

Agenda – External Affairs and Additional Legislation Committee

Meeting Venue:

Committee Room 2 – Senedd

Meeting date: 16 September 2019

Meeting time: 13.30

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Committee Clerk

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Private pre-meeting

(13.15–13.30)

1 Introductions, apologies, substitutions and declarations of interest

(13.30)

2 Scrutiny session with the First Minister of Wales

(13.30–15.00)

(Pages 1 – 73)

Mark Drakeford AM, First Minister of Wales

Desmond Clifford, Welsh Government

3 Paper(s) to note

(15.00–15.05)

3.1 Paper to note 1: The European Union (Withdrawal) Act and Common Frameworks – 26 March 2019 to 25 June 2019

(Pages 74 – 89)

3.2 Paper to note 2: Correspondence from the Counsel General and Brexit Minister regarding Brexit preparedness – 18 July 2019

(Pages 90 – 95)

3.3 Paper to note 3: Correspondence from the Future Generations Commissioner for Wales to the Chair regarding involvement in the first Future Generations Report – 9 August 2019

(Pages 96 – 97)



- 3.4 Paper to note 4: Correspondence from the Minister for Environment, Energy and Rural Affairs to the Chair regarding preparedness for Brexit – 22 August 2019**
(Pages 98 – 101)
- 3.5 Paper to note 5: Correspondence from the Counsel General and Brexit Minister to the Chair regarding UK-wide common policy frameworks – 6 September 2019**
(Page 102)
- 3.6 Paper to note 6: Correspondence from the First Minister to the Chair regarding 8 July 2019 Committee meeting – 6 September 2019**
(Pages 103 – 107)
- 3.7 Paper to note 7: Correspondence from the Minister for International Relations and the Welsh Language to the Chair regarding the Welsh Government's draft international strategy – 9 September 2019**
(Pages 108 – 109)
- 3.8 Paper to note 8: Correspondence from the Minister for International Relations and the Welsh Language to the Chair regarding international trade – 9 September 2019**
(Pages 110 – 111)
- 3.9 Paper to note 9: Correspondence from the Counsel General and Brexit Minister to the Chair of the Constitutional and Legislative Affairs Committee regarding inter-Governmental relations – 11 September 2019**
(Pages 112 – 113)
- 3.10 Paper to note 10: Correspondence from the First Minister to the Chair regarding international obligations which bind the UK – 12 September 2019**
(Page 114)
- 4 Motion under Standing Order 17.42(vi) to resolve to exclude the public from the remainder of the meeting**
(15.05)

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

(15.05–15.20)

6 Scrutiny of international agreements

(15.20–15.35)

(Pages 115 – 146)

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Agenda Item 3.1



Cabinet Office

The European Union (Withdrawal) Act and Common Frameworks

26 March 2019 to 25 June 2019



Cabinet Office

The European Union (Withdrawal) Act and Common Frameworks

26 March 2019 to 25 June 2019

**Presented to Parliament pursuant to paragraph 4 of Schedule 3 to the European Union
(Withdrawal) Act 2018**

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Contents

Contents 3

Foreword 5

Implementation of Future Common Frameworks 6

Principles for Common Frameworks 6

Progress Towards Establishing Future Frameworks 7

Legislation Relating to Retained EU Law Restrictions 13

Regulations to 'Freeze' Devolved Competence 13

Regulations to Repeal the 'Freezing' Powers 13



The Rt Hon David Lidington CBE MP
Chancellor of the Duchy of
Lancaster and Minister for the
Cabinet Office



The Rt Hon Karen Bradley MP
Secretary of State for Northern Ireland



The Rt Hon David Mundell MP
Secretary of State for Scotland



The Rt Hon Alun Cairns MP
Secretary of State for Wales

Foreword

The UK Government remains committed to ensuring a smooth and orderly exit from the European Union. Officials from the UK, Scottish, and Welsh Governments and Northern Ireland Civil Service (NICS) have continued to work closely together to prepare the UK for EU Exit.

The UK Government recognises the importance of accountability and transparency in the development of common frameworks and has therefore committed in legislation to report to Parliament every three months and to share this report with the devolved administrations (DAs). This report includes the steps we are taking, in partnership with those administrations, to establish common frameworks and any use of the powers in section 12 of the European Union (Withdrawal) Act 2018 to temporarily freeze devolved competence. The last report was published on 16 May 2019 covering the reporting period 26 December 2018 to 25 March 2019.

This commitment to transparency is demonstrated by the fact that this report is the fourth publication on common frameworks this year (three statutory reports and the revised frameworks analysis) and that there have been two frameworks publications developed in this reporting period alone, detailing progress made. This commitment to transparency will continue and further updates will be published in the future. The increased level of interest and engagement from legislatures and stakeholders in this work is welcomed.

The revised frameworks analysis was published on 4 April 2019. This set out the progress made to develop common frameworks since the initial analysis was published in March 2018. The revised analysis demonstrates the progress that had been made by proceeding collaboratively and the commitment by the Scottish and Welsh Governments to cooperative working.

The UK Government, Welsh Government and Scottish Government, together with the Northern Ireland Civil Service, have jointly developed a plan of engagement to increase awareness of the Common Frameworks programme across the United Kingdom.

This report details the progress made in the fourth reporting period (26 March 2019 to 25 June 2019) as required under Schedule 3 to the European Union (Withdrawal) Act 2018. On the basis of the continuing joint progress and collaboration on common frameworks, the UK Government has not sought to bring forward any section 12 regulations to date. On the basis of this, the Scottish and Welsh Governments have committed to not create divergent policy in ways that would cut across future frameworks, where it has been agreed they are necessary or where discussion continues.

Implementation of Future Common Frameworks

- 1.1 Part 2 of Schedule 3 to the European Union (Withdrawal) Act 2018 requires that a Minister of the Crown report to Parliament at three month intervals on various matters pertaining to common frameworks, and the use of the powers in section 12 of, and Schedule 3 to, the 2018 Act to temporarily maintain the existing EU law limits on devolved competence. Reports are shared with the devolved administrations to enable them to maintain a concurrent level of scrutiny. The last report was published on 16 May 2019 covering the reporting period 26 December to 25 March 2019.
- 1.2 The purpose of these reports is to ensure that the process of developing common frameworks, in collaboration with the devolved administrations, is transparent and subject to robust parliamentary scrutiny.

Principles for Common Frameworks

- 1.3 Under the current devolution settlements, the devolved legislatures and administrations cannot act incompatibly with EU law. The EU laws that are in place create common UK-wide approaches even where those policy areas otherwise fall within devolved competence. The Scottish and Welsh Governments agree that common approaches will continue to be required in some areas after the UK leaves the EU.
- 1.4 In October 2017, the Joint Ministerial Committee (EU Negotiations) (JMC(EN)) agreed principles to guide the work to create common frameworks. These principles are set out below:

1. *Common frameworks will be established where they are necessary in order to:*

- *enable the functioning of the UK internal market, while acknowledging policy divergence;*
- *ensure compliance with international obligations;*
- *ensure the UK can negotiate, enter into and implement new trade agreements and international treaties;*
- *enable the management of common resources;*
- *administer and provide access to justice in cases with a cross-border element;*
- *safeguard the security of the UK.*

2. *Frameworks will respect the devolution settlements and the democratic accountability of the devolved legislatures, and will therefore:*

- *be based on established conventions and practices, including that the competence of the devolved institutions will not normally be adjusted without their consent;*
- *maintain, as a minimum, equivalent flexibility for tailoring policies to the specific needs of each territory, as is afforded by current EU rules;*
- *lead to a significant increase in decision-making powers for the devolved administrations.*

3. *Frameworks will ensure recognition of the economic and social linkages between Northern Ireland and Ireland and that Northern Ireland will be the only part of the UK which shares a land frontier with the EU. They will also adhere to the Belfast Agreement.*

1.5 These principles continue to guide all discussions between the UK Government and the devolved administrations on common frameworks.

