

Preparing for a No Deal Brexit

Introduction

The risk of the UK leaving the EU without a deal remains very real, even though Parliament has passed an Act to try and prevent such a prospect.

The Act, which Parliament passed before it was prorogued on 10 September, requires the Prime Minister to write to the EU requesting an extension to Article 50 until the end of January 2020 if the form of the UK leaving the EU has not been agreed by Parliament by 19 October 2019. All 27 Member States must agree to the extension.

Until we know for certain that an extension has been agreed and accepted, the risk of a no deal exit by 31 October remains a very real prospect. Securing an extension to enable further negotiations between the UK Government and the EU 27 about a possible Withdrawal Agreement might – in the worst case scenario – do no more than delay the risk of a no deal exit by a few months.

It is for this reason the Welsh Government will continue to prepare for a no deal exit.

The potential impacts of a no deal exit are significant and far-reaching. This paper sets out the Welsh Government's overview of the main strategic risks of no deal for Wales and explains the actions we are putting in place to mitigate them as far as is possible. These include assumptions set out in the *Operation Yellowhammer* documents, published by the UK Government on 11 September.

We have always said that leaving the EU without a deal would be catastrophic for Wales and should not be considered an acceptable outcome – it should be avoided at all costs. The economic impacts on Wales – and on the wider UK economy – would be profound, but the consequences of no deal would go much further, rippling through all aspects of society and local communities. It is not a resolution and not the end of uncertainty. The impacts would be felt for years, particularly by the most vulnerable.

Despite our vigorous opposition to the UK Government's current political Brexit strategy, which we believe will lead to no deal, it is our responsibility – as the government of Wales – to ensure that businesses, individuals and the public, private and third sectors as a whole are as prepared as feasibly possible for the possibility of a no deal exit. It is our responsibility to plan and to put in place, insofar as we are able, measures to mitigate the long catalogue of impacts, which would be caused by leaving the EU without a deal.

These mitigating actions are set out in this document and outline what the Welsh Government has already done, what we are doing and what we will do in future to try to limit the inevitable damage from a no deal Brexit.

This represents a scale and breadth of work, which is unprecedented in our history as a government and a nation. But it is also important we recognise the very real limits of what we can do to minimise the full impact of a no deal Brexit.

For example, while the Welsh Government has responsibility for economic development, the macroeconomic levers and fiscal response which will be required to deal with an impact of this magnitude rest with the UK Government. Likewise, the Welsh Government has responsibility for the NHS and social care in Wales but responsibility for maintaining open and free-flowing trade at the borders to secure the supply of medicines is a matter for the UK Government. As our borders work in two directions, not even the UK Government can unilaterally determine whether and how much delay and disruption there will be to trade. The EU has been resolute in refusing to discuss 'mini-deals' which could ease some of the newly-erected barriers for people, goods and services in the event of no deal, when freedom of movement and free trade cease.

The biggest determining factor affecting our ability to prepare effectively is the UK Government itself, and its willingness to provide additional funding, share information and meaningfully work with us. Unfortunately, under the new UK Government, engagement and information flow has significantly reduced, just as its activity to prepare for a no deal appears to have significantly increased.

Our preparations are focused on four main areas:

- UK-wide preparedness – working with UK Government departments and other devolved administrations on projects extending beyond Wales;
- Welsh Government action – working with key stakeholders to develop and implement actions to address the strategic risks of a no deal Brexit;
- Legislation – ensuring Wales has a functioning statute book for exit day;
- Civil contingencies – developing a response to the most immediate and urgent issues.

UK-wide preparedness

Wales cannot prepare for Brexit, including a no deal Brexit, in isolation. The vast majority of systems and processes, which need to be updated or replaced in a no deal Brexit scenario, operate on a UK-wide basis – for example, ensuring food safety and animal health – and it is important Welsh interests are represented as replacements are developed.

Following a great deal of pressure from the Welsh Government and other devolved administrations, the UK Government has agreed a joint work programme to address UK-wide issues which need input from the devolved governments to be ready for exit day, such as healthcare arrangements for UK nationals on holiday in the EU. We continue to engage extensively with this programme. A number of the joint projects relate to taking forward programmes of work currently supported by EU funds. The Welsh Government is urging the UK Government to engage with us and to clarify its position on future funding arrangements to ensure Wales does not get a penny less – as promised during the EU referendum.

Welsh Government action

The consequences of leaving the EU are far-reaching and are exacerbated if the UK leaves without a deal. The Welsh Government has identified a set of strategic risks, which may arise in the event of leaving without a deal. We have worked closely with a range of key stakeholders, including businesses, representative organisations, local government, the NHS, universities and the third sector to develop mitigating actions against each, creating a Welsh Government action plan. This includes the assumptions set out in the *Operation Yellowhammer* documents published by the UK Government on 11 September.

Some risks could arise in advance of exit day but in many cases, the full impact may not be felt until weeks or months after exit. Some risks could affect a relatively narrow sector, while others may cut across many. Almost all of those identified in this document are interconnected.

The range of responses this document describes reflect the breadth of the challenge. We also recognise that in some cases, the Welsh Government may not have the power to intervene directly and in these cases, we are clear about our expectations of the UK Government.

Legislation

Preparing to leave the EU has required a substantial programme of legislation. While EU-derived laws are due to be copied on to the UK statute book at the point of exit by the EU (Withdrawal) Act, a significant amount of secondary legislation has been required to amend this body of law to ensure it continues to operate effectively once the UK has left the EU.

This programme of work is unlike anything which has been experienced or undertaken before. The Welsh Government and the National Assembly have never attempted to make legislation on this scale, in such a short period of time, and within memory, neither has Parliament.

As part of this programme, 43 Statutory Instruments (SIs) have been taken through the National Assembly. Welsh Ministers made 41 SIs before the original EU exit deadline of 29 March; two further SIs have been laid since the deadline passed. This has placed an unprecedented demand on both the Welsh Government and the National Assembly to draft, consider, consent to, scrutinise and pass legislation within extremely tight timescales. Some additional SIs will be needed to reflect ongoing EU developments since the original March exit date.

