



HOUSE OF COMMONS

Welsh Affairs Committee

Oral evidence: [Responsibilities of the Secretary of State for Wales, HC 96](#)

Thursday 10 September 2020

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Members present: Stephen Crabb (Chair); Tonia Antoniazzi; Simon Baynes; Virginia Crosbie; Geraint Davies; Ruth Jones; Ben Lake; Robin Millar; Rob Roberts; Beth Winter.

Questions 107 - 182

Witnesses

[I](#): Rt Hon Simon Hart MP, Secretary of State for Wales; and David T C Davies MP, Parliamentary Under-Secretary of State for Wales.



Examination of witnesses

Witnesses: Rt Hon Simon Hart MP and David T C Davies MP.

Q107 **Chair:** Good afternoon and welcome to this session of the Welsh Affairs Committee. We are delighted to welcome the Secretary of State for Wales, Simon Hart, and the Parliamentary Under-Secretary of State, David T C Davies, for this evidence session.

We are going to cover a number of topics this afternoon pertinent to current inquiries that we as a Committee are undertaking into the economic response to Covid-19 in Wales; we are also looking at the shared prosperity fund and the implications for Wales of potential post-Brexit trade deals. There may be other issues that individual members of the Committee wish to raise.

I am very grateful to you for the time you have given us this afternoon. It is great to be back physically present in front of you, rather than all of us doing it remotely. I emphasise to colleagues and guests that, if we can keep our questions and answers as concise as possible, we will have a chance of covering as much ground as possible.

Can I start by asking the Secretary of State a very quick opening question? We have not discussed it before, but there is a lot of interest around the idea of strengthening the Union at the moment. The Government did, of course, commission Lord Dunlop to produce a report on that and make recommendations. I understood the Government had accepted his work, but we still have not seen the document. It has not been published. Do you have any idea when the Dunlop review will see the light of day?

Simon Hart: Thank you, and, by the way, thank you very much for the invitation to appear again in yet another format. There are numerous subject headings, as have been described. If by any chance there are detailed areas, I make the same commitment that I always make in these meetings, which is that we can follow up with supplementary and, hopefully, helpful information subsequently.

Dunlop has been an ongoing subject that pops up from time to time. I do not think there is anything particularly suspicious about the fact it has not appeared. I think we are nearer to a publication date than we perhaps realise, but I do not know much more than that. I cannot really give you much clearance on it other than that a lot of the initial rumours about what Lord Dunlop might or might not be recommending are, to some extent, already in hand because of the way the Union is now being addressed at Cabinet level.

Q108 **Chair:** Thank you very much, Secretary of State. Can I move on to the Internal Market Bill? At what point did you and your ministerial colleagues decide that pursuing a collaborative, consensual approach to the subject with the devolved Administrations was not worth continuing with and that, actually, the solution had to be a Westminster-designed solution



imposed on the devolved Administrations?

Simon Hart: Can I start by saying that I do not recognise that scenario? Even now, I think there is still potential for a collaborative approach, and in fact I think there should be a collaborative approach. There has been a public consultation—Welsh Government and others—but, even more importantly, Welsh businesses and members of the public in Wales have been entitled to contribute to that, to read the White Paper, to see what it means for them and to submit their views.

On things like common frameworks, there have been discussions going on at official level for several years. The notion that somehow there was a moment when we thought, “Right, to hell with this, we’re proceeding on our own,” has never been the case; it is not the case now and it will not be the case in the future. That said, there always has to be a moment, particularly if there is publication of a Bill, when there needs to be, to a degree, a drafting process, following which the Bill is produced and following which views will be heard, either in private or in the Chamber in the normal way. I do not really recognise that scenario.

Q109 **Chair:** If that is the case, were you surprised by the reaction from Welsh Government Ministers overnight? It was a very strong reaction.

Simon Hart: I was probably more mystified than surprised, if there is a difference, because I do not recognise some of the accusations that are being made about the UK Internal Market Bill. The reason for that is that—I could spend all afternoon talking about this, by the way, which you probably would not appreciate—to my mind, what we are actually seeing is the enshrinement in UK law of a model that has existed for some time anyway. The businesses we have spoken to all look at me when we say we are doing this and say, “Big deal. So what? Of course, that’s what we expect. That’s the way we currently operate.” The fact that we are simply moving the current arrangements from EU to UK makes complete sense; it is entirely logical. Therefore, “Nothing to see here.”

I was surprised that the Welsh Government chose to take a rather contrary view to all the businesses that we spoke to and who submitted their views to the consultation process. Those views were not reflected by the Welsh Government, which makes me think that their reaction is about politics, and that the community who responded to the consultation did so about jobs and livelihoods. That is quite a worrying divergence.

Q110 **Chair:** At what point did you share with Welsh Ministers in Cardiff the specifics of the financial expenditure measures that were included in the Bill?

Simon Hart: There is a reference to spending powers, if that is what you are referring to, in the White Paper. There have been opportunities, and indeed there have been a number of comments on social media and in public about what that might entail.



What has come out in the Bill is, I hope, a sort of business-as-usual arrangement—functions currently undertaken by the European Union transferring back to the UK, and benefiting the Welsh Government in the process, by the way, in terms of powers. I would argue that there have been quite a lot of opportunities to discuss in detail what that might actually mean. As I say, we spoke to a Welsh Government Minister this morning and it did not come up in that conversation. I always repeat the offer that I am very happy to talk about these things with Welsh Ministers at any time, and we have put an offer in to the First Minister to do that this week. We have not heard back yet, but we will, hopefully, have a conversation.

Q111 Chair: From what you say, they should not have been surprised by the inclusion of these measures in the Bill. I am struggling to see—

Simon Hart: Others may take a different view, but I do not think there is anything in the spending powers provision that should spook anybody. After all, these are arrangements that have existed for all the time we have been members of the European Union, and now that we are leaving the European Union, those arrangements are falling under the jurisdiction of the UK and Welsh Government. That, to me, is not a threatening situation. For me, it is, in democratic and economic terms, quite a step forward.

If the accusation, as we know it is, made on the publication of the Bill by the Welsh Government was that this is a power grab, that is the mystifying bit for me, because Welsh Government will actually have 70 additional powers as a consequence of this process. There is not a single thing that they currently do—not one—that they will not be able to do when this process passes through its legislative stages.

Somebody might tell me, but I would love to know what powers the Welsh Government currently enjoy that they will not be able to enjoy when UKIM becomes law. We do not know of any, but, as I say, somebody in the group might.

Q112 Chair: Would you acknowledge, though, given the strength of the comments from Welsh Government in the last 24 hours about the Bill that has been published, that it represents a significant breakdown in trust between the two Administrations?

Simon Hart: Again, if we look at our responsibilities through the prism of jobs and livelihoods, it should not. If we look at these things simply through the prism of political one-upmanship and power, there is a distinction between us. I always try to look at these things through the eyes of people who are trying to restore order to their business, their lifestyle and their livelihoods in a very testing Covid and post-Covid period. I think what is expected of both Governments is never to let that image out of our minds when it comes to trying to decide how we best move from being a member of the European Union to being an independent UK again.



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I genuinely think that there is still plenty of scope for collaboration and co-operation, which I am very up for, but we are not going to fight the Brexit battle again; that ship has sailed.

Q113 Chair: Can I move the discussion on to the shared prosperity fund? When you appeared before the Committee towards the end of May, you talked about the need for urgency in developing the shared prosperity fund in light of the economic consequences of Covid. I think you said that it would become an even hotter topic within Government. You kind of admitted that progress had been slow up to that point over the winter. I have to say, from where I sit on this Committee, that I have seen precious little evidence of serious work being done in Whitehall on the shared prosperity fund over the summer months. Perhaps you can change my mind on that.

Simon Hart: I suspect I probably cannot change your mind as much as you would like it to be changed because progress remains slow, but it is not non-existent, and in fact there is a meeting next week—I am just checking my notes—with Jeremy Miles, UK Government and Welsh Government, on the next stage of how we do it.

I am as frustrated as anybody by the pace at which these things progress and the fact that there are so many other competing factors, which we can argue have delayed the process, but it is important to remember that all the commitments that have been made around UK shared prosperity still stand. There is no alteration, as far as we are concerned, to any of the things that either David or I might have uttered, or indeed the UK Government more widely.

Q114 Chair: On the point about the commitments that lie behind the shared prosperity fund, one of those firm commitments is around partnership working with the devolved Administrations, in our case the Welsh Government. I am interested in the expenditure powers that the Internal Market Bill gives UK Government, because it is not clear to me what funding pot is to be used. When I look at possible options, I cannot see what possible expenditure can be used to fulfil the new functions that UK Government will have unless it is the shared prosperity fund. Is the purpose of the clauses in the Internal Market Bill basically to put the UK Government in the driving seat for spending the shared prosperity fund as they see fit in Wales and Scotland?

Simon Hart: I do not think it is as clearcut as that. There are three—maybe more—funding routes that have been discussed publicly around the spending powers. Is it somehow interlinked with Barnett? The answer is no. Is it new money? The answer is no, because, for now—but maybe in the future—the proposal is fiscally neutral, for reasons I suspect everybody would understand, which leaves in some people's mind the only funding pot available for the new spending powers as UK shared prosperity.



What has been lost in some of the debate is that the spending powers proposal is exactly what it says on the tin. It is a spending powers mechanism. It is not about quantum, projects or individual items, such as infrastructure projects, that either UK Government or Welsh Government may wish to press ahead with.

