

Agenda – Economy, Trade, and Rural Affairs Committee

Meeting Venue:	For further information contact:
Remote – Video Conference via Zoom	Robert Donovan
Meeting date: 13 July 2022	Committee Clerk
Meeting time: 09.30	0300 200 6565
	SeneddEconomy@senedd.wales

Private pre-meeting (09.15–09.30)

Public Meeting (09.30–10.30)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Paper(s) to note

(09.30)

2.1 Letter from the Chair Cross Party Group on Medical Research to the Minister for Economy

(Pages 1 – 6)

Attached Documents:

Cross Party Group on Medical Research

2.2 Letter from the Chair Culture, Communications, Welsh Language, Sport, and International Relations Committee

(Page 7)



Attached Documents:

Promoting Welsh culture and the football World Cup

2.3 Letter from the Minister for Economy

(Pages 8 – 9)

Attached Documents:

Orthios Eco Parks Ltd Anglesey

2.4 Letter from the Minister for Rural Affairs and North Wales, and Trefnydd

(Page 10)

Attached Documents:

The Animal Welfare (Miscellaneous Amendments) Regulations 2022

2.5 Letter from the Chair Legislation, Justice and Constitution Committee

(Page 11)

Attached Documents:

Inter-Institutional Relations Agreement: Inter-Ministerial Standing Committee

2.6 Letter from the Chair to the Minister for Economy

(Pages 12 – 16)

Attached Documents:

UKCA Conformity Assessment and Certification

Letter from Ed Evans Chairman, Wales Construction Federation Alliance
(WCFA)

2.7 Letter from the Chair Climate Change, Environment, and Infrastructure Committee

(Pages 17 – 19)

Attached Documents:
Legislative Consent Memorandums

2.8 Letter to the Chair Business Committee

(Page 20)

Attached Documents:
Legislative Consent Memorandum for the UK Infrastructure Bank Bill

2.9 Letter from Tim Peppin Director of Regeneration and Sustainable Development (WLGA)

(Pages 21 – 22)

Attached Documents:
Inquiry into the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021

2.10 Letter from the Minister for Economy

(Page 23)

Attached Documents:
Meeting of the Ministerial Forum for Trade

2.11 Letter from the Minister for Rural Affairs and North Wales, and Trefnydd

(Page 24)

Attached Documents:
Consultation on the draft Joint Fisheries Statement

2.12 Letter from Chair of the Finance Committee

(Pages 25 – 27)

Attached Documents:
Welsh Government's Draft Budget 2023–24

2.13 Letter from the Minister for Economy

(Page 28)

Attached Documents:

Additional information following the meeting on the 15 June regarding ERF spending

2.14 Letter from the Minister for Economy

(Pages 29 – 34)

Attached Documents:

Response to letter from the Chair – Horizon Europe

Letter from the Chair to the Minister for Economy – Horizon Europe

2.15 Letter from the Counsel General and Minister for the Constitution

(Page 35)

Attached Documents:

Inter-Institutional Relations Agreement: Inter-Ministerial Standing Committee

3 UK–New Zealand Free Trade Agreement

(09.30–10.30)

(Pages 36 – 48)

Sam Lowe, Director Trade, Flint–Global

Emily Rees, Senior Fellow at European Centre for International Political Economy

Professor Michael Gasiorek, University of Sussex

Attached Documents:

Research brief

4 Motion under Standing Order 17.42(ix) to resolve to exclude the public for the remainder of the meeting

(10.30)

5 Private

(10.30–11.15)

(Pages 49 – 51)

Consideration of evidence following the meeting

Briefing on International Agreements

Strategic Planning

Attached Documents:

International Agreement: Decision to amend Rules of Origin of the UK–
Switzerland Free Trade Agreement

Agenda Item 2.1

Vaughan Gething MS
Minister for Economy
Welsh Government

Dear Minister

I am writing first to offer my sincere thanks to you for speaking at the most recent meeting of the Cross Party Group on Medical Research. I am particularly thankful for your insights around the potential of Medical Research to contribute to Wales's economic recovery from the Covid-19 pandemic and hope that you will consider the contributions of the Fraser of Allander Institute and British Heart Foundation Cymru this in any future budget discussion.

I understand your time is valuable and we appreciate your attendance for the limited time you have available. I have included with this letter the minutes of the meeting for your perusal. As you will see from the minutes after your contribution to the meeting, there were several areas of discussion which I promised Members of the Group I would raise with you for your response.

1. Though the team were able to construct an appropriate model with accurate findings, James Black who worked on the Fraser of Allander Institute report explained how the methodology for the study was constrained in its ability to model and compare Wales against the other UK nations. The team were unable to access the Input-Output table from the Welsh Government, preventing them from constructing a high-quality model for Wales. James explained that this apparent lack of transparency is being reconsidered by the Welsh Government. Are you able to shine further light on the situation and reassure the CPG that the Input-Output table will be made available for researchers to utilise in future studies?
2. The news that the Welsh Government will in the not-too-distant future consult on its new cross-portfolio Research and Innovation strategy is welcome. The commitment you made to write to me as Chair of the CPG to draw upon the Group's insight and expertise is also welcome.
3. Due to the cross-cutting nature of the planned strategy the CPG will also send copies of this covering note and CPG minutes to relevant Senedd scrutiny committee Chairs and Clerks to ensure they are also aware of this critically important piece of work in terms of their forward work planning. Any timetable from the Welsh Government concerning publication of a draft strategy for consultation would be welcome.

4. The CPG would also welcome your thoughts concerning whether the new strategy will come with a commitment to increased Welsh Government spending on medical research infrastructure which is desperately needed.
5. You shared with the CPG insight concerning the meetings you have had with the UK Government at which you lobbied on behalf of research in Wales. Can the Welsh Government furnish the CPG with a more detailed briefing on the content and scope of these meetings. This will assist the CPG in establishing recommendations which support an inter-Governmental approach.
6. Finally, my colleague Altaf Hussein MS described his own personal frustration developing a surgical innovation, and the lack of support for realising an idea. We would welcome your thoughts concerning the Welsh Government support available to individuals to innovate in a clinical setting.

Once again, your contribution was appreciated by all who attended the meeting of the CPG and we all look forward to your response.

Yours sincerely

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a horizontal line underneath.