The UK Government laid more than 600 EU Exit SIs in Parliament. Welsh Ministers have given formal Ministerial consent to 147 of those, which apply in areas devolved to Wales.

Despite these challenges, the legislative programme was substantially completed by the original exit date of 29 March. The extension period (to 31 October 2019) has been used to make some non-critical amendments (“corrections”), which have been necessary as EU law has evolved since March and to amend small drafting errors in the existing SIs. We are now considering the impact of the prorogation of Parliament on the remaining programme.

Civil contingencies

Civil contingencies enable governments at all levels and the emergency services to respond to crises – to natural disasters; extreme weather events; terrorist attacks and infrastructure failures. In the context of leaving the EU, our aim is to minimise the likely need for a civil contingencies response. We will do this by working across government and with public services and other partners to ensure mitigation measures are in place to avoid significant disruption to essential services and supplies in the event of a no deal Brexit, as far as possible.

However, in line with any major event, plans for a no deal Brexit must include an effective response to civil emergencies and therefore, our civil contingency planning includes work with the UK and other devolved administrations and with partner organisations to ensure we have robust arrangements in place to monitor and respond to any potential civil contingency issues. This work is being brought together under the *Yellowhammer* umbrella.

EU Transition Fund

In addition to these four core areas of preparation work, we have set up the £50m EU Transition Fund to provide financial support to sectors across Wales to plan and prepare for Brexit. This is unique to Wales and has been invaluable in improving preparedness across Wales.

The fund is designed to help private, public and third sector organisations prepare for Brexit and the significant changes associated with leaving the EU. We have provided funding to local authorities and the police, to organisations supporting particular sectors and to specific businesses. We are supporting communities and individuals, including EU nationals who have made their home in Wales.

Communications

We recognise that in the current situation of uncertainty, people in Wales look to us for clear, concise and informative. This underpins all our preparedness work. Our Preparing Wales/Paratoi Cymru [website](#) is a single, comprehensive source of information for Wales about the actions they can take to prepare for Brexit – both with and without a deal. It sets out guidance and advice for citizens, organisations and sectors across Wales. Preparing Wales hosts both Welsh Government advice and links to the latest advice from the UK Government and other bodies.

The Preparing Wales/Paratoi Cymru website <https://gov.wales/preparing-wales> <https://llyw.cymru/paratoi-cymru> provides advice to people and businesses about preparing for Brexit. The website has information for people living in Wales, businesses and the economy, health and social services, education and skills, environment and agriculture, community cohesion, local services and the third sector.

Bespoke advice is also available on the [Business Wales Brexit Portal](#) to help businesses prepare for Brexit and navigate the changes and challenges ahead. It provides companies in Wales with up-to-date information about a range of issues, including international trading and workforce planning. It also includes a diagnostic tool to help businesses identify how prepared they are for Brexit; recommends actions they can take to increase their resilience and signposts them to additional sources of support. We have also highlighted five simple, quick actions businesses can take to prepare for Brexit and which will be useful in the longer term.

We routinely meet with a wide range of stakeholders to share information and to hear about their key concerns and ensure we take them into account in all our interventions. We will continue to engage with the public, the third sector, businesses, farmers, trade unions, educational institutions, public services and communities, to help them prepare and share the latest advice. We have established a number of Brexit-focused stakeholder groups and these have been invaluable in supporting the development of our action plan.

Welsh Government 'No Deal' Action Plan

| Issue | Actions | Responsibility |
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| <p>Strategic risk: Political turbulence in the UK is endangering the future of the union of the United Kingdom, and resulting in a lack of political capacity to deal with the immediate and broader implications of leaving without a deal. This could add to the severity of each of the risks described below.</p> | | |
| <p>Supporting UK stability.</p> | <p>Welsh Government supports UK stability through constructive engagement with governments on the UK stage, on a one-to-one basis and in set piece meetings, including the Joint Ministerial Committee (Plenary), which is made up of the First Ministers of devolved administrations and the Prime Minister; JMC (EU Negotiations); the Ministerial Forum; inter-Ministerial groups and in UK Cabinet Committee Exit Operations meetings if invited.</p> <p>Making the case for the union of the UK, pressing UK Government to develop improved mechanisms for internal governance of the UK.</p> | <p>Welsh Government – responsible for own engagement on national stage.</p> |
| <p>Welsh Government demonstrating leadership in Wales.</p> | <p>Welsh Government to continue to show leadership in Wales, working with others in the National Assembly to advocate what is in Wales' best interests in terms of the outcome of the Brexit process.</p> <p>Welsh Government to continue to take forward no deal planning actions at UK, Wales and regional level.</p> | <p>Welsh Government</p> |

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| | Welsh Government to continue to articulate key no deal preparatory actions to the wider public sector, delivery bodies and external stakeholders. | |
| Ensuring effective Welsh Government governance arrangements. | <p>Internal governance structures in place at ministerial level, with weekly Cabinet discussions supported by weekly meetings of the Cabinet sub-committee on European transition. Plans in place to increase the intensity of meetings in the run-up to exit day.</p> <p>Internal governance structures in place for Welsh Government officials with items on Brexit at each board meeting; fortnightly meetings of the executive committee in Brexit form and weekly meetings of the cross-cutting officials groups. Plans in place to increase the intensity of these meetings in the run-up to exit day.</p> | Welsh Government |
| <p>Strategic risk: Reputational damage. If the European and international community lose confidence in the UK and its governance as a result of an abrupt, no deal exit from the EU, there could be immediate and lasting damage to the UK's international reputation. This could exacerbate the impacts outlined below.</p> | | |
| Maintaining Wales' international relationships. | <p>Welsh Government to continue to be active in international networks, projecting a positive and purposeful image of Wales as an outward-looking country, which is open for business.</p> <p>The draft <i>International Strategy</i> is being consulted on; the final version is due to be published in November. This will prioritise engagement in European and international networks and with strategic countries and regions, ensuring we maintain our reputation as a constructive partner and an outward looking nation.</p> | Welsh Government |

