

Agenda – Economy, Trade, and Rural Affairs Committee

Meeting Venue:	For further information contact:
Hybrid – Committee room 1&2 Senedd and video Conference via Zoom	Robert Donovan Committee Clerk
Meeting date: 7 December 2022	0300 200 6565
Meeting time: 09.30	SeneddEconomy@senedd.wales

Private pre-meeting (09.15–09.30)

Public Meeting (09.30–12.15)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Papers to note

(09.30)

2.1 Letter from the Chair to the First Minister

(Pages 1 – 3)

Attached Documents:

Second Additional Protocol to the Council of Europe Convention on
Cybercrime

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

(Pages 4 – 6)



Attached Documents:

The Animals and Animal Health, Feed and Food, Plants and Plant Health
(Amendment) Regulations 2022

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

(Pages 7 – 8)

Attached Documents:

Welsh Government's response to the Committee's report 'Scrutiny of the draft
Joint Fisheries Statement'

2.4 Letter from the Minister for Climate Change

(Pages 9 – 19)

Attached Documents:

Legislative Consent Memorandum (LCM) on the Levelling Up and
Regeneration Bill

2.5 Letter to the Minister for Economy

(Pages 20 – 30)

Attached Documents:

UK–New Zealand Free Trade Agreement – impact on Wales

2.6 Letter from the Chair of the Legislation, Justice and Constitution Committee to the Minister for Rural Affairs and North Wales, and Trefnydd

(Pages 31 – 34)

Attached Documents:

Agriculture (Wales) Bill – further questions to the Minister following the
Committee meeting on 21 November

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

(Pages 35 – 37)

Attached Documents:

The Organic Production (Amendment) Regulations (No. 2) 2022

2.8 Letter from the Chair to the Minister for Rural Affairs and North Wales, and Trefnydd

(Pages 38 – 39)

Attached Documents:

Agriculture (Wales) Bill – Schedule 1

3 General Ministerial Scrutiny: Minister for Economy

(09.30–11.00)

(Pages 40 – 60)

Vaughan Gething MS, Minister for Economy

Sioned Evans, Director, Business and Regions

Duncan Hamer, Director of Operations, Business and Regions

Andrew Gwatkin, Director, International Relations and Trade

Helen John, Programme Director, Border Controls Programme

Attached Documents:

Evidence paper

Research brief

Break (11.00–11.05)

4 Cost of doing business

(11.05–12.15)

(Pages 61 – 71)

Gwyneth Sweatman, Head of Media and Communications (Wales), Federation of Small Businesses

David Chapman, Executive Director for Wales, UKHospitality Cymru

Leighton Jenkins, Head of Policy – Wales, Confederation of British Industry

Sara Jones, Head of Wales, Welsh Retail Consortium

Attached Documents:

Research brief

5 Motion under Standing Order 17.42(ix) to resolve to exclude the public for the remainder of the meeting and for the whole meeting on 14 December 2022

(12.15)

6 Private

(12.15–12.20)

Consideration of evidence following the meeting

7 Committee forward work programme – Legislative programme

(12.20–12.25)

(Pages 72 – 75)

Attached Documents:

Private paper – Legislative programme 2023

Agenda Item 2.1

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

**Economy, Trade and
Rural Affairs Committee**

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Mark Drakeford MS
First Minister

21 November 2022

Dear Mark,

I am writing following the Legislation, Justice and Constitution Committee's Report on International Agreements Considered on 26th September 2022. The report discussed, amongst other international agreements, the Second Additional Protocol to the Council of Europe Convention on Cybercrime and highlights your role in relation to "national security, including counterterrorism and cyber security".

Cyber security is a fast developing area with a lot of opportunity. I am looking forward to following the development of the new South Wales Cyber Security Hub. A strong cyber security sector will bring high quality jobs and support a host of innovative businesses.

As well as being a burgeoning, emerging industry in its own right, cyber security is of course also absolutely vital for securing our businesses and public sector bodies against potential harm. As such it is vital that we ensure Wales has a well-skilled cyber security workforce.

Following on from the LJC report I would be keen to hear your views on the Second Additional Protocol to the Council of Europe Convention on Cybercrime.

I would also like some more detail on the way the Welsh Government is supporting and promoting cyber security and the wider industry. Please can you let me know:

- In addition to the financial support for the hub, what work has the Welsh Government undertaken to upskill our workforce around real risk, governance and policy cyber security skills?

- Does Welsh Government have any plans to help boost the employability of people in the cyber security industry post qualification?
- Currently the cyber security sector is male dominated, is or will the Welsh Government be taking any action to encourage more women into the sector?

I also note that the UK Government has ordered Nexperia BV to sell 86% of its share in Nexperia Newport Limited, the Semi-Conductor manufacturer in Newport formerly known as Wafer Fab. The order cited two reasons for the forced sale:

- Technology and know-how that could result from a potential reintroduction of compound semiconductor activities at the Newport site, and the potential for those activities to undermine UK capabilities; and
- The location of the site could facilitate access to technological expertise and know-how in the South Wales Cluster ("the Cluster"), and the links between the site and the Cluster may prevent the Cluster being engaged in future projects relevant to national security.

I note from the news coverage the Welsh Government said the UK Government's announcement had brought "welcome clarity" and it's priority is to "safeguard jobs." As you will now have had time to consider the facts of the matter please could you set out any implications as you see them of this sale and any actions the Welsh Government will be taking as a result?

I have copied this letter to Huw Irranca-Davies MS, Chair of the Legislation, Justice and Constitution Committee and Delyth Jewell MS, Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee.

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.





Ein cyf/Our ref MA/LG/3455/22

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

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

SeneddLJC@senedd.wales
SeneddEconomy@senedd.wales

21 November 2022

Dear Huw and Paul,

Huw, thank you for your letter of 14 November. As you will both be aware on 18 October, I wrote to inform you I had granted consent for the UK Government to make [The Animals and Animal Health, Feed and Food, Plants and Plant Health \(Amendment\) Regulations 2022, \(the Regulations\)](#), which were laid in draft before the UK Parliament on 20 October and I laid a Written Statement in respect of the Regulations under Standing Order (SO) 30C on 21 October.

Following, subsequent review of the Regulations, I confirm, it is considered the Regulations are a "relevant Statutory instrument" for the purposes of SO 30A, as the proposed amendments to the Plant Varieties and Seeds Act 1964 contained in one provision in part 5, paragraph 20, of the Regulations, fall within the legislative competence of the Senedd. Accordingly, I also confirm a Statutory Instrument Consent Memorandum (SICM) ought to have been laid rather than the Written Statement in respect of this provision. I offer my sincerest apologies for this error.

I therefore, seek to correct the record and inform you I have withdrawn the original SO 30C Written Statement and have today laid a revised Written Statement under SO30C, and a SICM under SO30A before the Senedd in respect of the Regulations.

The link to the revised Written Statement can be found here:

<https://senedd.wales/media/15rdeu5j/ws-ld15411-r-e.pdf>

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

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

The link to the SICM can be found here: <https://senedd.wales/media/kxunirmr/sicm-ld15473-reg-e.pdf>

In relation to the provisions of the UK SI that you will consider under SO 30C, as originally set out in my letter of 18 October, the Regulations propose amendments to retained direct EU law relating to official controls and animal and plant health, to ensure that the laws operate effectively following the withdrawal of the United Kingdom from the European Union.

It is normally the policy of the Welsh Government to legislate for Wales in matters of devolved competence. However, in certain circumstances there are benefits in working collaboratively with the UK Government and other devolved administrations where there is a clear rationale for doing so.

On this occasion, I am giving my consent to these Regulations, which make corrections and address operability matters in relation to, and on behalf of, Wales for reasons of efficiency and expediency, and to ensure consistency and coherence of the statute book. I do so whilst reserving the ability to diverge in future as per our devolved competence.

This instrument addresses minor EU exit related deficiencies, further deficiencies not anticipated at the time of withdrawal from the EU and ensures the functioning of a GB-wide import regime. It would therefore seem appropriate to exercise these functions jointly as they need to work for the whole of the UK, or Great Britain (where there is freedom of movement), to ensure there are common standards and to minimise disruptions to traders, local authorities, and inspection agencies alike.

Huw, I note the Legislation, Justice and Constitution Committee's comments regarding information provided to the Committee but not in the Written Statement. We will ensure all relevant information provided to committees is included in Written Statements in accordance with Standing Orders in the future.

In accordance with SO 30A any SICM may be considered by "the responsible committee", in this case, the Legislation, Justice and Constitution Committee (LJCC) and such other committees as the LJCC invites to consider the SICM. SO 30A further provides the committee(s) must report to the Senedd within 35 days of the SICM being laid. You will wish to be aware the draft Regulations are subject to the affirmative procedure in the UK Parliament and are expected to come into force on 13 December. In this instance, therefore, given the delay in the laying of the SCIM, there isn't sufficient time before the Regulations are due to come into force for the 35-day reporting period to be observed. I can only apologise again for this. Consequently, I would ask, therefore, should your Committees wish to consider the SICM, you please report to the Senedd no later than 12 December.

I am not minded to table a motion for a debate in plenary about this Statutory Instrument. I reached this decision on the basis that this instrument addresses minor European Union Exit related deficiencies, further deficiencies not anticipated at the time of withdrawal from the EU and ensures the functioning of a GB-wide import regime. It would seem appropriate for a single set of GB wide amendments to be made as they need to work for the whole of the UK, or Great Britain (where there is freedom of movement), to ensure there are common standards and to minimise disruptions to traders, local authorities, and inspection agencies alike. SO30A provides that any Member of the Senedd may table a motion for a debate on this Statutory Instrument after relevant Committees have reported.

