewn gwasanaethau *goods and services* yn 2015 wedi dod o'r sector yma.

13:30

[75] Pan rydym ni'n trafod gwasanaethau yn arbennig, yn clywed beth roedd Tobias yn ei ddweud yn gynharach, mae 9.4 y cant o allforion Prydain mewn gwasanaethau yn dod o'r diwydiannau creadigol. Nid jest yr economi ydy o. Rydym ni hefyd yn poeni'n ddybryd am yr effaith ar ddinasyddiaeth ac ar bobl, achos mae ein sector ni yn sector sydd yn cysylltu efo cymunedau yn ogystal â chysylltu efo'r economi yn ehangach.

[76] Yn aml, mae'r sector yn cael ei weld fel rhywbeth sydd yn ddymunol yn hytrach na rhywbeth sydd yn ganolog. Fel rydym ni yng Nghymru yn datblygu ein perthynas efo'r byd yn ehangach, ond hefyd efo'n cymunedau, yn arbennig drwy'r *future generations Act*—sori, nid ydw i'n gwybod yr enw Cymraeg—ein bod ni'n edrych ar beth sydd gennym ni i'w gynnig o ran ble mae cyfleoedd i'n cymunedau ni i sicrhau bod pob cymuned yng Nghymru yn cael bod yn rhan o'r byd mawr ehangach—.

Rwy'n meddwl bod hynny'n rhywbeth sydd wedi bod, efallai, yn rhywbeth nad ydym wedi bod yn canolbwyntio arno fo yn y gorffennol.

[77] O ran y *future generations Act*, Cymru ydy'r wlad gyntaf sydd wedi gwneud diwylliant yn bedwerydd piler. Mae hynny'n golygu bod pob corff cyhoeddus rwan yn gorfod ystyried beth ydy effaith y penderfyniadau y maen nhw'n eu gwneud ar ddiwylliant. Efallai nad yw hyn yn swinio'n rhywbeth pwysig ar hyn o bryd, ond fel rydym ni'n edrych i'r byd ehangach a sut rydym ni'n datblygu perthnasoedd i'r dyfodol, rwy'n meddwl ei fod o'n bwysig iawn. Byddai hynny'n gallu bod yn rhywbeth defnyddiol i edrych ar ddatblygu perthynas efo Ewrop hefyd.

In terms of the future generations Act, Wales is the first country to make culture its fourth pillar, and that means that all public bodies have to consider the impact of their decisions on culture. Perhaps that isn't something that sounds important at the moment, but as we look to the wider world and how we develop links for the future, I think it will be very important and that could be something useful to look at in terms of developing a relationship with Europe as well.

[78] Yn ein sector ni, mae symudedd pobl yn gyfan gwbl ganolog. O'n cerddorfeydd ni i artistiaid unigol—nid oes yna ddim sector creadigol heb fod symudedd pobl yna—symudedd pobl a symudedd gwasanaethau. Mae yna gymaint o agweddau i beth sydd yn mynd ymlaen ar hyn o bryd, mae'n anodd gwybod ble i ddechrau a ble i orffen. Bues i'n rhan o drafodaeth ym mhwyllgor diwylliant Senedd Ewrop yn ôl ym mis Mehefin diwethaf. Mae'r araith roeddwn i wedi'i gwneud ar gael ar ein gwefan ni. Rwy'n hapus ei rannu fo efo pobl er mwyn rhoi ychydig bach yn fwy o fanylion ond hefyd i jest dynnu sylw pobl at y

In our sector, people's mobility is very central. From our orchestras to individual artists—there are no parts of the sector that aren't affected by that in terms of the mobility of people and the mobility of services. There are so many aspects of what's going on at present, it's difficult to know where to start and where to finish. I was part of a discussion as part of the European Parliament's culture committee last June. The speech that I gave is on our website and I'm happy to share the speech to give you a little bit more detail but also just to draw people's attention to the Creative Industries Federation and the work they've been doing. A

Creative Industries Federation a'r gwaith maen nhw wedi'i wneud. Mae yna adroddiad wedi dod allan ddydd Gwener, 'Global Trade Report'—mae'n un hynod bwysig sydd efo awgrymiadau ar sut y gall y sector symud ymlaen.

report was published on Friday, the 'Global Trade Report'—it is very important and it has some suggestions on how the sector could move on.

[79] Os gallaf i jest bigo fyny ar rai o'r pwyntiau terfynol oedd yn cael eu gwneud yn gynharach gan Alan Davies—. Nid ydym ni wedi bod yn rhan o unrhyw fframwaith swyddogol. Rydym ni'n gorfod jest mynd a chnocio drysau. Hefyd, yn aml iawn oherwydd bod y trafodaethau'n mynd ymlaen yn Llundain, ac mae yna gyngor celfyddydau gwahanol yn Lloegr, ac yn yr Alban, Creative Scotland, nid ydym ni'n dod at ein gilydd i drafod hyn fel sector. O beth rydw i'n ei wybod, ychydig iawn sydd wedi bod heblaw am beth mae'r Creative Industries Federation wedi ei wneud. Nid oes gymaint o aelodaeth yng Nghymru o'r Creative Industries Federation, a fyddai'n rhywbeth y byddwn i'n hoffi ei weld. Mae'r ddyletswydd arnom ni, rwy'n meddwl, i fod yn dechrau meddwl sut rydym ni, o fewn cyd-destun Prydeinig, yn dechrau trafod maes sydd wedi'i ddatganoli sydd efo effaith hirdymor ar y sectorau i gyd. Os edrychwch chi ar yr *European single digital market*, mae Prydain wedi bod yn rhan ganolog o sut mae hynny wedi datblygu. Mae hynny'n blatfform fydd yn cefnogi iechyd, amaeth, popeth i'r dyfodol. Os nad

Just to pick up on a few points that were made earlier by Alan Davies—. We haven't been part of any official framework. We just have to go and knock on doors. Very often, because the negotiations are going on in London, and there's a different arts council in England, and Creative Scotland in Scotland, we don't come together to discuss this as a sector. From what I know, not a lot has been done apart from what the Creative Industries Federation has been doing. The membership of the Creative Industries Federation is quite low, but that's something that I would like to see. The duty is on us to start to think about how we within a British context start to discuss an area that is devolved, which has such a long-term impact on all the sectors. If you look at the European single digital market, Britain has been a central part of how that has developed. That is something that is a platform that will support health, agriculture, everything towards the future. If we can't keep a hold of how we use the technology and be part of that market, then it will undermine the wider economy too. So, there are great concerns but perhaps there are opportunities for the relationship in

ydym ni'n gallu cadw y ffurf ar sut the future.
 rydym ni'n defnyddio'r dechnoleg a
 bod yn rhan o'r farchnad honno,
 bydd o'n taseilio'r economi yn
 ehangach hefyd. So, gofidion mawr—
 ond efallai cyfleoedd i'r berthynas i'r
 dyfodol.

[80] **Jane Hutt:** Diolch yn fawr, Eluned. That's very valuable. Maybe we could have the link to your speech. There are hands going up. I'll make sure everyone has their say. I'll bring you back, Alan, in a minute. Ben Cottam was the next in line, then Rachel Bowen, then Mary, then Alan, Carol, and we'll get the other names. Ben, do you want to—?

[81] **Mr Cottam:** Thank you very much. I'm Ben Cottam from the Federation of Small Businesses in Wales. Just to reinforce and hopefully not duplicate too much a couple of the comments that have been made from our perspective—
 . The first is the protection of the right and the ability to recruit from EU markets. We know from our membership that this is vitally important for businesses in Wales. Around one in five of our Members have employed from within the EU and actually we found that, in the main, our members recruit to fill skills gaps in actually mid to high-level skills areas. So, far from maybe the popular perception of EU labour filling lower skills shortages, actually there are quite highly sought-after skills that my members are recruiting for, and gaps that exist in the existing market within Wales and the rest of the UK.

[82] I guess a second thing that's been referenced a couple of times is access to EU markets, which is disproportionately important in terms of exports for smaller businesses. If you can consider the EU market as almost a sort of paddling pool for exports, it's much easier to export to EU markets than it is elsewhere. Despite the efforts of Governments both in Wales and Westminster to encourage businesses to export further abroad, we do feel that the EU markets will continue to be the most important markets and, therefore, that frictionless access is really important. Another dynamic in terms of the movement of labour is the ability of those who are self-employed within Wales to move around EU markets and to contract in those markets—it's very important.

[83] And the third—again, it's been referenced a couple of times—is the importance to retain the level of funding within Wales. Clearly, it's our view

that Wales should continue to retain the level of funding that we could otherwise have expected had we remained within the EU. Clearly, the funding is applied because we have a particular level of need, and that funding is quite heavily leveraged to areas that are important to our members, such as skills, infrastructure and business support. Agile Nation is a really good example of where there are innovative programmes that are benefitting businesses, and we'd like to see that funding protected in any new arrangement, if you like.

[84] But, I guess, overall, it's the ability of businesses, whether large or small, to negotiate and to get themselves around EU markets in as frictionless a way as possible that's of absolute imperative to us.

[85] **Jane Hutt:** I think it's important, when people add, to make the case that you have and cross-reference each other, because I think that's really helpful for the record of these proceedings. So, I'm going on to Rachel Bowen.

[86] **Dr Bowen:** Ben's already made some of the points that I was going to talk about.

[87] **Jane Hutt:** Can you just introduce yourself?

[88] **Dr Bowen:** Sorry, Rachel Bowen, CollegesWales, ColegauCymru. Ben's already made some of the points that I was going to address about skills funding. Further education colleges have delivered a lot of work-based learning and lots of apprenticeships, and many of those things have been funded by European funding. We have lots of fantastic new further education college buildings that have been part-funded at least by European programmes. So, we want to make sure that that kind of investment continues in the future and that we're able to maintain skills funding, whether that's for young people or whether that's for adults who are looking to improve their basic skills.

[89] There's been some discussion about Erasmus+ and the continuation of Erasmus+. Obviously, we're very keen to see that, but there seems to have been less recognition that Erasmus+ also operates for vocational students, and that often these are different types of students. So, it isn't necessarily people studying in HE, in university, going away for a year. These are often two-week vocational placements that sometimes involve people from our most deprived communities getting their passport for the first time, learners,

potentially from Merthyr college, spending two weeks in Barcelona in catering college or in engineering factories in Germany, and it changes the lives of those young people. I think we've not seen enough focus on the vocational, further-education aspect of Erasmus+.

[90] There are also more technical queries around the European qualifications framework and the portability, recognisability and transferability of qualifications, not just in Wales. Obviously, we're undergoing some reform of qualifications in Wales, which are important, particularly in health and social care, so we need to make sure that those are re-referenced and recognised across Europe, in the same way as we need to continue to recognise qualifications from other countries in Europe so that their learners and their graduates are able to come and work here. There's a huge issue over that in the future.

[91] **Jane Hutt:** Thank you very much, Rachel. It's very important that you've brought that vocational aspect of Erasmus in today, and portability of skills and qualifications, but also that valuable experience. I'm going to Mary now. Mary, do you want to say something? Mary van den Heuval.

[92] **Ms van den Heuval:** Hi, I'm Mary van den Heuval, I'm the quality adviser for the National Education Union in Wales. I just wanted to build on what Rachel has just said. She's just ticked off some of the things I had on my list around further education colleges and skills funding, because, obviously, that's critical. But it's interesting too that twenty-first century schools money is partly funded by European money, so that's another important one to remember. Erasmus+: one of my members said that that's something that they can access as staff as well in further education, but also she said that, basically, in FE all of the things that are outside of their core functions tend to have a lot of funding from European money. So, that's really important to remember. So, if we want to do extra things, then at the moment those things are often funded through European funding.

[93] I just wanted to highlight as well, from an education perspective obviously, as a trade union, employment law is a big issue for us and it's really important. We saw during the passage of the Trade Union (Wales) Act 2017 last year that issues to do with the new reserved powers model might make it more challenging for the National Assembly to legislate in some of those areas or the Welsh Government to legislate in some of those areas. Also, interestingly, on TTIP, which was the transatlantic trade and investment partnership, and which Europe were looking into with the United States, we

had some serious concerns about what that would do in terms of employment rights and the social chapter. So, in terms of whether we're back or front of the queue for a trade deal with the US, for us it would be really important that some of our employment law is kept and prioritised in terms of some of the trade partnerships, which we're forming I think.