Progress Towards Establishing Future Frameworks

1.6 The following section sets out the steps taken by the UK Government, during the reporting period, toward implementing our long-term common frameworks, and explains how the frameworks principles have been taken into account.

1.7 Common frameworks continue to be developed through constructive discussions between the UK Government and the devolved administrations. This fact was recognised in the conclusion to the Scottish Parliament's Finance and Constitution Committee's report on common frameworks. In this report, the committee welcomed *'the progress being made with common frameworks on the basis of negotiation and agreement between Governments'*.¹ This has been continued during the latest reporting period (26 March 2019 to 25 June 2019) where detailed multilateral engagement has taken place at official level, including two joint UKG-DA Project Board meetings, with a rotating chair and location between London, Cardiff, Belfast and Edinburgh, and standalone sessions on:

- Implementation of EU Emissions Trading System (2 May 2019) - publication of joint consultation on the approach to UK carbon pricing following EU Exit
- Agricultural Support (29 May 2019) - discussion on Crisis Measures, Public Intervention and Private Storage Aid
- Fertiliser Regulations (4 June 2019) - meeting of the Fertiliser Regulatory Committee to continue to develop proposals for framework

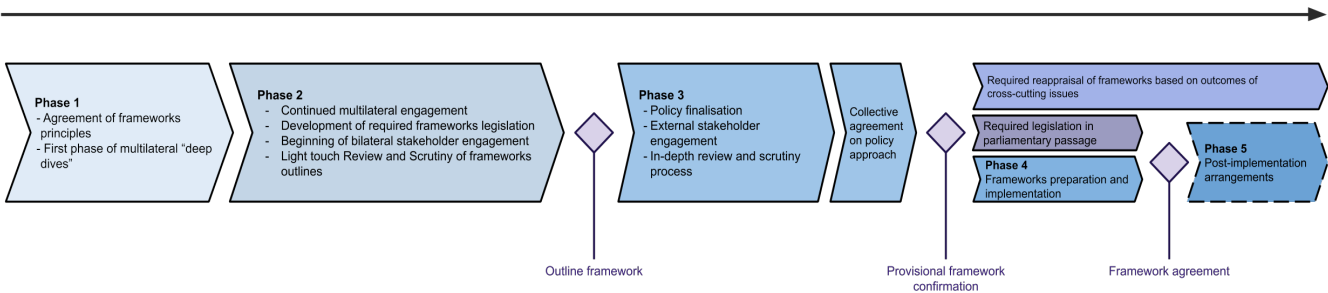
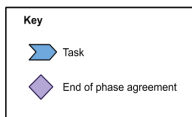
¹ <https://sp-bpr-en-prod-cdnep.azureedge.net/published/FCC/2019/3/25/Report-on-Common-Frameworks/FCC-S5-19-04.pdf>

- Animal Health and Welfare (17 June 2019) - deep dive on establishment of future UK Biosecurity Office to complement wider framework development
- Fisheries Management and Support (29 May 2019) - Science Working Group convened to develop content of non-legislative MoU

- 1.8 In the absence of Northern Ireland Executive Ministers, officials from the Northern Ireland Civil Service continue to participate in frameworks development on a factual and analytical basis.
- 1.9 In addition to this multilateral engagement the Chancellor of the Duchy of Lancaster has also appeared before the Public Administration and Constitutional Affairs Committee (PACAC)² to talk about common frameworks amongst other things; and before the House of Lords EU Select Committee³ to give evidence on how the UK Government has worked with the devolved administrations to develop common frameworks. This shows the UK Government's continued commitment over the reporting period to transparency and engagement with Parliament.
- 1.10 During the reporting period officials have revisited the planning assumptions for frameworks delivery in light of a more in depth understanding of related interdependencies. As a result, officials have amended the delivery pathway to reflect the process of agreement, and the impact of the key interdependencies. This new approach can be seen below:

² <https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-administration-and-constitutional-affairs-committee/news-parliament-2017/military-force-fourth-session-evidence-17-19/>

³ <https://www.parliament.uk/business/committees/committees-a-z/lords-select/eu-select-committee/news-parliament-2017/david-lidington-evidence-session/>



- 1.11 UK Government officials in collaboration with devolved administration officials have revised the frameworks delivery programme. Frameworks will be implemented depending on the needs of the particular policy area and may require a combination of legislative and non-legislative measures. The delivery process accounts for frameworks to be implemented in different ways, with some activity undertaken concurrently, to ensure that all of the due process has been undertaken as the framework is put in place. As a result, frameworks will be implemented at different points in time, depending on the requirements of that framework.
- 1.12 During the reporting period officials have also developed three documents for publication. Firstly a progress update on common frameworks which will include a summary of technical stakeholder engagement, UK Government and DA cooperation, the interdependencies of the programme with cross cutting issues and the future work programme. Secondly, an illustration of the frameworks delivery process including a high level visual snapshot of implementation proposals, included above. Thirdly, a sample frameworks outline covering all the key elements of a framework.
- 1.13 The UK Government has begun to assess the potential interaction between common frameworks and the Future Partnership with the EU. This has included considering how framework areas might be affected by future negotiations with the EU.
- 1.14 The UK Government will work with the Scottish and Welsh Governments and the Northern Ireland Civil Service, to seek to develop a shared approach to the internal market, including exploring a range of evidence and ideas, and together will continue to support policy teams in considering how to manage internal market-related issues in individual framework areas.

- 1.15 As frameworks outlines are developed, work is ongoing to consider what level of consistency is desirable in the governance structures across all frameworks. Officials from the UK Government and the devolved administrations continue to work together to ensure that governance proposals for individual frameworks take account of the potential outputs of the Review of Intergovernmental Relations. Consideration is also being given to the effect that the outcomes of other cross-cutting issues, such as the Future Economic Partnership and Internal Market, may have on the governance of common frameworks.
- 1.16 As activity continues to move into the third phase, further planning has taken place to deliver on a programme of multilateral engagements with stakeholders. The UK, Scottish and Welsh Governments and Northern Ireland Civil Service have worked collaboratively to develop and agree a joint approach to stakeholder engagement, which plans to engage with Parliament, the devolved legislatures, business organisations and wider sector-specific stakeholders as work on common frameworks continues. They are:
- **High level programme engagement** focused on academics and umbrella organisations. The UK Government and the devolved administrations are working together on the best way of presenting the overarching principles and purpose of frameworks at key events across the UK;
 - **Parliamentary engagement** with UK Parliament and the devolved legislatures. We will be updating parliamentary committees at key moments in the process, and consulting them on the arrangements that will need to be put in place to enable the formal scrutiny of frameworks; and
 - **Technical engagement** by policy teams on specific frameworks. This work is engaging relevant sectors to test provisional conclusions, informing future policy development.

The UK Government and devolved administrations recognise the importance of, and are collectively committed to, bringing stakeholders and their expertise into the development process.

- 1.17 After testing the provisional policy conclusions with stakeholders, the UK Government and devolved administration's 'Hazardous Substances Planning' policy teams have published their draft outline framework in full. We envisage further policy-owning teams will test the detail of their outline framework to stakeholders within the next reporting period. The Northern Ireland Civil Service will continue to participate in this area of work.

