

## Brexit update

Pwyllgor Materion Allanol a Deddfwriaeth Ycwhanegol | 14 Tachwedd 2016

External Affairs and Additional Legislation Committee | 14 November 2016

### Research Briefing:

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#### 1. Introduction

This paper provides an update on the most recent developments on Brexit of relevance to Wales. It includes sections on the work in the Assembly and Welsh Government; EU-level; UK-level; and Scotland and Ireland. The period covered is 27 October to 10 November, although reference is made to later events where information is available at time of final drafting.

#### 2. Developments in Wales

##### National Assembly for Wales

##### External Affairs and Additional Legislation Committee

*The External Affairs and Additional Legislation (EAAL) Committee is the lead Committee in the Assembly for co-ordinating the Brexit-related activities of Committees. The Committee is undertaking an inquiry into the Potential Implications of Leaving the EU in Wales.*

The most recent sessions of the EAAL Committee inquiry are as follows:

- 7 November: A seminar with experts on Intra-UK relations, and a scrutiny session with the First Minister of Wales. Transcript available [here](#).
- 31 October: [Environment and Marine policy – thematic seminar with experts](#)

Regular updates on the work of the EAAL Committee are posted on the Assembly Blog: <https://assemblyblog.wales/tag/european-union/>.

##### Climate Change, Environment and Rural Affairs Committee

This Committee has launched a call for evidence on the [future of agricultural and rural development policies in Wales](#).

##### Other

A number of the other Assembly Committees are discussing possible inquiries into Brexit and as these firm up we will include details in this *Brexit Update*.

## Plenary debates

- On 9 November the Welsh Government's Counsellor General Mick Antoniw AM made a statement on the Welsh Government's reaction to the judgement by the High Court on triggering of Article 50.
- On 9 November the Chair of the Climate Change, Environment and Rural Affairs Committee made a statement, followed by questions, on the committee's inquiry into the future of agricultural and rural policies in Wales.
- On 1 November the First Minister gave a statement, followed by debate, on [EU Transition](#).

## Welsh Government

Welsh businesses and universities have secured [more than €50m in funding](#) from the EU's largest research and innovation programme, Horizon 2020, recent statistics have revealed. (27 October)

## Welsh stakeholders

- "It is essential for the food and farming sector to maintain full, unfettered access to the single market while having continued access to a flexible, competent and reliable workforce." ([NFU Cymru](#), 1 November).

## 3. EU level developments

### European Council

8 November: [The annual ECOFIN-EFTA meeting focused on economic growth and investments](#). The final lines of the press release are "The EU and EFTA therefore don't see each other as "third" countries, but as neighbours with the same important economic challenges and priorities. Brexit only provides more impetus to that agenda."

### *CETA – Canadian EU Free Trade Agreement*

[This agreement was signed on 30 October](#). The European Parliament and the Council must give their consent to CETA for it to enter into force provisionally, the agreement can then be used. The choice of EU Member States – supported by the Commission – is that the Investment Court System will be out of the scope of the provisional application of CETA. This means that it will only be implemented once all Member States conclude their national ratification procedures.

### European Commission

[Juncker Commission presents third annual Work Programme: Delivering a Europe that protects, empowers and defends](#) (press release and links). The focus remains on the 10 priorities set by Juncker at the beginning of his Presidency, with emphasis placed "...squarely on delivery..." (page 16 of *COM(2016)710*). The Work Programme includes:

- 21 Key Initiatives (there were 23 in 2015 and 2016 Work Programmes)
- 18 REFIT actions – i.e. review of fitness for purpose of existing EU policy/legislation
- 35 Priorities for the Co-legislators – this is existing proposals in the system requiring action by the Council and European Parliament
- 19 Withdrawal or modifications of proposals in the system
- 16 pieces of legislation to be repealed

The Commission has started a public consultation on policy [options to set minimum quality requirements for reused water](#) in the European Union, responses by 27 January 2017.