[94] **Jane Hutt:** Thank you very much, Mary. I just want to welcome Jenny Rathbone, who's a member of the committee and who's joined us in the back. Other Members are on their way. Can I go back to Alan who wanted to make a point? I'm sure it was responding to a point too.

[95] **Mr Davies:** It's probably bringing in a point in terms of timelines, more critical for the very short term, and that is that there is, I think, a critical need for clarity about funding support for farming. Earlier this month, Michael Gove, the Secretary of State for the Environment, Food and Rural Affairs, made it clear at the Oxford Farming Conference that farmers in England would be funded until 2024 at rates probably similar to those that are currently in existence. That concerns me right now, because we don't have similar clarity here in Wales. As a result, there's potential that we could be entering a two-stage market in the United Kingdom—not deliberately—but unless we get clarity within Wales it's difficult for farmers to invest and I don't want us to be left behind.

[96] I think Huw made the point much earlier about the importance of the so-called 9 per cent that we currently receive in terms of the support into Wales. It's not the absolute total that's important, it's because of the multiplier effect that every pound invested into agriculture rotates at £7.40 in rural economies. If we want to develop or maintain successful thriving rural economies, or see them grow, then we really have to ensure that that money is available to them. If we don't secure, somehow, an agreement that there will be no diminution from 9 per cent, there's potential that funding for agriculture will come in under the Barnett formula at a rate of about 5 per cent. That loss between 9 and 5 per cent will be worth over £1 billion to the rural economy of Wales. That's something we can't afford to lose.

[97] **Jane Hutt:** Thank you, Alan, for making that point so clearly today. This has been made at the highest levels as well by us, by Welsh Government and by yourselves. Can I now move to Carol Wardman from Cytûn, and then I've got Lisa and Lowri.

[98] **Ms Wardman:** Thank you. It's Carol Wardman, representing Cytûn

today, but I also work for the Church in Wales. As churches, we cover the whole of Wales and we have a presence in every community. So, lots and lots of what's been said already rings a lot of bells with us. We're concerned about the impact on all kinds of areas across Wales, including support to businesses and farming, and, of course, to community projects and social regeneration projects, which we've had a lot to do with.

[99] But, in particular, the issues that I'd like to pick out are that we are particularly concerned about citizens' rights and how they will work out going forward. I'm not completely convinced it's just a question of dotting i's and crossing t's. And we're particularly concerned about the rights of people who perhaps have families in other parts of the EU, either for work or because they simply live there, and what will happen to them in the long term, whether they'll be able to link up and be reunited as families in future. We're also concerned about the impact on equalities and human rights of what might happen once we leave the EU.

13:45

[100] In terms of the future, these are mostly concerns that we have, rather than, necessarily, ideas, policies or priorities, but access to educational and work opportunities for young people—we've noticed particularly that there's a level of concern about low expectations and aspirations in some parts of Wales. It was picked up by my colleague a few moments ago about the Erasmus projects also being applicable to young people in vocational qualification areas. We've realised that some of this was reflected, I think, in the Brexit vote in certain areas of Wales that appeared to have had a lot of support from the EU, yet people didn't seem to feel the benefit of that. I think we need to perhaps look at the way that funding and support are offered to these communities so that people really do feel engaged and feel that they're getting the things that they need and want, and then that they're aware of what happens as a result of that.

[101] Also, as churches, we have a lot of links across Europe and, indeed, across the world, through churches and through ecumenical bodies, and, beyond Europe, most of our denominations cover other parts of the world as well. Churches in many parts of the world are very much engaged in aid and development work, and we're very much aware that both directly through churches and through the Christian aid agencies they get support from the EU, and we'd be concerned about where that support might be coming from in future.

[102] But, we would also like to continue and build on our relationships with other parts of the world outside the EU—there are parts of Europe that are outside the EU—as well as across the rest of the international community.

[103] **Jane Hutt:** Thank you very much, Carol. I'm very aware that we're getting a lot of feedback about concerns about what's going to happen, where we are now, timelines et cetera. We also need to turn that, as much as possible, into what we should be saying that we should expect from future relationships, and I think that's beginning to emerge. We've got Lisa, Lowri and then Beth Button—so, Lisa.

[104] **Ms Turnbull:** Thank you. Lisa Turnbull from the Royal College of Nursing, a professional and trade union body that has 25,000 members in Wales, just to give the background for colleagues not from the health sector here. I just wanted to start by really echoing the call that my colleague Nesta made from the NHS Confederation. I really do feel that we need some sectoral approach, both from the Assembly and from the Welsh Government, to some of these issues. There is a huge gap, I think, really, in terms of education. I don't think I'm the only person in this position—people who've been specialists, perhaps, in a Welsh field in policy really now having to become this kind of specialist on this European issue. I think there's a real process of education here, and I'd like to thank the committee for organising days like this, because I think that is part of that educational process where we can bring issues to your attention, we can find out the situation and then we can move, as you say, towards solutions.

[105] So, I think that needs to keep going, and I do think there is some merit in also taking a sectoral approach, because at the moment all we can really do in a situation like this is, perhaps, highlight very quickly some of the priorities. So, I will do that now, and I won't spend too much time on them, but these are the issues that our members have brought to our attention. The first is the impact on inequality—the impact of potential loss of funding on programmes that have built up the infrastructure and have really tackled inequality in Wales, and I know that other colleagues have mentioned that today.

[106] The second is around the impact on migration and the potential impact on the workforce. What I would say is that we're specifically concerned about not having a proper estimation of the scope of that impact on the independent sector—the independent care home sector—particularly

in respect of care workers, rather than the registered nursing workforce, who do provide the bulk of the care out there. So, that's a really important point.

[107] There's a clear issue in terms of being able to replace some of the legal frameworks in time and how that will happen. So, that's health and safety, public health and dealing with pandemics—that's a clear issue. There's a potentially huge impact on our higher education sector that we're concerned about, in terms of research into health, in terms of breaking innovation into research and access to funding streams for our nurses working in higher education. We're concerned, potentially, about the impact on the supply of crucial equipment and medication. Again, have we really scoped that out as a risk factor in terms of our NHS? We are concerned about shared healthcare arrangements, which, again, a colleague has mentioned before, about what access citizens abroad can have to our healthcare and likewise.

[108] Finally, I would say the two other issues that are quite important are the potential future of trade agreements such as the proposed TTIP agreement, which, again, has been brought up earlier today, which was an issue of huge concern to our membership at the time and really galvanised the potential threat to healthcare under that arrangement. It really galvanised people. So, what will happen to that in the future? That we could be looking at similar types of agreements, perhaps from the UK themselves, is important. And I think, finally, what I would say—and again, I know a colleague mentioned this earlier—is the potential impact on restriction, if you like, with the various continuity Bills and amendments being discussed. Are we looking at potential restrictions on the power of the Welsh Government or the Assembly to legislate in areas that we would expect them currently to be legislating in? And if there is, that's something that we would be very concerned about, because we support the current arrangements that are in place.

[109] So, apologies for the quick run through that, but you can see the scale of some of these issues here. While we do have some information on some of those points, I think very much at this stage what we would want is to be able to actually explore some of those in greater depth when it's appropriate. So, thank you very much for that opportunity.

[110] **Jane Hutt:** That's very helpful and very thorough. Thank you, Lisa, and also for looking forward to where we take this. So, next is Lowri, please, from the WLGA.

[111] **Ms Gwilym:** Thank you, Chair. Lowri Gwilym from the Welsh Local Government Association. I just want to briefly summarise, in terms of the local government's perspective, I guess, the three overarching priority areas that are currently of major concern to us. So, in terms of legislation, policy and funding, those are the headlines. In terms of legislation, the trick, I think, for us, because of the so many unknowns, we still have to find a way of actually influencing European development. So, if we think one scenario is going to be everything being closely aligned to the current rules and regulations, we have to make sure that we actually monitor and try and lobby and influence the shape of future—current and future—legislative proposals, including, for us, in terms of what the current proposals for post-2020 European funding from the Commission are, both on the CAP and structural funds and the wider programmes. That's something we still have to try and influence. We obviously now have to influence UK development as well, so both legislation and policy funding, we have to make sure—. Coming back to the earlier discussion on frameworks, from a local government perspective, this is something we haven't succeeded in yet across the UK. We haven't been able to have access to the discussions that are starting to shape the new legislative arrangements around frameworks. For us, it's not only the 64 identified areas for devolved matters in Wales; it's some of the non-devolved things like procurement, state aid frameworks where we need to make sure we have an opportunity to input. So, as yet, we haven't had any luck in terms of trying to have sight of the work that we already know has started to happen in Whitehall and including officials from all the devolved Governments. So, that's our priority for the coming period.

[112] And I guess, in terms of funding, obviously local government at the moment benefits considerably in terms of structural funds, the rural development programme and the European territorial co-operation programmes. And it's trying again to work with both the UK and Welsh Governments on future funding arrangements. Really concerned, I guess—the key theme for us is a big concern about the lack of respect for the current devolution settlement. So, when you look at some of the funding development coming out of UK Government around the shared prosperity fund, it's looking increasingly likely that's going to be a UK fund. We'll have to compete with areas across the United Kingdom. There's talk of that being piloted in English combined authorities, and you have to have a local industrial strategy to access the funding. So, really, for Wales, that is a really big concern, because we haven't got the building blocks in place to access that funding at the moment.

[113] And then, I guess, in terms of working with Welsh Government, the key priorities for us: we're involved in the consultation on future regional investment. I'm trying to get involved in the wider work on developing the legislation. In terms of that issue and in terms of the lack of respect for devolution, we're starting to get worried about the work around the new regulatory requirement when powers come back to the UK from the European Union. So, for example, are we going to see a going backwards and have a UK environment agency, for example, or a UK food standards agency? You know, these are things that—really, we need to constantly Welsh-proof everything that's coming out of Whitehall at the moment and it's a big challenge. So, we are working more and more with local government colleagues from England, Scotland and Northern Ireland in trying to influence development more and more in Whitehall, but still very concerned about the lack of respect for devolution.

[114] **Jane Hutt:** Thank you, Lowri, for that very full contribution. I want to come back to a couple of those points in a minute, but I will follow up with the next speaker—Rachel Minto.

[115] **Dr Minto:** Rachel Minto from the Wales Governance Centre at Cardiff University. I just want to draw on some research that Jo Hunt and I did last year and that I'm continuing with a colleague from Queen Mary University of London, Paul Copeland, and this is about the value of the European Union in terms of offering sites for policy learning—so, sites for information exchange and the exchange of best practice. So, we can see this through different institutional settings and also around specific policy areas.

[116] So, in some of the work that Jo and I were doing last year, we looked at the Committee of the Regions—and we know there are representatives from the National Assembly for Wales and the Welsh Local Government Association, so perhaps representatives will want to say a few words there—and we know that this is a potentially important site for the creation of both formal and informal networks to exchange policy ideas and things that were raised to us last year were around smart cities, energy, metro. And it can be very difficult to capture the value of these networks, but it's something I think we mustn't leave aside.

[117] So, as well as those institutional settings for formal and informal networks, there are also networks around particular policy issues—. So, some work I'm going to be continuing doing will be looking at gender equality. So,

I was having a look at the European Commission website this morning, and we can see that the European Commission hosts and supports financially a number of different networks for the exchange of information. So, they have, for example, the mutual learning programme that's hosted at various different issue-focused events around the EU member states. So, the UK, for example, hosted an event around female genital mutilation in 2016 and this was open to actors from across the EU-28. It's important that we remember that networking isn't only for state actors—so UK, Welsh level and also local level—but also civil society organisations. So, as another example, we have the European Women's Lobby Observatory on Violence against Women and we see representatives from across the 28 member states, including a representative—. Actually, the UK representative is from Wales. As I say, I'm going to be doing some more work into that, but I think it's really important that, beyond the hard law and beyond the funding, we also look at that information exchange and the exchange of ideas that's facilitated through both formal and informal networks within the EU.

[118] **Jane Hutt:** Thank you very much, Rachel. That's picking up themes that have been raised earlier on—Chwarae Teg, Children in Wales. Before I go on, I want to welcome Suzy Davies, a member of the committee. We've had a really excellent exchange already, but welcome. And I think, Jenny, you wanted to make a point, did you, at this stage?