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| | <p>Welsh Government is committed to maintaining international offices in Belgium, China, Canada, the Republic of Ireland, France, Germany, India, Japan, Qatar, UAE and US.</p> <p>We will continue to maintain and develop international relationships through Ministerial visits, particularly in the months leading up to, and after, exit day. Recent visits include to Germany, France and the US.</p> | |
| | <p>An EU Transition Fund bid has been approved to help maintain and strengthen links with key strategic partners in Europe in the context of Brexit. The activity will focus on international health, culture and the Welsh language, science and innovation, sustainability and the fair work agenda and learner mobility in further education.</p> | <p>Welsh Government</p> |
| | <p>A stakeholder engagement plan has been devised, with activity and events for Ministers before, on and after exit day designed to emphasise Wales as a positive and welcoming country, including a marketing campaign and collaborative events programme with partners in Japan, Germany and Ireland.</p> | <p>Welsh Government</p> |

Strategic risk: Major transport disruption for people and goods at the borders. As additional checks are required once the UK is no longer part of the Single Market and Customs Union. This is particularly significant at the Northern Ireland/Ireland border, the Channel crossings and at sea ports, including in Wales, where the role of Welsh ports is key to trade with Ireland. There is also potential for delays at airports. Any delays could have significant knock-on impacts on the wider transport network, for example requiring “stack” operations on major highways and roads to ports.

A number of the economic and other risks outlined below are linked to the critical issue of ensuring a smooth flow of goods through major ports – any delays could cause issues for the availability of some (fresh) food products and medicines and have a damaging impact on some trade sectors. The recently released Yellowhammer assumptions suggest a reduction to the flow rate to 40% to 60% of current levels of goods moving across borders compared to current levels if there is no mitigation. This could last up to three months after exit day before it improves to around 50-70%.

Any mitigating actions the UK Government decides to take in these areas can only represent part of the picture, as impacts will be dependent on approaches taken by the EU27 and in the European Union – long delays to outbound traffic as a result of stringent controls in France and Ireland will have very serious knock-on effects on inbound traffic, for example.

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| <p>Port preparedness.</p> | <p>Contingency plans are in place for the Port of Holyhead, including the use of the RoadKing site as an overflow facility for hauliers and preparations are in place for stacking lorries on the A55, if overflow capacity is needed. These plans will be reviewed regularly to take into account any new information which becomes available.</p> <p>We are exploring the need to provide an additional facility for hauliers arriving from Dublin to take a rest stop, if the Roadking site is in use.</p> <p>The introduction of additional border/customs checks at ports are not expected to cause traffic issues at the South West Wales ports, which have the necessary space to accommodate trucks within the port or nearby</p> | <p>Welsh Government in relation to traffic management.</p> <p>UK Government in relation to border management.</p> |
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| | <p>but this is being kept under active review to ensure assumptions remain robust, including regular engagement with local resilience forums.</p> <p>Monthly engagement meetings with Cardiff Airport to ensure necessary changes, including changes to signage, are in place.</p> <p>We continue to press UK Government for better engagement and improved information sharing about this vital issue.</p> | |
| <p>Import and distribution of medicines and radioisotopes.</p> | <p>Welsh Government is working with the UK Government to plan for import and distribution of critical goods, including, medicines and radioisotopes.</p> <p>Welsh Government has access to UK-procured express freight and dedicated health channel transport contracts which are reserved for critical medicines, including radioisotopes.</p> <p>Welsh Government is an active member of the devolved administration supply forum, involving the UK Department of Health and Social Care and devolved governments. Wales' Chief Medical Officer is a member of the National Distribution Decision Making Forum, which will prioritise medicines in the event of conflicting demand.</p> <p>We continue to press UK Government for better visibility of prioritisation governance and criteria.</p> | <p>UK Government has overall responsibility for goods crossing borders and procurement. The UK Government and the pharmaceutical industry are responsible for the continuity of supply of medicines to Wales.</p> |

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| <p>Import and distribution of medical devices and clinical consumables.</p> | <p>Welsh Government is engaged in UK Government planning for the import and distribution of critical goods, including medical devices and clinical consumables.</p> <p>Welsh Government has procured additional storage capacity and has a 12 to 15 week supply of products to increase resilience in the Welsh NHS and social care services.</p> | <p>UK Government has overall responsibility for goods crossing borders.</p> <p>Welsh Government is responsible for the continuity of the supply of medical devices and consumables to NHS Wales and social care.</p> |
| <p>Import and distribution of veterinary medicines.</p> | <p>Welsh Government is engaged in UK Government planning for import and distribution of veterinary medicines, but this is the sole responsibility of the UK Government.</p> <p>A UK-wide system is in place to deal with the possibility of low levels of medicines to ensure sufficient supply is available.</p> <p>A vaccine bank has been set up, to help contain the spread of disease, in the event of an outbreak.</p> | <p>UK Government</p> |
| <p>Overall food supply and distribution.</p> | <p>Welsh Government is participating in regular teleconferences with the UK Government, other devolved administrations and industry to ensure Wales' interests are protected in UK-wide plans for overall food supply.</p> | <p>UK Government responsible for supply of food into the UK.</p> |