Russell George MS

Chair, the Cross Party Group on Medical Research

Cc.

Clerk, Health and Social Care Committee
Chair and Clerk, Children, Young People and Education Committee
Chair and Clerk, Climate Change, Environment, and Infrastructure Committee
Chair and Clerk, Economy, Trade and Rural Affairs Committee
Altaf Hussein MS



Our ref: DC-VG-00424-22

Russell George MS
Chair, the Cross Party Group on Medical Research

13 June 2022

Dear Russell

Thank you for your letter following the meeting of the Cross-Party Group on Medical Research on 27 April and for providing further questions, which are answered below.

Assurance that the Input-Output table will be made available for researchers to utilise in future studies.

High-quality, detailed and timely economic statistics are needed to support policy making in Wales and across the UK. This is particularly important given that the increased devolution of powers, EU exit and Covid-19 are changing the economic structure and linkages between different regions.

Supply Use Tables (SUT) are the backbone of National Accounts and bring together all available output, input, gross and value added, income and expenditure data in a consistent framework, presenting accounts of an area's economic activity and playing an important role in the quality of national accounts. Input Output Tables (IOTs) are derived from the SUT and facilitate estimation of impact assessments and economic models, which can be used to analyse the effects of national policies.

Cardiff University published analytical IOTs for Wales in 2007. Due to the age of this data and uncertainties around its validity, these statistics are no longer considered fit for purpose.

That is why the Minister for Finance recently approved up to £1.05m over the next three years for the improvement of Welsh economic statistics by establishing an in-house program of work to develop Input Output Tables for Wales.

Developing in-house IOTs will give Welsh Government greater control, influence and leadership over the development of this work, as well as the opportunity to develop in-house expertise. We plan to work closely with Cardiff University experts on this

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

work program and we will consult with Welsh Government colleagues as well as external organisations to understand the user need for these statistics.

To improve the availability and quality of data required for SUTs and IOTs, we will also need to boost funds to existing surveys where the sample size for Wales is low.

However, development of IOTs is not a quick task. Due to the technical nature of the work, the need to collect additional data, and the time lag associated with these surveys, it is unlikely that IOTs would be published until 2024-25, although experimental data may be available earlier.

Commitment to write to Russell George MS as Chair of the CPG to draw upon the Group's insight and expertise to contribute to the consultation on its new cross-portfolio Innovation strategy and to provide a timetable concerning publication of the draft strategy for consultation.

We are currently working with Plaid Cymru Designated Members, in line with the cooperation agreement commitment to jointly develop a new Innovation Strategy. It is important that we complete our engagement and involvement activities and comply with the Co-operation Agreement and Assembly timetable to ensure a full cross governmental commitment on the best way forward.

Publication of a draft strategy for consultation is planned for this summer. I have asked my Innovation officials to contact you when we issue the draft for consultation. I hope to have a final strategy in place before the end of the year.

Whether the new strategy will come with a commitment to increased Welsh Government spending on medical research infrastructure

Health and Care Research Wales has secured a further recurrent funding agreement for 2022/23 of £5 million from the Minister for Health and Social Services, increasing its overall budget to £47m/annum.

This will support the Covid Evidence Centre to cover more general (non-covid) policy areas; implementation of the UK Strategy for Clinical Research to ensure the NHS becomes people-centred and digitally enabled its approach to research; establishing a Health and Care Research Wales faculty initiative, supporting research career pathways and developing new personal award schemes to address gaps in current pathways in Wales; Implementation of the Wales cancer research strategy, and new investments in social care research and development, to address traditionally low levels of research capacity.

More detailed briefing on the scope and content of meetings with the UK Government at which the Minister lobbied on behalf of research in Wales

While the content of meetings between Welsh Government Ministers and officials with their counterparts in UK Government and the devolved administrations remains sensitive and often commercially confidential, I can assure you that every opportunity is taken to promote Wales and work towards ensuring the best possible outcomes for our ambitions for the economy and people of Wales.

Lack of support for developing surgical innovation and details of Welsh Government support available to individuals to innovate in a clinical setting.

A range of Welsh government funded support platforms and interventions exist as part of our wider health and care innovation ecosystem, to support and develop innovation.

Our three main initiatives are (web links and descriptions provided below)

- The Life Sciences Hub Wales
- Accelerate Wales
- AgorIP

The [Life Sciences Hub Wales | Life Sciences \(lshubwales.com\)](https://lshubwales.com) exists to help transform the health and economic wellbeing of the nation through:

1. Accelerating the development and adoption of innovative solutions that support the health and social care needs of Wales.
2. Partnering with industry to advance economic development across the life sciences sector in Wales, driving business growth and creating jobs.

To help make this happen we support health and social care colleagues across Wales to understand the challenges and pressures an organisation may face. Once identified, we work with industry to source and support the development of innovative solutions to respond to these challenges.

[Accelerate Wales | Life Sciences \(lshubwales.com\)](https://lshubwales.com) is co-funded by the European Regional Development Fund, the Welsh European Funding Office, Welsh Government's Health and Social Services group, universities, Life Sciences Hub Wales and NHS Wales health boards.

Accelerate helps innovators in Wales to translate their ideas into solutions, enabling them to be adopted in health and care.

Accelerate is led by Life Sciences Hub Wales, in partnership with [Cardiff University](https://www.cardiff.ac.uk) (CIA), [Swansea University](https://www.swansea.ac.uk) (HTC) and [University of Wales Trinity Saint David](https://www.trinity.ac.uk) (ATiC). Rather than providing funding or grants, this programme offers SME's and Enterprises in Wales the opportunity to tap into academic expertise, and the latest facilities needed by innovators and entrepreneurs to realise their ideas.

Accelerate can:

- Identify research and development collaborations.
- Connect this to experts in health technology, user experience, and clinical engagement.
- Help navigate the life sciences support ecosystem.

[AgorIP](#) is a new approach to innovation which can help bring ideas and innovation to life.

Thanks to EU and Welsh Government support, AgorIP can help you realise the potential of your idea, product or research. Our team of experts are here to help you take your “IP” to the marketplace and help make it a commercial success.

From a Business and Economy perspective, the route into Welsh Government support for an individual with a business idea is via [Business Wales \(gov.wales\)](#), which will consider a referral to Innovation or Entrepreneurship teams or other services, as most appropriate.