I am copying this letter to the Llywydd as Chair of the Business Committee, as well as all Members of the Senedd.

Yours sincerely,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping 'L' and 'G'.

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

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

Paul.Davies@senedd.wales

23 November 2022

Dear Paul,

Economy, Trade and Rural Affairs Committee report: Scrutiny of the draft Joint Fisheries Statement

Thank you for the Committee's consideration and report dated April 2022, following your scrutiny of the draft Joint Fisheries Statement.

As I advised in my letter of 25 May your recommendations have been taken into consideration as the draft Joint Fisheries Statement was reviewed for publication. This has been done alongside the other UK legislatures reports and the responses from the public consultation.

In line with the requirements of Schedule 1, Part 1, Section 3 (3) of the Fisheries Act 2020, a statement, setting out my response to the recommendations, will be laid today before the Senedd Cymru. I attach a link for information.

<https://senedd.wales/media/1zyoired/gen-ld15490-e.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.

The Joint Fisheries Statement, and a Government Response to the public consultation will be published today, and can be accessed at the following links:

<https://gov.wales/joint-fisheries-statement-0>
<https://gov.wales/joint-fisheries-statement>

Regards,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

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

Agenda Item 2.4

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

**Economy, Trade and
Rural Affairs Committee**

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Vaughan Gething MS
Minister for Economy
Welsh Government

25 November 2022

Dear Minister,

UK-New Zealand Free Trade Agreement - impact on Wales

The Committee undertook a short inquiry into the likely impact of the UK-New Zealand Free Trade Agreement (FTA) on Wales following its signing in February 2022. Thank you for attending Committee on 15th June to discuss the FTA with Members.

The Committee welcomes the publication of the Welsh Government's report which provides commentary and analysis on the potential impacts of the FTA on Wales. However we note that the report was published after the Committee's evidence session with you on 15 June, and we were therefore unable to refer to its findings in our questioning.

The Committee took evidence via a public consultation which ran from 25th March to 25th April. We also took evidence from the farming unions (FUW and NFU Cymru), the Minister for Rural Affairs and North Wales, and Trefnydd on 15 June. Finally, the Committee took evidence from UK trade experts Sam Lowe and Emily Rees on 13 July. We are grateful to all who contributed to our inquiry.

Our main findings and recommendations are set out below. As negotiating and signing trade agreements with other countries is a reserved matter, this letter is being copied to the Chair of the House of Commons International Trade Committee, the Chair of the House of Lords International Agreements Committee and the Chair of the House of Commons Environment, Food and Rural Affairs Select Committee. We trust that our

findings will inform the scrutiny of the FTA during the ratification process in the UK Parliament. I have also copied in the Minister for Rural Affairs and North Wales, and Trefnydd.

Impact on Wales

New Zealand is Wales's 48th largest export market and 63rd largest import market. Data for 2021 show that Welsh exports to New Zealand were valued at £22.4m (mainly manufactured goods and machinery and transport equipment) and imports were valued at £12.1m (mainly food and live animals and beverages & tobacco).

The UK Government's impact assessment estimate that the FTA will result in an increase in Gross Value Added (GVA) for Wales of 0.02% (£16m) over 10-15 years after implementation.

The UK Government's impact assessment recognises significant uncertainties when estimating the impacts of the FTA as the modelling is based "on certain assumptions about the global economy and the UK-New Zealand trade relationship". The modelling used also results in a 'high degree of uncertainty' when estimating the impacts of the FTA on different nations and regions across the UK.

In her evidence to the Committee on the UK-Australia FTA, Emily Rees stated that the UK Government's impact assessment does not outline the potential sub-sectoral impacts well, including at a regional level. In relation to the UK-New Zealand FTA, Emily Rees suggested that to better understand the impact of the FTA on Wales, you would need to use sectoral modelling, such as agriculture in Wales, which would then provide a more 'precise' and 'granular' estimate of the FTA's impacts on nations and sub-sectors. She further stated that "without sectoral modelling [it is] very difficult to look into the granularity of the winners and loser of the trade deal".

FUW noted its disappointment that the impact assessment for this FTA appeared to have 'even less granular' detail than that of the UK-Australia FTA, and would have liked to see more geographical and sectoral impacts outlined. The FUW also stated it would like to see impact assessments which look at a broader range of trading scenarios, including fluctuations in exchange rates and the impacts of that in the short and longer term, and on different sectors and geographical areas.

We note that the Welsh Government's analysis on the potential impacts of the FTA on Wales states that it has been unable to conduct or commission its own modelling of the FTA due to challenges, including the availability of data. However, the Committee is

pleased that work is being undertaken by the ONS and Welsh Government to improve the availability of trade data for Wales. We also note the Welsh Government's view that modelling of this kind is likely better undertaken within a wider UK model due to the close integration of the economy in Wales with the rest of the UK.

The Committee remains concerned that the UK Government's impact assessments do not provide sufficient information to fully understand the likely impacts of the UK's trade agreements on Wales. Although the likely economic impact of this FTA is small, the UK is currently negotiating trade agreements with partners where the economic impacts are likely to be far more significant.

It is therefore imperative that governments and businesses have a clear understanding of the differential impact FTAs have on different nations and sectors within those geographic areas, in order to understand trade-offs, and put in place policies and steps to mitigate impacts and maximise opportunities presented by specific agreements.

In our letter to the Welsh Government on the UK-Australia FTA, we recommended that the Welsh Government make representations to the UK Government to request that a full assessment of the likely impacts on sectors and sub-sectors within the UK's nations and regions is included in impact assessments for future trade agreements. We also asked that the Welsh Government keep the Committee informed of any discussions it has with the UK Government on these issues.

Recommendation 1: The Welsh Government should make the same representations in relation to the New Zealand trade agreement as the Committee recommended in relation to the UK-Australia FTA. The Committee also asks that it be informed of any past and future discussions the Welsh Government has with the UK Government on this issue.

Opportunities for Wales

New trade deals often produce 'winners and losers' which can vary from sector to sector and area to area. Although the likely impact of the UK-New Zealand FTA on Wales on an aggregate level is relatively small, witnesses and stakeholders did highlight some new opportunities presented by the FTA for businesses.

The Federation of Small Businesses told us that the FTA will deliver "significant benefits for small businesses" currently or considering trading with New Zealand. Its research has shown around a third (30%) of UK small firms who trade internationally already do so with New Zealand and around a quarter (23%) indicated that New Zealand is important for their exporting ambitions.



Sam Lowe stated that the FTA includes “quite accommodating” rules-of-origin provisions which go further than other agreements, making it easier for firms to qualify for tariff-free trade under the FTA. Emily Rees also pointed to the ‘cumulation of origin’ aspect of this FTA alongside other FTAs, leading to a greater tolerance of non-originated materials.

Sam Lowe also pointed out that alongside negotiations on the UK joining the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership), the FTA lays the foundation for reducing duplication around conformity assessments and certification between the UK and New Zealand.

Commitments in the agreement that help facilitate cross border trade in services, including a new commitment to allowing service suppliers to temporarily stay in New Zealand for the purposes of providing a service, are welcome. Also welcome are provisions to facilitate data flows that may benefit financial services businesses.

Both Sam Lowe and Emily Rees highlighted the strong role for government in identifying and highlighting the potential opportunities for businesses, especially SMEs, to trade with New Zealand under the FTA. This also includes providing the necessary support to businesses to understand New Zealand’s regulatory regime, as well as support through trade fairs and export finance.

Emily Rees noted that given how far away New Zealand is, opportunities for Welsh companies will lie mostly in exporting products that are already being traded with non-EU countries. She further stated that there were particular opportunities for industries where Welsh specialisms have been developed such as power-generating materials in the growing renewable energy market, aeronautics, electric machinery and parts, and the medical and pharmaceutical sectors. She also identified potential opportunities for Wales in positioning itself as an innovation hub to supply high tech, high added-value products to the wider Asia-Pacific market using New Zealand as a launch pad. Sam Lowe also pointed to potential opportunities in high-end steel, expertise in applying off-shore wind technology, and in fin-tech.

Recommendation 2: We recommend that the Welsh Government works with businesses to identify and exploit opportunities presented by the FTA, including the sectors referred to by the trade experts in their evidence to the Committee.

The Agri-Food sector

As with the UK-Australia FTA, output is estimated to fall in the agriculture, forestry and fishing, and semi-processed foods sectors as a result of the FTA with an estimated long

run reduction in output of £48 million and £97 million respectively. This is driven by increased import competition for some agricultural products, especially sheep meat and beef.

The farming unions and Meat Promotion Wales expressed their concerns about the FTA and its impacts on the agri-food sector, including that any increased imports of premium cuts from New Zealand could impact the 'carcasses balance' and profitability of Welsh producers, and that the FTA comes at a time where the industry is already facing other challenges such as inflationary pressures, increase in input costs and labour shortages.

Meat Promotion Wales also called for greater support for the Welsh red meat sector and that "it is essential that high profile, clear labelling of any imported product where the country of origin is obviously stated on packaging and/or menus is made a legal requirement and is rigorously enforced."

The Welsh farming unions said they expected the impact to be increasingly negative as quotas are raised and ultimately abolished over time, but that there were too many uncertainties with global trading patterns and exchange rates to allow for an accurate assessment.