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| | <p>Reassurances have been sought – and received – from all major supermarkets about food supplies to Wales and, in particular, to more remote communities.</p> <p>Analysis has been undertaken of the location of supermarkets and convenience stores, to support emergency response capability.</p> <p>Welsh Government has secured agreement for a UK-wide table top exercise, to test the co-ordinated response for the disruption to food supply and the potential public response, scheduled for the end of September.</p> <p>A Welsh Government food communications plan is ready for a no deal scenario, to inform the public and stakeholders of any actions they could take and to create a system for two-way communications between the UK Government and the Welsh Government on this issue.</p> | <p>Welsh Government responsible for supply within Wales.</p> |
| <p>Food supply in health and social care settings.</p> | <p>A readiness review of health and social care was undertaken in April, which confirmed a good level of assurance. This exercise will be repeated before October.</p> <p>The potential impact of any inflationary increases in food prices on budgets is being monitored.</p> <p>Advice is being provided to hospitals and social care providers to consider adaptations to menus if the</p> | <p>UK Government responsible for the continuity of supply of food into and across the UK.</p> |

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| | availability of some ingredients is impacted in the event of a no deal Brexit. | |
| Food supply in schools. | <p>Welsh Government is holding regular preparedness meetings with local authorities to monitor developments and provide assurances about food supply to schools. Local authorities have been assured they would be able to continue to provide food in schools in the event of a no deal Brexit. But menus may need to be revised, although healthy eating in schools will be maintained.</p> <p>We are working closely with local authorities, the Welsh Local Government Association (WLGA) and other education institutions on their level of preparedness.</p> <p>We have established frequent communication channels with local authorities and other providers to ensure we are aware of issues as they emerge.</p> <p>We will monitor any effect price increases or shortages of food or fuel may have on the sector.</p> <p>In February, a detailed survey was sent to all local authority catering managers to establish a comprehensive picture of local authority and school readiness in the case of a no deal Brexit. The survey is being updated to ensure the information remains current.</p> | <p>UK Government is responsible for supply of food into the UK.</p> <p>Welsh Government is responsible for supply within Wales. Local authorities are responsible for school meals provision in maintained schools. However, a small number of schools have opted out of local authority catering services.</p> |
| Food supply in third sector. | The Wales Civil Society Forum has published <i>Getting Brexit Ready</i> guidance for third sector organisations, which includes information about preparing for a no deal Brexit and impacts on supplies. | UK Government is responsible for supply of food into the UK. |

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| | This has been distributed by the Wales Council for Voluntary Action. | |
| Water treatment chemicals. | Contingency plans are in place to mitigate the risks of disruption to water supply chemicals. These have been tested. Regular engagement group with Defra and industry, seeking assurances about supply. | Welsh Government |
| Other chemicals. | Close working with Defra, other devolved administrations and the Health and Safety Executive (HSE) to implement the new UK regime which needs to be established to replace the EU REACH system. The Welsh Government is engaging with UK Government to monitor progress on the REACH IT system and working to ensure the required regulations for chemicals and pesticides are in place by exit day. | Welsh Government |
| Other consumer goods (for example toiletries, sanitary products). | Reassurances have been sought from, and provided by all major supermarkets about stock levels. | Welsh Government |
| Energy Supply. | The Welsh Government is pressing the UK Government to assess the potential impacts of increased prices on households, particularly on vulnerable groups and public services. Structures are in place with the UK Government and the industry for monitoring supply and prices. | UK Government |

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| | <p>Welsh Government has sought written assurances from UK Government about price capping of energy for domestic use.</p> | |
| <p>Wider transport issues (for example haulage permits, air travel) relevant to people living and working in Wales.</p> | <p>Ongoing work with freight trade associations to understand and address Welsh hauliers' Brexit-related concerns.</p> <p>The Welsh Government is pressing the UK Government to risk assess the economic resilience of the freight/haulage sector as the sector is vital to the success of so many others.</p> <p>Keeping in close touch with the UK Government about air services to assess the implications for Cardiff Airport about future arrangements in relation to air travel and aviation licenses.</p> | <p>UK Government</p> |

Strategic risk: Economic turmoil. The potential for major disruption to international trade (particularly, but not only, with the EU) impacting on exporting businesses, import supply chains and inward investment, could risk the sustainability of some businesses and have a negative impact on jobs and wages. This could be compounded by workforce impacts (see below). We are already feeling the consequences of a weaker economy as a result of three years' of Brexit uncertainty – the Bank of England has estimated households are £1,000 worse off every year as a result of Brexit, compared to before the EU referendum. Some further impacts could happen very quickly after exit day, with some emerging over time. There is likely to be a further fall in the value of the pound relative to other currencies – Sterling has fallen markedly in value since the referendum and as the prospect of a no deal Brexit has intensified. This could, over time, translate into rising inflation on some products and lower economic growth, potentially hitting low-income households hard and increasing inequality. All of this points to cumulative impacts on low income households in particular, with risks to jobs and wage levels at a time of prices of some goods potentially increasing by up to 10%.

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| <p>Economic stimulus.</p> | <p>Welsh Government is continuing to press the UK Government and retail banks that sufficient capital is available for business finance.</p> <p>A rapid response framework to prioritise and mobilise support for businesses facing difficulty is in place.</p> <p>We are pressing the UK Government to put in place additional funding to provide broader financial support for businesses, should they need it.</p> <p>A plan is in place to flex the arrangements within the <i>Economic Action Plan</i>, to place renewed emphasis on under-developed areas, such as the Foundation Economy.</p> | <p>Welsh Government</p> |
| <p>Project Kingfisher (a cross-Government project led by UK Government to address the expectation that specific UK firms and</p> | <p>Welsh Government is engaged in the UK Government-led Project Kingfisher, including intelligence sharing and</p> | <p>Welsh Government has responsibility in</p> |