In terms of the support for health-related businesses, over the life of the current EU-funded SMART Cymru and our COVID RD&I schemes, Welsh Government has supported 89 businesses to deliver 123 projects, with total grant support of £9,012,404 and total project costs of £16,745,404.

Yours sincerely,



Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

Cc.
Clerk, Health and Social Care Committee
Chair and Clerk, Children, Young People and Education Committee
Chair and Clerk, Climate Change, Environment, and Infrastructure Committee
Chair and Clerk, Economy, Trade and Rural Affairs Committee
Altaf Hussein MS

Mark Drakeford MS
First Minister
Welsh Government

Dyddiad | Date: 17 June 2022

Pwnc | Subject: **Promoting Welsh culture and the football World Cup**

Dear Mark,

Following the success of Wales' men's national football team to qualify for the 2022 FIFA World Cup Finals in Qatar, I would be grateful if you could set out the work which the Welsh Government will be undertaking to capitalise on this opportunity.

I would also be grateful if you could set out what the Government will be doing to ensure that the increased global visibility will be used to promote Welsh culture and increase economic opportunities, either through established channels such as the existing Overseas Offices, or by creating new partnerships to exploit the potential for promoting Wales to the world.

I am copying this letter to Paul Davies MS, Chair of the Economy, Trade and Rural Affairs Committee as I believe they also have an interest in pursuing this topic.

Yours sincerely,



Delyth Jewell MS

Chair

Culture, Communications, Welsh Language, Sport and International Relations Committee



Paul Davies MS
Chair: Economy, Trade and Rural Affairs Committee

17 June 2022

Dear Paul

Thank you for your letter of 9 June on behalf of the Economy, Trade and Rural Affairs Committee.

Within four days officials had established a taskforce to support the ex-Orthios employees who were made redundant. The taskforce is made up of representatives from Anglesey Local Authority, Department for Work & Pensions (DWP), Citizens Advice, Mon CF, Business Wales, Careers Wales and North Wales Economic Ambition Board.

Within a matter of days, a jobs fair was organised and over 70 ex-employees attended. In addition to offering advice in securing new employment during the event, foodbank vouchers were handed to those in need. A number of Anglesey based businesses also attended and as a result a number of ex-employees secured new employment on the day. Voscap, the administrators for the site and buildings, have also re-employed 8 ex Orthios staff to maintain the site during the ongoing process.

There are ex-employees who the taskforce group are unable to ascertain their situation. The group through the established social media channels attempt to reach out to these individuals indicating support is still available. Through Mon CF a Facebook page and WhatsApp group has been created to support ex-employees. The taskforce have also created an information sheet detailing the support available and contact details of the key agencies for those made unemployed.

DWP were able to cover travel costs for claimants starting new employments and those applying for support through the ReACT programme saw their applications approved within a matter of days.

For ex-employees who have not secure work many have enrolled on various training courses. This information is collated through the React programme and has highlighted there is a wide range of training being undertaken including in new professions.

Officials have utilised the Business Wales communication channels to support business in the supply chain who may have been affected. Now the administrators have provided detailed information on the list of creditors in their proposals filed with Companies House officials are monitoring the situation with the Welsh businesses listed.

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Officials have been in continued dialogue with the administrators around the future of the site. Officials have also received numerous enquiries from interested parties. To avoid any concerns of showing favouritism and possibly inflating prices officials have not entered into any meaningful discussions with interested parties at this stage. All enquiries have been referred to the administrators. Officials have been informed to date the administrators have received in the region of 65 enquiries for the site. Of which 15-18 companies visited the site when the administrators held two separate open days at the site recently. Administrators anticipate this number will equate to 8-10 serious bidders. Administrators have indicated they will engage with officials once the closing dates for submitting bids has elapsed. This meeting is scheduled for 28th June.

Both administrators have now filed their proposal with Companies House indicating they will be seeking to realise property in order to make a distribution to one or more secured or preferential creditors.

During the last Taskforce group meeting (7th June) Welsh Government officials proposed a prospectus is created outlining the agencies and the support they provide to the successful bidder. The group acknowledge the successful bidder is not obliged to engage with any agencies but feel this could be a way to start the working relationship.

Officials are aware there remains 8-9 tonnes of plastic on site. The administrators have until November to remove the plastic if the sale has not been completed. Solicitors acting on behalf of the administrators are seeking a solution if the sale is not complete. Officials have been reassured by the administrators the situation with the plastic, including temperature checks, is monitored on a daily basis. Officials have requested the administrators consider utilising the local supply chain if there becomes the need to remove the plastic.

I will continue to keep members updated on progress, as I appreciate the significance of the site to Ynys Mon and the wider North Wales region.

Yours sincerely,

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

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA-LG-0037-22

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee

Paul.davies@senedd.wales

20 June 2022

Dear Paul,

The Animal Welfare (Miscellaneous Amendments) Regulations 2022

Further to my letter of 27 April, notifying the Committee I would be giving consent to the Secretary of State for Environment, Food and Rural Affairs to lay The Animal Welfare (Miscellaneous Amendments) Regulations 2022, I wish to clarify these regulations will be made under the affirmative procedure and not the negative procedure.

The Regulations have now been laid before Parliament under the affirmative procedure, where they will be debated and approved before they can be made. The debate has not yet been scheduled. I will issue a Written Statement once the Regulations have been made.

I am copying this letter to the Legislation, Justice and Constitution Committee.

Regards,

Lesley Griffiths AS/MS

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd

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**Y Pwyllgor Deddfwriaeth,
Cyfiawnder a'r Cyfansoddiad**

**Legislation, Justice and
Constitution Committee**

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Rt Hon Mark Drakeford MS
First Minister

Mick Antoniw MS
Counsel General and Minister for the Constitution

27 June 2022

Dear both

Inter-Institutional Relations Agreement: Inter-Ministerial Standing Committee

Thank you for your letters of 30 May, 9 June and 17 June 2022 keeping us informed of developments related to the second Inter-Ministerial Standing Committee (IMSC) and advising us that this meeting will now take place on 29 June, during which UK legislation and the cost-of-living crisis will be discussed.

Given the breadth of issues that may be covered in IMSC meetings, we think there would be benefit in you copying the relevant Senedd committees into future correspondence on such meetings where agenda items (and subsequently, meeting updates) are likely to fall within the remits of those committees.