Q115 **Chair:** Do you have a shopping list for using it?

Simon Hart: I think I have shared a shopping list with this Committee. We have been working on a shopping list for Wales ever since my day, and probably my predecessor's too, because it is all part of the levelling-up agenda, all part of strengthening the Union and all the things that we think join the UK together in a way that will create investment, opportunities and jobs in Wales. Yes, absolutely we have a shopping list and we never stop pestering our ministerial colleagues, saying that this is what we would like to see happening in Wales in order to accelerate economic recovery, given what the country has been through.

Where does the UK SPF feature in all this? Nothing changes in terms of my ambition and the ambition of the Government to do this on a collaborative basis, but the really important thing is that up until now that collaboration has been between the EU and Welsh Government. That element is coming to an end, so in the role currently fulfilled, or hitherto previously fulfilled, by the EU, there will be a much more obvious and clear presence of UK Government in that process than ever before. But I would like to think that people who might be watching this, or people who might be affected by it in Wales, will recognise that for the first time for 45 years the process will involve politicians who are elected by voters in Wales for voters in Wales. It is much more personal than it has ever been before. That has to be a step forward.

Q116 **Chair:** I am very keen to bring in other colleagues. The Prime Minister was reported over the weekend—I know he made similar comments earlier in the summer—as saying that, effectively, an Australian-style trading arrangement with the EU, what other people call no deal, would be, I think in the Prime Minister's words, a good outcome, a good option for the United Kingdom. He has been very robust about that. Do you share that view when it comes to Welsh economic interests?

Simon Hart: David T C may have some views on this. I have attempted so far in this process to recognise that in any negotiation, particularly this one, there is an awful lot of heat and not necessarily a corresponding amount of light when it comes to the reportage or coverage of these matters. This thing will go to the eleventh and a half hour, just like every negotiation does, just like all the other EU dilemmas that we have had. There is going to be a significant amount of bluff, double bluff and triple bluff before we know how the story ends.

As far as we are concerned at the moment, the intention is to do the deal, which is still possible. I am not going to say anything now that hints that we are in active consideration about what plan B, C, D or E might be



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because, as far as we are concerned, plan A remains achievable and that is what we are seeking to deliver.

Q117 **Chair:** Absolutely. We hope plan A is achievable and deliverable. Nevertheless, plan B looms large behind all this, and the evidence that we have taken as a Committee points to significant impacts on Welsh economic interests—agriculture, steel, manufacturing, and I could name others. I would have thought that as part of the Government’s approach right now, given the timescales involved, a lot of preparation would be going into plan B.

Simon Hart: I know what you are saying, but the trouble is, is it not, that if we have a casual chat around this table about what B, C and D look like, it is, essentially, the same thing as saying that those are in active consideration? I do not want to give that impression.

We have done enough hand wringing over the issue for some time. We have to look our EU colleagues in the eye now and say that we are not bluffing; we have to. There has been so much of that over the last few years. You and I come from the same position on this. We now have to be serious about it. In the few weeks and months we have left to do it, we cannot leave any grounds for ambiguity. I do not want to contribute to anybody’s interpretation that I was being ambiguous. As far as I am concerned, we are going for the deal. I do not think I can add much to that.

David T C Davies: Obviously, I concur with what the Secretary of State for Wales has said, but my understanding at the moment is that the European Union are expecting us to agree to their rules on fisheries and state aid before they are prepared to discuss the rest of the deal. I do not think there is a single member of this Committee—many Members here I know very well, and I know their views differ a little from the Government’s on the pros and cons of Brexit—who thinks it would be a good idea for us to sign up to EU legislation on fisheries and state aid before we can even discuss a further deal.

Of course, the Government have alternative plans, and that is why we have put in the £50 million support package to boost the capacity of the customs intermediary sector. We have announced a £705 million package of investment for border infrastructure, staff and technology. We are prepared to leave without a deal, but of course we hope that the European Union will come to their senses and accept that we are approaching this with an open mind.

Q118 **Chair:** I absolutely accept that. The question was whether you, as a ministerial team, agree with the Prime Minister’s assessment that no deal—not striking a deal with the EU—would still be a good option, and, for our purposes this afternoon, a good option for Wales.

David T C Davies: I think we accept that it would be a far better option for Wales than signing up to the European Union’s state aid rules and



fisheries policy before we can even discuss having a deal, which we then may or may not get.

Q119 **Geraint Davies:** Secretary of State, I want to ask you a couple of questions, one on the internal market and the other on trade.

On the internal market, a lot of the concern is about increased spending powers for the UK over Wales. Would you acknowledge that where there have already been very significant spending powers, in particular on railways, we have a situation where Wales had 1.5% of the investment for 5% of the population and something like 11% of the railways? There is concern that, if more and more spending power is given to Whitehall, we will not get our fair deal as we have in the past.

Simon Hart: I see it differently. I think this increases the chances of us being able to engage in significant infrastructure schemes in Wales rather than decreasing them. For too long, there has been an acceptance—and a reliance, to some extent—that infrastructure has to come under the Barnett arrangements, which, as people have argued here, never quite leaves a sum of money significant enough to do really big-scale, adventurous infrastructure projects.

This provides much greater flexibility for both Governments to collaborate on big schemes and to rely, if you like, on the clout that each provides. This is a step forward and should not be seen in any sense as a threat to the very proper sort of democratic arrangements that are in place.

Q120 **Geraint Davies:** Is there possibly a danger of incoherence? For example, the Welsh Government are going forward with a clean air Bill, and if the Westminster Government impose a load of massive motorways that breach the clean air standards, there would be incoherence.

Isn't it better to have a quantum of money go to Wales so that it can be spent in a coherent way to develop both our environment and our economy, so that we have a green recovery rather than one hand doing one thing and the other doing another, in particular given that there has been a breakdown in collaboration that we have now seen exposed in the internal market measure? It has been called a power grab and that is not a symptom of a good relationship, is it?

Simon Hart: It would be completely unrealistic for us to expect that on every issue, all the time, we are always going to agree on policy matters between Welsh Government and UK Government. It is just the same in the handling of Covid. Mark Drakeford has been, I think, on the record as saying that on eight out of 10 occasions we agree and are able to put together policies that are pretty consistent between the two Governments.

On two out of 10 occasions there is sometimes a degree of divergence, which is inevitable, and some cases may have some evidential basis for being that way. It does not mean, just because we hit a bit of turbulence in the relationship, that it is terminal. As far as I am concerned, I am



more than happy—completely happy—to continue a reasonable, courteous, positive and ambitious relationship with Welsh Government, any Minister. We never turn down a meeting request. We will continue to do that.

I do not buy the idea that it leads to incoherence. It has not led to incoherence in Germany and it has not led to incoherence in the US. There is no reason at all why it should lead to incoherence here. In fact, what it will do is facilitate an easier flow of money than is the case at the moment; we have found examples where we wanted to spend money in devolved areas to support the work of the Welsh Government, but we cannot because of the devolution settlement. There are a few examples of those that we have already unearthed. This will make it easier.

Q121 Geraint Davies: On collaboration, and moving on to trade, clearly there is concern from the Welsh Government that they have not been involved in the Brexit negotiations, and I know the UK Government have taken a very hard line on that. If we end up with no deal and there has not been any consultation with the Welsh Government, who might want to compromise in areas to get a deal for the good of the Welsh economy, surely that undermines the Union. If we end up being burned by no deal when it could have been avoided with some collaboration, that would be no good. How can you excuse the fact that, again, the UK Government are hurtling ahead without listening to Welsh Government, and we may end up with no deal as a result?

David T C Davies: If I may, obviously there was an opportunity for a deal in 2019, which was refused by a majority in the House. I believe that you, sir, were one of them. The Welsh Government at that time also opposed a deal that would have kept us indefinitely in this transition period. We have to accept that we have moved on from that approach.

We are, as we have set out, doing our utmost to get a deal—a free trade arrangement—with the European Union, but, if it does not work out, we will be trading with the rest of the EU on exactly the same terms as Australia does at the moment. It certainly would not be our first option—we want that deal—but we cannot possibly sign up to an arrangement where we have to agree on European Union state aid rules and European Union rules on fisheries before we can even discuss a deal. I invite you, Mr Davies, or anyone else, to tell me if you think that would be a good approach.

Q122 Geraint Davies: It would be a good approach if it would keep tens of thousands of jobs in Wales. I do not have a big problem with the rules in the EU, which have been very successful over the last 40 years.

Moving on, can I ask about mutual recognition and non-discrimination in the internal market legislation? My understanding is that in Wales we want to defend the standards and quality of our food against, for example, hormone-impregnated beef from the United States. This legislation means that we cannot warn people. First, we are obliged to



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agree with the hormone-impregnated beef agreed by Westminster, and, secondly, we are not in a position to label it so that, if people do not want to have it, they do not have to eat it. Again, there has been no involvement for the Welsh Government and we are at risk: our jobs and food standards are at risk, Secretary of State.

Simon Hart: I can assure you that there has been an ongoing relationship between Jeremy Miles and Michael Gove particularly, and Ministers from other devolved Governments, throughout these negotiations. They always start with a, "By the way, we would have done this differently," but the idea that there has been no collaboration and co-operation is not true, not that you are suggesting it is, but there has to be a decision-making process, otherwise we would go round in circles.