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| <p>groups of firms may experience economic impacts both as a result of, and in anticipation of, Brexit and the potential for Brexit without a withdrawal agreement).</p> | <p>agreeing principles for a response to businesses which may be experiencing distress.</p> <p>Pressing the UK Government for a strong interventionist approach to providing financial support, which is sufficient, reasonable and proportionate, rather than relying on the market to adjust as firms fail.</p> | <p>conjunction with UKG</p> |
| <p>Access to finance for Welsh businesses.</p> | <p>The Development Bank of Wales holds funding to support small businesses, including the £130m Wales Flexible Investment Fund, which was launched in 2016 as a direct consequence of the UK's decision to leave the EU.</p> <p>Ministers meet with the Development Bank to ensure resources can be used flexibly to support cash-flow problems in otherwise viable businesses. The bank regularly reviews risk appetite and due diligence procedures to ensure they meet extraordinary circumstances.</p> <p>For new business start-ups, micro-loans of £1,000 to £50,000 are available or loans and equity funding from £50,000 to £5m are available. Fast-track loans of £1,000 to £10,000 are available to support business growth. Short-term loans start from £150,000 for commercially viable property projects in Wales. Seed and growth capital is available to support the development of technology-based businesses.</p> <p>Plans are in place to redeploy staff to meet increased demand resulting from for example a no deal Brexit.</p> | <p>Welsh Government has responsibility in conjunction with UK Government.</p> |

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| <p>Business preparations and resilience.</p> | <p>The Business Wales Brexit Portal provides information for businesses about how they can prepare for Brexit.</p> <p>A £9.2m business resilience fund is in place, providing support to individual companies. This is in addition to existing financial mechanisms, including the Economy Futures Fund.</p> <p>A wide-ranging stakeholder engagement plan is in place and being delivered to ensure effective communication between business and government.</p> <p>Welsh Government holds regular meetings with the UK Metro Mayors and local authority leaders to share information and intelligence and respond to cross-border issues.</p> | <p>Welsh Government has responsibility in conjunction with UK Government.</p> |
| <p>Expert advice and administrative support.</p> | <p>Export support is being funded through the EU Transition Fund.</p> <p>Business Wales Brexit Portal provides advice for businesses to help them prepare for Brexit and hosts a diagnostic tool.</p> <p>The Business Wales Helpline (0300 060 3000) is the first point of contact for businesses and plans are in place to handle a major increase in the volume of calls.</p> | <p>Welsh Government has responsibility in conjunction with UK Government</p> |
| <p>Welsh Government offer for individuals (via the ReAct programme for those facing redundancy) and employers (via the Flexible</p> | <p>A flexible skills programme is in place to support employers.</p> | <p>Welsh Government</p> |

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| <p>Skills Programme) in the event of significant business failure.</p> | <p>A number of agile, responsive and flexible support teams are in place, which can be deployed quickly to support businesses as required.</p> <p>The Careers Wales Employability task force was established with the Department for Work and Pensions (DWP) to ensure cross-government engagement and a joined-up response to the impacts of Brexit.</p> | |
| <p>Support for individuals / households / communities where economic damage impacts on poverty or hardship.</p> | <p>Welsh Government continues to press the UK Government to ensure the welfare system responds to potential impacts, supporting lower income households.</p> <p>Welsh Government is considering how to best deploy the Discretionary Assistance Fund, which provides short-term financial support to people in financial crisis.</p> <p>The Welsh Government is making additional funding available to increase the geographical coverage and capacity of food banks.</p> <p>A Brexit impact review of Welsh Government funding programmes is underway to ensure on a continuing basis that they are properly focused to have the maximum impact on the lives of children living in poverty whose situations are made worse by Brexit.</p> <p>Mitigating poverty continues to be a priority in the Welsh Government budget planning process.</p> | <p>Welsh Government</p> |

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| | Regulations introducing revised eligibility criteria for free school meals are in place. The position will be kept under review in the event of inflation. | |
| Support for third sector. | <p>Working with the Wales Council for Voluntary Action (WCVA) to ensure third sector organisations are assessing Brexit impacts, including potential impacts on their workforce and the possibility of increased demand from citizens during a period of turmoil.</p> <p>We continue core funding to the WCVA to lead on capacity building in the sector.</p> | Welsh Government |
| <p>Strategic risk: Economy-wide impacts are likely to dominate in the event of a no deal exit from the EU but leaving without a deal could also result in significant variations in sectoral and regional impacts.</p> <p>This could be caused by a range of factors, from the relative importance to specific sectors of the EU Single Market and seamless, integrated supply chains, to migration, and the UK's tariffs with the EU and other countries. In Wales, the farming and fisheries sectors could be hit particularly hard, which could give rise to social and economic challenges for rural communities, as well as wider implications, such as potential animal welfare implications; while advanced manufacturing sectors (notably aerospace and automotive) are highly vulnerable to any disruptions to just-in-time supply chains; and some service sectors (for example, creative industries or parts of financial services) could also be significantly affected. Any increase in inflation could significantly impact social care providers. Reduced access to EU funding, particularly for research as well as potentially falling student numbers, could be a destabilising factor for HE and FE institutions across Wales.</p> | | |
| Spatial impacts on communities. | Initial mapping work has been undertaken and shared with key delivery partners. They will be kept updated as events unfold. | Welsh Government |
| Impacts on exposed and vulnerable manufacturing businesses, particularly supply chain and just in time impacts | Ongoing mapping of supply chain impacts and vulnerabilities with Welsh Government sector fora (automotive and aerospace) in addition to spatial analysis. | UK Government and Welsh Government |

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| | Regular communication with businesses on preparations, and funding measures in place through, for example, the Business Resilience Fund and Economy Futures Fund. Closely aligned to transport planning work. | |
| Support for the red meat sector. | <p>Welsh Government with Defra and other devolved administrations has developed a UK-wide contingency plan in response to the potential impacts on the sheep sector.</p> <p>The Welsh Government is pressing the UK Government to make funding available to support farmers and meet the cost of this scheme in the event of significant market impacts.</p> | Welsh Government has direct responsibility but working in collaboration with UK Government |
| Support for fisheries sector. | <p>Welsh Government with Defra and other devolved administrations is developing a contingency plan in response to the potential impacts on the fisheries sector.</p> <p>Welsh Government is pressing the UK Government to make funding available to support fishers and meet the cost of this scheme in the event of significant market impacts.</p> | Welsh Government has direct responsibility but working in collaboration with UK Government |
| Control and enforcement of fishing activity in Welsh waters. | Protocols have been developed with the relevant authorities including the UK Government, police forces and the Royal Navy. | Welsh Government has direct delivery (working in collaboration with UK Government) |
| Waste management/landfill. | Natural Resources Wales (NRW) has developed a contingency plan to deal with waste in the event current exporting arrangements are disrupted. | Welsh Government will seek to identify |