Northern Ireland

- 1.18 Frameworks need to ensure recognition of the economic and social linkages between Northern Ireland and Ireland and that Northern Ireland will be the only part of the UK that shares a land frontier with the EU. As set out in the agreed principles frameworks will also adhere to the Belfast Agreement.
- 1.19 Due to the absence of a Northern Ireland Executive, there remain significant limits to the decision-making capacity of the Northern Ireland Civil Service. Guidance issued by the Secretary of State under the Northern Ireland (Executive Formation and Exercise of Functions) Act (EFEF) - legislation which enables senior officers of NI departments to continue to take a limited range of decisions, where they are satisfied that it is in the public interest to do so - provides departments with increased clarity and certainty about when they can make decisions in the absence of Ministers. The Secretary of State for Northern Ireland issued guidance under the Act on 5 November 2018. This guidance has, and will continue to inform our ongoing collective processes regarding changes to primary and secondary legislation, as well as non-legislative mechanisms. The Secretary of State extended the Act for a period of 5 further months on 21 March, and it will now expire towards the end of August.
- 1.20 Officials from the Northern Ireland Civil Service have engaged in the common frameworks process where the policy area intersects with the devolved competence of the Northern Ireland Assembly. However, in the absence of the Northern Ireland Executive, officials' input has been limited to analytical and factual responses only. Where framework arrangements have been developed, they are without prejudice to the views of future Northern Ireland Executive Ministers.

Common Frameworks Analysis

- 1.21 The revised Frameworks Analysis⁴ was published on 4 April 2019, setting out the progress that has been made to develop common frameworks in collaboration with the devolved administrations since the initial analysis was published in March 2018.
- 1.22 The revised analysis was published by the UK Government, although it was co-authored by officials in all administrations. It demonstrates the progress that has been made by proceeding collaboratively. It also highlights the

⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/792738/20190404-FrameworksAnalysis.pdf

commitment by the Scottish and Welsh Governments to ongoing cooperative working, including in policy areas where no formal common frameworks are required.

1.23 The analysis set out each of the 160 areas of EU law that intersect with devolved competence in one or more of the devolved administrations. As the devolution settlements are asymmetrical, a different range of powers is relevant to Scotland, Wales and Northern Ireland. The analysis set out the latest policy positions, including the reclassification of some policy areas and further detail on the shape that some of these frameworks might take. The changes in the analysis since the initial publication in March 2018 demonstrate the careful and considered joint work underway to establish common frameworks, which in some areas has led to reclassification.

1.24 The revised frameworks analysis outlined:

- There are 63 areas where no further action is required to make a framework and the UK Government and devolved administrations will continue to cooperate. This has increased from 49 in the initial analysis.
- There are 78 (reduced from 82) areas where we think that common rules or ways of working will be needed and we expect to implement this through a non-legislative common framework agreement (e.g. a concordat). In some of these areas, consistent fixes to retained EU law (made using secondary legislation) will create a unified body of UK law alongside the non-legislative framework agreement.
- There are now 21 (reduced from 24) policy areas where future legislation may be needed, in whole or in part, to implement the common rules and ways of working, alongside a non-legislative framework agreement and - potentially - a consistent approach to retained EU law.
- Finally, there are now only four areas where competence is disputed, and conversations between the UK Government and devolved administrations continue. This is reduced from twelve in the first publication, demonstrating the significant progress made in this area.

1.25 Updates on the progression of work in the policy areas set out in the frameworks analysis will continue to be provided in future publications of this report. This will enable us to show progress in these areas on a more regular basis.

Legislation Relating to Retained EU Law Restrictions

- 2.1 Section 12 of the EU (Withdrawal) Act removes the current requirements in each of the devolution statutes that the devolved legislatures can only legislate in ways that are compatible with EU law. The Act then replaces those requirements with powers for the UK Government to apply, by regulations, a temporary ‘freeze’ on devolved competence in specified areas, subject to the approval of the UK Parliament, via the draft affirmative scrutiny procedure.
- 2.2 The process for making, agreeing and revoking these regulations can be found in our first report: *The European Union (Withdrawal) Act and Common Frameworks - 26 June 2018 to 25 September 2018*⁵.

Regulations to ‘Freeze’ Devolved Competence

Retained EU law restrictions applied during reporting period

- 2.3 No regulations have been made to apply retained EU law restrictions under these powers during the reporting period.

Progress towards removal of retained EU law restrictions

- 2.4 No retained EU law restrictions made under the powers in sections 30A and 57(4) of the Scotland Act 1998, sections 80(8) and 109A of the Government of Wales Act 2006, or sections 6A and 24(3) of the Northern Ireland Act 1998 had effect at the end the reporting period.

Regulations to Repeal the ‘Freezing’ Powers

- 2.5 In addition to the ‘freezing’ powers inserted into the devolution statutes by the EU (Withdrawal) Act, section 12(9) confers a power on UK Ministers to repeal, by regulations, the new provisions containing those powers.

Powers to apply retained EU law restrictions repealed during reporting period

- 2.6 No regulations have been made under section 12(9) of the EU (Withdrawal) Act to repeal the powers to apply retained EU law restrictions during the reporting period.

⁵ <https://www.gov.uk/government/publications/the-european-union-withdrawal-act-and-common-frameworks-report>

Progress required in order to repeal the powers to apply retained EU law restrictions

- 2.7 The UK Government has not sought to make use of the powers to apply retained EU law restrictions at this juncture. As outlined earlier in this report, significant progress is being made across policy areas to establish common frameworks in collaboration with the devolved administrations.

- 2.8 The 'freezing' powers provide a mechanism to give certainty across those areas where common rules do need to be maintained, by ensuring that there will not be substantive policy change in different parts of the UK until those future arrangements are in place. In order to remove those powers from the statute book, further progress towards the implementation of common frameworks would be needed. We will keep this position under review, in line with the statutory duty in section 12(10) of the EU (Withdrawal) Act.

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Agenda Item 3.2

Y Cwnsler Cyffredinol a Gweinidog Brexit
Counsel General and Brexit Minister



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA/P/CG/1434/19

David Rees AM
Chair of External Affairs and Additional Legislation Committee

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18 July 2019

Dear David,

Thank you for your letter dated 19 June following my appearance before your Committee on 3 June to discuss Brexit preparedness in Wales.

Welsh Government shares your concerns about the potentially damaging effects on Wales of leaving the EU without a deal. We have consistently said that a no deal exit would be catastrophic for the UK as a whole, but particularly so for Wales and we have consistently stated that it would not be possible to fully mitigate the effects of a no deal outcome. The UK Government's own figures show the UK economy would be between 6.3% and 9% smaller in the long term in a no deal scenario and in Wales the economy would be 8.1% smaller.

Against this backdrop, it is important that we do all that we can to prepare, and support the people, public services and businesses of Wales.

In your letter you asked for more information about a number of points which are set out below.

General preparedness and Operation Yellowhammer

You asked about the key messages emerging from the lessons learned exercise, and any actions we are taking to address any identified gaps. The lessons learned exercise reinforced our existing understanding that it is not possible for Wales to prepare in isolation and preparations are much more effective when there is genuine engagement across administrations; and that the worst impact may not be felt immediately but will cumulate over time impacting the most vulnerable people.

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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.