[119] **Jenny Rathbone:** Yes. I just wanted to ask a question of our health colleagues, because I listened with interest to what you had to say about the challenges ahead. No mention of the implications of the relocation of the European Medicines Agency out of London to another EU-27 country. What is going to be the impact of losing the European Medicines Agency and no longer, potentially, being part of that collaboration on the safety, effectiveness and value for money of new medicines?

14:00

[120] **Dr Monaghan:** I'll say something on that. I was going to mention that in the section after the break, because it's a kind of structural thing but, yes, it's pretty fundamental. I think we've got a pharmaceutical industry rep here, so they can probably back this up, but, the pharmaceutical industry, in my understanding, wants to stay under the jurisdiction of that agency subsequently. In terms of losing it from the UK, it's pretty important also in terms of the locus in terms of academic health economics, and clinical trials these days are substantially—and there's a big research industry, medical

research industry, based around clinical trials in our pretty successful universities in relation to this. A lot of that is underpinned by a network of health economists, some of which is clustered in and around the European Medicines Agency and NICE, but, even more fundamentally, it's all underpinned by the European Court of Justice. What will happen is—. These days, most clinical trials are looking at quite rare diseases, so they are, by definition, all multi-centre. So, they recruit patients in many cities, particularly across Europe. Often, the trials are anchored—partly because we've got some good universities who are strong in this sector—by a UK university to co-ordinate it. That will not be the case, almost certainly, in future. So, these multi-centre trials are likely to have to be anchored by a non-UK university. So, that's pretty fundamental as well.

[121] But maybe a representative of the pharmaceutical industry could talk about the agency. Obviously, we have a single market in pharmaceuticals and we have, in terms of medical devices, pharmaceuticals and all kinds of supplies to hospitals—they're all trans-national and they're all subject to just-in-time delivery, so we would be concerned about the breaking of those trade networks and, just in practical terms, about hospitals getting supplies. I guess that, if you've got money to spend, somebody will sell something to you, but, to give an example, in Canada, when they were affected by the severe acute respiratory syndrome outbreak, they were just unlucky—the two planes on which SARS was communicated from Hong Kong landed at Toronto and Vancouver, and then the outbreak spread in those two cities. It caused a major burden on the hospitals in those two cities. The Americans closed the border, and it became apparent that the supplies to those hospitals—the supplies to the whole of Canada—are on a regional economy basis; they're all supplied from the United States. So, the hospitals in Canada all ran out of syringes because they are supplied just in time. So, it shows how efficient but how fragile a lot of these systems are.

[122] **Jane Hutt:** Thank you, Steve. I don't think we know of someone from the pharmaceutical industry here. You might know them, Steve. But, anyway, I'm going to go back to Tim. Tim is on the list and then I think Catriona wants to pop up with a question—. Oh, sorry, Beth, you're next and then Tim. Beth.

[123] **Ms Button:** Yes, I'm Beth. I'm from Universities Wales. We represent all universities here in Wales. I guess the first thing to say is—I know that colleagues have picked up a lot of these issues, but the implications for UK withdrawal from the EU are going to certainly impact on all the activities of

Welsh higher education. We're particularly worried and concerned about the loss of structural funds, increased barriers to recruiting talented European staff, loss of funding for research and innovation and then subsequent damage to that research collaboration, barriers to recruiting European students and reduced outward mobility opportunities for both staff and students.

[124] We've welcomed the assurances that have been given through the transitional arrangements for residency rights for EU staff and for our continued participation in the Horizon 2020 programme and beyond 2020 for those projects that are currently being funded. A couple of our priorities for the exit negotiations: certainly, the continued collaboration for delivering research projects, so looking not just at concerns around loss of income through research funding but the success of our research and innovation in Wales is underpinned by the ability for us to participate in these collaborative projects. I'll come on to this in the afternoon session around what we want those programmes to look like—for example the framework programme, FP9, which is the Horizon 2020 successor, so I won't go into detail with that now.

[125] And, similarly, with the Erasmus scheme and the Marie Curie—again, with those programmes we have our concerns about the way in which we may interact with the future successor programmes, but I'll save that for later. But I will just follow Rachel's comments around the need to ensure that any future student mobility scheme really focuses on supporting those individuals with the financial support to be able to take up mobility things to ensure that our mobility schemes are accessible. And, again, it's not just about a year abroad, and, certainly, in higher education similarly, a lot of those who benefit most in terms of the opportunities for their own personal development are those—for example, there are student parents who are able to take up short-term mobility. So, some of that I can come on to later.

[126] One thing that we're particularly worried about is the loss of structural funds. So, universities were actually the third largest recipient of structural funds in the last round. So, they're particularly vulnerable to the withdrawal of this funding. But, also, because universities do so much to support both the economic and entrepreneurial activities through structural funds but from a social perspective, we're worried about any future structural funds programme coming from a UK level that doesn't allocate on a place and needs base, so it doesn't enable the structural funds system to support targeting the poorest areas of the UK, whilst also recognising the local

economic and innovation needs. So, we've looked to try and continue to be a vehicle through which structural funds can support both social as well as economic prosperity post Brexit. And then, again, just to highlight the need for continued recognition of professional qualifications and also then preserving and building on the existing regulatory and standard frameworks that underpin our ability for our universities to continue to collaborate within Europe.

[127] One thing that we're particularly worried about is also the changes to the status of EU students post Brexit, and the financial implications for our universities were there to be a reduction in the number of EU students recruited. One opportunity, potentially, for Wales and the Welsh higher education system that we could explore is whether or not we're able to offer tailored support financially to try and support universities in their recruitment of EU national students in trying to offset some of those potential losses if it doesn't become as desirable to come and study once changes to visas have taken place.

[128] I think you asked earlier about what engagement we've had. We've welcomed the opportunity to be members of the Welsh Government higher education Brexit working group, so we've been able to meet with colleagues and within the Welsh Government to have a platform for sharing our concerns and information—intelligence sharing, I suppose—as well as then looking at future plans. But, yes, I'll come on this afternoon potentially to some of the stuff about the programme specifically.

[129] **Jane Hutt:** Thank you. That's very helpful. There will be, obviously, opportunities in the next session about future relationships with the EU and those kinds of opportunities. But I am going to just—. I think Suzy Davies wants to raise a point or a question as well.

[130] **Suzy Davies:** Can I ask both?

[131] **Jane Hutt:** Yes. Yes, go ahead.

[132] **Suzy Davies:** Okay. Thank you very much, and apologies for being a latecomer to this session. My particular interests—and I don't know if you can help me with both these questions—are the hospitality sector and cultural exchange. On that last—well, actually, I think it probably applies to both—have you done any—? The relevant member's here. What kind of scenario planning might you have already started doing to plan for Brexit,

particularly as both those sectors also have workforces from outside the EU? Perhaps you've already had the opportunity to identify barriers, perhaps bringing in workforce from the Indian subcontinent, for example, or, with cultural exchange, you know, there have been trips to China, trips to India, trips to America, where obviously things like visa and immigration rules and all manner of other barriers already exist, and how do you think overcoming those for non-EU countries might be able to help with overcoming it with EU countries, or indeed whether they need overcoming?

[133] **Jane Hutt:** Thank you, Suzy. Actually, we did have a very good contribution from Eluned Haf, from Wales Arts International, so that'll be in the transcript.

[134] **Suzy Davies:** Yes. Apologies, and thanks.

[135] **Jane Hutt:** I'm sure we will want to come back to that, but I am very conscious that we haven't actually had much said about the hospitality sector, apart from skills, particularly. Vocational skills workforce issues have come up. But I think others will want to respond, obviously, to you. We've got plenty of time—not this session, the next, after a cup of tea, the next session.

[136] **Suzy Davies:** No, that's fine, Chair. Thank you.

[137] **Jane Hutt:** But that's a very pertinent point. But I want to bring Tim in now from the Welsh Local Government Association, and then—who else have we got? I think Catriona has another point. Tim.

[138] **Dr Peppin:** Okay. Thank you. I'm Tim Peppin from the Welsh Local Government Association. I don't want to repeat points that have already been made because I think they've been very well made. It's just two observations, really. First, one thing that binds everything that's being said is about well-being, and we're working together with a range of partners from local authorities, and all partners in this room, at the local level, through public services boards, on improving well-being. And, clearly, all the things we've been discussing here are risks to well-being at the local level. So, having this type of dialogue with partners at a local level to see how you're going to mitigate against those risks will be very, very important.

[139] But the other thing I wanted to raise was in relation to the environment, because we're talking about our future relationship with the

European Union. Clearly, Europe has been a major driving force in terms of a lot of the good environmental practice that has been brought in, and it's just going to be really important that we maintain those links and we don't lose or backtrack on standards that have been agreed on an EU level. There's a risk that there may be a temptation to reduce some of those standards to steal a march on European competitors, and I think it's going to be really important that we actually maintain those links and we look to build on them and don't look to undermine standards.

[140] **Jane Hutt:** Perhaps we could follow that through in the next session as well, in terms of future opportunities and networks. Catriona, you wanted to make another point.

[141] **Ms Williams:** Yes, if I may. Just to come back to children, in the first input, I didn't talk in detail, but some of the key issues for us are around the cross-border dangers for children. At the moment, in the EU, there's a high degree of co-ordination for safeguarding. We're talking about child abuse imagery, sexual exploitation, human trafficking, and there are three main bodies that the UK belongs to there. So, we really need to urge Welsh Government and the UK Government to maintain some sort of relationship with the European arrest warrant, Europol, Eurojust and the European criminal records information system, which serve to provide safeguards for children and young people.

[142] And there are two other quick points. I wanted to build on what was said before about the future development—. Perhaps I can talk more afterwards, but the non-governmental organisation networks—I think we have to recognise, at one point, with the help of the Chair, actually, that Wales helped to set up Eurochild, which is the pan-European children's organisation for combatting poverty and social exclusion. I was president of that, and there are a whole range—the platform of European social NGOs. And the way in which we currently participate—. They're all different—the homeless, the women's lobby, et cetera. There are numerous ones, which—Wales has actually been quite influential in some of those, in creating some of the ways in which different countries work across Europe. And the way in which we participate at the moment is that the European Union funds those activities. So, in order to be involved in policy in the future, we need to make sure there's funding from the UK to help people to participate.

[143] And the final thing is children and young people's voices, and actually also the status of current EU national children in Wales. We need to be clear

about what is their future. They can't be here linked entirely to their parents' employment rights. They are individual children and young people, and so that's something—. And the whole social cohesion issue has been a major issue within schools ever since Brexit—that's probably for the after-session. But children and young people's voices—the Welsh Government Minister for children had agreed to have some funding for young people's voices into the Brexit debate. It's taking a long time to take off. We know it's been agreed. But there's something about where are the young people in all of this who this whole issue is going to affect, probably, most. And, in Wales, we've contributed significantly to pan-European children's voices being heard through Eurochild and the participation strategy, in accordance with the UN Convention on the Rights of the Child.

[144] I think, going back to the fact that the social charter is hardly being talked about at UK level, article 12 of the convention on the rights of the child, and, disabled people's voices, they're just not being heard at the moment. Actually, unlike colleagues here who seem to be involved in Welsh Government Brexit groups, I'm not so sure that the children's sector is, directly, in terms of looking at that for the future.

14:15

[145] **Jane Hutt:** Thank you, Catriona. You've brought in some very relevant and important points, picking up on what is it we've got to protect, and how do we safeguard those networks for the future. Is there anyone here who hasn't contributed yet in this session and who'd like to say something? Rhea Stevens.

[146] **Ms Stevens:** I'm Rhea Stevens from the Institute for Welsh Affairs. I've got two points to make, which have really struck me as I've listened to other people speaking. Firstly, I want to wholeheartedly endorse what Rachel Minto and Catriona Williams have alluded to, which is that Wales's relationship with the EU does exist, obviously, at a political level and with the institutions, but that, actually, Wales's relationship with Europe exists through many other formal and informal networks that are just as valuable to our country, and that, actually, those interconnected elements—that map of relationships—potentially provides opportunities to find allies for Wales: people who would also like Wales to be continued to be involved in the exchange of information and the exchange of ideas. So, I think it's more helpful and useful to begin to think about those existing relationships as potential allies—people who we can continue to hold strong relationships with.