I look forward to receiving information about the outcome of the meeting on 29 June.

Given the agenda items at this next IMSC meeting, I am copying this letter to the Finance Committee and the Economy, Trade and Rural Affairs Committee.

Yours sincerely,

Huw Irranca-Davies

Huw Irranca-Davies
Chair

Agenda Item 2.6

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

**Economy, Trade and
Rural Affairs Committee**

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Vaughan Gething MS
Minister for Economy

30 June 2022

Dear Minister,

UKCA Conformity Assessment and Certification

I am writing to you regarding Ed Evans, Chair of the Welsh Construction Federation Alliance (WCFA) who forwarded me the attached letter sent to you regarding the matter of UKCA Conformity Assessment and Certification. The Committee would be keen to hear your views on the matter and its impact on Wales.

Please could you also outline your views on the solutions WCFA put forward in their letter. As part of this, please could you outline the Welsh Government's response to the 'asks' in the letter's penultimate paragraph around recognition of the issue, scope within devolved powers to act on the issue and representations on the matter to the UK Government.

I have copied this letter to Ed Evans.

Kind regards,



Paul Davies MS
Chair: Economy, Trade and Rural Affairs Committee

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





e-mail to: correspondence.vaughan.gething@gov.wales

Mr Vaughan Gething MS
Minister for Economy
The Welsh Government
5th Floor, Tŷ Hywel
CARDIFF BAY
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Friday, 10 June 2022

Dear Minister

UKCA CONFORMITY ASSESSMENT & CERTIFICATION: 01 JANUARY 2023

I am writing, as Chair of the Wales Construction Federation Alliance (WCFA), to ask for your assistance as Welsh businesses grapple with new UKCA conformity assessment & certification arrangements that replace CE Marking after 31 December this year.

Background

The UK Government is introducing a new “UK Conformity Assessed” mark for goods placed on the market in Great Britain from 1 January 2023. Ministers seek new powers to end the recognition of CE Marking in favour of UKCA Marking in the recently-passed Building Safety Act.

There is deep frustration among manufacturers & importers that, at present, there is no route to accept historic test data & reports from EU Notified Bodies for use in complying with UKCA Marking. This poses a particular problem for goods in relation to the Assessment and Verification of Performance (AVCP) System 3. If manufacturers and distributors want to continue selling their goods in Great Britain, they have to be re-tested and certified by an accredited UK Approved Body.

Industry Efforts

The Wales Construction Federation Alliance and others are concerned at the lack of progress between the UK Government and individual companies, trade associations and certification & testing bodies to prepare properly.

At the UK level, Welsh companies - along with other partners in England & Scotland - are collaborating to find ways round common problems through joint efforts in the UK Construction Leadership Council's Standards and Regulatory Alignment Group. For over 18 months, this group has met fortnightly to work through complex technical & legal difficulties involving (for example) Designated Standards, Approved Bodies, Technical Assessment Bodies and AVCP Systems.

For most companies, this means materials & products under the EU Construction Products Regulation 2011 (as amended in 2019 and 2020). The Department for Levelling Up, Housing & Communities is responsible for the CPR. The Department for Business, Energy & Industrial Strategy is responsible for other regulations applicable to manufacturing or building services. For example: the Lifts Regulations 2016; the Electrical Equipment (Safety) Regulations 2016; or the Supply of Machinery (Safety) Regulations 2008.

Capacity, Capability and Competence

There is insufficient testing capacity and capability for manufacturers to have their goods assessed and certified for the British market, using UK-based Approved Bodies, by the end of this calendar year. There are simply not enough approved companies or qualified people to conduct the huge number of assessments & certifications required to gain UKCA Marking in time.

For example: there are no UK Approved Bodies able to test:

- insulation: most types of pipe insulation and duct insulation;
- trench heating: most types for residential, commercial & municipal buildings;
- renders: several types of synthetic renders and render-based brick slips;
- glass: several types of coated and laminated glass inc. mirrors;
- plastic pipes: several types of thermoplastic pipes for underground drainage.

For other goods, there are scant few UK Approved Bodies available:

- radiators: only one approved company whose entire annual capacity is fully booked;
- fire doors: only two approved companies for smoke leakage tests;
- sealants: only one approved company - most tests take up to 3 months to allow for curing.

Catch 22

UK-based testing houses have stopped offering certain tests (or never did) because such tests are widely available in the EU - leading to gaps in the British market. The catch is that manufacturers are obliged to have goods tested to a standard that may no longer be accredited by UKAS, the national accreditation body - or by firms that no longer offer tests for various reasons - e.g. retirement of key staff not yet replaced. In effect, Whitehall will have (unwittingly) banned the sale of some goods that simply cannot be tested in the UK through no fault of the manufacturer.

The upshot is that with :

- a. continued uncertainty about as-yet-unknown future regulations,
- b. large capital costs for SMEs to invest in more or new equipment & facilities, and
- c. next-to-no time available to find and train specialist staff,

there is little appetite for businesses to take the plunge.

Consequences

With 5 months to go, those affected are exasperated that uncertainty, instability and confusion prevails. This is wholly unacceptable and adds to the specification, compliance & familiarisation costs that manufacturers face - notably the money being wasted on double-testing of goods.

Whitehall has told businesses to prepare for the end of CE Marking on 31 December 2022. Legislation is required but the DLUHC cannot give a firm date for this. The risk is that faced with ongoing difficulties - like higher raw material, energy, labour & transport costs and other inflationary pressures - businesses do not bother, hoping somebody will come up with answers in time.

There are reports of distributors notifying manufacturers that only UKCA Marked goods will be accepted - and that CE Marked goods will be rejected. This so-called "stock cleansing" prior to 31 December is unwise and likely to be destabilising for everybody concerned.

Solutions

The situation is already serious for British manufacturers who are spending hundreds of thousands of pounds on testing to both UK & EU standards. With 5 months to go, there are too many unresolved questions about post-2023 arrangements.

The obvious solutions are:

- the UK Government defers the 31 December 2022 date to allow time to work through the outstanding issues - notably to allow EU test reports to be used for a defined period of time after 1 January 2023.
- the Welsh and/or UK Governments find ways to support the fledging British testing market - perhaps financial - and encourage participants to boost overall capacity & capability.
- better still, London and Brussels negotiate an UK-EU Mutual Recognition Agreement where (for example) historic test results are accepted in both jurisdictions. This is politically difficult and the European Commission refuses to contemplate this.