We have been taking a strategic approach to preparations, looking to what can be done to mitigate the most significant impacts, which compared favourably to the approach taken by the UK Government. We are building on our reflections to ensure our plans are as robust as possible. In particular, considering whether any of our underpinning assumptions need to change. For example we have been considering the implications of a potential leave date in the autumn instead of the spring which will include different seasonal pressures on the NHS and could lead to problems with stocking in the retail sector, with less storage space for stockpiling goods given the run up to Christmas than there was in March. However, there remains great uncertainty over the likely impacts in the short term and the consequences of a no deal exit will be out of our direct control. This is why our no deal preparations need to be thorough and flexible to respond to the changing business climate.

You also enquired about the levels of staff turnover in relation to preparedness and no deal planning. The Welsh Government has largely been able to redirect and prioritise existing Civil Service resource to cope with the increased demands as a result of preparing for Brexit. There has been some increase in capacity through fixed term, or temporary appointments, for Brexit preparedness and no deal planning. We have not seen evidence of increased staff turnover since April 2019, with the vast majority of people who were working on Brexit preparations still in post. By comparison it has been reported that 6,000 Civil Servants in Whitehall have been stood down from no deal preparations.

The Welsh Government acknowledge the impact of the pressure, uncertainty and frenetic nature of Brexit on individuals, and we are continuing to review resourcing for key positions dealing with Brexit preparedness to ensure sufficient resource and support is in place for those individuals and teams.

Continuity of supply chains

You outlined how the Welsh Local Government Association told you that, while local government can assure itself to a certain extent in relation to services delivered by contractors, factors beyond its control in relation to continuity of supply chains may lead to contract failure particularly in the event of a no deal Brexit. You asked what the Welsh Government is doing to assist the devolved public sector in mitigating against this possibility under a no deal scenario.

With regards to procurement, whilst Local Authorities are responsible for their own contracts, as they have standing arrangements for their own contractual matters, Welsh Government has proactively carried out a number of activities to provide support to all contracting authorities across the Welsh Public Sector (WPS) including holding a number of workshops regarding Brexit preparedness. We have engaged with Local Authorities to obtain data on supplies for social services to centrally stockpile any key products identified. Whilst it was difficult to obtain this data, the aim was to add an extra layer of risk mitigation to plans Local Authorities are already putting in place as part of the multi-layered approach being taken by the NHS. NHS Shared Services have confirmed they are now holding additional stock of key products to be able to support social services if they are unable to access these via all other business as usual routes of supply.

In the event that there are emerging risks to the supply chain, there are well-established arrangements in place for Welsh Government to work closely with partner agencies, via the Local Resilience Forums, to assess the impact and where necessary, take appropriate action. Welsh Government is helping authorities recognise where they may need to do more to ensure they have sufficient preparations in place, and assessing the robustness or effectiveness of those preparations. We are providing support to do so, including funding for additional resource and to support a co-ordinated and joined up response.

We have structures in place for strong engagement and communication with local authorities, such as the Local Government EU Preparedness Advisory Panel, which meets regularly. Through this forum levels of preparedness including supply chain resilience are regularly discussed and assessed, in particular food and social care supply chains.

We also regularly communicate with and engage procurement professionals across the WPS on Brexit related matters. This has included:

- Face-to-face presentations across the Welsh public sector including at a WLGA heads of procurement meeting to join up consistent approach;
- Regular Brexit newsletters to the profession;
- Proactively contacting LA Heads of Procurement to ask about their “top Brexit concerns” to establish what other actions may be appropriate;
- Produced a Frequently Asked Questions document;
- Undertook an online survey in June 2019 to assess level of satisfaction of communications on Brexit procurement.

A Brexit procurement team is dedicated to co-ordinating much of the above work, they have close alignment with supply chain risk mitigation with the UK Government so are able to work in an agile way to disseminate information quickly.

Awareness Raising

You ask similarly what action the Welsh Government is taking to improve awareness of the need for Economic Operator Registration and Identification (EORI) certificates among Welsh businesses. This matter is not devolved, and HMRC has written to all VAT registered businesses that are trading with the EU to make them aware that they will need an EORI number.

However, recognising how important it is for overall preparations and for the economy, Welsh Government has been supplementing HMRC communications with advice for Welsh businesses. On 2 July we announced five simple, low-cost actions we have identified to help Welsh businesses prepare for a no deal Brexit and have published this advice on our Preparing Wales website and on the export landing page of the Brexit portal (<https://gov.wales/is-your-business-ready-for-no-deal-if-not-you-are-running-out-of-time>). The steps include the need for an EORI number, information about which has been promoted via the Preparing Wales website for some time. These messages will be reinforced during face to face discussions between export advisers and businesses.

Communications

You asked for more information on how the Welsh Government plans to ensure that its messaging on preparing for a no deal Brexit is clear and consistent, and that it avoids the risk of business and people being less prepared for this scenario at the end of October due to the perception that it will not happen.

We share your concern about the readiness of third parties, particularly businesses, and the potential implications on overall readiness. We fully recognise the challenge in devoting scarce resources to planning for something that may never happen, but our message to business is that the risk of ignoring the threat of no deal is great. It is not enough to take the chance that Parliament or the EU will once again put a stop to it at the last minute. But as I said in my Oral Statement of 4 June, businesses can access financial support and advice about trading through uncertain times on the Business Wales website, including the Brexit Portal, and on Preparing Wales and through the Development Bank for Wales.

We continue to press UK Government to issue clearer messages about what no deal means for businesses, and what specific actions they should be taking to be prepared. We will also press this message with the new Prime Minister.

We have also set up a range of structures to engage with organisations across Wales so we can have frank conversations on the impact of Brexit, get intelligence on their experiences and work together to prepare for the many practical implications of leaving the EU.

We communicate our messages about the need to prepare via these various standing Brexit stakeholder groups which cover business, economy, public services, higher education, agriculture, environment, rural affairs and health, and encourage them to cascade that information to their members and stakeholders

You also asked whether the Welsh Government has any plans to assist businesses further in preparing for this scenario, building on the work done through the Business Wales Brexit portal, the Development Bank of Wales, and the Preparing Wales website. Specifically, you asked for the latest usage figures for the Preparing Wales website and Business Wales Brexit portal.

As the primary sources of advice and guidance for businesses the Preparing Wales website and the Business Wales Brexit Portal are regularly reviewed and updated. News items are continually being created and published on the Business Wales website to highlight what businesses need to know and do to prepare. – including detailed advice on export processes. On 8 July there have been over 34,000 users of the Business Wales Brexit portal, with 913 businesses completing a full self-assessment via the Diagnostic Toolkit - a significant rise in numbers since the start of 2019.

The Development Bank of Wales helps Welsh businesses get the finance they need to start up, strengthen and grow. It can provide loans from £1k up to £5m - as well as mezzanine and equity funding; and helps businesses find the right finance partner to leverage in private finance. The Development Bank of Wales now manages in excess of £1.1 billion of Welsh Government funds, including over half a billion pounds across all business funds and the £454 million Help to Buy – Wales provision, following a recent increase in the resources available by the Bank

In addition to the users of the Business Wales Brexit Portal described above, as of 8 July there were over 33,000 unique views on the Preparing Wales website.

It is vital that the time extension to Article 50 is used to continue and strengthen preparations for Brexit and to help businesses to effectively manage the uncertainty. Welsh Government's first supplementary budget includes capital allocations of £85m to support the Welsh economy in the face of a no deal Brexit. It funds a range of projects that can be delivered quickly in year, providing economic benefits which are aligned to our priorities and can stimulate wider economic demand at a time when it is needed most. In making these allocations, proposals were assessed against evaluation criteria which included the provision of value for money and operational readiness for deployment within 2019-20.