NFU Cymru noted the disparity in market size and that New Zealand farmers predominantly produce for the export market, whereby 90% of the beef they produce is exported. NFU Cymru said it was difficult to see where the reciprocal benefit was for Welsh farmers. The Minister for Rural Affairs and North Wales, and Trefnydd, told the Committee that she saw some small benefits around services, but mostly "very limited opportunities for agri-food", with only some "minor opportunities for foodstuffs such as baked goods and sauces and prepared cereals."

Sam Lowe said "my view is that there is going to be some competition, but I think their [agri-food producers] concerns have been over-egged slightly, with the caveat that I could be wrong."

The Committee also received a joint submission from Beef and Lamb New Zealand Ltd and the Meat Industry Association Inc, which stated that "the extent to which the trade facilitated by the FTA in agricultural products may affect the maintenance of Welsh economy generally and the agricultural sector specifically is limited." It pointed to shared values and 'synergies', and the benefits of close cooperation on regulatory and policy issues such as food standards, animal welfare and agricultural reform. It considered Welsh farmers' concerns that the FTA would result in increased imports from New Zealand to be

“unfounded” given the under-utilisation of New Zealand’s WTO quota with the UK for sheep meat and because most of its sheep meat is already exported to the US and China.

They also addressed concerns that had been raised by UK farmers that New Zealand will dramatically increase its agricultural production:

“(…) with increasing pressures on the New Zealand farming and processing industries, the sector cannot produce substantially more product. Environmental policy, population growth, land-use change, and labour shortages constrain the sector’s capacity to grow.”

The Committee recognises the concerns raised by the agri-food sector in Wales, especially given that the agriculture sector in Wales represents a greater contribution to Wales’ economy in GVA terms than it does for the UK as a whole. The Committee is also concerned that the two UK trade agreements that we have considered in detail so far will likely negatively impact the agri-food sector in Wales.

Monitoring Mechanism and Cumulative Impacts

As was the case with the UK-Australia FTA, the Committee shares the concerns raised by the Welsh agri-food sector regarding the potential impact of geopolitical events on trade flows and again stresses the importance of ensuring effective monitoring mechanisms are in place.

The Committee has noted the Minister’s response to our previous recommendations made in relation to the UK-Australia FTA. We welcome Welsh Government continuing to work with other governments across the UK, and with the agri-food sector in Wales, to ensure effective market monitoring mechanisms are in place. We also note that Welsh Government is working with stakeholders to identify cumulative impacts and continues to make representations to the UK Government on the need to understand the cumulative impacts of FTAs on the Welsh economy.

Given the uncertainties surrounding the likely impacts of the FTA on sectors in Wales, the Committee reiterates its view that effective market monitoring mechanisms are vital to ensure governments and businesses are able to respond effectively to any adverse effects resulting from the FTA.

Recommendation 3: The Committee requests that it receive regular updates from the Welsh Government on monitoring activities related to the FTA. The Committee also requests an update on discussions it has had with the UK Government following its request for more detailed trade data for Wales to aid analysis in this area.

Animal welfare

The Animal Welfare chapter in the Agreement includes non-regression and non-derogation clauses. The legal text for the non-regression clause provides that both parties shall use their "*best endeavours* not to weaken or reduce the protection afforded to the welfare of farmed animals in its animal welfare laws and regulations, in a manner materially affecting trade or investment between the Parties." The chapter further provides that "*neither Party shall waive or derogate* from its animal welfare laws and regulations in a manner materially affecting trade or investment between the Parties".

The language used in the Agreement is consistent with non-regression and non-derogation provisions used in other Free Trade Agreements. However, it goes further than the equivalent provisions included in the UK-Australia Free Trade Agreement's Animal Welfare chapter which provided that "*each Party shall endeavour* to ensure that it does not waive or otherwise derogate from...its laws regulations and policies in a manner that weakens or reduces its level of animal welfare protection as an encouragement for trade or investment between the Parties".

Stakeholders welcomed the inclusion of an animal welfare chapter in the FTA. The [RSPCA Cymru](#) told the Committee that "unlike Australia...the UK has similar legal animal welfare standards to New Zealand, which means that the New Zealand FTA is, aside from the Trade and Cooperation Agreement with the EU, the only FTA the UK is negotiating where animal welfare standards are broadly equivalent, but with some discrepancy".

The Committee's findings in relation to the UK-Australia FTA included concerns expressed about the animal welfare provisions of that agreement, and it received assurances from the Minister for Rural Affairs and North Wales, and Trefnydd that conditionality around animal welfare standards was something the Welsh Government was pushing for in future negotiation mandates.

The Minister told the Committee that she also welcomed the animal welfare chapter and that it 'is an improvement' from the Australia FTA and represented a 'more ambitious' approach. The Minister also stated that this was an area the Welsh Government had pushed hard to get included in the FTA and also highlighted the importance of using the Animal Welfare Working Group established under the FTA to continue cooperating on these matters.

We also note that the Welsh Government's analysis of the FTA states:

(...) whilst there are similar objectives between the two countries around the approach taken for animal welfare and the commitment for each country to improving and advancing the protection afforded to the welfare of farmed animals in its animal welfare laws and regulations, we welcome the commitment to retaining the right to regulate our own standards as well as commitment to non-derogation of welfare standards.

The Committee welcomes the inclusion of an animal welfare chapter in this FTA and believes that similar commitments should be included in future UK trade agreements.

Recommendation 4: The Committee calls on the Welsh Government to make immediate representations to the UK Government to ensure it has representation on the Animal Welfare Working Group established under the FTA, and that the Committee be kept informed on the work of this group.

Engagement during the negotiations

As stated in our letter regarding the UK-Australia FTA, the Committee shares the Welsh Government's view that there should be increased engagement between the UK and devolved governments at an earlier stage in trade negotiations. This should also include active engagement during the formulation of negotiating objectives for future trade agreements.

The Committee welcomes the fact that engagement between the UK and Welsh governments during the negotiations of the UK-New Zealand FTA were positive. This included engagement at a Ministerial level through meetings of the Ministerial Forum for Trade, as well as at official level where draft text of chapters in devolved areas were shared.

We are also pleased to note that there had been improvements made in engagement compared to the UK-Australia FTA negotiations and that the Welsh Government has now become "better embedded into the negotiation life cycle".

However, we regret that UK Government engagement with the Welsh Government during the negotiations remained limited to engagement on areas that the UK Government believes are wholly devolved policy areas rather than all areas that may have a material impact on devolved areas of responsibility. This distinction is important and the Committee hopes that broader engagement takes place in future.

Recommendation 5: The Committee asks that it be kept updated on discussions relating to expanding UK Government engagement with the Welsh Government during the



negotiations so that they also include engagement on areas that may have a material impact on devolved policy areas.

Geographical Indicators

The FTA does not include any additional protections for UK Geographical Indicators (GIs). The FTA includes a commitment that if New Zealand enters into an international agreement which requires it to protect GIs, or introduces a bespoke GI scheme for agricultural products or foodstuffs in the future, the UK will be able to put forward GIs for potential protection. In their evidence, the NFU highlighted their disappointment at this stating that:

"NFU Cymru believes that ensuring GIs receive protection in all third countries must be a priority for UK negotiators.

"Welsh producers are proud of their products and the heritage which comes along with them. PGI Welsh lamb and beef are recognised around the world for their quality and provenance. The use of Geographical Indicators would have allowed us to differentiate our product from the world market, access a premium and increase profitability."

The Minister for Rural Affairs and North Wales, and Trefnydd, pointed to the importance of recognition of GIs for Welsh products in trade agreements, and said it was important to push really strongly to ensure Welsh GIs are included in any scheme adopted by New Zealand in the future.

The Committee notes that on 30 June, the EU and New Zealand concluded negotiations for a free trade agreement. The EU-New Zealand FTA included provisions which provide protections for specific EU and New Zealand GIs, including the recognition of the EU's agri-food GIs.

In light of the provisions on GIs included in the EU-New Zealand FTA, urgent discussions should now take place between the UK and New Zealand to ensure GIs are to be included in the UK-New Zealand FTA.

Recommendation 6: The Committee requests that it be updated on any discussions and representations made by the Welsh Government to the UK Government on the matter of agreeing new GIs with New Zealand.

Governance

The Welsh Government previously stated that it was interested in engaging in the governance arrangements for the UK-Australia FTA, however it is not clear yet what involvement you will have. In your evidence to the Committee you said that it was not clear how the working groups and committees were going to work, that the Welsh Government needs 'to understand how we're going to be engaged' and that it was a cause of 'some frustration' that this had not happened yet.

The Committee is concerned that uncertainty remains regarding the Welsh Government's role in both the Australia and New Zealand FTAs' governance arrangements.

We reiterate the recommendation made in our letter to you on the UK-Australia FTA which called for representations to be made to the UK Government to ensure Welsh Government is given a role in the FTA's governance arrangements.

Recommendation 7: We ask that the Committee be updated on any progress made in agreeing a role for the Welsh Government in the governance arrangements of the Australia and New Zealand FTAs.

I look forward to your response on the issues raised by our inquiry.

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.





Huw Irranca-Davies MS

Chair, Legislation, Justice and Constitution Committee

seneddLJC@senedd.wales

25th November 2022

Dear Huw

Thank you for your letter of 2 November regarding the Legislative Consent Memorandum (LCM) on the Levelling Up and Regeneration Bill (the Bill).