The preferred solution is for ministers to pause now that the Building Safety Act is on the statute book - and take heed of what industry is telling them. The WCFA view is that deferring the 31 December 2022 date is obvious and necessary - and UK ministers should move quickly to say so and dispel uncertainty. Drafting the statutory instruments to bring in new provisions is critical, and must be done correctly to avoid unintended consequences that harm British businesses. It is sensible and pragmatic to delay the secondary legislation to allow business to prepare properly.

UKCA Marking also applies to machinery and equipment (especially spare parts). Worn or damaged parts needing replacement will be CE Marked - and in many cases, they will no longer be in

production - or not supplied in sufficient numbers to make it economically feasible to obtain UKCA Marking. This has serious implications for routine maintenance or breakdowns - e.g. lifts awaiting safety components. The preferred solution is to allow replacement parts to meet the rules as they applied when the machinery or equipment was installed and put into service.

Nex Steps

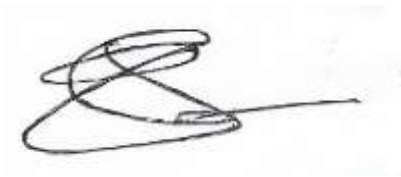
Despite industry's best efforts, decisions from UK ministers on various policy and procedural matters are long overdue. For example: whether (or not) manufacturers can sub-contract testing to EU27 companies when there is no test available in Great Britain. Only governments can provide solutions: businesses did not ask for these regulatory changes and we cannot pass laws.

If the situation described is not resolved, and soon, the logical conclusion is that goods cannot be sold after 1 January - and construction, house-building and property RMI will slow down or stop.

Our **'ask'** is for the Welsh Government to recognise the concerns expressed and to see if there is scope within devolved powers to assist. Any representations you can make to the UK Government on our behalf would be gratefully appreciated.

Thank you in anticipation.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ed Evans', written over a light blue grid background.

Ed Evans

Chairman, Wales Construction Federation Alliance (WCFA)

Wales Construction Federation Alliance (WCFA) :

Our Alliance represents the six major construction, civil engineering and materials employer trade federations in Wales, namely, the:

- Civil Engineering Contractors Association (CECA) Wales
- Actuate UK
- Federation of Master Builders (FMB) Cymru
- Home Builders Federation (HBF) Wales
- Mineral Products Association (MPA) Wales
- Builders Merchants Federation (BMF) Wales

We have elected to work together to inform and influence the Welsh Government and other key decision makers to ensure that the best possible decisions are made for the economic, social and environmental well-being of Wales.

Rebecca Evans MS
Minister for Finance and Local Government

30 June 2022

Dear Rebecca,

Legislative Consent Memorandum for the UK Infrastructure Bank Bill

As you are aware, the Business Committee has referred the Legislative Consent Memorandum for the UK Infrastructure Bank Bill ('the LCM') to several committees for consideration, including the Climate Change, Environment and Infrastructure Committee ('the Committee').

At its meeting on 30 June, the Committee agreed I should write to you seeking further information and/or clarification on a number of matters, which are of specific interest to us, given our remit. Without prejudice to the Welsh Government's current policy position on the Bill, we would welcome a response from you on the following questions.

1. To what extent does the Bill, as drafted, reflect the Welsh Government's policy priorities in relation to infrastructure investment?
2. To what extent are you satisfied with the Bank's 'objectives' set out in section 2(3)? Are there any other objectives that you believe should be included, for example, tackling the decline in biodiversity?
3. How will the Bank take into account Welsh legislation, for example, the Well-being of Future Generations Act, when making its investment decisions?
4. Much of the detail relating to the Bank's core principles and parameters within which it will operate are set out in the UK Infrastructure Bank Framework Document ('the Framework Document'). To what extent are you satisfied that an appropriate balance has been struck between the detail contained in

the Bill and that left to the non-legally binding Framework Document, which has been agreed by the UK Government?

5. As noted in the LCM, the Framework Document states “where an investment is primarily to support economic growth, the Bank will ensure that it does not do significant harm against its climate objective”. Please set out your understanding of:

- the meaning of ‘significant harm’ in this context, and
- how the Bank will determine whether an investment will do ‘significant harm’.

6. Even though a specific investment decision may not meet the threshold of ‘significant harm’, it is possible that a series of decisions could be considered cumulatively to cause significant harm. Please set out your understanding of whether and how the Bank will consider the cumulative effect of its investment decisions.

7. To what extent are you satisfied with the meaning of ‘infrastructure’ set out in section 2(5)? Are there any other aspects/measures that you believe should be included within the meaning?

8. As drafted, the Bill would permit the Bank to provide financial assistance to infrastructure projects relating to roads. To what extent does this align with the Welsh Government’s current transport priorities and its sustainable transport hierarchy?

9. The UK Government has made clear its intention that the Bank should be permitted to provide financial assistance/loans for projects aimed at improving the energy efficiency within homes. Can you explain whether and how this will help support the Welsh Government to deliver its ambitions to decarbonise Wales’ housing stock?

10. The Framework Document sets out types of projects that should not be supported by the bank, including projects involving extraction, production, transportation and refining of crude oil, natural gas or thermal coal with very limited exemptions. Please set out your understanding of the ‘very limited exemptions’.

11. Are there any other types of projects that you believe the Bank should not be permitted to support?

12. In reference to the policy mentioned in question 8, the Explanatory Notes states that “This policy will be updated over time to reflect changes in government policy and regulatory standards”. How will the Welsh Government ensure these changes reflect policies or regulatory standards that fall within devolved competence?

13. The Bill creates delegated powers to enable the Treasury to change the Bank’s activities or the definition of infrastructure using secondary legislation under the affirmative procedure in the UK

Parliament. What arrangements are in place to ensure the Welsh Government (and other devolved governments) are consulted in advance of any such changes?

14. What role will the Senedd have in considering subordinate legislation to change the Bank's activities or the definition of infrastructure?

I am copying this letter to Huw Irranca-Davies MS, Chair, Legislation, Justice and Constitutional Affairs Committee; Paul Davies MS, Chair, Economy, Trade and Rural Affairs Committee; Peredur Owen Griffiths MS, Chair, Finance Committee; and Julie James MS, Minister for Climate Change.