EU funding

In relation to funding, you asked what discussions the Welsh Government has had with HM Treasury on how its underwriting of EU funding schemes such as Horizon 2020 and Erasmus+ will work in practice.

Welsh Government officials have regular contact with HM Treasury counterparts about the operation of the UK Government's Guarantee of EU Funding. We have also been clear the

UK Government should negotiate with the EU to enable UK organisations to participate in Horizon 2020, ERASMUS+, Creative Europe and the Wales-Ireland Programme after we leave the EU. Discussions are ongoing with the UK Government about our objectives for future participation, however no negotiations with the EU about the UK's future relationship will be possible until a ratified Withdrawal Agreement is in place.

In response to comment at the Committee meeting of 3 June, that the Welsh Government is preparing for participation in future EU programmes and other EU activities should there be a further extension to Article 50, you enquire about what activities Welsh Government are undertaking as part of this preparation.

A further extension to the period allowed for under Article 50 of the Treaty on the Functioning of the European Union would result in the UK remaining a full member with the ability to participate fully in EU programmes. In order to do so, there would be significant preparatory work required. Officials are considering the implications of this alongside other plausible withdrawal scenarios. The EU is itself preparing for the start of the next multi-annual financial framework. As a full member we are aware of the plans and discussions on future structural and investment programmes and the future of the Common Agricultural Policy. We are considering how our current policy development work maps onto current draft regulations so we are able to reconfigure things quickly if needed to fit to an EU framework. This includes working out critical timescales to meet conditions for funding. This will tell us when decisions are needed to ensure we can meet those conditions if we need to.

No deal legislation

Finally, you ask in your letter if we could give the Committee an indication of what additional legislation may need to be passed by the Assembly to deal with any practical issues identified as part of no deal scenario planning.

In the vast majority of cases, the correcting legislation has created the statutory framework necessary for the statute book to operate after exit day.

We continue to review the need for any emergency legislation that may be required to respond to unforeseeable circumstances which occur after exit day. Should a situation occur where further legislation is required, then we will notify the National Assembly at the earliest opportunity.

I hope these responses to your questions are useful, and thank you once again for your constructive engagement on this issue.

Yours sincerely,



Jeremy Miles AM

Y Cwnsler Cyffredinol a Gweinidog Brexit
Counsel General and Brexit Minister

Agenda Item 3.3



By email

09/08/2019

Re: Involvement in the first Future Generations Report

Dear David,

Producing a Future Generations Report is one of my duties in the Well-being of Future Generations Act. It must provide advice on improvements public bodies should make in order to set and meet well-being objectives which are the commitments they chose to make to improve the economy, society, environment and culture of their area. My report will also include information on the progress to date and on what should happen in the future. The Report will be published in May 2020.

This will be the first Future Generations report and will include the following main chapters: 'considering where we are and should go culturally (5 Ways of working and 7 core areas); where we are and should go in achieving the well-being goals (including objectives and steps); a particular consideration of our areas of focus (transport, planning, housing, ACEs, skills, alternative models for the health system, decarbonisation, budgeting and procurement); recommendations and ideas.

Using the five ways of working we intend to follow the involvement principle and in addition to our national conversation '[Our Future Wales](#)' and our online stories forum, '[The People's Platform](#)', I would like to give you an opportunity to help shape the content of my report and my recommendations. I also want to flag in the report, the resources which would be most useful to public bodies and would welcome suggestions as to reports, documentations and recommendations your committee would like to point out.

I would be grateful if you could send us any information or comments you would like me to consider by the 1st of November 2019. I am interested in particular in concerns, observations, opportunities or recommendations you think are most important, as well as a list of issues you think are of greatest importance to current generations and then to future generations to see if they differ.

I look forward to hearing the views of your committee.

If you wanted to talk in person, we could seek to organise a meeting with my colleagues who will also be visiting Ty Hywel's cafeteria in the autumn with Positif Politics and further information will be sent to you about this opportunity. We would welcome the opportunity to meet with you and your colleagues.

My office will also contact every Assembly Member separately to ask for their personal opinions and we are also preparing tailored 'Assembly Members briefing packs' that provide further information on my work to date and the priorities for the year ahead. You will receive this separately and individually. It will also include some examples of how the Act is being delivered in your area.

If you have any further questions, please don't hesitate to get in touch.

Regards,



Sophie Howe
Future Generations Commissioner for Wales



Llywodraeth Cymru
Welsh Government

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

SeneddEAAL@assembly.wales

22 August 2019

Dear David

Thank you for your letter of 24 July regarding the Welsh Government's preparedness for Brexit and, in particular, contingency planning for the sheep sector.

We have always been clear; a no deal would be catastrophic for our agricultural industry and rural communities. Crashing out of the European Union without a deal would be hugely damaging and must be avoided at all costs. A 'no deal' Brexit is not what people wanted when they voted to leave the EU and it is the responsibility of the UK Government to make sure it does not happen.

A considerable amount of work and engagement has been undertaken by the Welsh Government in preparation for Brexit. This includes work on a contingency plan for the sheep sector focusing on a possible 'no-deal' exit from the EU.

I have engaged closely with stakeholders through the Ministerial Stakeholder Roundtable group to keep industry leaders updated on the actions being taken by the Welsh Government to plan for a 'no-deal' scenario. My officials have also met regularly with key industry representatives to discuss the issues, share our emerging thinking and to seek feedback on the proposals.

Following the decision to extend Article 50 until 31 October 2019, my officials have continued to work collaboratively with the UK Government and other Devolved Administrations to assess the scale of the impact on our agricultural industries. It is clear the sheep sector will be particularly vulnerable in the event of a 'no deal' exit, with around 35% of Welsh lamb currently exported, of which around 95% is destined for the EU and worth a total of £94 million annually.

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Ministers from the four UK Governments have agreed to develop a UK scheme (delivered separately by each administration) for the sheep sector to provide consistency due to the interlinked nature of the markets and supply chain.

Since the extension to Article 50, my officials have reviewed the analysis on the impact of a 'no deal' exit on the basis of an autumn 2019 exit. The challenges the industry face in October are significantly different to those in April, with the new exit date falling during a key selling period where light lambs (which are generally exported to the EU) are introduced to the market. It would also fall just after an important period of breeding sales and breeding decisions for the following spring having already been made.

My officials have developed a suite of measures which are in addition to financial support. Whilst we can mobilise the resources we have available to help cushion the blow and mitigate short term issues, this will not eliminate the impact of no deal which will have medium and long term impacts.

These measures focus on helping businesses deal with the immediate pressures and respond to the opportunities of leaving the EU. This will be delivered through an integrated package of support which links closely to the wider support being offered to all businesses in Wales. I have included a summary of those below:

1. Crisis Payments

The preferred option of direct financial support, agreed by all Ministers at the EFRA Inter Ministerial Group (IMG), is a UK-wide breeding ewe headage scheme. The scheme would target producers who are likely to suffer (or suffered) low prices in 2019, or have made production decisions for 2020 ahead of EU exit. Compensating farmers for part of their market-loss would help partially support the viability of businesses and enable them to reassess their longer term plans.

This measure would be introduced under Article 219 of the rolled over EU CMO regulation, and would be administered by each Administration to be triggered in the event of a substantial decrease in sheep prices after a 'no deal' exit.

The delivery of any crisis payment is dependent on the availability of HM Treasury funding. We continue to work closely with the UK Government and other Administrations to submit a coordinated bid for Treasury funding.