## European Parliament

- [EU's long-term budget: MEPs vote for more headroom to cope with crises](#). (26 October)
- [MEPs set out their stance on EU economic priorities for 2017](#). (26 October)
- Parliament demanded more funds, to help young people into jobs, boost economic growth and assist third countries with a view to mitigating the migration crisis, in a plenary vote on Wednesday. [MEPs reversed all the Council's proposed cuts in the draft EU budget for 2017](#). (26 October)

## 4. UK level developments

### Article 50 judgement

The [U.K. Government lost the Article 50 parliamentary vote Brexit case](#). The appeal will be heard in the [Supreme Court from 5–8 December](#). (3 November)

[UK Government statement](#) on the High Court ruling on Article 50. (3 November)

[Statement by the First Minister of Wales: High Court Ruling on UK Government triggering Article 50](#). (3 November)

On 4 November 2016 [Mick Antoniw AM, Counsel General for Wales](#) in reaction to the judgement noted “in accordance with my power under section 67 of the Government of Wales Act 2006, I intend to make an application to be granted permission to intervene in the proposed appeal before the Supreme Court. My intention is to make representations about the specific implications of the government’s proposed decision for Wales.” The Counsel General also gave a statement in plenary, followed by questions, on 8 November. On 2 November prior to the judgement, he also answered a question on [Article 50 and the Devolution Settlement](#).

On 8 November 2016 Scottish Government announced that it will intervene in the [Article 50 legal case](#).

[Mark Carney: Court ruling adds to uncertainty for UK economy](#) (Politico, 3 November)

On 4 November the Prime Minister spoke to [President Tusk and President Hollande](#), and [Chancellor Merkel and President Juncker](#) to say that the UK government still intends to trigger Article 50 before the end of March 2017.

On 7 November the Secretary of State for Exiting the European Union gave a statement and answered questions on the [process for invoking article 50](#). The [statement was repeated in the Lords](#) and a debate followed.

[FUW calls for urgent Brexit clarity following High Court ruling](#). (3 November)

## UK Government

The Prime Minister continued her round of meetings with Heads of State and Government of EU Member States:

[Joint statement between the governments of the UK and India](#). (7 November)

[India–UK Tech Summit: Prime Minister's speech](#). (7 November)

[Colombian state visit](#): PM and President Santos' press statements. (2 November)

Prime Minister Theresa May gave a statement following [Nissan's decision to produce the Qashqai](#) and a new model at their Sunderland plant. (27 October)

## Joint Ministerial Committee (JMC)

### JMC Plenary

A Joint Ministerial Committee (JMC) Plenary session was held on 24 October, the first since the Brexit vote, with the UK response to Brexit the primary agenda item for the meeting. The First Minister Carwyn Jones AM attended and was accompanied by the Cabinet Secretary for Finance and Local Government, Mark Drakeford AM. The Scottish First Minister Nicol Sturgeon MSP was accompanied by her Brexit Minister Michael Russell MSP.

In a [joint communiqué](#) issued after the meeting it was stated that attendees had agreed to take forward multilateral engagement through a new Joint Ministerial Committee on EU Negotiations to be known as JMC (EN). This confirmed the announcements in September of the intention to establish a dedicated “Brexit” JMC. The following terms of reference were agreed on 24 October:

#### Working together in EU Negotiations

Through the JMC(EN) the governments will work collaboratively to:

- discuss each government’s requirements of the future relationship with the EU;
- seek to agree a UK approach to, and objectives for, Article 50 negotiations; and
- provide oversight of negotiations with the EU, to ensure, as far as possible, that outcomes agreed by all four governments are secured from these negotiations; and,

- discuss issues stemming from the negotiation process which may impact upon or have consequences for the UK Government, the Scottish Government, the Welsh Government or the Northern Ireland Executive.