I should be grateful if you could respond no later than 28 July 2022.

Yours sincerely,



Llyr Gruffydd MS,
Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Agenda Item 2.8

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

—
**Economy, Trade and
Rural Affairs Committee**

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Elin Jones MS
Chair, Business Committee
Senedd Cymru

30 June 2022

Dear Llywydd,

As you know, Business Committee referred the UK Infrastructure Bank Bill and the Trade (Australia and New Zealand) Bill LCMs to the Economy, Trade and Rural Affairs Committee. These LCMs were referred to a number of Committees. Business Committee encouraged the Committees to discuss the LCMs and decide "which Committee would take the lead on this scrutiny from a policy perspective".

Following these discussions, in order to avoid duplication, the Economy, Trade and Rural Affairs Committee will keep a watching brief on the LCMs but does not intend to report on either at this time.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

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





Agenda Item 2.9

Dr Chris Llewellyn

Prif Weithredwr / Chief Executive

Cymdeithas Llywodraeth Leol Cymru
Welsh Local Government Association

Un Rhodfa'r Gamlas

Heol Dumballs

Caerdydd

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Ein Cyf / Our Ref:

Dyddiad / Date: 27th June 2022

Gofynnwch am / Please ask for: Tim Peppin

Llinell uniongyrchol / Direct line: 07747 483761

Ebost / Email: tim.peppin@wlga.gov.uk

Paul Davies MS
Chair, Economy, Trade and Rural Affairs Committee
Senedd
Cardiff Bay
CF99 1SN
By email

Dear Mr. Davies

Inquiry into the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021

I understand that as part of the above inquiry your committee is interested in whether the Regulations will have an impact on local authorities across Wales.

I have taken sought feedback from councils on this and, although I have had only a limited number of responses, I can offer the following comments:

- The situation does appear to be impacting on planning services, with some reporting an increase in applications for the storage of manure
- One council also reported a slowdown in the number of intensive livestock unit applications. They suspect the challenge of being able to manage the manure produced by these units in compliance with the regulations is one of the contributory factors, as it will be less easy to spread manure to land and alternative solutions will have to found
- It was also suggested that there could be indirect impacts arising from the regulations

Croesawn ohebiaeth yn y Gymraeg a'r Saesneg a byddwn yn ymateb i ohebiaeth yn yr un iaith.
Ni fydd defnyddio'r naill iaith na'r llall yn arwain at oedi.

We welcome correspondence in Welsh and English and will respond to correspondence in the same language. Use of either language will not lead to a delay.

wlga.cymru

wlga.wales

@WelshLGA

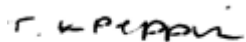
- e.g. further reasons for farms to look at diversifying their operations, which could generate other applications
- One of the local authority Highways departments anticipated they might see an increase in demand for the processing of ordinary water course applications for consents under Section 23 of the 1991 Land Drainage Act.

More broadly, numerous councils have been dealing with the challenge of phosphate levels in rivers/water courses. This is a particular issue for those with River Special Areas of Conservation (SACs). Any new development in these areas has to be able to prove it will be nutrient neutral to prevent phosphate levels from rising any further. This is resulting in planning applications being held up and, in some cases, rejected. This relates also to the need to ensure compliance under the Habitats and Species Regulations 2010, in their role as planning authorities. In some cases, Local Development Plans are being delayed as a result of issues with phosphates.

Measures need to be identified that can reduce phosphate levels to create 'headroom' for new developments to take place. That could include working with farmers to take steps to reduce run-off from agricultural land as source apportionment studies have indicated agriculture is one of the more significant contributory factors behind the high phosphate levels. Nutrient Management Boards are meeting at the local level to calculate phosphate levels and to identify mitigating measures. Whilst not directly related to the introduction of these regulations, the two matters are clearly closely related.

I hope that feedback is helpful to your inquiry.

Yours sincerely



Tim Peppin
Director of Regeneration and Sustainable Development

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

Huw Irranca-Davies MS
Chair of Legislation, Justice and Constitution Committee
SeneddLJC@assembly.wales

Paul Davies MS
Chair of Economy, Trade, and Rural Affairs Committee
SeneddEconomy@senedd.wales

4 July 2022

Dear Paul, Huw,

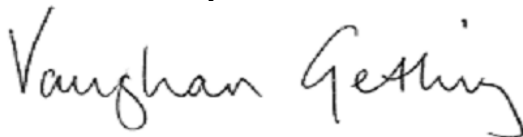
I wanted to let you know, per the inter-institutional relations agreement, that a meeting of the Ministerial Forum for Trade is scheduled for 5th July 2022.

The agenda will include;

- a review of the Terms of Reference for the group (please note once the terms of reference have been agreed the group will transition into the Inter-ministerial Group (Trade))
- an update on US State Memorandum of Understandings (MoUs), and
- an update on the UK-India Free Trade Agreement (FTA) Negotiations

I will update you further following the meeting.

Yours sincerely,



Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA/LG/2084/22

Paul Davies MS
Chair
Economy, Trade, and Rural Affairs Committee

Paul.Davies@senedd.wales

5 July 2022

Dear Paul,

Further to my letter of 25 May, I committed to inform you when a UK summary of responses document to the Consultation on the draft Joint Fisheries Statement is published.

I attach a link to the Summary of Responses, which was published on 1 July.

[Joint Fisheries Statement | GOV.WALES](#)

Regards,

Lesley Griffiths AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Chair, Children, Young People, and Education Committee
Chair, Climate Change, Environment, and Infrastructure Committee
Chair, Culture, Communications, Welsh Language, Sport, and International Relations Committee
Chair, Economy, Trade, and Rural Affairs Committee
Chair, Equality and Social Justice Committee
Chair, Health and Social Care Committee
Chair, Legislation, Justice and Constitution Committee
Chair, Local Government and Housing Committee

6 July 2022

Welsh Government Draft Budget 2023-24

Dear Committee Chairs

Budget Engagement


On 11 April 2022, I wrote to notify you of the Finance Committee's programme of engagement for its scrutiny of the forthcoming Welsh Government's Draft Budget 2023-24. The Committee has now completed its three engagement strands:

- a stakeholder event in Llanhilleth Miners' Institute;
- a workshop with member of the Welsh Youth Parliament; and
- focus groups with the Welsh public.