David T C Davies: We have existing legislation that prevents any kind of hormone-treated beef coming into this country, or chicken that has been washed with chlorinated water. That is not going to change, and there is absolutely no plan and no intention to cut standards. We have been part of a single market with rules set by Brussels. We wish to remain part of a single market within the United Kingdom, and there has to be a power setting what the standards are going to be. That will be with the UK Government.

Q123 **Tonia Antoniazzi:** Secretary of State, you have spoken about the Internal Market Bill creating an easier flow of money to Wales. What I am worried about is this. I saw your predecessor sign off on the Swansea Bay city deal, and that money went directly into the city deal. It can happen—he was able to do it—so surely this is not an impossibility. What are your comments?

Simon Hart: All these things build on one another. You are absolutely right about the Swansea deal, but this provides even greater flexibility than that, without compromising, as I said earlier, Welsh Government's ability to spend on the priorities that they decide. I give you three examples.

The issue we had around flooding earlier in the year was massively complicated by legal obstacles provided by the devolution settlement. That would be easier to resolve under the current arrangements. We could not give money to the Welsh Rugby Union, because we fell foul of the devolution settlement, when they needed it so badly after the flooding damage back in February.

There is an example of UK Government finding it very difficult to support the citizens of Aberdeen in their Covid lockdown situation because of the devolution settlement, with no real intention, getting in the way. This arrangement will make all of that much easier.

Q124 **Rob Roberts:** Secretary of State, you mentioned engagement with business, so I want to explore briefly what sort of engagement we have had with Welsh businesses on the Internal Market Bill.



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Simon Hart: I hope it is significant. Everybody has had the option to submit to a consultation on the White Paper. We had a series of stakeholder engagement meetings after the White Paper was published. We have had some very helpful responses. I have a list of them here: "The UK Internal Market Bill will be the making of the UK, it strengthens our bargaining position in new trade deals and avoids unnecessary internal friction," and so on. That is why I said I was so mystified by Welsh Government's response, because Welsh Government's response was so at odds with the response from Welsh business, and I have to say that did worry me.

Q125 **Beth Winter:** Mr Hart, you speak about the importance of collaboration and partnership working, but why did Welsh Government not see the Internal Market Bill prior to publication? More importantly, why were the devolved nations not involved in the drawing up of the Bill? Surely that is what a truly collaborative and partnership approach would be.

Simon Hart: I think for the same reasons that I do not see draft Bills being drawn up by Welsh Government, nor do I expect it or request it. The devolution settlement is perfectly clear and I respect those boundaries. There is plenty of legislation passed by Welsh Government that has a UK-wide impact. If they want to consult me, that is fine; if they choose not to, that is also fine.

In this instance, however, as far as UKIM is concerned, there has been consultation. There will always be people who say there is never enough, or that it was not long or deep enough, but there has been consultation. It has come as no surprise in the whole passage of the Brexit saga that we would be going down the road of legislating to extend the level playing field that we enjoy under EU conditions to come under UK law. There is no surprise about that.

We published a White Paper, we sought views and we received views. Welsh Government happen to have submitted views that, as I say, are at odds with Welsh business, but we have to move this now to a conclusion. That is what we committed to the 55% of people in Wales who voted in favour of leaving the European Union. We would be abandoning our duties if we did not do that.

Q126 **Virginia Crosbie:** Welcome, Secretary of State and Minister. In terms of future economic recovery and financial intervention, as the coronavirus job retention scheme closes at the end of next month, what discussions are being held to support businesses in Wales and the rest of the UK?

Simon Hart: Extensive is probably the best word to answer your question. There have been numerous different nuances to the horrible saga of the last few months, which of course have resulted in some sectors being able, in a sense, to sustain themselves with greater ease than others. I do not think it is an exaggeration to say that the schemes put in place by the Treasury were put in place faster than in any other



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country in the world and were much more far-reaching than in any other country in the world.

The Chancellor was at pains to say early in the process that we will not be able to save every job or business, but we would have a pretty good go at doing exactly that. Our offices, and I suspect the offices of constituency MPs, are full of a long list of people who have been incredibly grateful for the lifeline that has been extended by UK Government—often in conjunction with Welsh Government, I should add—and we are going to try to continue that.

However, on the commitment around furlough, as one such example of intervention, it has been made very clear by the Chancellor that that is now coming to an end. He has not, as he never does, ruled out any case being made to him about the need for future or specific assistance, because we absolutely recognise that this thing is changing all the time, as we saw this week, and, as a result, pressures on businesses also change, often at very short notice. We need to be flexible enough to respond to those changes.

Q127 Virginia Crosbie: You mentioned furlough. In my constituency of Ynys Môn, 7,400 people were furloughed and their jobs potentially sustained. What assessment have the UK Government made of any potential increase in unemployment as a result of the furlough scheme coming to an end at the end of next month?

David T C Davies: The UK Government have not made a specific assessment of what unemployment could rise to as a result of the furlough scheme ending, but, as my colleague has just said, Rishi Sunak was very clear that we will not be able to save every single job or business. We have to be realistic and assume that there is going to be a rise in unemployment and in businesses failing, but that is not necessarily as a result of the furlough scheme coming to an end.

The Treasury have been clear that they are very much in listening mode and will do everything they possibly can to support businesses and individuals who may have fallen through gaps. We brought in the reduction in VAT for tourism and we brought in a whole range of other specific schemes. I believe that the Treasury will continue to listen, and we, as Ministers, will continue to pass on to them a very clear picture of the situation in Wales.

Simon Hart: It is worth pointing out that, according to the OBR, without the interventions, the unemployment rate could stray as high as 35%, which is 20 percentage points higher than assessed with the intervention schemes, so I hope that gives a little bit of factual flavour to the answer.

Q128 Virginia Crosbie: Minister, you mentioned the reduction in VAT. We have also had the eat out to help out scheme. One of my favourite cafés is the Beach Hut café, and they said to me that the scheme has given them a much-needed boost at a time of great uncertainty. Ynys Môn is



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particularly exposed to the hospitality and tourism sector. Have you had any discussions with the UK Government on supporting specific sectors in Wales?

David T C Davies: We have had discussions with the UK Government and the Welsh Government about the tourism sector. We were very clear that we wanted the tourism sector to reopen as quickly as possible in Wales because of the huge dependence on it. It is fair to say that the UK Government take the view that, rather than helping specific sectors, they would generally like to help every sector, and it is difficult to pick one or two out. Clearly, things like the VAT reduction have been particularly helpful for the tourism sector.

Businesses are responding to this crisis in their own way. If we are going to chuck out plugs, I think that what Pret a Manger has done is very interesting: at £20 a month for five coffees a day, you do not have to drink very much coffee to be quids-in on something like that. I have no connection to the company, by the way, but I think we will start to see a whole load more companies doing the same sort of thing, and I encourage that.

Yes, the Government will help as much as we can, but businesses will also be looking to bring forward their own innovative schemes to try to get the economy moving again, and I welcome that.

Simon Hart: By the way, I have a connection with the company. Their bottled water comes from Pembrokeshire, where they employ 100 people extracting it from the ground for that particular brand. We think of it as a London-based company, but we have a very significant interest in it in west Wales.

Q129 **Virginia Crosbie:** I have a last question. In terms of the Government delivering their levelling-up agenda, how committed are you to carrying that through, particularly for Wales? Obviously, I have projects like Wylfa Newydd, and we are talking about free ports. How committed are you to levelling up for the people of Wales?

Simon Hart: I hinted earlier that we probably have a reputation around Whitehall these days for being a pain in the neck because we never leave another Government Department in peace for too long, and we are constantly making the arguments around levelling up and strengthening the Union—what it actually means. I want to move from a situation of being accused of making endless promises to actually getting stuff done and getting these processes under way.

It is going to be slow. The Chair referred to the shopping list earlier. We are never going to get everything we want exactly when we want it, but we have to be resilient and persistent and make the case constantly not only about why these projects and proposals are good for Wales, but about why they are good for the UK, too. I think we have quite an



exciting list of possibilities in that regard. As I say, we will have a reputation for being tiresome if we are doing our job right.

Q130 Beth Winter: Yesterday, I attended the Unite launch of their SOS jobs campaign. The TUC, to shed some light on likely levels of unemployment, has estimated that, by the end of 2020, 2.5 million extra people are likely to be unemployed unless the Government take urgent action to protect workers. Yesterday, colleagues from south Wales GE Aviation, who are likely to lose hundreds of jobs in the coming weeks, came up to Parliament. People are extremely scared and worried about the future prospects.

The aviation industry in Wales contributes about £1.5 billion to the economy, and the HE sector contributes up to £5 billion in terms of impact, so they generate a huge amount of income. What those sectors need is a short-term sector-specific deal to help them through this initial period. Surely, it is in everybody's interests for the UK Government to extend the furlough scheme, as other European countries are doing.

Simon Hart: There are only two things I want to say. First, I think the Treasury intervention, as I stressed before, was remarkably quick and remarkably substantive. I think that even people who are not especially well disposed towards this Government or the Treasury recognise that they have gone further and faster than almost any other Government in the world, and the intention, the reason for that, was to meet head-on exactly the concerns that you have just expressed, as have constituents we have all been in touch with.

On the question of sector-specific furlough, there was either an Adjournment debate or an Opposition Day debate last week. I was quite interested in the comment that "it may not be the case that this"—sector-specific furlough—"is the most effective or sensible way to provide longer term support for those sectors...that are not yet reopening."

