

Minutes of the Cabinet sub-committee on EU transition on 16 January 2017

Present:

- Rt. Hon. Carwyn Jones AM, First Minister (Chair)
 - Mark Drakeford AM
 - Lesley Griffiths AM
 - Kirsty Williams AM
 - Ken Skates AM
 - Alun Davies AM
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- Sir Derek Jones, KCB, Permanent Secretary
 - Des Clifford, Director, Office of the First Minister
 - Toby Mason, Director of Communications
 - Piers Bisson, Deputy Director, European Transition
 - Matt Greenough, Special Adviser
 - Gareth Williams, Special Adviser
 - Tom Woodward, Special Adviser
 - Damian Roche, Cabinet, Plenary and Committee Secretariat (minutes)
 - Marcella Maxwell, Deputy Director Organisational Design and Change
 - Lindsey Bromwell, Policy Advisor European Transition
 - David Tripp, Policy Advisor European Transition
 - Sian Brown, Policy Advisor European Transition

Item 1: Minutes of the previous meeting

1.1. The minutes of the previous meeting were agreed.

Item 2: Oral Update on Developments

First Minister's visit to Norway

2.1 The First Minister advised the Sub-Committee that he had visited Norway the previous week, where, amongst other meetings, he had discussions with the Government about their country's relationship with the EU.

Joint Ministerial Committee (EN) and JMC (P)

2.2 The third meeting of the Joint Ministerial Committee (EN) was scheduled for Thursday 19th January and the next JMC (P) was scheduled for 30th January.

The EU Liaison Committee

2.3 The EU Liaison Committee, which had been set up with Plaid Cymru to explore the scope for a common approach, was due to meet later that day and further meetings would follow as necessary.

Supreme Court Judgement on Article 50

2.4 The Supreme Court judgement on Article 50 was expected before the end of the month, but the exact date was to be confirmed.

Recent changes to the official trade data for Wales

2.5 It was reported that HMRC had changed the way that trade data was allocated to a region, which had led to a significant increase in the share of Welsh exports going to the EU, from 39% to 67%. This meant that Welsh exports were significantly more dependent on the EU market than previously suggested.

Item 3: White Paper

3.1 The First Minister introduced the draft White Paper, which summarised the Welsh Government's position on Brexit.

3.2 The White Paper on European Transition outlined Wales' key strategic interests and priorities on the UK's exit from the EU. Its purpose was to ensure that the Government's position was clearly understood both within and outside Wales, and in particular would help influence the UK negotiating position ahead of the triggering of Article 50.

3.3 The White Paper was based around six strategic priorities. These set out the need for full and unfettered access to the Single Market and a managed work-based UK migration system that met the needs of the Welsh economy, higher education and public services. There should be a revised block grant funding arrangement to replace EU funds that would otherwise have come to Wales, while the Paper made the case for continued participation, from outside the EU, in selective beneficial programmes, such as Horizon 2020, Erasmus and Interreg.

3.4 It also addressed the need for the Welsh Government to retain control over matters currently devolved but operated in an EU context, such as agriculture, fisheries, regional development and the environment. The importance of constitutional reform in the UK was also highlighted, to create new machinery for post-EU needs.

3.5 The White Paper also set out the importance of retaining existing social, environmental and economic protections, as well as the need to develop transitional arrangements given it is unlikely that the withdrawal process and the agreement of a new relationship between the UK and the EU will be completed within two years.

**Cabinet, Plenary and Committee Secretariat
January 2017**