2. Market Monitoring Group

A UK Agricultural Market Monitoring Group (UKAMMG) is being established under an arrangement between the UK Government and the other Administrations in order to coordinate analysis of market information from government, industry and other sources. The group will monitor developments in the main agricultural industry and consider responses to adverse market developments and provide recommendations if any interventions are required.

3. BPS support scheme

I have announced a new BPS support scheme for up to 90% of the anticipated BPS 2019 claim value. This follows a similar scheme in 2018 following the dry weather over the summer. A BPS support scheme would assist farmers with immediate cash flow issues arising from a no deal exit.

4. Farming Connect

Existing support measures are available to all agricultural sectors, including ongoing knowledge transfer and training aimed at business resilience and profitability through Farming Connect. These support measures will be refocused and prioritised in the event of a no deal exit.

5. Red Meat Benchmarking

The Red Meat Benchmarking project in 2018/19, funded through the EU Transition Fund, enabled participating farmers to receive a bespoke assessment of their farm's performance. It also enabled farmers to evaluate their business against their peers, and better understand their financial and technical performance. Individual surgeries were also arranged by Farming Connect for farmers to discuss and analyse their individual results with agricultural consultants.

The industry sector level report provides essential data on performance and production costs. Benchmarking against other farms can help businesses become more sustainable and better able to weather fluctuating commodity costs.

Further funding has also been allocated from the EU Transition Fund to provide further support to participating farmers who will receive a bespoke business plan and action report.

6. Supply Chain / Market Development

My officials are working closely with Hybu Cig Cymru (HCC) to invest in an Enhanced Export Programme to support the Welsh red meat industry to maintain key markets in Europe, as well as developing market access further afield.

It is necessary to improve domestic market demand for sheep meat, and discussions have taken place with the levy bodies, retailers, food services and processors, with the aim to increase public consumption of red meat.

7. Mental health awareness and support

I recognise the human impact that Brexit is having on a number of the sectors represented by my portfolio. The huge uncertainty that Brexit has brought about is causing mental strain for many individuals.

Last summer, in response to the exceptional dry weather, I announced that £500,000 in funding was being provided to three rural charities, which operate across all of Wales, to address the acute financial issues and knock on effect on mental health some farmers would face in the short term. A further £500,000 was recently announced by the Minister for Health and Social Services to develop the national and regional work required to tackle suicide and self-harm.

A Charities' Partnership has also been established to act as the main contact point for Welsh Government and rural charities, to share knowledge and expertise, identify ways to work collaboratively and to provide a strong coordinated position on mental health support within the agriculture industry in Wales.

I also recently announced funding of £47,000 for the DPJ Foundation, which raises important awareness of the issues surrounding mental health.

All Farming Connect front line staff and mentors, as well as the Welsh Government's Farm Liaison Service, have received training on identifying the signs of poor mental health and direct farmers to the relevant support.

8. Agri Alert

In a "No Deal" scenario the *Agri Alert* process will be used to gather clear intelligence at a local level from trusted advisers – how farmers are coping; are the animal welfare concerns which need addressing; what additional support should be provided for example. This would continue to inform policy design and mitigation of issues if and when they arise.

I recognise the biggest impact of a no deal exit will be on the sheep sector, I also acknowledge the above measures could equally support the other agricultural sectors. The Welsh Government will continue to monitor all agricultural sectors via the establishment of the UKAMMG and target support and investment where it is most needed.

I hope this letter assures the Committee as a Government we are fully aware of the issues facing our agricultural industry. Irrespective of the support we provide to help farmers, such support will not remove the fact the decision by UK Government to allow a no deal Brexit is to inflict unnecessary damage to Wales' rural communities which will be felt for decades to come. In the interim period, we are actively working with stakeholders and delivery partners (including the UK Government) to ensure mitigations are in place for known risks and we are able to respond appropriately to the challenges facing the sheep sector. Following a potential 'no deal' exit from the EU, the UKAMMG will closely monitor all agricultural sectors, providing informed decisions to advise on potential next steps and timescales.

I have copied this letter to the Chair of the Climate Change, Environment and Rural Affairs Committee.

Regards

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

Lesley Griffiths AC/AM

Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs

Agenda Item 3.5

Y Cwnsler Cyffredinol a Gweinidog Brexit
Counsel General and Brexit Minister



Llywodraeth Cymru
Welsh Government

David Rees AM
Chair, External Affairs and Additional Legislation Committee
National Assembly for Wales,
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6 September 2019

Ben David

UK-wide common policy frameworks: discussion paper

Thank you for sending me the External Affairs & Additional Legislation Committee report UK-wide common policy frameworks: discussion paper. I found it a thoughtful and most useful piece of analysis.

I understand the Committee will not be seeking a formal response to the report, but I look forward to discussing some of the Report's concerns and conclusions when I appear before the Committee.

Jeremy Miles

Jeremy Miles AM
Y Cwnsler Cyffredinol a Gweinidog Brexit
Counsel General and Brexit Minister

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Pack Page 102

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Eich cyf/Your ref: MA/P/CG/1434/19
Ein cyf/Our ref: MA/P/FM/2921/19

David Rees AM
Chair
External Affairs & Additional Legislation Committee
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6 September 2019

Dear David

Thank you for your letter dated 24 July following my appearance before your Committee on 8 July.

As you state it was a constructive discussion on some of the most critical issues for Wales that will arise as a result of Brexit, including intergovernmental relations, international trade and strategy, and Brexit negotiations.

In your letter you asked for responses to questions on the Welsh Government's preparedness for Brexit that were not reached during the scrutiny session which are set out below.

You outlined that the Counsel General has previously said that there are now two potential outcomes in relation to Brexit, a no deal or remaining in the EU, and a majority does not exist in the House of Commons for the type of Brexit the Welsh Government proposed. You asked what impact has this analysis had on the Welsh Government's approach to preparing for different Brexit scenarios?

The new Prime Minister has made it very clear that his intention is for the UK to leave the EU with or without a deal on 31 October. Given his insistence that the Withdrawal Agreement would need to be reopened and the backstop removed, it is barely credible that a deal can be concluded and the necessary legislation passed in time.

We therefore continue to argue for, and support efforts to put the decision back to the people: remaining in the EU must clearly be an option in any such vote. I made this point forcefully during my meeting with the Prime Minister on 30 July and clearly explained our view that he had no mandate for a no deal Brexit.

We have always been clear that remaining in the EU is in the best economic interests of Wales. Now that the chance of achieving a less damaging soft Brexit seems vanishingly small,

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and three years on from the original referendum we have concluded that it is right to campaign vigorously to remain within the EU and for a referendum as a means to that end.

We also continue to press for and prepare for full engagement in any future negotiations with the EU, whether as a result of the conclusion of a Withdrawal deal or in the longer term, as well as preparing for potential trade negotiations with third countries.

As long as there is a risk of leaving the EU without a deal, we will do all that we can to prepare. We have increased the intensity of our preparations over the summer, so that we are in as strong a position as possible. But we should not be under any illusion that we can mitigate all the effects of no deal. There are practical measures that we can and will put in place to support the people and businesses of Wales. But the macroeconomic and fiscal levers that will be required to deal with an impact of this magnitude rest with the UK Government. We will press them to ensure that their response to the inevitable shock of no deal, and the longer term economic impacts, takes into account the economy of Wales, and is not limited to a narrow view that protects the interest of the South East of England.

In evidence to the Committee in June, the Counsel General highlighted the lessons learned exercise on no deal preparation undertaken by the Welsh Government since the extension was agreed in April. You asked what were the key lessons that the Welsh Government learnt from this, and how is it responding to these?