I read that to be the Chancellor, quite rightly, saying let's not attach ourselves too indelibly to the concept of furlough; there may be other ways that can be fairer in supporting individual sectors that may, through no fault of their own, be under extended restrictions as a result of Covid. I think what is happening is that we are all talking about furlough as being the only solution. The Treasury is saying that that may not be the case, and we will continue to look at all the pressure points, but, as I say, let's not attach ourselves to furlough as the only possible solution.

I very much take your point, and it is well made, but I do not think furlough is necessarily the fairest or best way of dealing with that problem.

Q131 Beth Winter: Can you explain why you do not see furlough as a realistic and viable option, given that other European countries do? If there are other options, what are they? Time is of the essence. People are losing their jobs and livelihoods. We need action now, Mr Hart.



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Simon Hart: I do not think that even its greatest critic could argue that the Treasury did not intervene in every possible way that it could very early on. It took some breathtaking decisions, which nobody thought were possible. They saved hundreds of thousands of businesses and hundreds of thousands of jobs and kept families financially viable during this awful time. I shamelessly stick my thumbs up for the Treasury and repeat the commitment that the Chancellor has made, which is that nothing is ruled out in these circumstances and, goodness me, the urgency is recognised.

Q132 **Chair:** Is it not the case that our furlough scheme's design was very much informed by the comments of the Prime Minister himself, who said that we would be through this thing by Christmas? That is why the furlough scheme is being wound down for this autumn. The idea was that we would be through the crisis and into the recovery phase.

We are nowhere near through the crisis and the Government are still reaching into the toolbox to pull out major interventions on restricting liberty and on economic interruption. Isn't it the case that we are still going to need to stay focused on support measures, particularly for sensitive sectors that simply cannot operate in the current environment? We do not want to see irreparable damage being done to our economy and our national life.

Simon Hart: I do not think that scenario is doubted. I do not think anybody is suggesting that your assessment of the landscape ahead is in any way wrong. However, the Treasury has said that the way of addressing that may not necessarily be through extended furlough; there may be other ways. I am not here to do the Chancellor's work for him. All I can do is point to the record so far, which has been pretty remarkable in the circumstances, and I see no reason why that should now suddenly change.

I cannot remember if it was the PM or the Chancellor who said in the early stages of furlough that it was not designed to be an interim resting place for people between work and unemployment. It was never intended just to put back the date at which you would lose your job. It was meant to be and remains a means of keeping people in a position such that they can go back to sustainable and viable employment once the worst of the Covid pandemic is past us. That was its intention, otherwise people—

Chair: Secretary of State, thank you.

David T C Davies: We both fully understand the concerns of those in the aviation industry, who see a great threat to their industry at the moment and are worried about their jobs, and we want to do everything to support them.

I understand why Unite were out, but I throw one thing back gently, and with all courtesy, at Labour MPs with connections to Unite. Only last year, they were calling on people to join the climate strikes and to support action against industries such as the aviation industry. I would welcome it



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if there has been a change of heart in Unite, and real clarity about the importance of aviation and the automotive industry, and they will not in future encourage people to take part in protests that would have the impact of doing far more devastation to those industries than even Covid has.

Chair: Thank you, Minister—a point well made.

Q133 **Rob Roberts:** What discussions have the UK Government had with Airbus since July regarding the planned job losses in Broughton? I would like to know how much support the UK Government have already given, and what support the company has asked for moving forward. Finally, I would like to know whether Airbus has made any comment to you, Secretary of State, about the quality of the assistance they have already received.

Simon Hart: In no particular order, we have had a number of discussions. We have, as you would expect, a regular rhythm of meetings with Airbus at official level and at ministerial level. That was the case before Covid, but it has increased in regularity since Covid, and we have had nine such meetings since 1 July involving us or Wales Office officials. We absolutely recognise the important contribution that Airbus makes to the UK, not just Deeside; it is an incredibly important industry. As my colleague has just pointed out, it is very much in our thoughts at the moment.

We put, I think, between £8.5 billion and £9 billion into the aviation industry. That is not specifically Airbus, by the way. That should, I hope, give the Committee a flavour of how important we feel the industry is. In addition, there is the value of the furlough scheme, the value of tax deferments and the value of other interventions that apply across the economy as a whole.

I do not think I would be speaking out of turn if I said that the comments we have had from Airbus, while highlighting the extraordinary tensions and pressures they are under, have been incredibly warm towards the contribution made by UK Government. Even though we are looking at a very difficult period of time for people currently under redundancy consultations, it could have been so much worse had it not been for the interventions that we were able to put together quite quickly.

I would like to encourage the Committee to accept that the conversations we are having with Airbus are not about getting them through till Christmas or the spring. It is about making sure that Airbus are welcome and employing large numbers of people doing the fantastic work that they currently do in Deeside and in five years, 10 years and 15 years. This is not about a short-term fix. This is about a long-term solution for an industry that is probably as hard hit as any by Covid.

Q134 **Rob Roberts:** One of the previous times I spoke with Airbus, they made a very long-term commitment to me that they would be staying in



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Broughton for a significant period of time and that they would be there for the long term, despite Brexit and despite everything else that is going on. Have they made that same comment and that same commitment to you, Secretary of State?

Simon Hart: In as many words, yes. All the conversations we have had are about long-term presence. They are incredibly attached to the area, to the workforce, to the future and to continuing to offer their world-class service for as long as possible. There was no talk at all about this being managed decline. It is quite the opposite.

By the way, they stressed—I hope they will not mind my repeating this in public—that our departure from the EU has absolutely no bearing on the current situation in which their company finds itself.

Q135 **Geraint Davies:** Clearly, the strategic issue is keeping the airline industry going, with big competition from Boeing and China. What we are seeing in France, of course, is a targeted, specific extension of furlough at Airbus. Would it be possible for you to lobby the Chancellor on the case for specific, targeted extension of furlough, rather than a universal approach, because we need to keep the skills and R&D there? With all due respect to the consumption side, we can always reflate consumption, but not investment in a strategic industry that, if it falls over, will not come back.

Simon Hart: Understood. Although it is not a like-for-like comparison, don't forget that 5,000 Airbus jobs have been lost in France, so this is not a difficulty that is unique to the UK. But you can be absolutely sure that there is daily pressure on the Treasury to look after these incredibly important strategic industries, and the overall point is not lost.

Q136 **Tonia Antoniazzi:** I would like to go back to a comment made by the Under-Secretary about Unite the union. I think the idea that Unite the union would be working against an industry like aviation is quite insulting. Unite were the backers of a third runway and are generally pretty obsessed with aviation. I wonder if he would like to take back his comment or be more supportive of workers and their trade unions.

David T C Davies: I would certainly like to be supportive of workers. I am looking at unitetheunion.org, which I presume is Unite's website, and the headline is, "Unite calls on the union movement to back school climate change strikes," Tuesday 10 September 2019. It is by Unite assistant general secretary, Steve Turner, who called on the trade unions to back the school climate strikes.

If Unite the union are thoroughly supportive of the aviation and automotive industries, and certainly many of their members will be—those who work in the industries will be very supportive of their own industries—that is fantastic news. I am with Unite on this particular issue. You must share my astonishment that senior members of the union, such as Mr Steve Turner, are calling on their members to go and support



protests that would shut down the aviation industry and the automotive industry.

Q137 **Tonia Antoniazzi:** With respect, we are in a situation where the aviation industry was working to offset its carbon footprint, and you are referring to something in 2019. I am going to move on now because I do not find your comments relevant.

David T C Davies: I said last year. If they have changed their mind since last year, that is great.

Tonia Antoniazzi: They have changed their mind.

David T C Davies: Great. They have.

Tonia Antoniazzi: I am going to move on, Chair.

Chair: Let's move the discussion on, please.

Q138 **Tonia Antoniazzi:** I think the Secretary of State has a fantastic manner about him. He is very hail fellow well met and can answer any question in any situation. It is quite an impressive way to be, and I compliment him on that, but recent decisions made by the Prime Minister have not lessened the anxieties of a Tory Member of the Senedd who has stepped down from his Front-Bench role. I find there are concerns about the Internal Market Bill and about the potential illegal activity of the Government. Is it mystifying to the Secretary of State that David Melding, a Member of the Senedd, has those concerns?

Simon Hart: It is not mystifying for all of us who know David. By the way, on resignation—I got into trouble for being a bit outspoken on this during the Brexit process—I think it is much better and more effective to fight our battles from the inside than the outside. This legislative process has a long way to go, and I think all of us need to be able to make our case from the most powerful platform that we can.

There will always be, as there have been with your own party and with other parties represented on this Committee, moments when people have felt that they may have reached a stage where they feel it is time for somebody else to engage in the hand-to-hand combat on the frontline, and maybe that is the case at the moment. As far as I am concerned, whatever our views may be, we are better off fighting them from the front than from the back.

Q139 **Tonia Antoniazzi:** You have spoken very highly of the Treasury, but why have the UK Government objected to the joint requests from all three devolved Finance Ministers for additional borrowing powers and budgetary flexibility for Wales?

Simon Hart: I think I can say with absolute certainty that that objection is not valid, and I will tell you why. What we were asked for was to re-enter the debate around borrowing powers, and the way we answered it was by providing cash, so I think that the Treasury response was rather



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better than what was asked for. The numbers are quite clear. During the Covid period, there has been a £4 billion contribution. That is all Barnettised money, but it includes an up-front payment of £1.1 billion, a sort of advance payment of Barnett, in order to provide exactly the flexibility that Rebecca and others in Welsh Government asked for.