I too share your frustration over the lack of engagement from the UK Government on areas within the Bill prior to its introduction. Whilst engagement has improved it remains disappointing that there are areas in the Bill for which we have little detail and placeholder clauses remain. This has complicated not only the devolution assessment of the provisions and their effect upon Wales, but also negotiations over potential amendments. I acknowledge the importance of the Senedd's scrutiny role in the legislative consent process and accept that this in turn limited the ability of all four responsible committees to carry out meaningful scrutiny of the LCM.

I have provided a response to your questions in full where I can in the annex to this letter (**Annex 1**) and will lay a revised LCM on the Bill as soon as possible.

The responses to the letter have been based on the Bill as introduced, and I intend to lay a supplementary LCM to the same effect. This will provide a clear picture of my position on the Bill. Amendments to the provisions within the Bill during its passage through the House of Commons and Lords will be laid as a separate LCM in accordance with standing orders. I fully support your request for a revised deadline to assess the provisions and understand the Minister for Rural Affairs North Wales and Trefnydd will discuss with the Business Committee once the revised LCM has been laid/at the earliest opportunity.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

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

I am copying this letter to the Llywydd as Chair of the Business Committee, as well as the Chairs of the Climate Change, Environment and Infrastructure Committee, the Local Government and Housing Committee and the Economy, Trade and Rural Affairs Committee.

Yours sincerely



Julie James AS/MS

Y Gweinidog Newid Hinsawdd
Minister for Climate Change

Annex 1 – Response to Questions set out by the Legislation, Justice and Constitution Committee

Note: Unless otherwise stated references to provisions in the Bill are to the version of the Bill as introduced.

1. ***Can the Minister explain fully the divergence of opinion between the Welsh Government and the UK Government as to whether Part 1 of the Bill requires the consent of the Senedd? What discussions has the Minister had with the UK Government in this regard?***
 - 1.1 For over two decades the Welsh Government, in line with its devolved responsibilities for regional **economic** development, worked in partnership to help address the long-term structural economic challenges in Wales and reduce geographical disparities between different parts of the United Kingdom (UK) and the European Union (EU).
 - 1.2 While the UK Government has failed to meet its manifesto promises of replacing EU funds in full and no power being lost to Wales, Welsh Ministers continue to seek a co-decision-making role on agreeing the outcomes and how funds supporting the Levelling Up agenda – including the Shared Prosperity Fund (the replacement to EU funds) – should be spent; this helps to ensure policy coherence and avoid duplication. Our Framework for Regional Investment in Wales remains an important policy document for that purpose. Improving policy coherence
 - 1.3 The Welsh Government is of the view that Senedd Cymru could pass equivalent provisions to those contained within Part 1 and place on Welsh Ministers identical obligations to set out how they propose to “reduce geographical disparities” in economic, social or other opportunities across Wales; supported by identical reporting, scrutiny, review etc. obligations.
 - 1.4 This is because the objective of “levelling-up” to significantly reduce geographical disparity in the UK is not a reserved matter. Whilst the Welsh Ministers would not introduce legislation in respect of England, the Senedd would have legislative competence to legislate to achieve the same outcome of “levelling-up” for Wales.
 - 1.5 The “levelling-up” missions are described in the Explanatory Notes to Levelling-Up and Regeneration Bill (the Bill), however, they are not contained in the Bill itself in respect of which the Standing Orders require an assessment as to whether a Legislative Consent Memorandum (LCM) must be laid before the Senedd. The missions read as high-level aspirational outcomes linked to specific areas – education, health, transport, employment and economic development. etc. Areas regarded as within the legislative competence of the Senedd.
 - 1.6 UK Government are of the view that Part 1 of the Bill does not require the legislative consent of the Senedd via a Legislative Consent Motion. The UK Government state that Part 1 does not modify the executive competence of the Welsh Ministers or the legislative competence of the Senedd, but do not address whether or not Part 1 makes provisions ‘for any purpose within the legislative competence of the Senedd. The UK Government is of the view that the UK Parliament can legislate to place duties upon the UK Government Ministers to set missions for the whole of the UK.
 - 1.7 Welsh Government officials have met with officials from the Department for Levelling Up, Housing and Communities, and will continue this engagement as the Bill progresses.

- 2. *Is the Minister able to provide more information regarding the Welsh Government's policy regarding the content of clauses 1-6 and the substantive reasons for its recommendation that the Senedd does not consent to these provisions?***
- 2.1 This Bill, if passed as currently drafted, would require future UK Governments to set longer term missions across a wide range of devolved matters, and actions to deliver against these missions could materially interfere with the policy objectives of the Welsh Government.
- 2.2 The Welsh Government does not agree the need for Part 1 of the Bill. Improving the well-being of everyone in Wales and addressing inequalities is the core mission of this Government and underpins the approach taken to the Well-being of Future Generations (Wales) Act 2015 (the WFG Act) passed by the Senedd in 2015.
- 2.3 The Welsh Ministers published their Economic Mission last year, clearly outlining our values and priorities which shape the decisions we are taking in supporting our economy here in Wales.
- 2.4 We aim to work to ensure our country is more prosperous, fairer and greener than ever before. In particular, our ambition is to create the conditions where more people, particularly the disadvantaged and young people, feel confident about planning their futures in Wales. Further to this we have set out a vision of what makes Wales an attractive place to live, study, work and invest, including the quality of life in an inclusive, open and green nation.
- 2.5 Our [Regional Economic Frameworks](#) set out the opportunities and challenges we face to improve the lives of people across Wales. They put collaboration ahead of competition, showing how we will act to maximise fairness for all and eliminate inequality at every level of society. They are an essential part of our commitment to a more focussed model of economic development - developing the distinctive strengths of our regions, supporting inclusive and sustainable economic growth and maximising opportunities to address national, regional and local inequalities, contributing to the well-being goals for Wales.
- 2.6 In Wales, we have through the WFG Act, a legislative framework to improve the economic, social, environmental, and cultural well-being of the whole of Wales for current and for future generations. The seven well-being goals were developed through a national conversation with the people of Wales and shaped and agreed by the Senedd.
- 2.7 This framework extends beyond just government and captures 48 public bodies, including public services boards and town and community councils. It recognises that both Government and public bodies have a contribution to make to achieving the well-being goals which reflects their powers and duties.
- 2.8 The provisions in clauses 1-6 of the Bill contain some of the elements that are already provided for through the WFG Act. This includes annual reporting, indicators and milestones and the setting of objectives to shape delivery.
- 2.9 In addition, the definition of "geographical disparities" in the Bill, as introduced, only makes specific mention to economic and social opportunities or outcomes. This misses the environmental and cultural opportunities and outcomes that are the

foundation of the WFG Act and well-being goals, and the strong views of the Senedd at the time that cultural well-being is an essential part of improving Wales.

3. Can the Minister confirm why the LCM makes reference to clause 96 (street votes) requiring consent in the view of the UK Government, when this view is not reflected in the Explanatory Notes to the Bill?

3.1 The reference to clause 96 of the Bill requiring consent in the view of the UK Government was included in the LCM in error. However, it is my view that as the clause is a placeholder clause and is not currently limited to England, that it falls within the legislative competence of the Senedd. We anticipate amendments will be tabled to the Bill to limit the application of clause 96 to England, which is why the UK Government has not identified it as requiring consent. We will correct this in the revised memorandum.

4. Is the Minister in a position to seek clarity as to why the UK Government included clause 78 as requiring consent in the Explanatory Notes, when clause 78 is entitled "Power to require use of approved planning data software in England". Is clause 78 intended to apply in Wales or has the UK Government erroneously noted that it applies in Wales?

4.1 We have not had any discussions with the UK Government on this particular point, therefore I am unable to clarify the UK Government's position on this. As introduced, we consider the application of clause 78 to apply to England only and therefore Senedd consent is not required.

5. Has the Minister raised the inconsistency between the Explanatory Notes, immediately before paragraph 470, and the Bill at clause 77 regarding the title of clause 77, where the Explanatory Notes refers to England but the clause itself does not? Is the Minister confident that this clause applies in Wales?

5.1 We have not had any discussions with the UK Government on this particular point. It is likely to be an error with the Explanatory Notes and we will raise it with the UK Government. The planning data provisions have the potential to apply to Wales in areas that are within the legislative competence of the Senedd. This is in a limited area in respect of regulations made under Part 5 (Environmental Outcome Reports). I am confident clause 77 has the ability to apply in Wales.

6. Can the Minister provide further detail as to the new powers that are provided to the Secretary of State by Chapter 1 of Part 3, clause 96 and clause 112 and confirm what effect these powers would have in Wales, including any effect on the legislative competence of the Senedd and the executive competence of the Welsh Ministers?

6.1 The planning data provisions in Chapter 1 of Part 3 of the Bill are intended to set approved data standards so that data held by relevant planning authorities is directly comparable. This would enable developers to work more efficiently across different authorities and, make it easier for the public to compare data across different authority areas. It would also facilitate growth and competition in the planning data software market through the creation of a common standard which suppliers would work to, enabling cross-boundary matters to be dealt with more efficiently.

6.2 The vast majority of 'relevant planning authorities', as defined in clause 81 of the Bill, capture bodies operating in England, or in non-devolved areas. The only area

within the legislative competence of the Senedd that will be affected by any planning data regulations will be in respect of any Environmental Outcomes Report Regulations made under Part 5 of the Bill. As drafted in the Bill as introduced, it would be the Secretary of State who would be making such Environmental Outcomes Reports Regulations (“EOR Regulations”), however negotiations are ongoing in respect of the Welsh Ministers having equivalent powers in devolved areas. We will ensure that the operation of these clauses relating to planning data are considered in the negotiations in respect of Part 5. As drafted in the Bill as introduced these provisions fall within the legislative competence of the Senedd to the extent they cover matters under Environmental Outcome reports. There is no effect on the legislative competence of the Senedd and no impact on the executive competence of the Welsh Ministers.