After the extension was agreed in April, we took the opportunity to review the no deal preparations that we had made up until that point. It was important that we take stock and think about how best to build on all the valuable work done across the public sector and beyond to ensure our preparations are as robust as possible.

In many ways the lessons learned exercise reinforced our existing understanding:

- that it is simply not possible for Wales to prepare in isolation - our preparations are much more effective when there is genuine engagement across all administrations, and open and timely information sharing from UK Government, and
- that the worst impacts may not be felt immediately, but the effects will be cumulative and develop over a period of time, potentially being felt most by the most vulnerable in society

We believe our strategic approach to preparations, looking to what could be done to mitigate the most significant impacts, compares favourably with the approach taken by the UK Government.

We are now building on our approach and these reflections to ensure our plans are as robust as possible. In particular, considering whether any of our underpinning assumptions need to change.

The Counsel General also previously highlighted the preparation being done by the Welsh Government in relation to 'backbone sectors' such as haulage, where issues arising from a 'no deal' Brexit could potentially spread to other sectors. You queried what the key emerging findings from this work are, and what steps are being taken by the Welsh Government to address them?

We are concerned that not enough prominence has been given to assessing the risks of no deal on sectors such as haulage and freight, which underpin much wider economic activity and many interventions that would be crucial in the event of no deal.

The sector could potentially face difficulties in recruiting and retaining drivers, for example, and have to deal with increased fuel prices, while being caught up in traffic congestion in ports. Yet we could be relying on them to transport critical goods within the UK. You will no doubt have seen the Freight Trade Association response to the leaked Yellowhammer assumptions, which reinforces our concerns.

We have for many months been pressing UK Government to undertake an urgent assessment of this sector. Wales relies on goods entering the UK via the Dover – Calais crossing and being transported across the UK. A UK-wide approach to this work is clearly the only way to understand that risk and any mitigating actions.

You outlined how the CEO of the UK Warehousing Association has raised concerns that UK warehouses are full, and that there are doubts about UK firms' ability to stockpile goods ahead of a potential no deal Brexit in October. You ask to what extent does the Welsh Government share these concerns in respect of Wales, and what work is being done in conjunction with the UK Government to ensure that there is sufficient capacity?

Concerns about the potential disruption to the UK's food supply have been the subject of much media comment. The primary issue is whether logistics across the Channel crossings operate smoothly and, if they are impacted, how severe that will be and how prolonged. Warehouse capacity is relevant to mitigating this risk up to a point but the degree to which it can do so varies with product types. Fresh products by their nature cannot be stockpiled and warehouse capacity is much less relevant than it is for longer life goods.

Warehouse space in the autumn is at a premium as retailers prepare for the Christmas shopping season, although it should be noted that the warehouse space is still used for food products. The situation is common to the whole UK and there is no uniquely Welsh aspect to it.

All Devolved Administrations are working closely with Defra to assess the situation and to contingency plan. The food industry is large, diverse and has flexible supply chains. Retailers and wholesalers have assured us that they are adjusting their logistics and making plans to maintain supplies to all their customers. Retailers and wholesalers are highly experienced and skilled in managing the supply chain. Nevertheless in a no deal situation it seems inescapable that there will be some impact on the range of choice of some fresh products to consumers. For its part, the Welsh Government is supporting all businesses with advice and information to prepare for a possible no deal. Thorough business preparation is vital to maintaining smooth import and export operations and this is the key to avoiding disruption.

In the medical sphere, you are aware we have acquired a warehouse in South East Wales to provide additional storage capacity for medical devices and clinical consumables to ensure there is a continuity of supply for Wales. As part of our contingency planning, we have been working very closely with NHS Wales, the UK Government, and other key stakeholders to assess risks relating to maintaining a supply for medical devices and clinical consumables after the UK leaves the European Union.

You asked what action has the Welsh Government taken to ensure the UK Government is aware of any additional funding it may need under a no deal Brexit, and has it received reassurance from the UK Government that sufficient funding would be made available?

The Welsh Government continues to have a range of discussions – at Ministerial and official levels – with the UK Government about funding for interventions that may be needed in the event of no deal.

Since I met the Committee on 8 July, the UK Government has announced an additional £2.1bn funding for Brexit preparedness this year. This includes £1bn for an operational contingency fund, from which Whitehall departments and the devolved administrations may bid for funding, and £1.1bn for specific purposes from which Wales received a consequential of £24.1m. This will not come anywhere near to mitigating the catastrophic devastation Brexit would cause to our economy, businesses and communities across Wales. The Spending review announcement by the Chancellor on 4 September announced a further £2bn in 2020-21 of UK Government funding to respond to the impact of leaving the EU. However, based on what the Chancellor announced it is likely much of this funding will focus on reserved areas of policy and there will not be a consequential received by the Welsh Government.

We have been clear that the support to address even a proportion of the impact of Brexit cannot be delivered within existing Budgets. We will require substantive additional funding and flexibilities to be able to respond. Most recently, the Minister for Finance and Trefnydd pressed this point to the Chief Secretary of the Treasury at a meeting of the Finance Ministers' Quadrilateral on 29 August.

The answers we have received from the UK Government to date provide no assurance that the funding we would require would be forthcoming.

I would welcome a very clear and unanimous message from the Committee that the National Assembly expects the UK Treasury to ensure adequate resources are in place to mitigate, as far as possible, the threat to our economy, businesses and communities and that Wales receives its fair share of any funding made available.

Many of the levers to respond to Brexit are in the hands of the UK Government. We would expect the UK Government to provide immediate financial assistance to support business, particularly the manufacturing and agriculture industries as well as direct financial assistance for the most vulnerable in society.

You enquired if there any examples of specific programmes of work that have been either delayed or scaled down as a result of the Welsh Government's need to prioritise resources for Brexit preparations?

We continually assess our priorities and review where to deploy our resources to ensure we can deliver our priorities.

Brexit has put extra burdens on both Welsh Government and the public sector and we have always sought to balance the need to prepare with the need to deliver 'routine' public services. This situation is being kept under constant review with each portfolio Minister looking closely at their specific areas in relation to Brexit.

This process is ongoing and will increase given that a no deal is a very real possibility.

Finally, you ask in your letter that if the Welsh Government's planning for different Brexit scenarios suggest circumstances where the Assembly may need to meet before the start of the autumn term on 16 September?

The Welsh Government continued to work throughout the summer on our no deal preparations, during Assembly recess. With these preparations we will be in as strong as position as possible to mitigate – to the extent we are able – the effects of a no deal exit.

The Presiding Officer agreed to my request to recall the Assembly on 5 September which allowed AMs the opportunity to debate the constitutional crisis which now faces Wales and the United Kingdom.

The additional Questions on International Trade will be answered by Minister for International Relations and the Welsh Language in her response to the Committee.

Yours Sincerely

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

MARK DRAKEFORD



Llywodraeth Cymru
Welsh Government

Our ref: MA(P)/EM/3097/19

David Rees AM
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9 September 2019

Dear David,

Thank you for your letter of 24 July 2019 which follows up on some of the matters raised during my appearance at the EAAL Committee in June. I am responding to the issues you have raised about the International Strategy and the Overseas Office network in this letter.

A response to the questions you have raised about the Concordat for International Agreements will be issued separately as you have also written to the First Minister on this matter.