I think perhaps the impression given in the question that somehow the bad guys in the Treasury had wagged their finger and said no is not borne out by the facts. The facts are that substantial sums of money, really significant sums of money, have been made available, quite rightly, to the Welsh Government, not only on time but in advance of time. I hope and think that when I have my private conversations with Welsh Government Ministers, they are quite grateful for that, at least in private.

Tonia Antoniazzi: So what conversations—

Chair: Final question, please, Tonia.

Q140 **Tonia Antoniazzi:** I am sorry. It is just to wrap up. What discussions have the Treasury been having with you and the other Secretaries of State regarding this request?

Simon Hart: I might be able to help you a bit, because I think this is best summed up by the letter, which, needless to say, I cannot find at the moment, from the Chief Secretary to the Treasury to Rebecca around the funding request. If it is helpful, can I circulate it to the Committee? It is dated 17 August, so it is fairly fresh. It is specifically in relation to flooding, but if you want some background information on the additional funding for Covid, I am very happy to do that. It sets out very clearly the sort of considerations that are necessary, but I do not think there is anything particularly disturbing.

Chair: Thank you, Secretary of State. It would be helpful if you could circulate that information to the Committee.

Q141 **Simon Baynes:** Thank you, Secretary of State and Minister, for coming before us.

I want to return to the shared prosperity fund, which the Chair touched on at the very beginning. I have two main questions, and I will put them both together. To what extent has your thinking and the thinking of the Government on the shared prosperity fund been changed or developed by the lessons we have learned from the Covid-19 crisis?

Secondly, there is obviously a degree of controversy between the Welsh Government and the British Government about the level of engagement. Maybe you could clarify that and give us some reassurance that engagement between the two Governments has been up to scratch on the preparation of the shared prosperity fund.

Simon Hart: As I indicated earlier, progress is slow. I wish I could report that the pace had quickened. For reasons that I expect everyone is quite sympathetic with, it has not quickened as much as we would like.



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Engagement with Welsh Government is an area where it is quite easy to find attractive news angles. I do not think the situation has changed since the outset, when we said that between us we would try to design a system that honoured the manifesto commitments we had made and was more accountable, which I believe it can be, partly because it is going to be accountable to UK-based politicians as opposed to Brussels-based politicians. That is a step in the right direction, and one that ensures that the prioritisation of the shared prosperity fund makes sense to businesses, individuals and families in Wales.

To some extent, members of the public may not be particularly familiar with exactly what UK structural funding has been able to provide for Wales over the years. I hope that under the new arrangements it is going to be much more obvious; people are going to have much more direct accountability. I hope there will be more involvement of local authorities, and more input from people who might be the happy recipients of some of these substantial sums of money.

In order to do that, we need a joint system designed and implemented by, hopefully, a process of collaboration between UK Government and Welsh Government that enables us to do that. I do not think I am saying anything new at all by saying that it will look a bit different because it does not involve the EU any more. I cannot see a situation, I hope, as long as jobs and livelihoods are the principal driving force of our decision making, where there needs to be much disagreement between us, Welsh Government and local authorities in the distribution of the funds.

However, there will be tension if the plans do not necessarily tick the jobs and livelihoods box. I am reassured that the Welsh Government say their ambitions are absolutely the same as mine in that regard. I am quite certain, when we go to the 22 local authorities in Wales at some stage, that that will be underpinned. In these kinds of collaborative attempts, I do not look at everything as a constitutional or political threat, or some kind of deceitful attempt to undermine the authority of one institution or another. We constantly have to look at it through the prism of jobs. Then we do not have to worry about things. That is why I was so surprised that the Welsh Government reaction to all of the things we have been talking about was so defensive when Welsh business's reaction to it was really quite positive.

Q142 Simon Baynes: Do you think that the shared prosperity fund will be more spread geographically? Obviously, the criteria to date mean that it is in specific areas in Wales, whereas, speaking as a north Wales MP, I think a lot of us, in organisations, businesses, charities and local government in north Wales, would like to see it being more flexible so that it can address pockets of deprivation and high unemployment, wherever they might be across Wales, rather than being in strict zones, as has been the case to date.

Simon Hart: Although it is an attractive pot of money, in terms of its scale, don't forget that the £660 million figure that is often used includes



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farming subsidies, and that commitment remains until the end of this Parliament anyway. We need to work out which bits of the shared prosperity fund are going where and the bits where there are already commitments.

If we are genuine about wanting to use the money to tackle deprivation and hardship and to encourage jobs and livelihoods, of course, the views and input of local authorities, and others, by the way—not exclusively local authorities, but regional interests—who have an absolutely hands-on and daily feel for exactly where the greatest assistance is needed, are going to be crucial. I do not feel threatened by that as UK Government. We will listen to everybody's bids, if that is where we get to, with the greatest of interest.

Again, I struggle to think of a single argument that Welsh Government would want to put forward that contradicts that. I suspect that they, like me, want to see it properly spread around Wales according to need, and very much taking in the views of local people who deal with these kinds of problems every day. I described it on day one as a nice problem to have. The fact is that we are trying to work out how to distribute large sums of money fairly across Wales. To me, we should be embracing that with some enthusiasm.

Q143 **Chair:** Is there any truth at all in the rumour that appeared in the summer that it is not even being referred to as the shared prosperity fund in Whitehall at the moment?

Simon Hart: Not that I have heard.

Q144 **Chair:** When you have meetings, you still call it the shared prosperity fund?

Simon Hart: Absolutely. That's what it says on my piece of paper here.

Q145 **Ruth Jones:** I would like to ask the Under-Secretary of State for Wales about the western gateway. I understand it is now part of your portfolio, so could you tell me how you see your work in this area and, obviously, how you see it working given its cross-border nature?

David T C Davies: It is work in progress at the moment. I have had a number of meetings with Katherine Bennett and other stakeholders involved, and I have also discussed it, of course, with the Minister, Ken Skates, and with the former Minister, Simon Clarke.

There have been discussions ongoing around what the absolute borders of the western gateway would be. I have some views that I have shared with ministerial colleagues. My preference would be that it would encompass south Wales over to Swindon, but perhaps not go far south of Bristol, if I can put it that way. There is an ongoing debate around that. I see it as a potential vehicle for bringing together businesses, universities, trade unions and other voices in the region to make sure that we can promote the area and attract further jobs and investment.



Q146 **Ruth Jones:** It is good to hear that you see it developing in that way. How do you see it being prevented from being overshadowed by, let us say, the northern powerhouse or the midlands engine?

David T C Davies: The northern powerhouse has a head start. I am not sure what you mean by overshadowed. Do you mean in terms of finances or in terms of weight—the sort of influence that it has within the United Kingdom or around the rest of the world? Forgive me for asking for clarification, but I am not quite sure what you are getting at.

Q147 **Ruth Jones:** Obviously, as you said, they have had a head start; they are up and running. I would worry that funds might be diverted towards them rather than us, and we might lose influence within the UK because we are late starters.

David T C Davies: It is probably a bit hypothetical for me to answer that at the moment, because we are still getting to the stage where we have a governance structure put in place. There has been a proposal around that, which looks reasonable to me. Clearly, as always, I would want to work with the Welsh Government. This is not really just a UK Government matter. It is with Welsh Government and with local authority stakeholders across the region. All I can say is that we are putting a fair wind behind it. We welcome the fact that Members of Parliament, like yourself, in south Wales are supportive. Your colleague in Newport East, I think, is the chair of the APPG.

If I may gently suggest to you, there seems to be some enthusiasm from some Ministers in Welsh Government, but perhaps not quite as much wild enthusiasm from some other Ministers in Welsh Government. That might be a misinterpretation on my part, but anything you can do to encourage all Ministers in Welsh Government—of course, there may be ministerial changes after May; we know not—in that regard would be much welcomed, but we are certainly supportive.

Q148 **Ruth Jones:** Thank you very much. I am now going to move on to steel. Secretary of State, Project Birch was set up to prevent failures of sectors such as steel, but I understand that the talks, the discussions, with Tata under the auspices of Project Birch have failed. What happens next? I am sure you share my view that we must not let Port Talbot or Llanwern fail at this time.

Simon Hart: I am not familiar with any suggestion that the talks have failed, or what talks have failed, for that matter. All I know is that there are and have been, predating Covid, discussions going back several years about the future of steel manufacture in Port Talbot. You would expect that to be the case with a major employer, a major strategic manufacturer like that. That has not changed and there have been numerous meetings before and during the Covid period.

The comparison, which I hope provides a degree of reassurance, is where we were able to get with Celsa, which I think was towards the middle of the worst of the outbreak. That helped to give an indication to the wider



public that we are serious about steel in Wales and were able to reach a rapid conclusion around the particular problems that they were confronted with at the time. That was able to be resolved. As I say, I do not recognise the suggestion that there have been talks with Tata that have collapsed. It is not on any radar that I have access to.

Q149 **Ruth Jones:** It must be the fault of the *Financial Times*, because I believe they reported it, but I am sure you can clarify that later.

Simon Hart: Who am I to question the reliability of journalism when it comes to reportage on that particular subject?

Q150 **Ruth Jones:** I have one final question. Regarding the internal market again, you made the point earlier that you do not see any powers being removed from Wales but that you see powers being given to Wales as part of the Internal Market Bill.