- 6.3 Clause 96 (Street Votes) is a placeholder clause which we anticipate will be replaced by substantive provisions during the passage of the Bill which will apply to England only. The clause provides very little information as to what the system would entail and we have not received any further information from the UK Government on this matter.
- 6.4 Clause 114 (Previously Clause 112) (regulations and orders under the Planning Acts) is merely a clarificatory amendment, providing an express power to make ancillary provision rather than having to rely on implied powers. There is therefore no substantive change. The provisions affect the executive competence of the Welsh Ministers to make regulations and orders under the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990 and the Planning (Hazardous Substances) Act 1990. However, as stated there is no change to the Welsh Ministers’ functions.

7. *Can the Minister explain the reasoning behind her statement at paragraph 58 of the LCM that “Two areas, on planning data and environmental outcome reports, have potential benefits for Wales, but their current drafting means this benefit cannot be realised.” What are the potential benefits that are referred to? Why does their current drafting mean that such benefits cannot be realised?*

- 7.1 In respect of planning data, as explained in paragraph 6.1 above, common data standards would enable developers to work more efficiently across different authorities and, make it easier for the public to compare data across different authority areas. It would also facilitate growth and competition in the planning data software market through the creation of a common standard which suppliers would work to.
- 7.2 The repeal of the European Communities Act 1972 means the Welsh Ministers no longer have regulation making powers in respect of strategic environmental assessment and environmental impact assessment. The only exception to this is section 71A of the Town and Country Planning Act 1990 which this Bill would repeal. We are therefore unable to improve the operation of these regimes, for example, in respect of electronic communications, or the types of projects which should be subject to assessment.
- 7.3 The drafting in the Bill as introduced for both the planning data provisions and environmental outcome reports does not provide the Welsh Minister with regulation making powers. We will therefore be unable to make any changes to improve how the provisions work and there would remain the risk that the Secretary of State makes regulations affecting Wales that undermine the current approach in these areas, which are specifically tailored to the circumstances and needs of Wales.

- 8. Can the Minister provide further information in relation to the statement at paragraph 59 of the LCM that “the current drafting of powers on digital data does not accord with our desire to legislate for Wales.” In what way does the current drafting have this effect? Is the reference to “digital data” a reference to planning data?**
- 8.1 The drafting in the Bill as introduced for the planning data provisions in Chapter 1 of Part 3 enables the Secretary of State to make regulations in respect of planning data requirements for environmental outcome reports. In line with our principles for consenting to UK Bills, I consider the Welsh Ministers should have equivalent powers to make regulations in respect of environmental outcome reports for devolved plans and projects, which would consequentially require similar powers in relation to planning data. The Bill, as introduced, does not give the Welsh Ministers those powers.
- 8.2 The reference to “digital data” should be a reference to “planning data” and I will correct this in the revised LCM.
- 9. The LCM does not clearly conclude whether it is appropriate for each of the clauses in Chapter 1 of Part 3, clause 96 or clause 112 to be included in the Bill, nor does it provide a clear recommendation as to whether or not consent should be given to these provisions. Can the Minister confirm the position in this regard?**
- 9.1 I recommend consent should be withheld to those clauses of Chapter 1 of Part 3 that are within the legislative competence of the Senedd (clauses 75, 76, 77, 79, 80 and 81) because they directly relate to the operation of environment outcome reports provided for in Part 5 of the Bill. I cannot support the current approach in Part 5 because of the risk of regulations affecting Wales that undermine the current approach in these areas, which are specifically tailored to the circumstances and needs of Wales.
- 9.2 I also recommend consent should be withheld to clause 96 as it is likely to introduce an unnecessarily bureaucratic approach to public engagement. We are committed to ensuring public involvement in shaping the places in which they live. This needs to be done in a strategic and coordinated manner, which reflects the plan-led system in Wales.
- 9.3 Finally, I recommend Senedd consent should be given to clause 114 (previously clause 112) as the provision only seeks to clarify the extent of general powers to make statutory instruments, which is an issue common to England and Wales. Paragraphs 22 and 23 of the LCM explain this technical legal amendment. While it is possible for the Senedd to make this change, the minor technical nature of the change to make the existing legal position clearer, means in my view the benefit of effecting the change through this Bill outweigh the policy presumption against doing so.
- 9.4 I will make this clear in the revised LCM.
- 10. Can the Minister confirm the specific clauses that are referred to in paragraphs 58 and 59 of the LCM?**

10.1 The reference to planning data refers to the clauses identified at paragraphs 14 to 19 of the LCM (Clauses 75, 76, 77, 79, 80 and 81 of the Bill). The reference to the area of environmental outcome reports refers to the clauses identified at 24 to 35 of the LCM (clauses 116 to 130 of the Bill). I will make this clear in the revised LCM.

11. Can the Minister confirm which clauses are referred to as “the clauses in relation to planning” in paragraph 64 of the LCM? Does this include clause 112?

11.1 The reference to the clauses relating to planning included those identified at paragraphs 14 to 38 of the LCM and include clause 112. I will make this clear in the revised LCM.

12. Can the Minister seek confirmation from the UK Government as to how the planning provisions will work in practice, to include providing an analysis of the clauses in relation to planning and explaining how Welsh authorities will be impacted by the provisions of the Bill in real terms? Can the Minister confirm who, in Wales, is considered a ‘relevant planning authority’ for the purposes of this Chapter?

12.1 The provisions in Chapter 1 of Part 3 of the Bill as introduced primarily apply in relation to England and only apply in Wales in two limited circumstances. Firstly, in relation to the Secretary of State acting in non-devolved areas, for example National Strategic Infrastructure Projects (NSIPs). Secondly, in respect of the Secretary of State’s functions under Part 5 of the Bill (Environmental Outcome Reports).

12.2 The provisions in Part 5 are currently being negotiated with UK Government. As such, we are unable to confirm who, in Wales, could be considered a ‘relevant planning authority’ for the purposes of this Chapter, as this will depend on the outcome of those negotiations.

12.3 Similarly, it is difficult at present to outline how the provisions will work in practice. This is dependent on the type of regulation the UK Government proposes to bring forward, by way of tabled amendment, of which we have no detail at this current time.

12.4 I will update this Committee and the other scrutiny Committees as appropriate once I have more information.

13. Can the Minister confirm which provisions in Part 5 of the Bill relate to reserved matters and which relate to devolved matters, as referred to in paragraph 49 of the LCM?

13.1 The provisions that could be included in EOR Regulations cover a wide range of areas, both in terms of defining ‘relevant consents’ and ‘relevant plans’. Examples of existing regulations relating to environmental impact assessments which apply solely in Wales include agriculture (e.g., the Environmental Impact Assessment (Agriculture) (Wales) Regulations 2017) and planning (e.g., the Town and Country Planning (Environmental Impact Assessment) (Wales) Regulations 2017). Other examples of existing provisions are listed in clause 130 of the Bill as “existing environmental protection legislation”. We will work with the UK Government to ensure all relevant Wales only legislation is also included.

13.2 The reservations that may be relevant when considering the provision that could be made under Part 5 of the Bill include reservation 184 of Schedule 7A to Government of Wales Act 2006 (GOWA) (planning), although provision could be

made in relation to other planning matters and infrastructure projects that fall below the thresholds for nationally significant infrastructure projects NSIPs. Other examples of relevant reservations include reservation 97 (oil and gas) and reservation 99 (nuclear energy). Despite the existence of relevant reservations, substantive provision could still be made in devolved areas including planning, transport, water, agriculture, land drainage and others.

14. With reference to paragraph 58 of the Bill, can the Minister confirm the detail of the potential benefits that she envisages to an improved system of environmental planning reports and whether discussions have taken place with the UK Government with a view to realising these benefits in the Bill? Can the Minister also confirm what is meant by “planning outcome reports” in paragraph 58?

14.1 Planning outcome reports” should be a reference to “environmental outcome reports” and I will correct this in the revised LCM. Discussions have taken place between my Officials and their counterparts in the UK Government with a view to realising the benefits explained in my answer to your question seven.

15. Can the Minister explain how the current provisions mean that the Welsh Ministers have lost their ability to make Welsh regulations in relation to environmental outcome reports?

15.1 Clause 130 (2) omits section 71A of the Town and Country Planning Act which is the current executive power of the Welsh Ministers to make provision in respect of the consideration of the likely environmental impacts of proposed development.

16. Can the Minister state whether or not support is given to the provisions in Part 5 being included in the Bill, as is required by Standing Order 29.3(iii), and whether or not consent should be given?

16.1 I recommend consent is withheld for the provisions in Part 5 as introduced for the reasons set out in my answer to your question 7. I will update the LCM accordingly.

17. Can the Minister provide an update as to any discussions that have taken place with the UK Government regarding clauses 96 and 187?

17.1 No discussions have taken place with the UK Government regarding clause 96.

17.2 My officials have been proactively and regularly liaising with their counterparts in the UK Government to understand the UK Government’s intentions for Clause 187.

18. Has the Minister discussed clauses 80 and 121 of the Bill with the UK Government and sought to amend the provisions to require that, at the very least, the UK Government has to obtain the consent of the Welsh Ministers before making planning data regulations or environmental outcome report regulations containing provision which is within Welsh devolved competence? What has been the outcome of these discussions?