[147] My other reflection from listening to the conversation is about the need to balance thinking about Wales's relationship with the European Union in terms of silos. I think it's really easy to start to think about what the priorities for health are, what the priorities are for education and what the priorities are for the economy. But what's really struck me, listening to the conversation, is that a lot of the priorities are actually common. So, they're about the workforce, they're about structural funds, they're about citizens' rights and they're about trade. I think we have to be careful not to fall into looking into these issues in isolation, but to see them as part of a whole. Again, in terms of trying to be positive about what the opportunities may be, some of those cross-sector links provide opportunities for innovation—unusual coalitions are often some of the most effective—but also just to identify many of the common problems that we have, that are well acknowledged in Wales, such as the perpetual challenge of properly integrating health and social care, for example. Both sectors are facing a huge workforce challenge. If there were ever an opportunity to come together and really think about how to do things in a way that was more effective, surely that time is now.

[148] **Jane Hutt:** That's very helpful. It sums up a lot of what's happened in this session. So, I think we've only got a few minutes left before we break. Does anyone else want to comment, who hasn't commented? Yes, we must hear from Jim.

[149] **Mr Evans:** Thank you, Chair. Not to go into too much detail—I'll just make some very brief points that have been picked up on earlier. But we're actively contributing—

[150] **Jane Hutt:** Can you just say who you are representing?

[151] **Mr Evans:** Jim Evans, Welsh Fishermen's Association. I was saying that we're actively engaged in the Cabinet Secretary's round-table discussions in relation to the environment portfolio. On that basis, a lot of the detail in terms of the evidence in relation to the threats, challenges and opportunities as a result of this situation, or exiting Europe, have already been detailed in that. I understand that those reports will be made available to committee. So, rather than repeat that, I'd just like to add to the point that Glyn, Alan and Huw have already made—that being that unfettered access to the single market is particularly important, because 90 per cent of the Welsh landed catch is exported to the EU, and non-tariff barriers will be particularly

devastating to the export of live crustacea. Basically, obviously, controls and delays at ports and such and other boundaries would risk mortality and financial loss and such and nobody wants to see that. So, there are particular issues there, and shellfish businesses in Wales are particularly vulnerable to that because of the dynamic nature of the supply and that being a very quick turnover of product. The resilience of the sector is—well, there is no resilience, essentially. We anticipate that there would be something in the region of four to six weeks of disruption in the marketplace where we would start to experience business failures. That is a particular concern.

[152] Unlike my farming colleagues, in relation to the transition or implementation phase, there is a lot of concern from the fishing industry's point of view in that we've been regularly informed by Westminster that when we leave the EU in March 2019, we'll also be leaving the CFP. Clearly, the opportunities for the fishing industry can only be explored outside of the CFP, and for that reason the details, of which there don't seem to be many at the moment—but the details around transition or an implementation phase require clarification, and I'd be grateful for that.

[153] **Jane Hutt:** Thank you very much, Jim. Anyone else before we just bring this session to a close?

[154] Can I just welcome Mark Isherwood? Mark is a long-standing member of the committee and has joined us for the rest of the session. Welcome to Mark.

[155] Eluned, did you want to make a point? Eluned Haf from Wales Arts International.

[156] **Ms Haf:** Yes, if I may. Thank you to Suzy for raising the issue of cultural exchange as well. Although I did comment earlier, you picked up on a few things that I didn't comment on, which is the pressure that our sector, like everyone else, is feeling because of having to put our attention to the impact of Brexit and also build relationships in other places like China. I mean, they're taking up a lot of our time at a time where, like everyone else in the public sector, we're having cuts. So, we're being asked to do more in more places around the world with less resource. However, we still believe that it's really important, because what's at stake is the perception of who we are.

[157] I was talking—we had the Association of British Orchestras holding

their conference in the Wales Millennium Centre last week. It was really interesting to hear the conversations around the impact on all the orchestras, but there's still this perception issue, I'm feeling, about, you know, Wales let the UK down because we voted out. Scotland didn't, Northern Ireland didn't; Wales did. It's something that I keep on thinking to myself that we need to look at why that happened. Whilst we were remainers in the sector—in the arts and cultural sector, I think the stats are that something like 96 per cent of the sector was in favour of remaining—we've now moved to being the retainers of 'How can we make it work?', because that's the type of sector we work in. But also now we're trying to think how do we relate to why it happened and what's our responsibility to speak to the children and to make sure—you know, in terms of giving hope and perceptions about who we are in the world, especially at a time when terrorism and xenophobia are becoming rife in some communities.

[158] So, I think the role that cultural exchange and the arts can offer is really fundamental. It offers hope, it offers authenticity and an understanding that reaches beyond our own. To work in somewhere like China, which we're doing a lot of at the moment—we've got a large culture mission going out in March—it requires a lot of understanding of their culture as well. We can't just assume we're going to go out and pick up tours for our companies or be able to facilitate exchanges in a way that they deliver some tangible results at the end unless we're actually engaging with other people's culture.

[159] This morning on Radio 4, there were a few guests talking on *Start the Week* about Eurasia, if anyone else picked up on that, and this sort of whole concept about what's coming after Brexit in terms of where the focus has moved to China, because of all the rail links that now essentially connect the UK and China, and how the European Union is actually not that interested but Britain is. You know, these global tensions can be played out in a lot of places.

[160] I did want to point one practical thing out as well, which I think is something for the Welsh Government particularly to be thinking about, but also the devolved nations, which is: can we look at some of the programmes in future relationships and think about what we want to buy into as Wales and not just expect Britain to buy into it or to be even leading the way necessarily in some sectors? So, for example, in Horizon 2020, Canada is a partner and Quebec has bought in as a region within a third nation to the EU. So, the precedent is there for us to be looking at different models.

[161] From the network's point of view, I think that's critical to us as well, in the same way as has been spoken about earlier. Wales was part of setting up the main network for literary translation, Literature Across Frontiers, and we're at a time when we're really struggling to see how we'll be able to continue partnering in it. That is our unique selling point when it comes to looking out globally. We've got potential to be selling what we've developed through European networks to the rest of the world and, potentially, to be maintaining our place, hopefully, in those European networks while we're at it.

[162] **Jane Hutt:** Thank you very much, Eluned. Again, you've summarised quite a lot of the themes arising this afternoon. I think if we perhaps now draw to a close this session. It seems to me that there have been some very cross-cutting themes. We've got a wide representation here across all sectors, but certain sort of key themes and priorities have emerged—workforce issues, citizens' rights and indeed young people's engagement, the impact of funding decisions in terms of the structural funds and what the shared prosperity fund means for Wales. It's important, I'm sure, that you have all seen the Welsh Government's regional investment plan, which addresses that in terms of what the Welsh Government would be making the case for having responsibility for in post-Brexit funding arrangements.

[163] Cultural exchange has come up very powerfully, and also I think from many participants here today just how we must protect many of the good things that have emerged, such as Wales leading the way not just in terms of higher education, cultural exchange, research, children's rights, but also to recognise that, in terms of the way forward, even at this stage—and perhaps we can pick this up in the next session—not all of you feel perhaps that you are linked in to networks or groups who are influencing the agenda. Obviously, although some health representatives are linked in to some networks, perhaps there is a need to bring you all together. Equally, farming and rural affairs and environment—you're linked into some networks and framework engagement, which is really important, but others aren't. So, we need to look at disparities as far as that's concerned.

[164] After a short break, we'll come back and reconvene in a quarter of an hour—so we'll just take that short break—and look at our future relationship with the EU, particularly trying to move forward in terms of opportunities for continued engagement with the EU and its institutions. A lot of people have mentioned the importance of Horizon, of Erasmus and ways in which we could find a way into maintaining those networks, but of course

opportunities outside of the EU as well are being progressed. But I think that if we can look at moving this forward in terms of the next set of discussions as to how we can listen to you about how the committee can help you play a part in terms of developing and maintaining those future relationships and engagement.

[165] So, thank you. I think we'll just pause, have a quarter of an hour together and have refreshments. Thank you.

*Gohiriwyd y cyfarfod rhwng 14:29 a 14:49.
The meeting adjourned between 14:29 and 14:49.*

Ein Perthynas â'r UE yn y Dyfodol: Cyfleoedd i Barhau i Ymgysylltu â'r Undeb Ewropeaidd a'i Sefydliadau ar ôl Brexit
Our Future Relationship with the EU: Opportunities for Continued Engagement with the European Union and its Institutions after Brexit

[166] **Jane Hutt:** Right. I think we'll make a start again on the next part of our stakeholder conference today. The next session—. I mean, we've sort of dived into this territory, really, in our discussions at the first session, but this is about our future relationship with the EU: opportunities for continued engagement with the EU and its institutions after Brexit. So, it is about how you—. We continue, as we have done, identifying programmes, networks or other structures that could be continued post Brexit, or new arrangements that could be pursued. Don't worry if you repeat yourselves in terms of those specific networks that you've discussed or programmes that you've said you want to protect and safeguard, and any other structures that you're engaged with. I mean, obviously, it's all down there now; it's all in the transcript from the first session, but also any new arrangements that could be pursued. So, is there anyone who'd like to kick off? Right, Lowri.

[167] **Ms Gwilym:** Thanks, Chair. For us, in Welsh local government, I guess there's three elements to our continued relations. So, the first thing we're involved in —. We're starting to look at securing some kind of associate or observer status on the European Committee of the Regions post Brexit. So, that's the main committee that we're involved in at the moment. So, there's some work going on with colleagues across local government and regional government in the UK to have some kind of an arrangement with the committee going forward.

[168] The second issue for us is to make sure that we continue to engage

with the networks that we're involved in that don't require membership of the European Union. So, these are some of the wider European networks. For example, for us, the Council of European Municipalities and Regions—the CEMR; the Council of Europe, which meets in Strasbourg, which Welsh local government has two members on and the National Assembly for Wales has two members.

[169] And the third element is to start to think about new arrangements that we need. So, starting to look at what kind of arrangements we could have with EFTA and EEA countries; do we need to start thinking about creating some kind of forums or having a macro-economic strategy that Wales could link into with Norway and similar countries in terms of, for example, accessing funding from future European territorial co-operation? That's something we're really keen to take forward, not just a cross-border Ireland-Wales programme, but the wider territorial co-operation programmes. And I think if we had some kind of involvement at Wales level in a wider macro-economic strategy, that gives the basis, and it would be an avenue for us to secure some funding from future programmes post Brexit.

[170] And then we're also keen to make sure that, for example, some of our local authorities are continuing to engage with some key lobbying organisations, such as Eurocities in Brussels. Because what these will do, they will give us a forum to continue to try and influence the development of legislation and access, hopefully, to funding arrangements going forward. So, those are the main elements of what we're trying to do at the moment in terms of securing continued relations.

[171] **Jane Hutt:** Thank you very much. A very clear set of network arrangements—existing and new; that's very helpful. Who's next? Right, Natasha.

[172] **Ms Davies:** Great. So, yes, there's a few networks that Chwarae Teg are engaged with, some on a more formal basis. A few examples would be engagement with the European Women's Lobby; there's a gender wage watchers network; JUMP; and EPALE, which is the European platform for adult learning and education. We engage with these networks in quite a lot of different ways, but I wanted to draw on the point that was made earlier on that a lot of these are relatively informal networks and relationships that we've been able to build up, and as an organisation, we've largely been able to build those up thanks to the fact that there's been a transnational element to the work that we've done through our European-funded projects. It's a

concern that, perhaps, unless we make it a priority to build, foster and strengthen those relationships, we are at risk of losing them.

[173] I wanted to make a more general point, and stress that I think that that work around fostering and strengthening those relationships needs to be quite a top priority now, not just as we move further down the line. My colleague who leads on a lot our transnational work is finding it increasingly difficult to engage with some of the work that's going on at the European level—partly due to the fact that there's uncertainty about what the details of the UK's relationship will be going forward with the EU. That's affecting, perhaps, how readily people look to UK-based partners for other funded projects. It can't be underestimated how important it is to have a distinct Welsh voice as part of those networks—not least of all to make sure that we can keep sharing that best practice.

[174] Having access to data as well, I would say. As a third sector organisation we rely quite heavily on European data sets that allow quite a lot of comparisons. And, I think, how we can make sure that we've still got access to those post Brexit will be a good priority as well.