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| | <p>Arrangements with EU Member states have been made to ensure continued recognition of notifications for the export of waste.</p> | <p>and monitor issues as they arise.</p> <p>Natural Resources Wales has direct delivery responsibility.</p> |
| Health and wellbeing of farmers. | <p>10,000 copies of <i>Fit for Farming</i> have been printed.</p> <p>A grant has been awarded to the DPJ Foundation to extend its existing one-to-one counselling, ensuring there is pan-Wales coverage. The grant will also support free mental health training to vets and feed firms so they can signpost farmers to the best source of support.</p> <p>A charities partnership has been established, facilitated by the Welsh Government, to support consistent messaging from charities and the Welsh Government.</p> <p>Welsh Government has funded the 'Building Resilience in Rural Farming Communities project' to determine the impact of Brexit on the health and wellbeing of rural farming communities in Wales.</p> <p>The Farm Liaison Service continues to work closely with rural charities, signposting farmers to it.</p> | Welsh Government |
| Welsh Government public helpline resourcing. | The Welsh Government contact centre (0300 060 4400) opening hours will be extended to 8am to 9pm (Monday to Friday) and 9am to 5pm (weekends) two weeks | Welsh Government |

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| | <p>before exit day. This doubles the hours the public can contact Welsh Government during this period.</p> <p>All business-related queries will be routed through the Business Wales helpline 0300 060 3000.</p> | |
| <p>Delivery of operational systems, for example to maintain trade flows, protection of animal and plant health.</p> | <p>Daily engagement with the UK Government departments on a range of operational projects to deliver new systems and processes by exit day and finalise how decision-making between the UK Government and devolved administrations will function in the future.</p> | <p>Mixed. Primarily Welsh Government responsibility in conjunction with UK Government; or Welsh Government needs to influence UK Government</p> |
| <p>Support for Social Care providers.</p> | <p>Welsh Government is working with social care commissioners and providers to assess potential vulnerabilities. Welsh Government is considering options for system-wide support which could be made available in the event of significant increases in staffing and/or supply costs.</p> | <p>Welsh Government</p> |
| <p>Community services.</p> | <p>The Welsh Government commissioned the Wales Council for Voluntary Action to research impacts on the third sector – its report will be published this month.</p> <p>A portal is being developed to support third sector organisations to access the knowledge and skills they need to build their resilience post-Brexit.</p> | <p>Welsh Government</p> |

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| <p>Strategic risk: Financial stress. The combination of UK economic, political and reputational turmoil could lead to instability in the financial markets. The pound has fallen steadily in value against both the dollar and the Euro since the referendum, with further falls in recent weeks as speculation about a no deal Brexit has intensified. Care and vigilance will be needed to ensure such volatility does not cause problems in specific financial sectors. Foreign exchange fluctuations could lead to price rises for consumers, particularly for those holidaying abroad.</p> | | |
| Overall financial stability. | The Welsh Government has direct contact with the Bank of England and retail banks to understand the overall position and press for lending flexibility to support business. | Welsh Government responsible for own engagement |
| | The Welsh Government ensures there is regular engagement at Ministerial and official level with HM Treasury to ensure the Welsh Government's priorities are taken on board. | Welsh Government responsible for own engagement |
| Financial services industry in Wales. | Regular roundtables on access to finance are held by the Minister for Economy and Transport with the Development Bank of Wales. | Welsh Government |
| <p>Strategic risk: Deteriorating public finances. In the near term, the Treasury guarantee for most of the current EU funding which Wales receives would kick in, although we have concerns about aspects of that guarantee. However, in the future, EU partners may refuse to work with institutions, such as universities in the UK, which could have significant implications, as would a drop in the number of EU students applying for courses. In the medium term, a significant deterioration in public finances is likely and, unless addressed by higher taxes or higher public debt levels, it could lead to further substantial cuts to devolved (and reserved) public spending.</p> | | |
| Treasury guarantee. | The Welsh Government is pushing the UK Government to uphold the pledge that Wales will not be a penny worse off as a result of leaving the EU. | Welsh Government and UK Government |
| | The Welsh Government is pressing the UK Government to ensure the guarantee works for all Welsh | |

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| | stakeholders, covers all EU funding programmes and does not result in a funding gap. | |
| Prioritising spend. | <p>£85m capital package announced by Welsh Government in June 2019, including £50m investment in social housing and £10m for the Economy Futures Fund.</p> <p>Welsh Government will be making further in-year capital allocations shortly to support the Welsh economy.</p> | Welsh Government |
| Access additional funding. | A clear financial ask of the UK Government developed to support critical no deal mitigations in Wales. | Welsh Government |
| Erasmus+ and Horizon 2020. | <p>The Welsh Government is pressing the UK Government to secure continued participation in the Erasmus+ scheme until the end of the current cycle (2020).</p> <p>Welsh Government is also pressing the UK Government to ensure continued full participation in Horizon 2020 and for UK Government replacement funds for schemes which are closed to third countries.</p> | UK Government |