The First Minister Carwyn Jones AM issued a [statement](#) following the meeting of the Joint Ministerial Committee, and followed this up with a statement to plenary on 1 November, taking questions from a number of members.

The statement on 24 October highlighted continued ‘uncertainty’ regarding the detail of the UK position, whilst his statement on 1 November 2016 developed this further:

It is disappointing, and damaging to confidence, that the UK Government has so far been unable to offer a coherent outline of its broad approach to EU negotiations. Their excuses for not doing so are running thin and the credibility of the UK is not helped by prevarication and – it must be said – confused and mixed messaging. The UK needs to get its act together.

He underlined the importance of unfettered access to the Single Market.

His statement on 1 November called for a revision of the Block Grant to Wales in light of the EU exit and that this will become “increasingly urgent for stability in the months ahead” given the impact on access to EU funding. He also noted that the Welsh Government is seeking more information from the UK Government “...about the Nissan decision, and the implications for businesses in Wales”.

The First Minister also noted that the UK Government had ‘conceded’ to the demands of the devolved administrations to ‘meet more frequently’ and to have a ‘meaningful role’ in the Brexit negotiations.

Scotland First Minister Nicola Sturgeon [described](#) the JMC plenary meeting as “long overdue...but...in large parts, hugely frustrating”. On the substance of the discussions she said:

As a first step we agreed that there must be a detailed work programme developed ahead of the first meeting of the sub-committee. Crucially we agreed that this must be integrated with the wider process so that the devolved administrations can influence key Cabinet Sub-Committee decisions. We also agreed that there will be a further meeting of heads of government in the New Year.

The Prime Minister stated her intention to offer the DAs a direct line to the UK Government during the Brexit negotiations, describing the meeting as ‘constructive’, and saying that ‘working together’ the nations of the UK will make a success of Brexit.

## JMC(EN)

The JMC (EN) met for the first time on 9 November, chaired by the Secretary of State for Exiting the EU, David Davis MP, and with the participation of Ministers from the Devolved Administrations, including Mark Drakeford AM for the Welsh Government. At the meeting David Davis MP [asked the Devolved Administrations](#) to present their analysis on Brexit to

help shape negotiation priorities. In return, he promised to share the UK government's "latest thinking" on Brexit. JMC (EN) is set to meet on a monthly basis.

## House of Commons

On 26 October the European Scrutiny Committee heard from [Minister of State David Jones MP](#), about how the department will work in terms of formulating and coordinating policies that will steer the government's relations with the EU.

On 31 October the Secretary of State for Business, Energy and Industrial Strategy gave a statement, followed by questions, about his [assurances to Nissan](#) and their decision to invest in Sunderland.

On 2 November there was an adjournment debate on the [UK's membership of the EU customs union](#).

On 3 November questions on [International Trade](#) were answered by the Secretary of State for International Trade, the Parliamentary Under-Secretary of State for International Trade and the Minister for Trade and Investment. There was also a debate on [Leaving the EU: Financial Services](#).

On 7 November the Secretary of State for Business, Energy and Industrial Strategy led a debate on [exiting the EU and workers' rights](#).

The new Exiting the European Union Committee has announced its first inquiry examining [the UK's negotiating objectives for the withdrawal from the EU](#).

There is an extensive number of inquiries and work on Brexit in the various Commons Select Committees. This includes:

- Education Committee: issued a call for evidence for its inquiry – [the impact of exiting the European Union on higher education](#).
- Environmental Audit Committee: inquiry – [the Future of the Natural Environment after the EU Referendum](#).
- Justice Committee: inquiry into [the implications of Brexit for the Crown Dependencies](#).

## House of Lords

*The House of Lords European Union Committee and its six Sub-Committees is undertaking a "co-ordinated series of inquiries into the key issues that will arise in the forthcoming negotiations on Brexit".*

On 27 October there were questions about [Brexit and the Creative Industries](#), [EU and Canada: Comprehensive Economic and Trade Agreement](#), and a debate on the [opportunities presented by the United Kingdom's vote to leave the European Union for the promotion of global free trade, and the impact on domestic and international trade](#).