An engagement report has been published which summarises the responses we received during our engagement work.



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Plenary Debate on the Welsh Government's Spending Priorities

On 13 July, the Committee will hold a Plenary debate on the Welsh Government's Spending Priorities and the engagement report referred to above will be included as a supporting document for the debate.

We believe this debate allows the best opportunity for Members to influence the Welsh Government's spending priorities prior to the formulation of the draft budget in the autumn and I would encourage Committees to contribute to this important debate and press for action in their areas of interest.

Timetable and approach to budget scrutiny

Following the announcement by the UK Government last year of a multi-year settlement, the Committee had hoped that we would return to a 'normal budget' process this year, after several years of curtailed scrutiny. However, the Minister for Finance and Local Government has written to me to explain that the lack of certainty over the significant pressures facing the Welsh Government's spending plans will not be resolved until the Welsh Government knows whether its settlement will change in any UK Autumn Fiscal event.

The Minister sought the Committee's view on a preferred timetable for publishing of the draft budget, with our preferred option being that it is published in October to enable eight weeks for scrutiny with the final budget being published in December.

The Minister for Rural Affairs and North Wales, and Trefnydd has now written to the Business Committee to notify it that the Welsh Government intends to publish the outline and detailed draft budgets together by 13 December at the latest or within four weeks of the UK Government's autumn budget. The Trefnydd also confirmed that she will provide an updated budget timetable in the autumn term, as soon as details of the UK fiscal event is known..

Given that the publication of the draft budget will be delayed again this year, the Committee's call for evidence will take place in September. I will write to you again with further information on the consultation, and any revisions to the budget timetable, in due course.

Budget Process Protocol

The Budget Process Protocol between the Senedd and the Welsh Government has been in place since 2017. The protocol sets out an understanding between the Finance Committee and the Welsh Government on the administrative arrangements for the scrutiny of the annual draft budget and other related budgetary matters.



This is the fourth consecutive year where the two-stage budget process has not been used and scrutiny has been curtailed due to “exceptional circumstances”. Whilst we acknowledge that delays have been due to the uncertainty of funding from the UK Government, a curtailed budget processes is becoming commonplace and, as Chair, I do not wish to have similar discussions around timetabling issues year upon year.

For this reason, I have asked the Minister to commit to a review of the budget process protocol ahead of the budget round for 2024-25 to ensure it remains fit-for-purpose.

If you have any comments on your experience of your Committee’s budget scrutiny, I would be grateful to hear from you.

If you have any questions about any aspect of the draft budget process, please feel free to contact me or the Clerk to the Finance Committee, Owain Roberts, 0300 200 6388, seneddfinance@senedd.wales.

Yours sincerely



Peredur Owen Griffiths MS
Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.





Llywodraeth Cymru
Welsh Government

Our ref: VG/0719/22

Paul Davies MS
Chair
Economy, Trade, and Rural Affairs Committee
SeneddEconomy@senedd.wales

8 July 2022

Dear Paul,

At the evidence session I attended on the 15 June I undertook to provide the Committee with details of any unspent money that was returned to Welsh Treasury.

The funding that the Welsh Government received from the UK Government in relation to Covid was not ring-fenced for any particular purpose. Welsh Ministers decided how, and where, all funding in Wales would be prioritised and spent.

In 2021/22, the Welsh Government allocated £200 million to support the Welsh Economy through the pandemic – all of which was utilised.

Therefore, to date no funding in relation to business recovery has been returned to Welsh Treasury or HM Treasury for reallocation.

Yours sincerely,

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

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Our ref: MA-VG-0729-22

Paul Davies MS
Chair
Economy, Trade, and Rural Affairs Committee.
SeneddEconomy@senedd.wales

8 July 2022

Dear Paul,

Thank you for your letter of 20 June regarding the association to Horizon Europe. In particular, you requested details on the discussions between Welsh Government and UK Government officials as well as the impact of a potential UK Government alternative in Wales. Obviously this and many other areas face uncertainty and indecision given the series of resignations and caretaker roles of UK ministers.

Welsh Government officials take part in both regular and ad hoc meetings with UK Government. The UK Government has used meetings to outline its plans and invite comment. The Welsh Government has responded constructively and with challenge where appropriate.

The BEIS International Research and Innovation Technical Group was a monthly forum that ran for a number of years and was particularly active in 2019 and 20, often organising ad-hoc sessions on specific aspects, such as EU partnerships. Officials from the devolved nations and BEIS discussed the EU programmes, no-deal preparations, and other issues affecting international research and innovation, such as visas. Although BEIS ceased operating the group on a regular basis, other groups have taken on the main thrust of its work.

A UK Alternatives Board was set up by BEIS for a period in 2019 to address the potential for a no-deal Brexit. There was devolved representation at this board and the options elaborated still form the basis for the current alternatives. Nevertheless, it was clear that the decisions on alternatives would be taken outside that room and ultimately at the top level of UK government.

The Smith-Reid review "Changes and Choices"¹, to which Welsh Government and other Welsh stakeholders contributed, highlighted the role of the Structural Funds here and included two Welsh case studies.

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844488/Changes_and_Choices.pdf

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Furthermore, there have been two meetings a year between Welsh Government officials (led by the Chief Scientific Advisor) and the Chair and CEO of UKRI, at which Horizon Europe and alternatives have been discussed.

In more recent months, the UK Funders of Research and Innovation meeting seems to have replaced the Technical Group as the forum for sharing information on alternatives. This indicates a degree of mainstreaming of Horizon Europe onto the broader agenda, rather than a separate technical discussion. Furthermore, in recent weeks, Welsh Government Office for Science officials have had weekly meetings with the BEIS Senior Responsible Officer (SRO) for the development of the Horizon Europe alternative 'Plan B'. These meetings have been frank and constructive and issues and experiences from Wales have been raised and noted by the BEIS Plan B SRO and team. At least at BEIS officials' level, there is a strong desire to have a meaningful and honest collaborative dialogue but it is made clear that final decisions on Plan B issues will be made by UK Ministers.

Welsh Government ministers have put forward our perspective at quadrilateral education ministers' meetings, the Global Britain (Operations) UK Cabinet Committee and in correspondence. I wrote to the UK Minister for Science, Research and Innovation on 13 June requesting further discussion of alternatives and reiterating the urgent need for an extended guarantee or third country funding scheme.