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| <p>Strategic risk: Legal uncertainty will arise if EU-derived legislation supporting government financial support, citizens' rights or statutory protections on environmental (e.g. pollution), health (e.g. food safety), economic (e.g. commercial/data/contract law/insurance) or social (e.g. consumer protections, aspects of family law) issues is not adequately replaced. The EU Withdrawal Act and the plans for subsequent amending subordinate legislation should help to mitigate this risk if all the amending legislation can be completed. Any difficulties could have profound impacts across a number of the other risks.</p> | | |
| <p>Programme of correcting legislation (Statutory Instruments).</p> | <p>To deliver the programme of correcting legislation. Welsh Ministers have consented to 147 UK Government Statutory Instruments (SIs). A total of 146 written statements have been laid in the National Assembly.</p> <p>Forty-one SIs have been made by the National Assembly to date and a further two laid.</p> | <p>Welsh Government</p> |
| <p>Personal data flows between the EU and the UK (which may be restricted because the UK will no longer be deemed to have equivalent protection to EU Member States).</p> | <p>The Welsh Government has reviewed its contracts and engaged with suppliers to increase understanding of data storage and flows and implement required mitigating actions.</p> <p>Welsh Government has a dedicated resource in place to engage with the public and private sectors, supporting their data preparedness.</p> <p>Welsh Government has engaged with the public sector asking them to review their contracts and consider appropriate risk mitigations. Additionally, Welsh Government is establishing a data advisory service, which will support interpretation of advice from the Information Commissioner's Office.</p> <p>Welsh Government has developed a good relationship with the UK Government Department for Culture, Media</p> | <p>UK Government</p> |

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| | and Sport, which leads on data issues and we have influenced progress on the issue. | |
| Preparedness advice for citizens and businesses. | <p>The Preparing Wales/Paratoi Cymru website contains advice for citizens and businesses about preparing for Brexit.</p> <p>Twice-weekly communications meetings are scheduled with the UK Government, and a Memorandum of Understanding is in place for joint working.</p> <p>Bespoke advice for businesses about preparing for Brexit is available at the Business Wales Brexit Portal.</p> | Welsh Government |
| EU nationals living in Wales. | <p>A grant has been awarded to Citizens Advice Cymru (working with the Ethnic Youth Support Team) to provide advice services to EU citizens.</p> <p>Welsh Government has supported training for local authority frontline workers.</p> <p>Funding has been provided for a 'Settled' Wales coordinator to raise awareness of the UK Government's Settled Status Scheme and advice services for EU citizens living in Wales.</p> <p>Newfields Law has been funded by the Welsh Government to provide an immigration law service: to raise awareness of the need for EU nationals to apply for the UK Government's Settled Status Scheme and Welsh Government support. It also provides legal</p> | Welsh Government |

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| | advice in complex cases. | |
| Impact of Brexit on human rights and equality. | A stakeholder working group is in place to understand the impacts and inform future action by the Welsh Government. | Welsh Government |
| <p>Strategic risk: Serious operational issues. If government systems supporting the provision of, for example, financial support, licensing or regulation, are affected by a no deal exit, serious operational risks could arise. For example, if new UK bodies which are intended to replace EU organisations are not ready or able to take on activities, which are currently carried out by the EU and its agencies, such as product safety certification. Issues of this nature could have serious adverse knock on effects in other parts of the economy.</p> | | |
| UK Government operational readiness projects. | <p>There are a significant number of joint projects the Welsh Government is involved in with the UK Government but overall there is a mixed picture in terms of engagement with the relevant UK Government department and overall readiness.</p> <p>The Welsh Government is pressing for closer involvement and the UK Government has now committed to deepening engagement.</p> | UK Government and Welsh Government |
| Brexit impacts on Welsh Government supplier contracts. | All contracts have been reviewed, and where risks have been identified, mitigations are in place. | Welsh Government |
| <p>Strategic risk: Security and public safety implications, if co-operation and information sharing between UK and EU security authorities is impaired.</p> | | |
| Cooperation and information sharing with the EU on law enforcement and security. | Although this is primarily a reserved area of responsibility, activity related to this is of vital importance to the safety and security of the people of Wales. In any exit scenario, including no deal, the | UK Government |

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| | Welsh Government is supportive of the UK Government achieving the closest possible cooperation with the EU on security and law enforcement, including involvement in relevant organisations and information systems, and all possible contingency measures. | |
| Strategic risk: Workforce impacts for public services and businesses. Reductions in inward migration from EU nationals could result in jobs not being filled and skills shortages in key areas. Wales – and the UK – could also see EU nationals currently living here deciding to leave due to uncertainty about their rights; an actual loss of rights or because of the perception of a “hostile environment”. | | |
| Impact of migration on private sector. | As part of business resilience activity, Welsh Government is considering the potential for additional training and support for sectors struggling to recruit if there are fewer European Economic Area (EEA) nationals in the workforce. | Welsh Government |
| Impact of migration on the public sector. | <p>The impacts of a reduction in EEA workers in a number of key sectors have been assessed The area which is impacted the most is social care – a workforce strategy is being developed in response.</p> <p>The Welsh Government has made representations to the UK Government and to the Migration Advisory Committee in relation to the impact on the public sector of migration changes.</p> | Welsh Government |
| Impact on the higher education sector. | Welsh Government is working in partnership with the higher education sector to consider and seek to address the potential impacts from Brexit, specifically a no deal Brexit. | Welsh Government |

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| | <p>This includes pressing UK Government to ensure the Settled Status Scheme and future immigration policy meet the needs of the HE sector both in terms of staff and students.</p> <p>Welsh Government is also working with HE partners in Wales and is pressing the UK Government to seek to ensure that:</p> <ul style="list-style-type: none"> ○ maximum possible participation is achieved in the current and future EU ‘Horizon’ research programmes, which are crucial for higher education and businesses in Wales; ○ Welsh students can continue to benefit from mobility programmes, specifically the hugely beneficial opportunities provided by Erasmus+; ○ Wales remains welcoming for students from the EU, who bring significant financial and cultural benefits to Wales, as part of our wider Global Wales initiative for HE. | |
| <p>Impact on further education and work based learning.</p> | <p>Welsh Government is working with the further education sector to address the potential impacts of Brexit on the sector. This includes in particular pressing UK Government to ensure Wales does not lose a penny of the funding we currently receive through the EU Structural Funds, which is vital for further education, business and thousands of students and apprentices in Wales. We and our partners urgently need clarity and confirmation on funding to prepare properly.</p> | <p>UK Government</p> |