18.1 Discussions between officials are exploring the possibility of equivalent powers for the Welsh Ministers to make EOR Regulations in general for devolved plans and projects from the starting point the Bill as introduced is unacceptable in relation to the Secretary of State being able to make regulations in devolved areas. Discussion on possible alternative clauses for clauses 80 and 123 (previously 121) to overcome these objections has not taken place. I await sight of any proposed replacement

clauses that better reflect Welsh devolved competence. Unless and until such new clauses are produced, my recommendation remains that legislative consent should be withheld to the provisions on planning data regulations and environmental outcome reports.

19. Does the Minister have any views on the inclusion of the Henry VIII powers at clauses 129 and 191 of the Bill? Has the Minister discussed clause 129 and/or clause 191 with the UK Government to seek their amendment or removal? What has been the outcome to date of such discussions?

- 19.1 Clause 129 is unacceptable in my view, in that it is part of the environmental outcome report provisions on which I have provided my view above (see paragraph 9.1). There has been no ministerial discussion about these provisions to date. Now that the rearrangement of portfolios within UK Government has settled, I will be seeking to meet my counterpart at the earliest opportunity.
- 19.2 Consent should similarly be withheld in relation to clause 191 due to the lack of equivalent powers for the Welsh Ministers to make regulations in respect of devolved matters.

20. Can the Minister provide any view on the financial implications of this Bill for Wales?

Clause 1 - 6 (Levelling up missions)

- 20.1 The effect of the provisions is to place a duty on the UK Government to set, and report annually on progress towards achieving, levelling up missions to reduce geographical disparities across the UK. The requirement to report on the delivery of levelling up missions, and the parliamentary scrutiny of progress against these missions is a cost to the UK Government and will have no effect on Wales. The effect of the levelling up actions undertaken by the UK Government to deliver these missions is outside of the scope of the Bill.

Placeholder clauses:

Clause 96 (Street votes) and Clause 187 (Vagrancy and begging)

- 20.2 Where provisions are placeholder provisions the clause does not contain the necessary detail for me to identify whether there will be any financial implications on Wales. I will update the Senedd as appropriate once the substantive provisions are tabled.

Part 3 (Planning)

- 20.3 The changes to the planning system under Part 3 will all have familiarisation costs associated with the change. This one-off cost will be experienced by local authorities, businesses (including small and medium sized enterprises), and the Third Sector where they engage in the system.

Clause 75,76,77,79,80,81 (Planning data)

- 20.4 The changes to the provision, processing and requirements of planning data will have financial costs for Welsh local authorities and those engaged in specific parts of the planning system in Wales. The provision as currently drafted only has effect in Wales on two limited areas. Firstly, in relation to the Secretary of State acting in non-devolved areas, for example for NSIPs. Secondly, the provisions currently apply in respect of the Secretary of State's functions under Part 5 of the Bill (Environmental Outcome Reports).

20.5 Therefore, where a NSIP, or Environmental Outcome Report is triggered they will be subject to the requirements. In other areas the standards do not apply. This will create a potential dual system of planning data in Wales that will create inconsistency, increasing costs for users of the planning system. It would therefore not fully realise the benefits identified in the Bill through a transition to digital planning system as it will not apply to the whole system in Wales.

Clause 112 (Regulations and Orders under the Planning Acts)

20.6 This clause concerns technical legal amendments to the general powers to make statutory instruments contained in The Town and Country Planning Act 1990, The Planning (Listed Buildings and Conservation Areas) Act 1990 and The Planning (Hazardous Substances) Act 1990. The amendment is a minor technical legal amendment aimed at making the legal position clear. There are no financial consequences as a result of the change.

Clause 116-130 (Environment outcomes report)

20.7 The provisions in the Bill currently provide for one overarching power to make provisions in respect of environmental outcome reports to accompany both strategic plans, and relevant project consents. The new system of environmental outcomes reporting has potential for efficiency savings through the simplification of consenting.

Clause 186 (Review of governance etc of Royal Institution of Chartered Surveyors (RICS))

20.8 This clause will enable the Secretary of State to commission periodic reviews of RICS that will give government information about the governance and performance of RICS, in order to satisfy itself that RICS performs in the public interest. There are no costs to Wales.

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

**Legislation, Justice and
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Lesley Griffiths MS
Minister for Rural Affairs and North Wales, and
Trefnydd

25 November 2022

Dear Lesley

Agriculture (Wales) Bill

Thank you for attending our committee meeting on Monday 21 November to give evidence on your Agriculture (Wales) Bill.

As I indicated at the end of our session, we have some further questions which we were unable to cover, as well as three follow-up questions in relation to comments you made during the meeting, which I set out first below.

Timing of the use of regulation-making powers in the Bill

In your evidence you said:

"This legislation is going to be here for several decades..." (RoP, paragraph 38)

1. Please could you identify, for every regulation-making power in the Bill, when you first intend to use that power to make the relevant regulations?

Sunset provision in relation to the continuation of CAP

We asked if you have considered including a sunset provision to prevent the CAP continuation powers being used indefinitely to ensure transition to the sustainable farming scheme. In response

you said:

"So, we did consider it, I think it's fair to say, but we decided on balance the Bill already contains the relevant powers to modify legislation that relates to CAP. And, obviously, as James has just set out very clearly, we'll exercise those powers when the sustainable farming scheme is ready, which we hope will be by 2025. So, we don't have any plans to sunset either the BPS or the CAP continuation powers at this stage." (RoP, paragraph 122).

2. We note that the Bill contains powers to modify legislation that relates to CAP, but that seems to us to be different from transitioning to the sustainable farming scheme. Please can you provide further information about why you do not have any plans to sunset either the BPS or the CAP continuation powers, particularly when it is intended that the Sustainable Farming Scheme will be the main source of funding for farmers in future and the BPS will be phased out over the transition period?

Potential impact of the *United Kingdom Internal Market Act 2020 (UKIMA)* on the Bill, if enacted

In the evidence session you said that:

"The Counsel General has made it very clear that the UK Internal Market Act cannot and does not cut across Senedd competence to legislate in relation to non-reserved matters, which obviously this is, so I don't think it will have any impact." (RoP, paragraph 159).

We agree that the Bill's provisions are within legislative competence, but this does not directly address the key issue of concern to us, which we believe to be a separate matter. For example, we accept that UKIMA would not prevent the Welsh Ministers from making regulations to amend the marketing standards for agricultural products in Wales under section 32 of the Bill. However, the fundamental point is that if there is future divergence in such marketing standards as between Wales and the rest of the UK, the mutual recognition principle in UKIMA will be engaged and could impact upon the effectiveness of the law once it is made.

3. Please can you identify what assessment you have made of the potential impact of UKIMA on the *effectiveness* of the provisions of the Bill should they be passed by the Senedd and become law?

Agricultural tenancies

4. Section 23 of the Bill provides Agricultural Holdings Act tenants with a route to dispute resolution. Is this sufficient to ensure that tenants can access agricultural support provided under the Bill? Have you considered any alternative, or additional, provision to promote access?

Accessibility

5. Section 29 of the Bill requires the Welsh Ministers to “publish” a draft requirement under sections 24(1) or 26(1). Where will this be published? Will the lack of precision in relation to the publication of this information impair accessibility?
6. In addition to a range of subordinate legislation making powers, the Bill amends a number of older pieces of (English language) legislation, such as the *Forestry Act 1967*. Did you consider making provision on the face of the Bill, rather than amending other legislation, so as to enable the provisions to be fully bilingual and to improve the accessibility of the law for the people of Wales?

Forestry and tree felling

7. How are the powers to allow the Natural Resources Body for Wales (NRW) to amend, suspend or revoke a tree felling licence it has issued, appropriate and proportionate? How will Welsh Government ensure that NRW are using these powers appropriately?
8. Do the Welsh Ministers have sufficient powers to intervene in the event that NRW were found not to be using their powers appropriately?
9. Section 40 amends section 17 of the *Forestry Act 1967* (penalty for felling without licence) to increase the maximum fine for illegal felling from a level 4 fine (£2,500) to a level 5 fine (unlimited). In your view, is this increase in monetary penalty proportionate and justified?

Data protection

10. What safeguards are provided in the Bill to protect individuals’ personal data?
11. Could you explain the measures that the Welsh Government will put in place to ensure that individuals clearly understand how their information will be used and processed?
12. In line with UK GDPR and other data protection legislation, will individuals, including farmers, be required to consent to the processing of their data?
13. We note that it is not the Welsh Government’s policy nor wider intent to sell any data collected in accordance with Chapter 1 of Part 3 of the Bill to third parties. As such, would you consider amending the Bill to expressly prohibit the sale of such data?

Retained EU Law (Revocation and Reform) Bill

14. The Bill would grant powers to the Welsh Ministers to modify retained EU law. Does the Welsh Government intend to preserve retained EU law in the fields covered by this Bill using powers under the Retained EU Law Bill?
15. Could the Welsh Government preserve retained EU law in the fields covered by this Bill, or is it reliant on the UK Government to also preserve relevant retained EU law, in whole or in part, to replicate the situation as it currently stands?
16. What discussions have taken place with other UK governments in relation to retained EU law in the fields covered by this Bill, for example, is the Welsh Government aware of any UK Government plans for this retained EU law?
17. How might such plans affect powers granted to Welsh Ministers by this Bill?
18. Under the Retained EU Law Bill, the retained EU law in the fields covered by this Bill could automatically expire at the end of 2023. How might that impact the ability of the Welsh Government to deliver the objectives of this Bill (specifically in relation to public market intervention or aid for private storage)?