It is fair to say that even though UK Government has treated Welsh Government as a consultee rather than a government with responsibility in relevant fields, BEIS has listened and taken account of Welsh interests where these are aligned with those of other stakeholders. This was the case with the policy to seek association to Horizon Europe, which even in 2019 was still being "explored" by UK Government. There is also common ground in terms of the need for a fit for purpose third country guarantee and the importance of the EU doctoral and fellowship programmes to the research landscape.

In relation to devolution of funding or decision-making, taking account of the transition from EU structural funds in Wales, or tailoring interventions to Wales, there has been less traction. This is yet another example of devolved responsibilities of the Welsh Government and the Senedd being stripped by the UK Government.

Regarding the second question that you raise, the broad areas of intervention proposed by UK Government were elaborated during the no-deal planning phase and were described in the UK Research and Development Roadmap in 2020, building on the 2019 International Research and Innovation Strategy.

The UK R&D Roadmap was clear that if the UK did not formally associate to Horizon Europe or Euratom R&T, it would implement ambitious alternatives as quickly as possible, including a fund for grants to early, mid and late-career researchers, as well as scaling up and enhancing domestic schemes and providing funds for the retention of international talent. It was also clear the UK planned to support UK partners to participate in European schemes open to third countries. There were also plans to pursue strategic opportunities with individual nations.

At the Commons Science and Technology Committee on 15 June, the UK Science Minister set out his current thinking on "Plan B", i.e. alternatives to Horizon Europe association. This included offers for talent, industry and innovation, and multilateral and bilateral work on global challenges. Accompanying these strands would be investments in infrastructure and, crucially, a third country guarantee for those who collaborate in Horizon Europe. The Minister noted that negotiations were ongoing with the Treasury on the detail of the funding

would be allocated. He also noted that the Chancellor has been very clear that the money that was put aside for Horizon research will continue to be ringfenced for research.

We have been made aware of work by BEIS officials to develop the plans for alternatives and prepare for implementation. We expect a public version of the “prospectus” and the first transitional schemes to be made public before the summer recess, and for implementation to start in the autumn. In the meantime, BEIS has reassured us there are actions underway to engage more widely and deeply with the sector. They have engaged consultants to hold sessions with stakeholders, with the final session on 6 July.

It is likely that even once the UK alternatives prospectus is published, there will be further questions about the detail of how a Plan B will apply to Wales. There may be questions about delivery mechanisms, any formulae used, how any targeting will be decided, the detail of the conditions, transparency, timescales, and the integration with other policies such as visas and state aid. Almost immediately, there could be questions as to what will happen after the initial transition period, whether and how the whole current budget allocation will be used and what budget will happen subsequently. The implementation mechanisms will need to rebuild the confidence of the sector in challenging circumstances.

It seems unlikely that the UK Plan B will take much account of the fact that Welsh research institutions and innovative businesses have taken advantage of structural funds more than other parts of the UK. Our institutions may be disadvantaged compared to regions that have not used ERDF for research so extensively and regions that have relied more on Horizon 2020. There is also a risk that the UK plans will drive a centrally-set agenda that does not take into account Welsh R&I programmes and needs. We will of course continue to build on good relationships with UKRI and BEIS in order to give Wales the best chance possible under any new programmes.

Nevertheless, in a context of further exclusion from Horizon Europe, there is much that is positive about the emerging UK Plan B, if it can be approved by Cabinet and Treasury quickly. Firstly, if a comprehensive third country funding scheme is announced for the next years of Horizon Europe, collaboration can again be put on a more stable footing for a period. The plan clearly aims to address the major gaps created by lack of association, it benefits from years of feedback from the sector and seems to have the funding and ethos to take advantage of opportunities.

If the regrettable decision is taken to instigate the Horizon Europe alternative ‘Plan B’, this should be done sooner rather than later because maintaining the existing ‘limbo’ position of non-association and no credible alternative is damaging to Wales. One of the arguments for domestic alternatives is the financial case that more funding would find its way into UK R&I, at the expense of some of the intangible benefits of a multilateral platform and established brands. I have made it clear the UK Government must honour its commitment to transfer in full the £6bn funding earmarked for Horizon Europe in the current Spending Round to Plan B. If Plan B is instigated, I would urge Welsh organisations to apply and to keep my officials updated on progress.

Yours sincerely,



Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

**Economy, Trade and
Rural Affairs Committee**

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Vaughan Gething MS
Minister for Economy

20 June 2022

Dear Vaughan,

Thank you for attending our meeting on 15 June.

With regards to Horizon Europe, you mentioned that "we may get associate membership. That's dependent on negotiations between the UK and the European Union. If that doesn't happen, there needs to be a plan B and that will have a direct impact on research and business activity as well."

Horizon Europe is an area of keen interest to many of our stakeholders. I'd be grateful if you would please elaborate on:

- Any discussions between the Welsh and UK Governments regarding Horizon Europe; and
- What is your understanding of what a 'Plan B' may look like, and what are your views on the possible effect that moving to a Plan B would have on Wales?

Kind regards,



Paul Davies MS
Chair: Economy, Trade and Rural Affairs Committee

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

Mick Antoniw AS/MS
Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution

Agenda Item 2.15



Llywodraeth Cymru
Welsh Government

Huw Irranca-Davies MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

12 July 2022

Dear Huw,

Inter-Institutional Relations Agreement: Inter-Ministerial Standing Committee

Further to my letter of 17 June I have issued a [Written Ministerial Statement](#) summarising the discussions at the meeting.

I have confirmed as part of this Written Ministerial Statement that the next Inter-Ministerial Standing Committee IMSC is scheduled to be held in September and will be chaired by the Welsh Government, in line with rotating chair arrangements. I will provide a written update on the arrangements for the next meeting, which will include the date and likely agenda items in due course.

Following your letter of 27 June future correspondence on such meetings will be copied to all Senedd Committees where agenda items (and subsequent meeting updates) are likely to fall within their remits. As such, I have also copied this letter to the Finance Committee and the Economy, Trade and Rural Affairs Committee.

Yours sincerely,



Mick Antoniw AS/MS
Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution

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Agenda Item 3

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Agenda Item 5

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