[175] **Jane Hutt:** Thank you, Natasha. Stephen.

[176] **Dr Monaghan:** I said I'd come in this section, particularly, to public health because public health is an EU competence, and so a lot happens on an EU level and, therefore, is subject to change. Much of it is also devolved, so, this is a big issue for Wales—change—and Wales ought to have a say itself.

[177] Indeed, I forgot to mention earlier that the Secretary of State has had our input to one of his meetings on some of these subjects. The most obvious initial one was the European Agency for Disease Control in Stockholm. I happened to mention SARS earlier on, but obviously, infectious disease doesn't respect national boundaries, and the sea doesn't really help you any more as a barrier, particularly, so you can't control them by quarantine. It's not just a just-in-time delivery of everything, but a just-in-time delivery of people by airlines. So, infectious diseases spread extremely efficiently, and you cannot combat them without a disease surveillance system and joined-up responses with other jurisdictions. The centrepiece for that in this part of the world is the agency is Stockholm, so it would be crucial to keep a relationship with that.

[178] Similarly, others may know more about some aspects of this, but on the food safety side, and food standards side, there's the EU Food Standards Agency in Dublin. As people will be aware, there have been issues about the traceability of different meats, et cetera, across borders. Also, but more narrowly from our point of view, that can also relate to infectious disease that's transmitted through food. So, that would be another important link to keep up.

[179] The health professional alert system is a system by which if, say, the UK strikes off, its regulator strikes off, a doctor or a nurse—the GMC in the case of the doctor—for inappropriate or incompetent practice, a dangerous doctor, if you like, then that's communicated to the other agencies in the EU in the other member states to ensure that they don't simply go and set up shop and be employed in another EU member state. Obviously, that happens in reverse as well: we get notified. So, that's a system that is quite important for underpinning public health in a different kind of way. So, that's the health professional alert system.

[180] We mentioned earlier the European Medicines Agency, and almost certainly, that is going to continue to underpin pharmaceuticals in Europe—Europe's too big a market. The UK isn't large enough, so that's likely to hold sway. It will be in Amsterdam, and it's a very large agency. It was one of the jewels of the agency system in the EU, and it's a big loss for the UK to lose that because of its network and cluster effects for medical research. And that's aside from—as I've mentioned earlier—all the clinical trials that have been underpinned by the European Court of Justice's rules about how you can treat research subjects, et cetera; that's going to carry on. We can decide whether we're in or out of it.

15:00

[181] We've decided we're leaving Euratom, simply because it's underpinned by the European Court of Justice. Others may know more about the nuclear industry than me, but it's an issue about medical isotopes, radiotherapy and radionucleotides. We import all of those—that's the UK—and they're all underpinned by Euratom, so there is a concern for oncologists about how we get those in the future, because that's all regulated and overseen.

[182] Similarly, laboratory standards are devolved to Wales, but the standards are all underpinned by Europe at the moment, European law, so all our labs in our hospitals, that system is assured by a European system.

Anyway, that's just a number that come to mind, of regulatory frameworks and agencies.

[183] As someone might've said, we're leaving the EU, not Europe, so we'll still be able to—. In terms of what other things may become even more important if we're half outside some of these European Union frameworks, or entirely outside them, the World Health Organization European office in Copenhagen will probably be more important for us than it currently is. And, we might want to think closer to home about the British–Irish Council, the council of the isles, and whether we should empower that for greater co-operation on more policy areas—a bit like the Nordic Council is at the moment and that includes Norway, which is not in the EU. So, currently, the council of the isles, as it was colloquially called when it was initiated as part of the Good Friday agreement, is a framework that could be used for any policy subject. It might be a very good idea, it might also enable us to liaise more with the Irish and also get some say, through them, into the EU.

[184] **Jane Hutt:** Thank you very much, Stephen. Who else wants to come up with a network that—? Keith.

[185] **Mr Jones:** Keith Jones, representing the Institution of Civil Engineers in Wales. I mentioned earlier the codes and standards. Currently, businesses are using computer systems and software so that the need for people to move between countries is diminishing, actually. We still have a market there in Europe, and Wales needs to look to innovate and make use of opportunities.

[186] We can provide those skills required for European countries, particularly if we get the go-ahead on the emerging technology on tidal energy. We've already established innovation on nuclear power, and the availability of this workforce must be guaranteed to make sure that we can carry on working. We do need a long-term programme to make sure that we can—. It's two-way regarding professional skills, whether we accept the professional skills from Europe or our skills, the other way around, could do the work. We need to make sure that we have common connectivity so that, if we build any infrastructure in this country, it'll work in Europe and the other way around.

[187] The last point is perhaps that we need to think about our links with the Republic of Ireland. What we don't want to make sure is that all the trade is not funnelled through. We know it's going to be a transparent border with Northern Ireland and we need to think about our own links there with the

Republic of Ireland.

[188] **Jane Hutt:** Thank you, Keith. Tim.

[189] **Dr Peppin:** Just on the environmental front, there is a range of sites that are designated under various European legislation, and it's important that we know what's going to happen in terms of protecting those sites. On the waste front, there's a lot of work going on in the EU on this circular economy package. A lot of the things that need to be done there are better done internationally where you're talking about things like extended producer responsibility, for example. If you can work with companies to bring in restrictions on packaging and so on, you can do that far better working internationally than trying to do it as an individual nation. So, it's another area where continued joint working will be very important.

[190] **Jane Hutt:** Thank you. Rachel.

[191] **Dr Bowen:** I'd just like to reiterate the importance of participating in Erasmus+ at both higher education and further education level, and the need for Wales to maintain interaction with the European qualifications framework. But also a couple of other networks—building on something that Rachel from the Wales Governance Centre said about the importance of networking, informal networks and the difficulties of really quantifying those sorts of benefits—there's a European network called Cedefop, which supports the development of vocational educational policies across Europe. They produce quite a lot of outputs at individual country level, but also they bring together representatives from across Europe to look at specific challenges. So, back in June last year, they looked at the problem of long-term unemployment, for instance, and the way that issue had been addressed across different European countries, many of whom were of a comparable size to Wales. From my understanding, those networks aren't equally valued by all parts of the UK, and so it would be easy to build a case that if, for instance, English participation hasn't been great, then it's one of those things that doesn't matter and can be ditched, but actually Wales has played quite an active role in Cedefop—I can send you details. We would like that to continue. Likewise, Eqavet, around European quality assurance in education systems. Wales has done quite well in terms of getting research funding from Eqavet to look at issues around hospitality, retail, tourism, but also around the relationship between higher skills and economic resilience. So, we'd like to be able to maintain not just participation, but the ability to bid for funds from those networks and agencies.

[192] **Jane Hutt:** Thank you. It's very important. Obviously, we've got a few acronyms here—all these networks, formal or informal, that already exist that we want to be part of.

[193] **Ms Button:** I thought it might make sense to follow on from my colleague. Again, reiterating the importance of the existing frameworks for both research and mobility, I think we'd say that whilst there are opportunities, certainly, to seek out additional research, collaboration and student exchange programme opportunities, UK institutions want to continue the existing frameworks. Horizon 2020, for example—as I said earlier, secured continued participation for the current form. The next stage of the European Union's research funding and collaboration, FP9, is currently in consultation as to what that might look like. We, as the university sector within the UK, are not looking at this point within the negotiations to get a specific commitment on membership of that, but rather to look for more of a high-level agreement on having participation of the science and higher education agreements rather than going into the detail of exactly what our membership of the different programmes might look like. This is more because, at this point, we don't know what those future programmes might look like. There's a chance that future research funding from the EU might focus on capacity building, for example, rather than an excellence base, and we as the higher education sector would want our participation to only be—if it's not excellence based, we might not wish to participate, so we don't want to commit ourselves at this point to tying up our complete participation until we know what it's going to look like. Saying that, though, we would be concerned if we weren't at the table for those discussions. So, the difficulties that we're facing at the moment with the timings of this is that we are able to be part of the discussions as a member state at this moment, but we might not get a final say on what those future research frameworks might look like. So, again, the timings are difficult. However, we would want to seek continued participation of Erasmus+. Again, Marie Curie is another one that allows the movement of researchers as well as the movement of students.

[194] There are opportunities, potentially, for Wales to have more informal networks. So, speaking to our Welsh Higher Education Brussels network, which works to support Welsh higher education in Europe, we want to maybe seek out more informal opportunities to collaborate with areas and regions of strategic value—so, remaining within the UK research frameworks, but looking for more informal opportunities. And finally, the stuff around FP9—there's a potential link to cohesion funding, and a question over future

participation. If the UK Government decides not to go and contribute with the cohesion funding element of future funding, of structural funds, we may be contributing but not receiving some of that. So, there's a question over UK versus Wales, and the different priorities of the Governments. I think that's it.

[195] **Jane Hutt:** Thank you. Thank you, Beth. Right. Eluned.

[196] **Ms Haf:** Thank you. In terms of networks that we're members of, or we suggest the sector becomes members of, Informal European Theatre Meeting is the international one, which is beyond the European Union, but it certainly gets quite a lot of its funding and membership from the European Union, and we'll be hosting a satellite event in Wales in September. Culture Action Europe and On The Move are the membership networks that we belong to, but one of the issues that we have is to increase membership from the sector in Wales more generally, rather than just ourselves being the members—so, to transform the way that our national companies, as well as others with the ability to work internationally, become members of these networks so that they can gain and we can gain from it as well.

[197] I think, then, there are networks UK-wide that we need to be more actively involved in, whether they're ones that already exist, like the Association of British Orchestras that I mentioned in my last comment, but also in terms of setting up our own. We have a partnership with Scotland, Northern Ireland, southern Ireland, ourselves and England called Horizons in Music, which we developed around hosting Womex, the World Music Expo, here, which is actually quite far-reaching and has become quite a useful forum on its own at this moment in time. That has made us realise how we need more of that within the sector.

[198] Then there's the broader cultural sphere, which I cannot represent in detail—the networks, because the museums and the library will all have their own, but I would pick out in particular NPLD, which is the Network to Promote Linguistic Diversity, which Welsh Government has certainly been very actively involved in setting up. And one of the normalising factors of the European Union has been on the Welsh language in particular, whereby, in a UK context quite often, it's forgotten how normal it is to have more than one language. Within a European context, it is normal to have more than one—more than two, normally.

[199] Then, the other network I do wish to mention as well is the Conference of Peripheral Maritime Regions, which came to Cardiff before Christmas.

Their latest declaration is called 'Cardiff declaration', and there's a recommendation for all of the networks that they represent to be including partners from the UK and Wales as part of their networks moving forward. So, that's something that's worth noting in all sectors. Hearing the gentleman, Jim, talk about fisheries earlier on, there was a lot of discussion on fisheries in Ireland and Galicia, as well as in Wales.

[200] I would also like to just mention other key international agencies that we should be possibly asking and being demanding of, such as the United Nations Educational, Scientific and Cultural Organization. I was just scrolling through their website recently. There's hardly any mention of Wales in there, so we probably need to be stepping up what we expect from them.

[201] In terms of European programmes, obviously for our sector Creative Europe is imperative, I would say, in terms of reach for both co-productions within the television and audio-visual sectors, looking forward to the European single digital market, but then also in future discussions on regional and social programmes to replace the European social fund, the European regional development fund in terms of the networks of cultural centres we've seen blossoming in Wales over the last 15 years, from Galeri in Caernarfon to Mwldan in Cardigan.

[202] The last comment on this is: is there really going to be any bilateral relationships in the future? I question that myself. However, the pressures on us at the moment to renegotiate and to rethink our relationships with places like China, Argentina, Canada and the rest puts a hell of a burden on the sector when we're talking about cultural relationships and negotiations moving forward. So, the networks thing is really, really important to us, and maybe some guidance and support from the committee and Welsh Government as well in terms of how we prioritise for the future behind an international strategy would really be welcomed.

[203] **Jane Hutt:** Thank you, Eluned. I don't know whether the farming union—. Yes. I'll go to you, Alan, if you want to, and then I'll come back to—.

