

Minutes of the Cabinet sub-committee on EU transition on 7 November 2018

Present:

- Mark Drakeford AM (Temporary Chair)
 - Alun Davies AM
 - Lesley Griffiths AM
 - Kirsty Williams AM
 - Jeremy Miles AM
 - Rebecca Evans AM
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- Shan Morgan, Permanent Secretary
 - Diane Dunning, Deputy Director, Legal Services
 - Simon Brindle, Deputy Director, European Transition
 - Robert Parry, Deputy Director, European Transition Legislation
 - Gareth Williams, Special Adviser
 - Andrew Johnson, Special Adviser
 - Alex Rawlin, Special Adviser
 - Jane Runeckles, Special Adviser
 - Tom Woodward, Special Adviser
 - Damian Roche, Cabinet, Plenary and Committee Secretariat (minutes)
 - Sophie Jones, Cabinet Secretariat
 - Tim Render, Director, Land, Nature and Food
 - Peter Halligan, Chief Scientific Adviser
 - Liz Lalley, Deputy Director, Trade Policy
 - Ed Sherriff, Deputy Director, European Transition
 - Peredur John, European Transition team
 - Leon Griffiths, EU Transition Communications

Apologies:

- Rt. Hon. Carwyn Jones AM, First Minister
- Ken Skates AM

Item 1: Minutes of the previous meeting

1.1. The minutes of the previous meeting were agreed.

Item 2: Oral Update on Developments

2.1 The Cabinet Secretary for Finance chaired the meeting, as the First Minister was unavailable. A brief update was provided on the numerous developments since the last meeting on 19 September that related to EU, UK and Wales Brexit matters.

2.2 On 11 October, there had been meetings of the JMC (EN) and JMC (E). The JMC (EN) meeting included an update from the Secretary of State for Exiting the EU on the progress of negotiations, and discussion of domestic issues related to Brexit, including common frameworks, preparedness and legislation. The Welsh Government had offered to host the next JMC (E) in Cardiff.

2.3 The European Council had discussed Brexit on 18 October and indicated that their negotiator should continue efforts to reach an agreement with the UK Government. It was agreed that a Council meeting should be convened when decisive progress had been made.

2.4 On 22 October, the fifth Ministerial Forum was held, which was attended by both the Cabinet Secretary for Education and the Minister for Housing and Regeneration. This meeting focused on the state of EU negotiations, with an update provided by Robin Walker, Parliamentary Under-Secretary of State for Exiting the European Union and UK Government plans for, and progress on corporate accords relating to Science and Innovation and Culture, Education and Space.

2.5 The Ministerial Forum had become increasingly more positive.

2.6 The Cabinet Secretary for Education had provided an update on the importance of participation in Horizon 2020 for the Welsh Higher Education sector, emphasising the need for any value for money assessments to properly consider deliverability issues, and ongoing access to Erasmus.

2.7 The next meeting of the Forum would take place on 3 December and the Cabinet Secretary for Economy and Transport and the Cabinet Secretary for Energy, Planning and Rural Affairs were expected to attend alongside the Minister for Housing and Regeneration. This extended meeting would be an opportunity to discuss the UK Government's general approach to services as well as examining Financial Services, and Energy and Transport issues.

2.8 On 9 November, the First Minister would attend the thirty-first British-Irish Council meeting, where there would be further discussion on Brexit matters including a trilateral meeting with the Chancellor of the Duchy of Lancaster and the Scottish First Minister.

2.9 The Sub-Committee noted the update.

Item 3a: Preparedness: Overview and Communications

3.1 The Cabinet Secretary for Finance introduced the paper, which invited the Sub-Committee to note the update on the work undertaken across the Welsh Government to prepare for the UK's exit from the EU and the approach taken to communications.

3.2 The main focus of Welsh Government communications to date had been that a "no deal" outcome should be unthinkable and would have a huge negative impact, while making clear that the Welsh Government was doing all it could to plan and prepare businesses and citizens for all eventualities.

3.3 The Welsh Government had undertaken a range of actions and stakeholder communications to help organisations prepare for Brexit. In recent months, there had been active engagement directly with key sectors and organisations. The Welsh Government had launched the Brexit Business Portal, and announced a series of EU Transition fund supported projects for a range of sectors.

3.4 The Sub-Committee noted the paper.

Item 3b: Preparedness: Environment, Energy, Agriculture, and Fisheries

3.5 The Cabinet Secretary for Energy, Planning and Rural Affairs introduced the paper, which provided the Sub-Committee with an overview of the key areas of work across EPRA on Brexit preparedness, but primarily focused on the work needed in the case of a "no deal". Areas included legislation, trade systems and business readiness. The paper further provided a summary of the scale of potential impacts of a "no deal" on sectors across the EPRA portfolio and the various new things that businesses would need to do to adapt to the changed trading environment.

3.6 The Sub-Committee noted the paper.

Item 4: Brexit and Science Policy

4.1 The Cabinet Secretary for Finance invited the Chief Scientific Adviser to introduce the paper, which asked the Sub-Committee to agree in principle the next in the series of Brexit policy papers, titled 'Wales: Growing Research for Prosperity'.

4.2 The policy paper focussed on science and research, regarded by most developed countries as the engine of prosperity.

4.3 It was clear that despite longstanding low levels of R&D funding Wales had been very successful and efficient in growing the volume, quality and international reach of its published research and innovation. In terms of research impact, Wales had over the last 4 years outperformed the remainder of the UK and many EU countries in this regard and in the process contributed to driving growth across the Welsh economy.

4.4 The Sub-Committee agreed the paper in principle.

Item 5: Legislation / SIs

5.1 The Cabinet Secretary for Finance introduced the paper, which provided an update on repeal of the Law Derived from the European Union (Wales) Act 2018 (LDEU), the Scottish Continuity Legislation and the EU (Withdrawal Agreement) Bill White Paper. There was an update on other UK Government Bills and progress on correcting Statutory Instruments (SIs). The paper also considered the guidance on addressing issues arising from the work to correct deficiencies and engagement with the National Assembly.

5.2 The Supreme Court judgement on the Scottish Continuity Bill and the issues raised by the UK Government's Advocate General for Scotland – which represented a fundamental attack on the principles of the devolution settlement - was yet to be received. However, following the terms of the Intergovernmental Agreement (IGA) with the UK Government it was noted that Cabinet had, the previous day, agreed that the motion to repeal the LDEU Act be listed on the Plenary agenda for debate on 20 November.

5.3 The Sub-Committee noted the update paper.

Item 6: Any other business

6.1 The Cabinet Secretary for Finance provided a brief update on the EU Transition Fund and noted that a spend forecast on the allocations already agreed by the Sub-Committee would be prepared. If an underspend on those projects was forecast, the Sub-Committee's agreement would be sought to re-allocate the funds to suitable projects on the reserved list.

6.2 The Sub-Committee noted the update.

**Cabinet Secretariat
November 2018**