I would be grateful to receive a response by 8 December 2022.

I am copying this letter to Paul Davies MS, Chair of the Economy, Trade, and Rural Affairs Committee.

Yours sincerely,

A handwritten signature in black ink that reads "Huw Irranca-Davies". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Huw Irranca-Davies
Chair

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee
Welsh Parliament
Cardiff
CF99 1SN

Paul.Davies@senedd.wales

25 November 2022

Dear Paul,

I am writing to inform you of my consent for a Statutory Instrument which the UK Government intends to make on 6 December, which is within the competence of Welsh Ministers. This consent was requested on 24 October.

The Organic Production (Amendment) Regulations (No. 2) 2022 will be laid on 6 December, and will extend derogations for the use of non-organic pullets subsequently raised for organic egg production and for 5% of feed for pigs and poultry being non-organic to provide necessary protein. The proposed SI will also delay the restriction on the use of gellan gum in production of processed organic food, yeast and yeast products. The provisions are necessary due to the expiration of previous derogations for these products. No new organic sources of these products have become available.

This SI has been developed through the Organics Four Nations Working Group, following requests from the UK organic Control Bodies to the UK Government.

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Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

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

My consent for this SI is based on the Secretary of State using powers conferred by Articles 22(1 and 2) and 38b(8) of Council Regulation (EC) No 834/2007 on organic production and labelling of organic products. Article 22(1) allows the Appropriate Authority to grant exceptions to organic production rules, provided they are for one of the reasons set out in Article 22(2). The reason for the exception in this case is provided for in Article 22(2)(b), “where it is necessary in order to ensure access to feed, seed and vegetative propagating material, live animals and other farm inputs, where such inputs are not available on the market in organic form”. Article 38a(3)(a) of this regulation states the appropriate authority can be the Secretary of State in relation to Wales, provided the consent of the Welsh Ministers is given. Consent for these regulations is limited to the period of their implementation. Article 38(b) paragraph 8 provides powers for consequential, incidental, supplementary, transitional or saving provision (including provision amending, repealing or revoking enactments) and to make different provision for different purposes. These derogations are implemented by REUL 889/2008. The derogations in this SI expire on 31 December 2025 for pullets and protein feed and delays the restrictions for gellan gum until 1 January 2026.

The derogations were first introduced when organic regulations had their last major overhaul with Council Regulation (EC) No. 834/2007 on organic production being implemented in 2008. While these derogations have to be time-limited, they have been extended consistently since this date because alternative products have not been available. Because these derogations have been in place since 2008, businesses have had no reason to invest in raising organic pullets, or producing organic gellan gum and pig & poultry feed. Therefore, these regulations are needed to maintain organic production and avoid disruption for businesses which rely on these products.

The European Commission has now replaced Regulation (EC) No. 834/2007 with Regulation (EU) 2018/848, but this only came into force after the UK left the EU, which is why REUL 834/2007 still applies in Wales. One of the policy aims of REUL 2018/848 has been to end the need for derogations and make organic farming wholly organic. The Expert Group on Organic Production is being established by the Four Nations to advise on the development of new organic regulations to replace 834/2007 and the role of derogations will form part of this review. This substantive update to organic policy will be made in Welsh legislation.

There are particular issues if the derogation for pig & poultry feed is not extended. There is a risk there will be no organic protein feed to replace the 5% non-organic feed allowed. Without this non-organic protein feed there is a risk of minor animal welfare issues for organic laying hens as these hens would not receive the correct nutrients they need.

Because of their minor and technical nature, it has been more expedient to make these regulations across Great Britain, rather than through a Welsh SI. Organic stakeholders have often pressed their desire for consistent regulation across Great Britain when it comes to organic standards, because of cross-border supply chains. It is in the interest of Wales to ensure these regulations be consistent and come into force at the same time across Great Britain.

If Wales were to use a Wales-only SI to extend these derogations, it may not be possible to have them in place before the current derogation expires. This would mean producers in Wales would not be able to comply with organics regulations for a time as the derogations would not be in place. As DEFRA acts as the competent authority for organic production on behalf of Welsh Ministers, they would then have to oversee the implementation of two differing standards for a time, one set in Wales and one for the rest of Great Britain.

Through the Four Nations Working Group, Welsh Government officials are able to closely monitor any proposed Great Britain-wide organics regulations and whether or not they are being made in Wales' interests. Officials from the Welsh Government will continue to attend both the Four Nations Working Group and the UK Organic Certifiers Group to monitor the implementation of this SI.

For these reasons, it is my view consent is consistent with the approach for consent for devolved provisions in UK legislation, as set out in the Counsel General's letter to the chair of the Legislation, Justice and Constitution Committee of 22 October last year.

Regards,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping flourish at the end.

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

Agenda Item 2.8

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

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

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Lesley Griffiths MS
Minister for Rural Affairs and North Wales,
and Trefnydd

28 November 2022

Dear Minister

**Agriculture (Wales) Bill – Part 3: Matters Relating to Agriculture and Agricultural Products:
Chapter 2: Marketing Standards: Agricultural Products, and Schedule 1 (introduced by
section 32):**

Today Members met in private to consider key issues and themes for its Stage 1 report on the Agriculture (Wales) Bill (the “Bill”).

In considering the evidence received at Stage 1, it was noted that on 27 October Hybu Cig Cymru had pointed to the fact that Schedule 1 of the Bill, which lists the agricultural products relevant to marketing standards provisions, does not include ‘sheep meat’.

The Explanatory Memorandum for the Bill explains that the purpose and intent of Chapter 2 of the Bill is to replace Welsh Ministers’ existing powers in the Agriculture Act 2020 (“AA 2020”) to make provision about the standards with which a designated list of agricultural products must conform. These powers are due to expire at the end of 2024 under a “sunset” clause in AA 2020.

The table of derivations on Page 447 of the EM sets out that section 32 of the Bill is derived from Paragraph 16, Schedule 5 to AA 2020, and Schedule 1 is derived from Paragraph 17, Schedule 5 to AA 2020. We understand that these provisions are in turn derived from the CMO Regulation (the EU framework for Common Organisation of the Market under Common Agricultural Policy).



Gwyn Howells of Hybu Cig Cymru said that the wording of Schedule 1 is a “cut and paste” of the CMO regulation, and that it was his hope that the change to include sheep meat was ‘in drafting’.

Could you explain why ‘sheep meat’ has not been included in Schedule 1 of the Bill? Is there an intention for the Bill to be amended to include this, and if not then can you outline the rationale for not doing so?

The Committee would appreciate receiving a response on this point of drafting detail as soon as possible, in advance of finalising its Stage 1 report.

I look forward to your response,

Kind regards,

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

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 3

ETRA COMMITTEE EVIDENCE PAPER

The Office for Budget Responsibility has said 2022-23 will see the biggest fall in living standards in the UK since records began. Unfortunately, since this report was published the situation has not improved but worsened. Growth has stagnated and the Bank of England predicts a historic drop of 14% in the UK's Gross Domestic Product (GDP) this year.

Stagnant growth, combined with declining living standards and real incomes have a direct impact on businesses across the country.

In addition, the instability in UK Government has led to further uncertainty around any possible interventions that may be introduced to support families and businesses in Wales.

Despite this challenging economic and fiscal backdrop, this paper outlines a range of actions being taken by the Welsh Government to tackle the cost-of-living crisis, support our future economy through the skills of our young people, encourage growth through trade and investment and promote Wales to a global audience through the World Cup.

COST OF LIVING PRESSURES

We are doing everything we can to support people through this cost-of-living crisis by providing targeted help to those who need it most. In addition to direct support for businesses, helping struggling households has a knock-on effect by boosting incomes and providing more money to spend in the wider economy:

- We have **established a Cabinet sub-committee** specifically to discuss the latest issues and what support is required and we are also working with analysts across government on the collection, analysis and publication of data on the cost-of-living and ensuring this is used to shape government interventions.
- The **Development Bank of Wales** continues to help Welsh businesses get the finance they need to start up, strengthen and grow.
- Our **Flexible Skills Programme** supports employers to invest in workforce development projects capable of delivering greatest economic impact and return on public sector investment. The funding will assist the creation and sustainability of high-quality employment opportunities supporting national and regional economic priorities.
- We have committed to invest **£20.9m** per annum in the future **Business Wales service** from April 2023 until March 2025, demonstrating our commitment to ensuring that entrepreneurs, micro and SMEs have access to the information, support, advice and guidance they need.
- In terms of **non-domestic rates**, we have provided unprecedented financial support to businesses and other ratepayers over recent years, and particularly

since the onset of the coronavirus pandemic. Our permanent relief schemes mean that **44 per cent of the tax base do not pay any non-domestic rates at all.**

- In 2022-23, the Welsh Government has continued to support SMEs by providing **£116m of targeted non-domestic rates support** to businesses in the retail, leisure and hospitality sectors. We will continue to examine options for further support.
- A budget of **£30m has been allocated towards improving domestic energy** efficiency in low income-households, including off grid properties, through a range of Welsh Government programmes.

Outlook

The cost-of-living crisis is being fuelled by rising energy costs and food prices and exacerbated by decisions made by the UK Government. Unfortunately, these pressures far outstrip the capacity and fiscal firepower of the Welsh Government. Many of the levers to address the cost-of-living crisis – VAT, welfare payments, fuel duty, state pensions – sit with the UK Government.