[204] **Mr Davies:** Thank you very much. The first observation I think that we would make on—*[Inaudible.]*—many farmers may be concerned about the potential loss of the ability to use protected geographical indication and protected designation of origin status labelling in food. Now, it may not necessarily be a Wales-specific issue, but it's still trade related and therefore a UK Government responsibility not devolved to Wales, and there's a lot of

discussion at the Department for Environment, Food and Rural Affairs and in London about who owns that as a problem, but that does need some resolution to establish continuity.

[205] But I think, slightly wider than that, the main concern for us is not what relationships we're going to have with organisations in Europe that we're currently hooked to; it's what organisations will replace those organisations in Europe, and it's generating the right constitutional frameworks for the future and the right organisations that make sure that everything that currently runs will continue to run outside the European Union. So, for example, where we have food and feed legislation going across border, but we also have international obligations into Europe, how do we ensure that we meet the regulatory requirements and also retain consumer confidence in a way that isn't at all undermined?

15:15

[206] We're also remarkably keen that that is done in a way that respects—absolutely respects—devolved responsibilities and generates solutions that come through negotiation, not imposition by UK Government on devolved administrations.

[207] **Jane Hutt:** Thank you very much. That's very helpful. Did you want to add anything, Huw?

[208] **Mr Thomas:** I don't think I've much to add to that really. I think there were some good points made by Alan there. One of the things that NFW does is we participate in the Copa Cogeca grouping over in Brussels, which is a grouping of farming unions throughout the EU. We're hoping that we'll be able to secure associate membership of that going forward, because it's quite important to have a voice in there, but, obviously, that's something that we'll need to sort out amongst ourselves as well.

[209] **Jane Hutt:** Thank you.

[210] **Mr Thomas:** Thank you.

[211] **Jane Hutt:** Catriona.

[212] **Ms Williams:** Thank you. I mentioned before the break the networks that we've been involved in—very actively involved in. I think, just following

on from the previous speaker, one of the challenges for us is that we are very able, as an umbrella body in Wales, to be the national partner network in Eurochild, which is the umbrella body across different parts of Europe, and has always been open to beyond-EU members anyway. So, Albania was a member. The funding for participation is the issue, and also, if perchance, Eurochild decided to change it to be restricted to EU members only, then the associate membership model would come to the fore.

[213] In a past role, I was vice-president of the European social platform, and there, I would, on behalf of the third sector here, suggest that all the networks that are members of the social platform, whether it's to do with the homeless or refugees or women's lobby, should retain our engagement in from the third sector in one shape or form, not just suddenly because we're not in the EU to leave Europe. I think it's more about renegotiating internally in those networks how we participate. Perhaps the bigger challenge is when it comes to going for project funding, and where consideration might be given if there's a project—say it's to do with safeguarding children, like the Daphne funds, which have funded a lot of that, what would be able to do and what funding could we contribute for us to be part of that? So, I think that applies to all the NGO networks. And, obviously, we'll be wanting to continue very actively in the Council of Europe—not Children in Wales but the Welsh Government. And there are all the other networks like the Child Friendly Cities and all of those we need to retain membership of. And, of course, all the research bodies and the OECD, I presume we will just continue with those as well.

[214] I think the challenge for us and the help we would want would be much more, as a colleague from the arts and culture sector has said, around where there are others who've got links. And where we have one or two links with big international child welfare or safeguarding organisations, if they're bilateral links, we possibly need help with China or with the other countries that we're not actually involved with in a very active way at the moment. So, I think that's a sort of suggestion for how we could work together on that.

[215] And, finally, I should say that any of the united nations networks that are linked to children or people with disabilities—all of those—we can continue to be involved with. The key, though, is the replacement of the travel costs, the basics. How do we physically get our staff and our researchers, all the different young people, into these networks if the European funding has gone from them? I don't think we should leave them.

[216] **Jane Hutt:** Fine. Thank you very much. Well, I think we've probably covered most of the sectors. Is there anyone else who wants to add anything? I want to keep everyone here as long as possible for the rest of the session. It seems to me, just coming out of those discussions, you've listed a lot of networks you're already involved in, most of which are EU based, but some of them are more informal—they're not EU—and they might have developed as a result of your collaborations. But you've also mentioned networks outside the EU. I think the point that was made by Natasha about transnational partners is very important, because that's also very important to research and higher education—well, to everything in terms of movement and change and development. So, the transnational partners are actually a criteria for a lot of the European structural funds, like Agile Nation. So, there's going to be a question coming through about how do you keep not just fostering but sustaining those relationships once the European funding ceases. There's lots of public health networks and challenges and opportunities. There's issues around cost—well, your last point, I think, Catriona—if we are to move forward, and keep some of these networks and grow new networks, and this includes the cultural sector. Who's going to pay for them, if, at the moment, the European Union, the Commission, is paying for quite a lot of those networks? So, that's a real question mark.

[217] I think it is worth—I have mentioned a couple of times the regional investment plan, 'Regional Investment in Wales after Brexit'. I don't know whether anybody here went to the event in Nantgarw last week, which was held; there's one in north Wales. This was an event that was a Welsh Government event, looking at the way forward in terms of—because you talked about a macroeconomic plan—how we can support Welsh communities, and driving economic development. I mean, this paper calls for every penny of the £370 million that Wales currently receives from the EU each year in structural funds to be replaced by the UK Government, and added to the Welsh Government's annual budget. That was in a press statement by Mark Drakeford last week. But it's worth just having a look at that.

[218] Also, if you look at—and the committee got this information a couple of weeks ago—the agreement that was made before Christmas, we did actually get pointed to the fact that this did include some promise of some of the territorial funds being maintained. It was particularly related to the Wales-Ireland territorial funds. But I think it may be worthwhile—I was just looking at the paper—. If you look at the communication from the Commission to the European Council on article 50, the communication

published from the negotiations on 8 December, there is a reference, and perhaps we could share it with members:

[219] ‘Cross-border programmes benefitting North/South cooperation are of great value. In this context, the Commission is of the opinion that the PEACE and INTERREG programmes, to which the United Kingdom is a partner, should continue beyond the current programming period. To this end, the Commission intends to propose the continuation of these programmes, based on their existing management structures, in its proposal for the next Multi-annual Financial Framework, foreseen for May 2018’.

[220] We need to keep all of this information current and shared, because of what it will mean for you and these networks; it’s going to be very important.

[221] So, is there anything else on this section of the discussions this afternoon? Anyone? Or do committee members want to—? Are you happy to move on to the next item?

Bil Parhad: Sylwadau gan Randdeiliaid Continuity Bill: Observations from Stakeholders

[222] **Jane Hutt:** The next item on the agenda is just to take stock of this today; we’re meeting at the right time. We thought it would perhaps be useful just to reflect on the continuity Bill, because, as you know, earlier on, I did say that the Welsh and Scottish Governments have prepared their own legislation. And, in fact, we had a debate a couple of weeks ago on this, and there was unanimous support across the Assembly, cross-party support, to note the fact that a continuity Bill may need to be prepared. And actually what has now happened is that the Cabinet Secretary, as I said, has submitted it to the Llywydd for pre-introduction checks. So, it is an opportunity, I think, for delegates to voice any observations. I was trying to find out whether, in fact, it’s actually gone to the Presiding Officer in Scotland, but Tobias wasn’t sure. Obviously, the two Governments and, indeed, the Scottish Parliament and this committee have worked quite closely, but are there any initial thoughts in terms of the continuity Bill? Does everybody understand what the continuity Bill—?

[223] **Mr Davies:** [*Inaudible.*]—to understand exactly what it is and I would appreciate a few minutes to explain what it is. We understand the purpose of the name, but what fits in behind it—I don’t know.

[224] **Jenny Rathbone:** Well, I'm happy to have a stab at it.

[225] **Jane Hutt:** Right, we've got a member of the committee who's going to have a stab, and I'm sure that Alun will—

[226] **Jenny Rathbone:** I think the debate is around, if powers are coming back from Europe—you actually mentioned it in your contribution—then there cannot be an assumption that they will certainly go back to Westminster, because the powers that we have devolved from Wales that are our responsibility, which we've devolved to Europe—we expect them to come back from Europe. So, we are hopeful that the UK Government will do the right thing and put some amendments into the Bill that's on its way to the House of Lords that will enable us to be certain that these powers will come back to Wales rather than it being a land grab to the UK Government. Because I think that alarm bells are flashing here, when some of the members of the current UK Government want to see a tearing up of food safety standards, environmental standards and so on. So, assuming that those amendments fit in with the request of the National Assembly and the Welsh Government, all well and good, but otherwise, we will need to introduce a continuity Bill to say that those powers that have been devolved to Europe will need to come back to Wales.

[227] **Jane Hutt:** It's a very critical time today, tonight, because the EU withdrawal Bill is going to the House of Lords to be considered tomorrow and we will know whether or not, I would imagine overnight, the UK Government is going to accept any of the amendments to the EU withdrawal Bill that have come from the Welsh Government and the Scottish Government. Indeed, this committee also put forward amendments. Actually, I would have to say that all political parties, I think—and we've got good representation here today—have said—. And the Cabinet Secretary has said, 'We'd rather that the EU withdrawal Bill was amended, taking on board our concerns about making sure that the powers can come to Wales, and not be vested in Westminster'. So, that was how the Cabinet Secretary responded to the debate a couple of weeks ago. The best thing would be to get an amendment, particularly to clause 11, which we can accept, because then both the Scottish Parliament and the Assembly can consider whether they would give consent through a legislative consent motion.

[228] We were expecting that there might have been an amendment at Report Stage in the House of Commons, but it's gone on to the Lords, and actually, the Prime Minister has said, I think on record, that they were looking

to recognise the issues that have been raised in terms of impact on devolution. So, in a sense, this is our back-stop, the continuity Bill. If we don't get those appropriate and acceptable amendments through—. So, tonight, Mark Drakeford and Mike Russell—and someone told me that Sir Emyr Jones Parry was going with Mark Drakeford as well; you know Sir Emyr Jones Parry—to put the case for Wales, and very effective, I'm sure he will be, as will obviously Scottish Government Ministers and their advisers as well. So, we had to get the continuity Bill ready and prepared. Basically, as Jenny has said, this would ensure that we transfer EU law into Welsh law and give Welsh Ministers those powers to make sure that we could then move forward in terms of the continuity, and that's what we want. This is something—we might not have a continuity Bill if we get this amendment. Mark, I'm sure you'll be able to update us—

15:30

[229] **Mark Isherwood:** It's not to update you as such—you've said most of it. This relates not exclusively but primarily to those of you who are European law or exit law geeks, but clause 11 of the withdrawal Bill, which does very much what Jane describes, as originally drafted, says the powers and competencies applying to devolved matters currently resting at EU level would pass to the UK Government rather than the Welsh Government, without a sunset clause, without an end date, for the UK Government to effectively give itself the role the EU currently has in most matters you've been talking about, particularly things like environment, agriculture, food standards and so on.

[230] The contrary position is that those matters should pass to the devolved administrations and for frameworks in those areas to be agreed. We've heard that both the Prime Minister and David Lidington have indicated, and the Scottish Secretary of course, that there will be an amendment in the Lords, and there are intense discussions at the moment between officials in the governments over what form that might take. It comes down to what will go into what they're calling the deep dive: which devolved matters will they agree can be put into a new framework at a UK level with a fixed end date when the powers come back here and which will be done entirely at a devolved level for agreement.

[231] The continuity Bill would be the third fall-back position. So, the desire is that this can be done through an agreed amendment. Failing that, there are the House of Lords amendments. As Jane has indicated, there are

briefings today by both Scottish and Welsh Governments for the Lords to attend on the continuity Bill, the final stage. However, that wouldn't be legally binding. Technically and constitutionally, the UK Government could override a vote here in favour of a continuity Bill, but if they did so, of course, they would be creating potentially a constitutional crisis, which we all seek to avoid.

[232] **Jane Hutt:** Thank you very much, Mark. We're very reliant on the Scottish Conservatives, I would say, on this cause. We do hope that there will be an agreed amendment. That's what I think we've all said, and that's what the Cabinet Secretary is hoping for.

[233] So, does that give you a bit of an idea? It's the place we are today. We may not be here tomorrow or within a week or two, but it's a very, very critical time, because actually I think it's a demonstration of cross-party support here and in this committee to make sure that the devolution that we've got here in Wales is respected, maintained and sustained through Brexit. I don't know, Tobias—obviously, you've been doing work in Scotland—whether you want to comment at all on what we've said today, because you're probably hearing the same discussions up in Scotland too.