To many people, it seems an asymmetric Bill because it is lopsided in favour of England versus Wales—for instance, on the use of single plastics. At the moment, Wales is looking to ban nine particular things, ranging from cotton buds to cutlery. At the moment, England is only looking to ban three. Under the Bill, as I see it at the moment, if you have that lopsided approach, what happens when things come into Wales and you have nine things that they are trying to ban versus three things in England? Looking at the Bill, it would appear that there would only be three things banned in Wales as well, missing out on six.

Simon Hart: I think I would be right in saying that, at the moment, lopsidedness is a much greater threat to Wales because it involves arrangements we have with each and every one of the EU member states. I do not think it is fair to say that suddenly there is going to be a collapse of standards or a race to the bottom on any of those things just because we are designing a system that applies to the four nations of the UK. We have apparently been surviving perfectly well in a system in which there are 27 member states, including some with much lower environmental and food standards arrangements. We have coped with that—coped to the extent that some people on this call actually want us to continue with that arrangement, even though our voters in Wales opted for a different view.

I think that is an exaggerated risk, if you want my honest opinion. Therefore, the suggestion that it somehow contributes to a reduction in powers is an unsustainable argument. If anything, our powers are enhanced as a consequence of all this and, as we have said—I know that not everybody necessarily believes these things—as far as the really important issues and the standards associated with them are concerned, the UK already leads the field on most of them and will continue to do so. There are absolutely no plans—it makes no commercial sense—to compromise the standards that we have spent such a long time building up and are rightly proud of.

Chair: Thank you, Secretary of State.



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Ruth Jones: Can I come in on a final bit?

Chair: Very quickly.

Q151 **Ruth Jones:** The idea for the nine single-use plastics ban was as a result of the EU, so, if you like, England is dumbing down in terms of standards, but I will let that go.

Simon Hart: Thank you.

Q152 **Robin Millar:** Secretary of State, I compliment you on the robustness of your answers. It is very welcome to have some real steel in some of these questions and answers.

Simon Hart: I have obviously gone far too far.

Q153 **Robin Millar:** Yes, there has been some good Welsh steel—there we go—in your answers.

Aberconwy, as you know, is a beautiful area, and the Conwy valley runs right down the middle of it. Llanrwst in the Conwy valley has been subjected to repeated flooding. I was talking with some residents and they were talking about five major floods in as many months. It is not uncommon. It is a frustration to residents when we hear talk of flood defences, of reviews and of support being provided, but it does not seem to land, or it does not seem to land at pace in Aberconwy.

I was out walking the defences this summer and looking at them, and I happened to pick up in *The Guardian* that you had made a comment about discussions with the Welsh Government on flood relief. If I quote you correctly, you felt that the discussions did not progress and that it was unfinished business. I am keen to understand what you meant by unfinished business. Does that mean there is something more we can expect or that there are specific areas where you wish to progress those discussions?

Simon Hart: I don't think I was anticipating at the time what the spending powers provision might be in the UKIM Bill, but I suppose I might as well have been. I think there is a reference to this in the letter from Steve Barclay to Rebecca Evans that I referred to earlier, and which will be circulated.

Where the complication has arisen in terms of funding flood defences is around the fact that the legal position—I stress that it is a legal position—is that all responsibilities for devolved areas and associated funding were transferred to Welsh Government at the point of devolution. That includes responsibility for land drainage, land restoration and flood risk management in Wales. That is a matter that is not disputed either by Welsh Government or by us, but it subjects flood improvements to whatever the available budget is at the time, and as we have learned from Welsh Government, when there is a particularly unusual flooding event, as there was earlier this year, sometimes it can soak up years-worth of budget just dealing with that one event.



Of course, at the present time, we would not necessarily be able to come to the rescue of the situation very easily because of the restrictions on UK Government's ability to spend in devolved areas. If everybody supports the UKIM Bill, it will make it much easier because we will be able to sweep away a few of the barriers to that sort of helpful intervention, which I think would be a massive relief if you were living in Llanrwst or elsewhere in your area.

There is some potential for progress, but of course the other way we have to look at flood management is that there has been a bit of a tradition of thinking that the best way of dealing with flood management is to build a concrete channel through every village and town on the watercourse and hope that resolves the matter. It does not. In fact, it probably creates a consequential problem somewhere else. More informed thinking these days is about how you can hold up the speed at which the flooding might occur and look at those kinds of things. That is a better way. I think there are some examples in Scotland, or maybe—I cannot remember where—in the north of England, possibly the Lake district.

Robin Millar: Kendal.

Simon Hart: Thank you. That has been incredibly successful. We have to be a bit more creative around that. Certainly, when I talked to councillors in RCT after their horrible experiences in February, there was a much more broad-minded look at how we resolve these problems.

Q154 **Robin Millar:** You have perhaps anticipated my question. I assure people that there was no co-ordination on this, but I was going to clause 46 of the UKIM Bill and the powers that gives the UK Government to make investments and interventions that have a UK-wide impact, or, as you suggest, respond to a UK-wide event.

One question I had was about the source of funding. I think the Chair alluded to that at the start. Have you made any progress, or have you been involved in discussions, that involve introducing private capital into Wales or seek to attract private capital into Wales?

Simon Hart: For the purposes of flood management and defence?

Robin Millar: For the purposes of bringing private capital into Wales. How private capital wishes to spend it is, I suppose, largely up to private capital.

Simon Hart: On purely flood defence measures, the answer is no. On the second part, or option B, of that question, it would be wrong to say that there has been a specific campaign of inward investment, outside the obvious projects, which we are all keen to see undertaken and which will probably at some stage involve some degree of private money. I think there have been a number of tidal lagoon schemes, for example, that are at various stages of planning around the coast at the moment. Most of those involve a degree of discussion with potential private funders, yes.



Q155 **Robin Millar:** Where I was heading is that it would seem to me that clause 46 of the UKIM Bill, alongside the sensible discussions that presumably the Welsh Government are having to attract inward investment, is actually about creating alternative routes—opening up additional routes is an even better way of putting it—for funding to come to Wales. Would that be a fair summary?

Simon Hart: I think that is a fair resumé of the situation. It is about making it simpler, easier and more logical. When we had experiences in the past of businesses that considered Wales as a possible location to land a footprint, build a factory or employ a couple of thousand people, and those proposals have failed, it has largely been down to the fact that the bureaucratic obstacles, and the ability to navigate through the multitude of obstacles that seem to get put in people's way, have resulted in them looking more favourably at other parts of UK, or indeed other parts of the world.

One of the interesting observations about the letter from the CST to Rebecca around flood defences is the process that Welsh Government currently have to go through in order to access the UK reserve fund for the purposes of emergency assistance. I use the word emergency erroneously, because, if you look at the process they have to go through, it is certainly not done at emergency speed. It is actually quite a laborious process, and rightly so; we are talking about large sums of public money, and there is a process. But to get through that process we are looking at months, if not more than one calendar year, to access money that in many cases is needed today. Under the new arrangements, if they pass through Parliament unamended, that process becomes easier. It does not resolve everything, but—

Q156 **Robin Millar:** I find it hard not to be encouraged by the greater certainty for business, more powers for the Welsh Government and more channels by which funding can come into Wales. That has to be good news and is to be encouraged. I am certainly encouraged by it.

Rather than leaving it as all sunshine and positivity, I must add one wrinkle, if I may. I hear stories from England about the universal service obligation on broadband providers in the UK and of astronomical bills or quotes being provided to people under the USO agreement. We are talking about a quarter of a million pounds to connect a farm—that sort of figure. That clearly cannot have been in the spirit of the USO, so I was wondering whether you had heard anything yourself. One of my colleagues, Simon Baynes, will be keen to mention what is happening in Clwyd South. Are you aware of any conversations that are happening in UK Government that would address that kind of disregard for the spirit of what the USO is all about in ensuring connectivity? Aberconwy is a great example of where that is needed.

Simon Hart: I have not heard that situation being described to me. If anybody in the meeting has and wants to let us have details, I would be really keen to get stuck in because, of course, that is way outside the



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purpose of the project and what it is designed to achieve. If anybody has examples, I will happily take them up at this end,

Q157 Simon Baynes: In the Ceiriog valley in my constituency, Clwyd South, we have both the good and the more challenging aspects of what Robin has been talking about. One is the first USO in Wales, at Tregeiriog, and that owes a lot to the local councillor, Trevor Bates; the connectivity officer in Wrexham, Mike Dugine; and the local population. Equally, down the road in Pandy, my constituents Alison and Jonny Bendall are finding exactly the problem that Robin referred to, which is very high bills. A fibre-optic node has now been put into the village, but with very high bills, potentially, for linking up to it. I will leave my comments there. That is an example of progress but still with challenging circumstances.

Simon Hart: I am happy to take that up.

Chair: Thank you, Simon. That was a helpful intervention.

Q158 Ben Lake: I want to turn briefly to trade, particularly trade agreements with non-EU countries. We have already heard some Members allude this afternoon to their concerns about standards of food production and hygiene, environmental and animal welfare and what have you. It has been a debate, obviously, in Parliament.

What is your assessment of concerns outlined by the NFU, who, despite the establishment of the agriculture commission, are still, as of yesterday at least, quite concerned that there is a risk that British standards might be impacted negatively?