We now have our third Prime Minister this year and the fifth in six years, as well as another Chancellor. This uncertainty and lack of clarity means we simply do not know our budget position and we have been unable to plan appropriately or know what further support systems we can introduce to support families and businesses here in Wales.

We shall continue to press the UK Government to use the levers at its disposal to take further urgent steps to target gaps in support, particularly to help lower income households and families and to boost businesses who are feeling the impacts of rising costs.

We are considering the measures outlined in the Chancellor's Budget on the 17 November, however, I want to be clear our priorities have and always have been to support people through this cost-of-living crisis by providing targeted help to those who need it the most and through programmes and schemes which put money back in people's pockets.

YOUNG PERSON'S GUARANTEE

November saw the first anniversary of the launch of our Programme for Government commitment to deliver the Young Person's Guarantee (YPG). The Guarantee provides under 25's in Wales with the offer of support to gain a place in education or training, find a job or become self-employed.

Even without including those who have secured places in Further and Higher Education, we have seen over 20,000 interventions delivered via our employability services alone, with over 11,000 young people starting on our employability programmes.

Where once there was a confusing range of options, opportunities, and advice systems available to young people, the Working Wales service now provides a single, simple route to support coupled with professional independent careers advice.

Previously young people had to look at different brochures and web sites to search for courses they were interested in, but a new user-friendly course search platform called “Courses in Wales” has been introduced containing information on thousands of courses across Wales.

In terms of finding the right employment opportunity, the Working Wales job matching service collects information on all employment vacancies across Wales and once the individual has signed up, they receive customised information on vacancies within their local area and chosen sector.

Since its launch, the Guarantee has also been enhanced in 2022 to include further support options such as:

- **Jobs Growth Wales+** - launched in April and already supporting over 2,000 young people, it is aiding the transition of 16–18-year-olds into the labour market and delivering catch up activities for learners as a result of Covid.
- **Communities for Work+** - Over 2,700 young people have been supported by it since the launch of the YPG, with over 5,500 young people receiving support via our collection of community employability programmes.
- **ReAct+** - launched in June to provide demand-led support for up to 5,400 young people each year, including vocational training grants and wage support as well as practical help with childcare and transport costs.
- **YPG barriers to start-up grant** – launched in July – along with a programme of business advice and mentoring for unemployed young people, with the aim to reach up to 400 young entrepreneurs per annum. In 3 months, 365 young people have expressed an interest and 120 participants are now working with business advisers to review business ideas and develop their business plans to apply for the grant. 56 young people have since been awarded a grant.
- **Enhanced employment and enterprise bureaus** - every further education college in Wales now has a dedicated bureau, providing a breadth of employment support and opportunities to streamline the transition from learners to workers.
- **Strengthened the [Youth Engagement and Progression Framework \(YEPF\)](#)** - which focuses on early identification of potential NEETs in school, to help young people fulfil their potential and prevent possible poverty and homelessness.

We are committed to investing in the lives of young people who need a helping hand to achieve their potential. The Bank of England has warned we are facing a long and deep recession that risks jobs, businesses, and public services.

Whatever the uncertainties we face, we can be sure of one thing - failing to step up to support young people today, guarantees economic failure tomorrow.

INTERNATIONAL TRADE

UK Government Free Trade Agreement Negotiation Programme

The UK government has undertaken a series of trade negotiations since the UK's exit from the European Union.

Having concluded agreements with Australia and New Zealand, the UK is currently in negotiations with several other countries including India, Canada, Mexico, Greenland, and Switzerland. The UK government is also in discussions to join the Comprehensive and Progressive Trans-pacific Partnership (CPTPP).

Engagement on trade negotiations is largely positive and officials have built a good working relationship with UKG officials.

India FTA

On 13 January 2022, the UK and Indian governments jointly announced the start of formal trade negotiations to secure a comprehensive Free Trade Agreement (FTA) between the two partners.

Securing an FTA with India will be viewed as an achievement as the UK looks to build on the Global Britain brand following the UK's exit from the EU.

Wales and India share a strong relationship with the value of goods trade between India and Wales valued at around £687m in the year ending June 2022. India is the 16th largest export market for Wales accounting for around 1.0% of Welsh goods exports and the 15th largest import market with around 2.5% of Wales's total goods imports coming from India. Latest data on Wales's services trade show that in 2020, the value of services imports and exports with India were £43m (1.4% of Wales's total services imports), and £72m (1.2% of Wales's total services exports) respectively.

The Welsh Government has welcomed the start of trade negotiations with India, given the potential benefits that it could bring to the Welsh Economy, particularly for exporters of goods such as machinery, automotive and food, as well as for services in sectors like insurance and accountancy.

However, as with all FTAs, there are potential risks in these negotiations, particularly around standards and competition.

Negotiations were expected to conclude by Diwali (24 October); however, agreement was not reached, and discussions are ongoing. The Welsh Government is supportive of this delay and believe that all trade negotiations should focus on outcomes and not pace. Engagement on the India negotiations with the UK Government has been good.

QATAR WORLD CUP

Wales's participation in the men's FIFA World Cup in Qatar, 64 years after the last World Cup appearance, is the most significant marketing and sports diplomacy opportunity ever presented to the Welsh Government.

The Welsh Government is looking to maximise the opportunities and benefits that come from participation, with a view to expand activities should Wales progress further.

Promotion of Wales

The enhanced marketing campaign will deliver global marketing activity across our brand channels to capitalise on the Cymru men's football team taking part in the FIFA World Cup 2022. Cymru Wales brand, tourism and business marketing campaigns will run across digital, social media and PR in the build up to, and during, the tournament. These campaigns will align to wider Welsh Government objectives and include partner collaboration to promote Wales to the world.

The Partner Support Fund was established with the aim of adding value and wider reach to our core objectives. The fund was launched on August 13th and closed on August 26th. We received a fantastic response to the fund with 97 applications received worth a total of more than £7m. The 19 projects selected will receive a total of £1.8m and are representative of Wales's diversity. They aim to reach as many people as possible in Wales and beyond as a part of our World Cup activities. Since late September the partner support fund projects have all begun their activities and activations.

The First Minister, and Minister for Economy, will undertake a programme of activities in-market in Qatar. The programme has been implemented by the in-market team in Dubai and Qatar with support from wider international relations and other Welsh Government colleagues. Engagements range from diplomatic events, promotional events, cultural activities, business meetings and diaspora engagement.

The marketing campaign also includes key touchpoints with partners, diaspora and World Cup Global Ambassadors who are being designated as 'Lleisiau Cymru' to act as advocates on Wales's behalf. The four 'Lleisiau' selected are former Welsh footballer Prof. Laura McAllister, Olympic silver medallist Colin Jackson CBE, London-based DJ and presenter, Katie Owen, and Celebrity Chef, Bryn Williams.

We are using our 20 Welsh Government offices overseas to deliver on WG objectives before, during and after the World Cup, through a range of sports diplomacy and other activities. We are also encouraging the promotion of Wales throughout the UK network overseas – working with the FCDO and British Council to provide assets and key messages.

There will be collaborative activity with the UK Government on opportunities to promote Wales in Qatar. We will have our own distinctly Welsh presence in the form of an installation in Doha, but also Welsh content in a UK Government GREAT Garden Pavilion and GREAT Festival.

Projecting Our Values

Projecting our values is a core objective of the Welsh Government's World Cup activities and is being included in all our activity pillars. There has been much publicization of issues surrounding workers' rights, LGBTQ+ rights, women's rights,

and other humanitarian causes related to Qatar's hosting of the World Cup. The Welsh Government will ensure that we promote and project our values to engage in healthy and constructive dialogue as a part of Wales's involvement in the World Cup.

The Welsh Government has met with a range of stakeholders around our objectives for the FIFA Men's World Cup in Qatar. We were involved in a workshop facilitated by the Welsh Centre for International Affairs and the Future Generations Office that discussed engagement with the World Cup in the context of the Well-being of Future Generations Act. The First Minister has welcomed the Values Statement published following that workshop.

Ensuring the Safety of Welsh Citizens

As a core objective of the Welsh Government's World Cup activities, close working relationships have been established with UK Government departments and security forces as well as utilising the knowledge and connections of our in-market staff in Dubai to ensure that Welsh citizens can travel and enjoy the World Cup safely.

The Welsh Government are attending regular briefings with FCDO, Police, MOD, FA, FAW, and UK Embassy in Qatar on matters of security and safety of Welsh citizens.

Securing a Positive and Lasting Legacy

In the longer term, we are considering how Wales secures a lasting and positive legacy from our participation at the tournament, in alignment with 'The Well-being of Future Generations (Wales) Act'.

There are a range of opportunities to ensure a positive legacy in sporting participation and wider health and cultural initiatives. These initiatives include investment in grassroots facilities, capital budget investment through Sports Wales, linking cultural activities and sport through the Partner Support Fund.

In addition, the World Cup legacy will help compliment the success of the creative industries in Wales. Since the establishment of Creative Wales in January 2020, £14.2 million of production funding has been successfully awarded to 22 projects generating over £155.6 million of production spend into the Welsh Economy.

In summary, Wales's World Cup legacy will provide us with a wealth of opportunities benefitting our Economy, education, arts, culture, and language.

CONCLUSION

Despite the challenges we face, we will continue to deliver on our vision of making Wales an attractive place to live, study, work and invest.

This paper has demonstrated four areas where we have been acting to support households and businesses, upskill our young people, promote international trade and utilise the opportunities presented by Wales's participation in the World Cup.

I look forward to discussing these matters in more detail with the committee in December.

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Agenda Item 4

Document is Restricted

Agenda Item 7

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