[234] **Dr Lock:** Politically, it's very similar, because if you look at a recent report by the Finance and Constitution Committee of the Scottish Parliament, there was cross-party support that legislative consent could not be given at this moment—obviously, including the Scottish Conservatives. They are on the same page here as everyone else. That would mean that a continuity Bill would probably go through relatively easily.

[235] What's also interesting, perhaps, is that we're currently talking about the EU withdrawal Bill and the continuity Bills to plug eventual gaps that might arise if the withdrawal Bill doesn't go through or if legislative consent is denied. But, we also have to think about the transition period during which there has to be something in place in order to keep EU law applying the UK. So, there will be another Bill, or two, forthcoming in the House of Commons—or in the Lords; I don't know where they're going to introduce it—on the implementation of the withdrawal agreement, and on the implementation of the transition period. It's going to be an ironic situation in a way, because the EU withdrawal Bill will repeal the European Communities Act 1972, which makes EU law operate in the UK context, but at the same time, at the same second as the European Communities Act will lose its legal effect in the UK, there will have to be another Act—let's say the transitional

period Act or whatever—that reinstates exactly those effects for EU law during the transition period. The EU withdrawal Bill and continuity Bills, if they ever come to fruition, will only really kick in afterwards. If everything goes to plan—which is a big ‘if’ at the moment—that time pressure is actually not quite there because we won’t be needing the EU withdrawal Bill for quite a while.

[236] **Jane Hutt:** Thank you. I think you’ve taken us back to your opening presentation, Tobias, in terms of what next in terms of transition and everything. Lisa, do you want to make a comment or question?

[237] **Ms Turnbull:** Yes, I just wanted to come in really and say that, in terms of the principle of the devolved areas remaining devolved, that is something that we’re concerned about and we would want to protect that. So, in terms of in principle support: absolutely, we have that. I think one of the areas where perhaps more discussion is needed—and, I have to be quite honest, I wouldn’t be up on the detail of—is where we’re talking about areas that are currently held at the European level and there might be some discussion as to where they might properly sit. I think there might be a number of areas there, in terms of public health, in terms of regulation and so forth, where it would be helpful to have a more detailed discussion about those because there might be more nuanced opinions there. I think those are complex issues. Of course, even if they’re held at a UK level, that doesn’t necessarily mean we would always want to see some kind of voice or some kind of process by which the Welsh perspective would be taken into account. So, I think those are more complex conversations. I have to be honest, I’m not well versed on the detail of the Bill, but as a general position statement, we can certainly say that we’re in favour of that: to protect the current settlement in terms of the legislation that Wales can currently make about those kinds of health areas is important.

[238] **Jane Hutt:** That’s very helpful. Lowri, and then I’ll bring in Catriona.

[239] **Ms Gwilym:** Just to add to that, from our perspective, we definitely welcome the continuity Bill as the first step in protecting the devolution settlement. But we would be keen to have a discussion after that or in the future in terms of when we have those powers coming back to Wales, at which level they should come back to. So, there’s an opportunity to relook and rethink around some of those, potentially going back to a local government level as well. So, the first thing: we need to get this through and protect the devolution settlement, but we have an opportunity to do things

differently on powers returning. We would be keen to engage with Welsh Government and the National Assembly in terms of what level is best for those powers to come back to.

[240] **Jane Hutt:** Lowri, thank you. That's important. I think Lisa's point about the grey areas and also being clearly aware of where the frameworks come into play, which are of course UK level; there's still a lot more to explain to people about that. Catriona and then Alan.

[241] **Ms Williams:** Yes, thank you. I agree with both of the previous speakers. The one question I've got, in a way, is where Wales has got laws that are actually stronger than the European directive. I'm talking about the Children and Families (Wales) Measure 2010 in relation to children's rights, which is stronger than what's in the charter. I'm just wondering how it would be dealt with. In the charter of fundamental rights, the UK Government is not going through everything, as I said in the first input. It says, 'It's fine, everything's in domestic law', but actually everything isn't in domestic law. How do we deal with that? And turning it on its head, could that be an opportunity then in the future for Wales to have a stronger set of rights? In the transition from EU to Westminster to Wales, what would we be losing en route, especially if UK Government have already said they're not going to actually take it on?

[242] **Jane Hutt:** Well, what's on the statute book is on the statute book, as far as Wales is concerned, and the chief lawyer is nodding away on the back row, so, that's one thing we can be very clear about.

[243] **Ms Williams:** I was sort of thinking of a Wales' rights, because we've got a different focus here and it's how we build, but also how we don't lose. So, that's good.

[244] **Jane Hutt:** Okay, Catriona. Alan.

[245] **Mr Davies:** The UK Government are planning to bring forward an agricultural Bill in the next couple of months and one of its principal aims is actually to establish the payment mechanisms to support agriculture in the future across the United Kingdom. If the continuity Bill does need to be delivered, enacted or whatever, then we would need to see something similar established to ensure that payment mechanisms can be effective from early next year in Wales.

[246] **Jane Hutt:** Thank you, Alan, that's very helpful. Jo.

[247] **Ms Hunt:** I'm Jo Hunt, from Cardiff Law School and the Wales Governance Centre. Just a few observations around continuity legislation and the repatriation of competencies, generally. I think there's a difficulty in an attempt to draw bright lines around competence and what lies where. One of the things I think we're seeing is this profound complexity and overlapping of competencies and responsibilities, and, at the moment, there's that pooling of those things in a variety of ways across different policy sectors. And, when these things do come back—there are rightly claims for certain areas to return to Wales—at the same point they can't necessarily be exercised independently and autonomously, and it's going to require effective, shared governance to take place across the UK. We're struggling to find those mechanisms and those structures for that.

[248] We've had mention, Alan, about the agricultural Bill that we've got coming. We also know that there is that work taking place about where these common frameworks are going to be and we're not sure what the relationship between those two things are. What's going to be in legislation? What might be decided elsewhere through interactions between Governments and perhaps doesn't have—? We've had the same sort of interaction that doesn't have the same openness and transparency and stakeholder involvement around some of these crucial things that might be decided now for the UK in terms of common frameworks, common structures and decisions that might be taken fairly soon around that. A need to identify and be clear about those key principles that should be underpinning this process. And we know the JMC, back in October, did come up with some core principles that were agreed around how we were going to go forward looking for these common frameworks across the UK, and transparency was part of that. What wasn't—and I think Lowri and the WLGA will be very aware of, of course—is subsidiarity wasn't identified at that point, or wasn't agreed upon as a principle. And I think the need for an alertness and awareness to that and what sort of consequences that might have constitutionally for how things are done and where things are done is something to have awareness of.

[249] **Jane Hutt:** Thank you, that's very helpful indeed. Thank you for coming in and giving us that overview. So, does anyone else just want to make any comment about where we are, at the moment, with the continuity Bill? Okay, Steven.

[250] **Dr Monaghan:** Before I do, just one thing I should have mentioned earlier in terms of things we might retain for the future, we would be quite keen—the BMA—on strategic environmental assessment, which is an EU law. The recent Public Health (Wales) Act 2017 introduced a health impact assessment, but in a sense that is designed to work in tandem with the strategic, so, if we lost the strategic that would be a big shame, in terms of what we'd like to retain.

[251] On the continuity Bill, it's worth saying that the BMA is happy with the devolution settlement and, in fact, subsequent to it we've organised ourselves. The BMA reorganised itself to reflect it. So, I guess, in principle, we're happy with the idea of a continuity Bill. There's been a lot of talk about Wales and Scotland. I just wondered though, this is a question now about Northern Ireland, because I appreciate that there's no Executive in Northern Ireland, but there is still an Assembly, and I wondered how the clauses in the withdrawal Bill will reflect Northern Ireland, particularly because it potentially is a unique situation, but also because of the phase 1 agreement. So, I guess, in theory, there could be a big constitutional crisis and spat with Scotland and Wales, and Westminster could try and overrule them by ignoring the Sewel convention and amending the Wales Act and the Scotland Act and changing things how it desires—so, notwithstanding the big politics about that.

15:45

[252] But, arguably, it can't do that quite as easily about Northern Ireland because of the Good Friday agreement being part of an international treaty, and also because of the phase 1 agreement where they've agreed if they can't solve problems in other ways about the border, et cetera, with regulatory alignment. So, I'm just wondering, if you were in Government in London, how you would try and phrase the withdrawal Bill clauses with regard to Northern Ireland and, in terms of them squaring that circle, whether that will give an opportunity for Scotland and Wales to say, 'If that's good enough for Northern Ireland, it's good enough for Scotland and Wales too.' Anyway, it's a question really.

[253] **Jane Hutt:** It's a bit of a political question and political point, but it's very valid. I mean, all I think I can say at this point is that I know that, I mean, not just engagement in terms of the UK Government with their Secretary of State for Northern Ireland and their relationships and partners there, but, actually, at the Joint Ministerial Committees, I understand that although there

aren't Ministers from Northern Ireland present, there are civil servants, and, of course, at those JMCs—and I used to attend them when I was in that role—you also had the Secretaries of State for Northern Ireland, Scotland and Wales. So, I think, obviously, it's, again, a very difficult time because they haven't got an activated Assembly or an Executive. Do you still want to clarify any points, then, Liz? Just introduce yourself.

[254] **Ms Jones:** Yes—sorry. I'm Elisabeth Jones, I'm the chief legal adviser to the National Assembly for Wales. So, the EU withdrawal Bill is not the vehicle by which this incredibly difficult political question of the border between Northern Ireland and the Republic will be delivered. And for that reason, the EU withdrawal Bill largely treats Northern Ireland in exactly the same way as Scotland and Wales, in fact, because it's talking about fairly technical issues. There is one area where it treats Northern Ireland differently to recognise the special status of the Good Friday agreement within the Northern Ireland Act of 1998. But, obviously, the real game for Northern Ireland is the one that you refer to: that extremely important question for peace for all of us in the United Kingdom and beyond, and that, as the Chair has laid out, is being dealt with in a different political negotiation.

[255] **Jane Hutt:** Ben wanted to make a point.

[256] **Mr Cottam:** Just very quickly, and it's not particularly about the continuity Bill—it would be a point whatever the future of the continuity Bill—and that's the need to give some assurance that we've got the mechanisms within the UK to allow this haggling to happen. I think that the JMC as it's currently constituted on a relatively ad hoc basis—we've observed this at the UK level previously—doesn't necessarily provide that. So, a more formalised arrangement where business could be sure that some of that regulatory landscape, some of that regard for differential perspectives on economic development could be regarded and respected, that's really important to instilling some business confidence that across the UK we have regard for those different landscapes of economic priorities. But, I think, at the moment, that rather ad hoc nature of the JMC is probably not serving as well as it possibly could.

[257] **Jane Hutt:** Well, thank you, Ben. This is something that I think Jo probably reflected on as well: that we've had quite a lot of scrutiny and discussion in the committee about whether they're fit for purpose, the JMC arrangements, because we've got JMC for negotiating Brexit and then we also have a JMC Europe, which has been long-standing, and then we have JMC

domestic, which comes and goes in terms of meeting, and, of course, the First Minister has called for a council for the devolved nations on a more formal basis. I mean, all these things have been discussed in Wales and looked at, and considered, as well, in committee in terms of how we can strengthen that Joint Ministerial Committee engagement. Because, actually, people—let alone businesses—wouldn't necessarily know they existed, apart from a communiqué here and there, and a headline, but they're vitally important in terms of the UK working together, negotiating together and coming to common agreements. Of course, that's very important for the framework. That's the frameworks, and that's when those principles were agreed at a JMC, which moved things forward in terms of the framework negotiations.

[258] Well, I think we've probably done as much as we can. It's all very helpful to have these viewpoints coming back to us today in this arena. It's such a current issue, at the moment, in terms of what's going to happen with the EU withdrawal Bill, where there will be recognition. The strength of Wales and Scotland at this point in time, working together, cannot be underestimated, but I would say, as we move into the final session, which is your opportunity to say whatever you want to say that you haven't said or any closing statements, that your voices today are the most important, really. You're the ones who are working, living, delivering on the ground, on a cross-sectoral basis—private, public, third sector. It's been a real privilege to be here and listen to your views and experiences this afternoon. I know my colleagues on the committee would feel that as well. It will be fed through into all our considerations about our role and what our priorities should be on the committee. There will be outcomes, I believe, clearly, from this event. But actually, also, some of you have had good networking opportunities. So, I think we can think about ways in which we can suggest we could help bring you together, if you want to see this as an opportunity to come back together in this way or go—. I think Mark was telling me in the early days you'd have more sort of workshop-type discussions, but we need to do a bit of both perhaps. But I think coming together in a plenary, I hope you feel, has been valuable.