David T C Davies: We have had numerous meetings with the NFU. In fact, at one meeting I had with them over the last few months, I raised the issue about their fear of chlorinated chicken or hormone-injected beef coming into the UK. I pointed out that this cannot happen under existing legislation. If we wanted to do that, and we don't, we would have to come forward with legislation and there would be a big debate about it, and I can guarantee there would be a lot of noise, but we do not intend to do that.

Therefore, we could not sign a trade deal with anyone, even if we wanted to, that would allow in hormone-injected beef or chlorinated chicken without changing the law, and we are not going to change the law. I found that, privately, there seemed to be an acceptance of this. You know the legislation; it is in place. I am here in front of the Committee saying we have no intention of changing that legislation and we have no intention of reducing standards of food in this country. That is the right policy.

Q159 Ben Lake: Thank you. I think nobody on the Committee would argue for one moment that the Wales Office would ever have an intention of doing that, but I suppose—



David T C Davies: May I briefly say that I spoke to George Eustice yesterday? It was not a formal meeting; he was addressing the 1922, and he made that point again, very clearly, in front of a lot of Back Benchers. There really is no intention. We will not do that. We do not want to change the legislation to allow chlorinated chicken or hormone-injected beef to come into this country. That will not be a part of any trade deal.

While I am at it, I want to make this absolutely clear, although it is a separate issue: nor will we put the NHS up for sale, sell it off, privatise it in any way or run it down. That will never be a part of any trade deal.

Q160 **Ben Lake:** You have anticipated my next question. I was going to ask about the role the Wales Office can play in working with colleagues at DEFRA, and, I suppose, with the Department for International Trade, in the formulation of some of the discussions on trade negotiations with non-EU countries. Could you briefly outline some of the ways in which you work with your colleagues in other Departments, and how the Welsh interest can be injected into those?

David T C Davies: Obviously, we have a lot of meetings with key stakeholders, such as the farming unions, and with the CBI, business groups and trade unions as well, and it is very important that we do. I respect the role of trade unions, by the way, and I want to make that clear; they play a very important role. I have already met trade unions, including Unite, in my role as a junior Minister, and we will be passing on their views. We of course want to do what is best for Wales and we will be feeding that in, formally and informally, with ministerial colleagues at every opportunity.

Q161 **Ben Lake:** Are you confident that your colleagues in other Departments are able to really honour those kinds of interventions and contributions? Do you feel as though they take Welsh interests at the level we would want them to be prioritised?

David T C Davies: I would not argue against my own job, because, if everyone automatically took in favour Welsh interests, you would not need the pair of us, Mr Lake. My colleague and I will take every opportunity to put forward those interests.

Simon Hart: There is an obvious point around the completely refreshed attitude to the Union—I am sorry to raise this in your presence—within UK Government, particularly in the Cabinet Office, led by Michael Gove, but involving the territorial Secretaries of State and the devolved Administrations in, I think, a much more positive way than has been the case since 2010, since I have been a Member. Covid has accelerated that process of enforced co-operation. For all the wrong reasons, we have ended up in probably a better place, with weekly, sometimes daily, meetings on a whole range of topics, particularly around Brexit readiness and trade deals, which involve probably a meeting or two a week at ministerial level.



There are countless engagements at official level between Wales Office, DEFRA, Home Office and their equivalents in Welsh Government. That is sometimes an under-reported element. I go back to the Mark Drakeford thing: on eight out of 10 occasions we agree on most things. There is a lot of stuff going on below the waterline around some quite niche areas of activity, whether in trade deals or in response to Covid, and it is really good. People would be reassured if they could see it.

Q162 **Ben Lake:** Bearing that in mind, were you slightly disappointed that DEFRA did not make an application to the World Organisation for Animal Health to list Welsh beef—along with English beef, I should say—as having a negligible risk, a low risk, for BSE?

Simon Hart: I thought you were going to ask about the small ruminants rule and Welsh lamb, which remains, by the way, while I am on that subject, a much more active area of discussion and debate. I do not know how it is going to end, mind you, but it has become quite a significant part of the discussions with the US around food standards.

I do not have a view on the Welsh beef position. We can get you one.

David T C Davies: It is a fair question, which I cannot fully answer at the moment, but if you were to write to us, Mr Lake—

Q163 **Ben Lake:** Yes. Finally, I have a request more than a question. You may be aware that there are, to my knowledge, two Welsh products currently in the final stages of EU PGI and PDO, the certified protected food schemes. One is, I believe, Gower salt marsh lamb. Another one, where I should probably declare a parochial interest, is Cambrian mountains lamb. Both are the products of years of work. They have, to my understanding, completed most of the certification requirements for the EU scheme, but they may fall tantalisingly short of the publication or notification period that is required for them to be fully certified.

If that were to occur, do you think there is any opportunity to have discussions with DEFRA such that their applications might be expedited under the UK geographical indicator scheme? They would be products that had been verified and gone through most of the checks, albeit under the EU scheme.

David T C Davies: Mr Lake, I must congratulate you. I have a briefing somewhere on that very point and I cannot find it at the moment. I will get to it straightaway rather than rustle through. It is an issue that is on our radar. It is in my pack somewhere and, if you write to us, we will look very favourably at doing just that. I believe that I will be visiting your constituency in the near future to look at food production, so perhaps that could be part of the official visit.

Ben Lake: Thank you.

Simon Hart: To add a word of support, if there are anomalies like that, which appear to be inexplicable, it is probably, if I am allowed to say so,



cock up rather than conspiracy. That is what it probably is. Given the pace of these things, there will be areas that might not have registered on the radar and we will happily take them up. Just tell us and we will do it.

Ben Lake: Diolch. Thank you very much.

Q164 **Chair:** Can I follow up Ben's line of questioning? I was very encouraged to hear the Under-Secretary speak so strongly about wanting to resist the import of hormone-treated beef and chlorinated chicken from the US. I have heard the assurances that Ministers have given on that.

Given the appetite within Government for striking a US trade deal and given that the US Government have been very open about their trade priorities, and wanting to secure access for agricultural products to the UK under a trade deal, how confident are you both, Secretary of State and Minister, that Britain outside the EU could resist demands from the US for access for those particular products? I am thinking in particular of hormone-treated beef, as it is questionable whether the EU ban on hormone-treated beef is compliant with World Trade Organisation rules? How confident are you that, post Brexit, the UK could stand up to the US and say, "Sorry, we're just not going to do that"?

David T C Davies: If the European Union can do it, there is absolutely no reason why we cannot do it. We have legislation already in place, and we have no plans to bring further legislation to amend it or disavow it. I am sure if we did, Mr Chairman, you would be the first to drag us back in front of this Committee, and the only thing we would be eating would be a whole load of humble pie.

Can I answer the question from Mr Lake? I can now inform him that I would be willing to write to officials on that particular issue, and that the UK Government have been clear that they will repatriate any unresolved EU applications to the UK scheme and process them with minimal additional burden.

Q165 **Chair:** Thank you. Do you want to come back on that, Secretary of State?

Simon Hart: In support of David T C on the point about food standards and about what would be required for the UK Parliament to reverse that policy, it is absolutely plain that in order to do that not only would a number of Ministers, who have repeatedly made pledges, have somehow to explain why those pledges were no longer valid, but there would need to be a parliamentary vote. I cannot see there being an appetite for it on any side of the House.

One of the things that we probably all largely agree on is that part of our USP as a food producer is the fact that we produce really good stuff to a high quality and, therefore, even when we are offered the option of buying a cheaper product, perhaps raised or manufactured to lesser standards, we do not go down that route now. I do not see us going



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down that route any time in the future, and I certainly do not see us going down the route of changing the law in order to almost facilitate that.

Chair: I am greatly encouraged to hear that because, last week, the Committee took evidence from a panel of three very distinguished UK trade policy experts who represent different views on the Brexit/remain spectrum, one of whom is quite closely involved with UK Government development of trade policy. The panel were pretty sceptical that we would be able to maintain our position in the face of US Government pressure for access for those agriculture products, so I am encouraged by what you say on that.

Q166 **Beth Winter:** This is on the internal market, because I appreciate that is the topic we are now covering, although I have a couple of others. There is genuine concern in Wales that the White Paper proposes a race to the bottom, where the lowest regulatory standards by any of the four UK Governments will become the default standard for all, because the mutual recognition principle is impossible without agreed minimum standards. I really am concerned that if England takes hormone-injected beef, for instance, it is going to be imposed on Wales. The lower standard will exist. I do not feel you have addressed that issue at all.

David T C Davies: With all due respect, we cannot take hormone-injected beef; it is against the law to do so. Even if a trade deal were signed, it would still be against the law to do so. Unless the law changes, it is not going to come in. It would not be allowed in under the law.

Q167 **Beth Winter:** But what about the issue of it being a race to the bottom? Concerns were expressed by Mark Drakeford yesterday, and Jeremy Miles has very strongly articulated this, about the mutual recognition principle.

David T C Davies: That is important for producers across the United Kingdom so that they have certainty that they can send their goods across the UK. It is as important for Welsh sheep farmers, producers of honey and all the other foods we produce in Wales. The idea that people in England would somehow be happy to have lower standards than other people is not really grounded in any fact. The English would expect high food standards, just as Wales, Scotland and Northern Ireland do.