International Strategy

On 31 July, I published a draft strategy for public consultation. The Committee will be aware that it was my intention to publish a final strategy before summer recess; however, the continuing uncertainty surrounding Brexit, the lack of clarity on our relationship with our nearest neighbours and the protracted EU withdrawal negotiations meant that I took the decision to issue the draft for public consultation rather than as a final document to take account of the very latest Brexit position. In light of the increasing likelihood of a no deal Brexit, I believe that the decision to delay publication was the right one.

As I have previously outlined during evidence sessions, we received almost 400 responses to an informal online questionnaire that was live for a period of eight weeks earlier this year. Many of the respondents were anonymous. I also met with stakeholders from across academia, business, culture and the third sector during the development of the draft.

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In line with standard practice, the responses to the formal consultation will be published on the Welsh Government website following the closure of the consultation on 23 October.

International Offices

As discussed on 10 June, I have asked officials to prepare a quarterly report that gives high level performance data for our overseas offices. The first of these quarterly reports will be issued to you on 1 October.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M. E. Morgan'.

Eluned Morgan AC/AM

Gweinidog y Gymraeg a Chysylltiadau Rhyngwladol
Minister for International Relations and the Welsh Language



Llywodraeth Cymru
Welsh Government

Our ref: EM/3056/19

David Rees AM
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9 September 2019

Dear David,

Request for further information following 10 June 2019 Committee meeting

Thank you for your letter of 24 July 2019 seeking further information following my attendance at the External Affairs and Additional Legislation Committee in June. You have also written to the First Minister with some further questions on International Trade which I will also be responding to in this letter.

In your letter you asked a number of questions about the concordat which is being developed with the UK Government to set out the devolved administrations role in future trade negotiations.

To date, drafting the concordat has been a collaborative process between the devolved administrations and the UK Government. This process takes place through the Senior Officials Group that was established in March 2018 to provide a regular action-focused forum between the Department for International Trade (DIT) and the DAs in relation to UK trade policy. The group meets every 6 weeks and discussions on the concordat regularly takes place during these meetings.

The concordat is currently in draft stage. Updates are made to the draft concordat through both discussions between officials at the Senior Officials Group and by sharing versions of the document itself between officials for comment. We are able provide our views and propose changes to the concordat through this process. Therefore there is no specific

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documentation we have produced on the concordat that can be provided at this stage. However we have always been clear on our expectations for how we expect to be involved in relation to the development of UK Government trade policy more widely, which can be found on Pages 20-21 of *Trade Policy: Issues for Wales*.

As I have said, work on the concordat is taking place between all of the devolved administrations and officials at DIT. The Senior Officials Group referred to is chaired by Oliver Griffiths, Director Americas negotiations and Strategic engagement and Leonie Lambert, Deputy Director Constitutional Affairs and Strategy team heads the team that my officials are working with on the concordat.

It is difficult to say by when we expect to reach a final agreement on the concordat. Initially we had hoped that the agreement would be in place before the UK leaves the EU. However, the recent changes within the UK Government and the increasing focus on the risks of a no deal Brexit mean that progress on the concordat has slowed down. In the meantime, I can assure you that my officials are working with DIT to ensure that an agreement can be put in place as soon as reasonable possible.

You asked the First Minister what progress has been made in developing the concordat and how successful the Welsh Government has been in securing its objectives for involvement in future trade deals. With negotiations still ongoing I am currently unable to confirm how successful we have been overall in achieving our objectives. However there are already some examples of where the UK Government has delivered against Welsh Government asks. For example we asked the UK Government to establish a Joint Ministerial Committee on International Trade and they have announced that Joint Ministerial Forum will be set up.

You also asked what red lines the Welsh Government are developing in relation to devolved issues that it does not want to be included in future trade deals. Work is underway across the Welsh Government to ensure that there is a consistent picture of our negotiations position for future trade deals. I would be happy to update the committee on this work once it has progressed.

Yours,

A handwritten signature in blue ink, appearing to read 'M. E. Morgan'.

Eluned Morgan AC/AM

Gweinidog y Gymraeg a Chysylltiadau Rhyngwladol
Minister for International Relations and the Welsh Language



Llywodraeth Cymru
Welsh Government

Mick Antoniw AM
Chair, Constitutional and Legislative Affairs Committee
National Assembly for Wales,
Cardiff
CF99 1NA

11 September 2019

Dear Mick,

I am writing to inform you, as per the inter-institutional relations agreement, that on 12 September 2019, I will attend the Joint Ministerial Committee (EU Negotiations).

The meeting will discuss Exit Readiness, EU negotiations and the common frameworks.

I will explain our view that faced by a choice between a no deal Brexit and remaining in the EU, we will campaign to remain and that we believe a referendum is now needed to resolve the impasse. The events of recent days have highlighted the need to continue to stress the view that a no deal Brexit must be avoided and that continuing uncertainty is doing deep damage to our economy.

In terms of readiness, I have always been clear that a 'no deal' would be catastrophic for Wales and the whole of the UK, and should be unthinkable. A 'no deal' exit from the EU will cause significant disruption and damage to our economy, having a very real impact on peoples' livelihoods.

In spite of this conviction, we are doing all that we can to prepare for leaving without a deal. But I will stress that it is simply not possible to mitigate all of the consequences; that significant funds will need to be made available to support the businesses and people of Wales through the turmoil; and that we cannot prepare in isolation, with our ability to prepare effectively hampered by UK Government reducing the amount of information shared with us.

I will continue to call for the devolved administrations to be represented in UK negotiating teams and stress our commitment to ensure that UK negotiating positions should not normally be advanced with the EU without the agreement of the Devolved Administrations for those matters within our competence. Furthermore I will press the need for rapid progress of the Dunlop Review.

Bae Caerdydd • Cardiff Bay
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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.

I will reaffirm our commitment to the common frameworks process and continue to raise the need to consider common frameworks as part of the wider system of intergovernmental relations.

I am copying this letter to the Chair of the External Affairs and Additional Legislation Committee (EAAL).

A handwritten signature in black ink, appearing to read 'JM', with a stylized, cursive flourish.

Jeremy Miles AM

Y Cwnsler Cyffredinol a Gweinidog Brexit
Counsel General and Brexit Minister



Llywodraeth Cymru
Welsh Government

David Rees AM
Chair, EAAL Committee
SeneddEAAL@assembly.wales

12 September 2019

Dear David,

I am writing in response to your letter of 24 July 2018, relating to international obligations which bind the UK. I am sorry it has not been possible to provide an earlier reply.

Your letter asks for any assessment we have made of the reciprocal voting rights agreements which the UK has made with Luxembourg and Portugal, which as you note are similar to the earlier UK-Spain agreement. The Welsh Government supports these agreements, which are consistent with our position that after the UK leaves the European Union, EU nationals will continue to enjoy the same rights to participate in devolved Welsh elections as they do now. As with the Spanish agreement (and with any future agreements with members of EU27), no legislative change is required to fulfil this commitment, or to give effect to the obligations which the UK has agreed. The constitutional concern, to which your letter refers, is equally relevant in the Luxembourg and Portugal cases as in the earlier UK-Spain agreement.

I can also confirm that the Welsh Government is happy in principle to give an assurance that we will normally notify the Committee when we are consulted by the UK Government on a UK international agreement. However, there may be occasions when documents are shared with us in confidence by UKG, and we will need to respect any confidentiality restrictions on material which we receive. We are committed to the sharing of information with the Assembly, but I know the Committee understands that there must also be space for some discussions to remain within government. We will also need to reassess the position as we pursue the agreement we have called for from UKG about the role of the Devolved Administrations in negotiations with the EU, and international engagement more widely.

Best wishes

MARK DRAKEFORD

Bae Caerdydd • Cardiff Bay
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