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| | As with higher education, we are pressing UK Government for continued access to critical EU programmes such as Erasmus+. | |
| <p>Strategic risk: If significant numbers of UK citizens currently living in the EU decide to return to the UK, there could be increased demand for public services, including increased demand for NHS and social care. There could also be implications for UK citizens wishing to travel abroad, for example access to healthcare (EHIC cards) and insurance.</p> | | |
| Potential additional demand for public services (health, social care, education, housing). | Welsh Government is addressing the potential impact of significant numbers of UK nationals (potentially up to the order of 10,000) returning from living in the EU on the need for housing, childcare, education, local government, the third sector and NHS services and social care in Wales. | Welsh Government |
| Advice for people in Wales. | The Preparing Wales/Paratoi Cymru website was launched in January and is updated regularly to reflect the latest position and advice for people travelling to the EU. This includes the latest information about healthcare in the EU and health insurance, car insurance and driving in the EU, passports and pet passports and mobile phone charges. | Welsh Government |
| <p>Strategic risk: Some of the above factors, individually or in combination, could become too acute to manage locally. In that case, it may be necessary to assess the issue and treat it as a civil contingency and to engage the well-established and tested mechanisms and procedures we have to respond. These will rely on the four local resilience forums (LRF) in Wales working with other partners.</p> | | |
| Full integration with UK Government civil contingencies work as appropriate. | The Welsh Government is an active member of the relevant planning groups across Whitehall and Ministerial portfolios. | Welsh Government |

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| Develop capability within Welsh Government to mobilise the Emergency Co-ordination Centre (Wales) for sustained operation. | Plans are in place to mobilise the Emergency Co-ordination Centre (Wales). | Welsh Government |
| Engage local resilience forums (LRF) in Wales to ensure local and regional effects and risks are identified and planned for. | Extensive, regular engagement with LRFs, local government, emergency services and other responder agencies. | Welsh Government |
| Community cohesion. | <p>Regional community cohesion coordinator teams have been expanded and brought together by Welsh Government in September.</p> <p>The Hate Crime Minority Communities Grant scheme, which is focused on tackling hate crime, will be awarded in September.</p> <p>The Welsh Government has expanded the National Hate Crime Report and Support Centre (Victim Support Cymru) to support victims of hate crime.</p> | Welsh Government |

Useful Information

<https://gov.wales/preparing-wales>

<https://llyw.cymru/paratoi-cymru>

<https://developmentbank.wales/>

<https://businesswales.gov.wales/>

<https://businesswales.gov.wales/brexit/>

Business Wales Helpline

Telephone: 0300 060 3000

Monday to Friday, 8:30am to 5:30pm

<https://businesswales.gov.wales/contact-us>

Welsh Government Contact

0300 060 4400

Monday to Friday, 8:30am to 5pm

customerhelp@gov.wales

List of the projects supported through the European Transition Fund so far

| Scheme/Project | Amount | Description |
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| Business Resilience | £9.2m | To be used over three years to help companies develop the new expertise and processes they will need in order to thrive, post Brexit. |
| Training and up-skilling | £6.2m | Support for the workforce in Wales' automotive and aero-industry sectors to up-skill the workforce, improving the chances of developing the Wales-based sites as the preferred locations for any future and post-Brexit European investments. |
| Support for farming, food and fishing sectors | £6.36m | Seven projects to support these sectors, for example developing the regulatory resilience, research and support for future business planning, research into future fisheries management and developing sustainable brand values. |
| Support for Welsh Universities | £3.5m | Wales' universities Global Wales II programme to drive international partnerships and promote Wales as a study destination in a post Brexit world. |
| Strengthen community cohesion | £1.52m | Expanding the regional community cohesion programme ensuring Wales is an inclusive country and there is zero tolerance of xenophobia, racism or bigotry. |
| Support to local authorities | £1.41m | Providing support to Local Authorities directly, and through the Welsh Local Government Association to respond to Brexit. |
| Rights of EU Citizens in Wales | £1.28m | Support for Welsh organisations to prepare non-UK EU citizens ahead of Brexit. |
| Tackling Hate Crime and Community Cohesion Action Plan | £1.2m | Funding and support for Victim Support Cymru and a scheme offering one-off grants to organisations who work with Black, Asian and Minority Ethnic (BAME) and minority faith communities |

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| Preparing the health and social care services in Wales for Brexit | £0.75m | A number projects supporting the health and social care services understand and prepare for Brexit in Wales. This includes funding for the NHS Confederation in Wales, funding to participate in the UK Field Epidemiology programme, and research on the Social Care workforce. |
| Successor arrangements to EU structural funds | £0.59m | Expand preparations for successor arrangements to EU structural funds, building on work to support implementation of a post-EU regional investment model for Wales. |
| Settled Status and Immigration Advice | £0.5m | Funding for the provision of information and support, including immigration advice, to help EEA citizens living in Wales to provide the support and reassurance for them to apply successfully for settled status. |
| Local Resilience Forums | £0.5m | Support for Local Resilience Forums fulfil their roles in the command, control and co-ordination (C3) arrangements for Brexit preparations in Wales. |
| Food Standards Agency | £0.47m | To improve the capability of the FSA to become operationally ready for the transition work ahead. |
| Support for the Police | £0.43m | Funding for police partnership resilience, to enable Wales' police services to support Brexit preparations. |
| Developing the future regional investment approach | £0.35m | Benchmarking in partnership with the OECD to inform both our future regional investment approach and the implementation of the Economic Action Plan. |
| Support to the Welsh Council for Voluntary Action | £0.15m | Research into how the Brexit process could impact on community services in Wales and help the third sector plan for all eventualities. |