Ein Perthynas â'r UE yn y Dyfodol: Datganiadau Terfynol
Our Future Relationship with the EU: Final Statements

[259] **Jane Hutt:** In the next 10 or 15 minutes, does anyone want to say anything in conclusion to this event? Right, Lisa and then Glyn. Lisa.

[260] **Ms Turnbull:** I just want to say, yes, it's been incredibly useful from my perspective, and I would very much welcome future events along these lines, whether they're at workshops or whatever format, because I think it's very helpful to get that cross-sectoral perspective, and it shows—. I think the themes that people are bringing to the table that are in common are quite apparent.

[261] I also think there's a real need for the Assembly to take a lead on helping us with some education, really. I don't think that I'm the only organisation, the only person, here perhaps struggling with coming up to speed on an entirely new, quite detailed and complex subject area. The Royal College of Nursing is a really large organisation. We actually have a European office but, of course, they're very much involved with the discussions at a UK and European level. So, in terms of making sure that the Welsh perspective is fed in, there's a lot of work that I and colleagues on the ground have to do. So, any of the newsletters, briefings that the Members' research service produces, or any of the perhaps lecture-style events or seminars that could be arranged—that kind of programme of activity I would very much welcome, and I genuinely feel, from talking to colleagues in other organisations, that other people would welcome that as well.

[262] So, that was really the only real comment I wanted to make, except just to again echo the comment that Nesta made earlier, which I do think is also important: that I think it would be helpful to have some more detailed conversations on a sectoral basis with colleagues about managing some of the potential and trying to scope out some of the potential risk factors that we've identified. Whether that's appropriately led by the Assembly or, more appropriately, perhaps, led by the Welsh Government, I wouldn't know, but I do think that we need to start having those conversations and bringing those people together to discuss the specifics of, say, some of the issues we came up with today, like pandemics or the specifics of issues around supply lines or whatever that issue is. Thank you.

[263] **Jane Hutt:** Thank you, Lisa. Glyn, did you want to say something?

[264] **Mr Roberts:** Can I say it in Welsh, please?

[265] Rydw i'n gwybod fy mod i yma I know that I'm here representing the yn cynrychioli Undeb Amaethwyr FUW, which looks after agriculture in Cymru, sef y corff sy'n edrych ar ôl Wales, but what I'm happiest with amaeth yng Nghymru, ond y peth today is that everyone has the same

rydw i fwyaf hapus efo heddiw ydy fy mod i'n teimlo bod yna'r un dyhead gan bawb yma heddiw, sydd yn drawsgymdeithasol, os liciwch i, ac rydw i'n meddwl bod hynny'n bwysig. I mi, y pethau pwysicaf sydd wedi dod allan heddiw ydy'r pwysigrwydd o gymdeithas, iechyd, diwylliant a'r amgylchedd. Cyn belled ag rydw i yn y cwestiwn—rydw i wedi bod yn trio argyhoeddi pobl ers talwm—i mi, rhaid cael amaeth cynaliadwy o fewn cymuned gynaliadwy. Os gwnewch chi gymryd egwyddorion cynaliadwy, sef edrych ar ôl yr amgylchfyd, edrych ar ôl yr economi ac edrych ar ôl y gymdeithas, rydw i'n meddwl bod hynny i gyd yn cael ei grynhai yma heddiw, ac rydw i'n falch iawn o weld pawb mor gytûn am y pethau pwysicaf mewn bywyd.

aspirations from across society, if you like, and I think that's important. For me, the most important things that have come out of today's event is the importance of society, of health, culture and the environment. As far as I'm concerned—I've been trying to convince people for a long time—for me, we have to have sustainable agriculture within a sustainable community. If you take sustainability principles, namely looking after the environment, looking after the economy and caring for society, I think that's all summarised in our discussion today, and I'm glad to see that everyone's in agreement on the most important things in life.

[266] **Jane Hutt:** Diolch yn fawr, Glyn. Thank you very much. That's very helpful. Catriona.

[267] **Ms Williams:** Thank you. I agree with that too. Just a very practical issue, and I don't know if others share it, in terms of influencing external organisations to UK Government, our challenge in the children's sector is how—. The large organisations that have people in the corridors of power there are all representing their organisations that are primarily England based. In terms of amendments, or getting support for amendments as they're going through, there aren't any Welsh people actually there doing that work. How we address that is actually a challenge, and there may be people in this room who might be able to help the children's sector, for instance, or vice versa. But whatever briefings we're doing, the way it works is actually giving people that information at the time they need it, just as when they're about to vote—those sorts of informal ways of doing it. So, that was one thing, and the other thing, in terms of helping each other, I just wondered, somewhere, if there could be a repository of where all our briefings, which we're all separately doing, are going, so that we could pinch ideas from each other and save a bit of work.

[268] **Jane Hutt:** Well, thank you, Catriona. That's very helpful. David Hughes is here, of course, from the Commission, and I'm sure you found this really helpful this afternoon, listening to all the views, but there must be a way in which we can channel some of this through. Alun, do you want to comment on that?

[269] **Mr Davidson:** Certainly, the committee receives a number of monitoring reports and an output called the 'Brexit update' that attempts to list as many developments from a Welsh perspective that are going on on a fortnightly basis, and we'll certainly circulate links to that to everybody who's attended today. That's something that you can then continue to receive, if you so wish. And the Research Service here also produces a blog that looks to try and explain a number of these issues. One of those most recent posts was in relation to the continuity Bill, so that might be worth a read, and we'll circulate a link to that as well after the session

[270] **Jane Hutt:** Thank you. The gentleman at the back.

[271] **Mr Rollo:** Sorry, this is not quite the final, it's the first—

[272] **Jane Hutt:** Can you just introduce yourself? It's Jim, is it?

[273] **Mr Rollo:** My name's Jim Rollo. I'm deputy director of the UK Trade Policy Observatory. I will say more to anyone who wants to know about it, but, basically, we're an analytical set-up. We're trying to give, if not absolutely objective, certainly disinterested, analysis of all the things that are happening under the rubric of trade policy and Brexit. We welcome, for example, the White Paper from the Welsh Government, which was extremely clear and extremely well judged, I thought, about what the implications are of what we need on leaving the EU. But I have to say, it looks to me to be extraordinarily hard to realise that. Getting access to the single market runs into a whole series of problems with the EU-27, in conjunction with the British Government's own red lines on what we can do. It seems to me that the challenge for those who want something more rather than less integrated is how to bring that view to bear on the British Government, because it is quite hard to penetrate what's happening in Whitehall currently. And it's certainly important that the devolved nations play into that as hard, it seems to me, as possible if they want their view to come through. Sometimes, it seems like almost everything is still open in terms of what we do, all the way from single market and the customs union all the way down to WTO terms.

That's the sort of declining slope of, how shall I say it, negative benefits that flow from leaving the EU.

16:00

[274] We are trying to put fingers on all sorts of parts of that. In the last few weeks, we've published on so-called grandfathering of third country agreements. So, for example EU-Korea. We've even got a little video that you can go to the website and see, and you'll come out of it perhaps believing that you understand what rules of origin are. My experience is you'll only know that for about 30 seconds out of any given minute. So, we're trying that sort of elucidation process, and we stand ready to help talk to and explain to any parties who want to consult us. We've done work on fish, we've done some work on agriculture, we've done work on—we've got something coming out next week on manufacturing at six-digit levels, some of which means that there are, roughly speaking, 130 sectors. That speaks then to employment numbers. So, there's all of that around; I've left some of our briefing notes—just samples—so if anyone wants them they can get them or they can go to our website.

[275] I'll stop there, but I do think that this is a very good initiative, and if anyone thinks that they can pull us in to help comment or whatever, then we'd be ready to do that.

[276] **Jane Hutt:** Thank you very much, Jim. Thank you for coming today. You've opened a whole range of opportunities and links and relationships. I'm glad you found it valuable as well meeting Wales—because we're all here today, I think; it's a good representation. Thank you. Stephen, did you want to say another word, and Ben?

[277] **Dr Monaghan:** I forgot to mention something—I didn't realise how important it was until recently, until I was corrected by someone. The importance of EU data protection law is absolutely fundamental, it turns out. So, to give you an example, I've thought, 'Well, surely we can arrive at some kind of agreement where we participate in disease surveillance with Stockholm on foods, with Dublin on health professional alert systems, clinical trials', but it turns out that all of those are underpinned by EU data protection law, which is underpinned by the European Court of Justice, and if we don't accept the ECJ jurisdiction they will not be able to share any data with us about who's got which disease that's just been on an aeroplane to your country or whatever. So, that is quite fundamental, and I have to admit

that I never realised. It actually puts an obstruction to any kind of informal agreements to carry on working, so it's quite fundamental and I hadn't appreciated that. Clinical trials even: we wouldn't be able to share the data on a multicentre clinical trial on patients who'd had a randomised treatment. It wouldn't be able to be shared with a British university where it was about European patients. So, you can see how it's quite fundamental. I only became aware of that about two weeks ago.

[278] **Jane Hutt:** I think Stephen's given us a whole wealth of information about all the threats as well as the challenges and opportunities, but thank you for sharing that, Stephen, and for your contributions this afternoon. Ben.

[279] **Mr Cottam:** Just a very broad point, but can I say I just want to thank the committee for the opportunity to gather with colleagues? It's been fascinating to hear some of the different perspectives of the challenges and opportunities. It's very easy for us, as organisations, to sit there in our own silos and have a very narrow perspective of where we're going.

[280] What strikes me—and it's on the back of something that Catriona said—is how we better organise ourselves to exploit and build the relationships we'll continue to need within the EU, post Brexit. I think, certainly from my perspective, we rely on the inherence and ubiquity of the EU and its networks to allow us to have those conversations with other organisations and other networks in European countries. I think there probably needs to be, later on, a separate conversation about how we better organise ourselves, as a relatively small country, relatively well networked, to maximise our relationship with institutions within EU countries, and that it doesn't rely on official process, but relies much on the activity within our own networks. But I'm very, very struck that we shouldn't be—we shouldn't underestimate just how challenging it may be to navigate some of these collaborative relationships once the networks of the EU are gone.

[281] **Jane Hutt:** Thank you, Ben. I think, obviously, it is going to be very much up to you, but, hopefully, with our help—. There'll need to be some leadership challenges from you to help bring those networks together—even if we can facilitate in any way, it will need your commitment to bring them together. Any other points that anyone wants to raise? I want to make sure everybody's had their say. Right, well, I think we'll perhaps bring this session to a close. I'd like to, again, thank you all very much for coming.

[282] Diolch yn fawr ichi i gyd am Thank you all for being here this

ddod yma'r prynhawn yma.

afternoon.

[283] I'm really pleased that we've had such a full engagement from across all of the partners and stakeholders who've come today and our committee members as well. It's so valuable, and the fact that it's all there—we've got the transcript and we'll be sharing it with you, so if you feel that we've missed anything, or got acronyms wrong, et cetera, you'll be able to let us know. But I think we then have to consider how we can help move the process of networking and engagement, cross-sectoral and sectoral, along.

[284] I'd like, again, to thank Tobias for coming and opening up the session. We could've spent all afternoon questioning you, Tobias, but I think, actually, you helped us to focus on the key issues. And things might be developing overnight, who knows, but, certainly, I think quite a bit of what you said about the next stage in terms of transition and how we handle transition and post transition is probably the kind of area that we're going to have to focus on as well, because everyone here will be living and breathing that and trying to manage it.

[285] So, thank you and thank you for the warm words. Glyn, it was extremely helpful, because you summed up how, actually, you could see this as a whole, sharing all of the aspirations that we have for the people we serve and represent together. So, diolch yn fawr ichi i gyd. And thank you to all the staff, from the committee and the Assembly, who've made this possible. Diolch yn fawr.

Daeth y cyfarfod i ben am 16:09.

The meeting ended at 16:09.