On 31 October the Minister of State, Department for Business, Energy and Industrial Strategy repeated the statement that had been made that day in the Commons regarding [Nissan](#), and answered questions.

On 1 November Brexit was discussed in a question on [Aviation and International Trade](#). There was another question on [trade and the effect of Brexit](#).

The [involvement of Parliament in Article 50](#) was discussed on 2 November, and the [implications of the High Court decision on Article 50](#) on 3 November. Later that day the [impact of Brexit on universities and scientific research](#) was debated.

On 2 and 9 November the EU Energy and Environment Sub-Committee took evidence on [Climate change policy and trans-boundary environmental issues post-Brexit](#). [Business leaders](#) were questioned on 8 November. There is a further session on 16 November.

The EU External Affairs Sub-Committee took [evidence from the Japanese ambassador](#) on 9 November as part of its inquiry Brexit: future trade between the UK and the EU in goods. On 3 November the committee took evidence on [Brexit: trade in automotives, aerospace and defence goods](#).

The EU Financial Affairs Sub-Committee took evidence on 2 November on the [impact of Brexit on the financial services sector](#).

The EU Home Affairs Sub-Committee has launched a new inquiry into [Brexit: UK-EU movement of people](#). Evidence will be taken in late November. On 2 November the committee took evidence from the Director of Public Prosecutions at the Crown Prosecution Service, on [how the UK might co-operate with the EU on police and security matters](#) after the UK leaves the EU. On 15 November the committee will hear from Sir Julian King, the (UK) Commissioner for Security Union.

On 3 November the EU Internal Market Sub-Committee heard from [creative and retail industry bodies](#) as part of their inquiry on Brexit: future UK and EU trade in services.

On 1 November the EU Justice Sub-Committee took evidence on the [rights of EU citizens after Brexit](#).

On 1 November the EU Select Committee took evidence from the Rt Hon David Jones MP, Minister of State at the Department on Exiting the European Union, on the [outcome of the October European Council meeting](#).

## Other News

[Indian media link Brexit deals to visa rules](#). (BBC, 7 November)

## 5. Scotland

### Scottish Parliament

On 26 October the Minister for UK Negotiations on Scotland's Place in Europe gave an [update on actions following the outcome of the European Union referendum](#), followed by questions.

On 27 October there was a debate on a government motion: [the environment and climate change—European Union referendum](#). The amended motion was passed.

On 1 November the Cabinet Secretary for Justice opened a debate on the United Kingdom [referendum on European Union membership: impacts on justice and security in Scotland](#).

### European and External Relations Committee

On 3 November the committee took evidence on [European Union Referendum \(Implications for Scotland\)](#).

### Scottish Government

Scottish Government statement: [EU market key for Scottish business](#) – Brexit threat to trade growth. (7 November)

## 6. Northern Ireland

On 28 October the [High Court in Belfast dismissed two judicial review challenges](#) in Northern Ireland to the way the Government intends to invoke Article 50 of the Treaty on European Union to trigger withdrawal from the EU

### Northern Ireland Executive

31 October: The Economy Minister intends to develop a [new International Trade Plan](#) and to set up a new Air Routes Task Force for Northern Ireland.

## 7. British–Irish relations

[A hard Brexit would permanently damage Ireland](#), according to a study by the Department of Finance and the Economic and Social Research Institute. (RTE)

### House of the Oireachtas (Irish Parliament)

25 October: Seanad debate on [Agricultural Prices and Decision by UK to Leave EU](#).

## 8. Other reports published

- [On the referendum #20: the campaign, physics and data science – Vote Leave's 'Voter Intention Collection System' \(VICS\) now available for all](#) (Dominic Cummings' blog)
- [Brexit and Beyond: How the UK might leave the EU](#) – UK in a Changing Europe / Political Studies Association

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