Simon Hart: At the moment, there is a choice. We can buy our pork from Denmark or our chickens from Poland without necessarily knowing the standards to which they are produced. People already make informed choices around their food purchases as it is at the moment. As I said earlier, essentially, what we are doing is enshrining in UK law exactly the arrangement that currently exists. If the concern that it would trigger a race to the bottom is valid, it would have happened by now because the bottom would have been evident in one of the other 26 member states of the EU. It is not going to suddenly appear now.

Beth Winter: But the legislation will prevent—



Chair: Beth, very quickly.

Q168 **Beth Winter:** The legislation will prevent the Senedd or Welsh Ministers from imposing mandatory requirements relating to the lawful sale of goods and services in Wales, even where there is justification for doing so for public health objectives, environmental concerns or any other public policy reasons. The legislation will prevent them from doing that.

David T C Davies: But they do not have that power at the moment because it is not a devolved power. That is a power that currently rests with the European Union. The European Union sets standards and has created a single market. Those single market standards will now be set by UK Government with, of course, strong representation from Wales. Obviously, the standards for a single market have to be set somewhere, and they will be set at UK Government level, which is, I would have thought, a fairly natural thing to do given that it is the United Kingdom as a whole that will have to comply with those standards. There has been no power taken away from the Welsh Government.

Beth Winter: I disagree.

Q169 **Geraint Davies:** The simple fact is that the World Trade Organisation has ruled against the EU on discrimination against hormone-impregnated beef and chlorinated chicken, but the EU is strong enough to stand up to the WTO. Once we are Brexited, which of course we are, if we are operating under WTO rules, in particular with no deal, we will have to comply with their rules, which means taking chlorinated chicken and hormone-impregnated meat. What is more, we will be bashed over the head by the United States while we are standing alone rather than together with the EU. I know it is UK law, but how can you realistically believe that we will not have to abide by WTO standards outside the EU?

David T C Davies: That would, of course, depend on whether we wanted to adhere to WTO rules. I assume that we probably would, but I assume that we will continue to oppose any changes that allow chlorinated chicken or hormone-injected beef into the United Kingdom. It is rather a separate issue to the UK internal market, which has absolutely nothing to do with the WTO.

Q170 **Geraint Davies:** If US standards are agreed by England, we will have to have them in Wales. That is the only point—

Simon Hart: I was going to gently tease you by saying that, if you had supported the original deal as proposed, we would not be at threat of trading under WTO rules.

Chair: Fine. This is questions to you, Secretary of State and the Minister, not to members of the Committee.

Geraint Davies: You can still agree a deal, agreeing the EU rules now.

Chair: We will move on. Are there any final supplementaries from any



members of the Committee?

Beth Winter: I have a couple of questions. Will I have time for them later?

Chair: You have a slot now if you are quick.

Q171 **Beth Winter:** This is supplementary to something Robin raised earlier about flooding. My constituency of Rhondda Cynon Taf was the worst hit, I think, throughout the UK, and there is an estimated cost of about £70 million, which we have been spending from reserves and from Welsh Government. Following the Storm Dennis floods, the Prime Minister made it very clear in the Chamber that further additional support would be provided. That has not transpired. Please, Secretary of State, can you give us assurances and a date by which we will receive the money that we require to repair the damage caused by the floods. We are desperate for that.

Simon Hart: I very much understand. The letter to Rebecca Evans asking for this was written on 17 August; as far as I am aware, we have not had a reply yet. That sets out the process by which Welsh Government could access the UK reserve in order to move the matter on. I cannot give you a date as yet, because Rebecca has not, as far as I know—it may have come in the last couple of days—made her bid to the Treasury, to the UK reserve. Until that happens, I cannot give you the answer that you want.

David T C Davies: It underlines the importance of UK Government being able, in certain circumstances, to channel funding directly to local authorities, communities or businesses that have been affected by a crisis without necessarily having to go through the restrictive Barnett formula. I am sure you might perhaps see the advantage of that.

Q172 **Beth Winter:** I will take that back to the Minister. Thank you.

The other thing I wanted to pick up on is the shared prosperity fund. I found your comments, Mr Hart, quite concerning and quite vague. We are now in September. We have until the end of the year to establish what this shared prosperity fund is going to look like and how much it is going to provide. Can you give us more concrete assurances about the shared prosperity fund, specifically that it will not involve a penny less or a power lost for us here in Wales?

Simon Hart: At the beginning of the session I said that all the commitments we had previously made around SPF remain, so I hope that answers that particular part of the question.

I also acknowledged that the pace at which we have been able to progress it has been quite slow. I have a meeting with Jeremy Miles next week. Unfortunately, the Minister who was responsible for it had to step down this week for personal reasons, so we are going to play in a new one, hopefully by next week, to take the matter on. There might be some



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dispute, by the way, around whether all the arrangements have to be absolutely in place by 1 January 2021. I do not think anybody is necessarily of the view that, if the conclusions are not reached by then, the whole thing falls over. As I say, commitments remain. I hope that is clear.

Q173 **Chair:** So what we are looking at, Secretary of State, is a short-term fix to get us through into the new period because the work has not been done in Whitehall to deliver the policy?

Simon Hart: As ever, the parachute answer is that no ideas are off the table, or something like that. I am seeing Jeremy next week. I hold my hands up; I wish we could have done this faster, but there have been some other tasks and obstacles along the route. I hope the reassuring thing I can say is that none of the commitments we have previously made has been altered, changed, reversed or cancelled.

Q174 **Chair:** In the few minutes that we have remaining, can I ask a few boring process questions? When was the last time you met the First Minister?

Simon Hart: I had a telephone conversation with him yesterday, with Michael Gove and the other territorial Secretaries of State, and Nicola Sturgeon, Arlene and Michelle—I think we were all on the call—on Covid-related matters. Those calls do not follow an absolutely regular pattern, but they are pretty frequent.

Q175 **Chair:** Give us a sense of what pretty frequent is. Every few weeks? Once a month?

Simon Hart: Weekly to fortnightly. I have a weekly call with Ken Skates on economic matters. We paused a little bit in August, but I spoke to Ken this morning. Officials are, as you can imagine, in very regular contact, much more regular than we are.

Q176 **Chair:** Are the Cobra meetings still happening?

Simon Hart: Cobra meetings, no.

Q177 **Chair:** Why did they stop?

Simon Hart: They have been sort of replaced by other meetings that achieve the same outcomes with a slightly smaller audience and that deal with more specific issues. The Cobra meetings early on were about designing the overall UK-wide response to Covid, in particular, and they have been replaced by more operational and implementational groups, which involve smaller numbers of people.

Q178 **Chair:** Do Welsh Government sit on those groups?

Simon Hart: Yes, absolutely. There have been a number of meetings, actually, where Welsh Government sit on the group and I do not, which used to make me quite paranoid in the early days, but there was good logic in that and the three territorial Secretaries of State understand how



the arrangements work. They are pretty regular. They do not always reach consensus, but—

Q179 **Chair:** The First Minister himself seemed a bit miffed earlier in the summer that he had not had a meeting for quite some time with the Prime Minister. Has he had a chance to see the Prime Minister at all in recent months?

Simon Hart: Various people on this call have been in government. You have been in government, and you know that meetings with the Prime Minister do not happen that often. I do not think the future recovery from Covid and the future management of a post-Brexit Britain is necessarily defined by the number of times that Mark Drakeford gets some face time with Boris Johnson.

Q180 **Chair:** He obviously feels strongly about it.

Simon Hart: He never mentioned it yesterday on the call. He has not mentioned it that often when I have been on calls with him. To me, the emphasis seems to be a little bit too much on process and not enough on outcomes. At the end of the day, we all know that they can have a conversation, but there is a whole machinery designed and manned by officials who then do all the afterwork. That is happening anyway. There is a huge amount of collaboration and co-operation, and I do not think there is necessarily anything sinister in the fact that they do not have a chat over a cup of tea twice a week. I do not think that is necessarily the answer to some of the problems that we are confronting.

Q181 **Chair:** In previous sessions, Secretary of State, you have almost given quite strong hints that, on some of the protestations and criticisms that Welsh Government make publicly, their tone behind closed doors is a lot more pragmatic and cordial. Do you think that is still going to be the case over their reaction to the Internal Market Bill?

Simon Hart: I am probably guilty of that myself to some extent, because we have to react in the sort of public glare and make our case very clear and concise, and understand and explain our differences. Actually, with the nuts and bolts of handling Covid and all the associated issues that we have been discussing this afternoon, most of that is done very amicably.

For example, my call with Ken Skates this morning covered five or six issues that are relevant to the economy of Wales. I had some questions for him and he had some for me. We are both going away to take further advice in the next two weeks about how we can iron out a few wrinkles that we have come across. I have always said that I wish there was more of that in a way. It does not attract the attention of media in Wales particularly, because it is not a flaming row or a disagreement. It is getting on with the often quite dull business of day-to-day government.

I do not see, by the way, the fact that there has been, to quote Michael Gove, a bump in the road in terms of UKIM as bringing to an end the collaborative arrangements that I have strived quite hard to create in this



role. It is a really big and very strong policy area. I can completely understand why we were not likely to reach early agreement over that, but I hope we can have our disagreements in a reasonably civilised tone. At the same time, we have to leave everybody in no doubt as to where exactly this is going and why. As soon as we have done that, as far as I am concerned, it will be business as usual with Mark Drakeford, Ken Skates, Vaughan Gething and all the people I deal with in Welsh Government on a daily basis.

Q182 Chair: If we get to the point where Scottish Government and Welsh Government refuse to lend their support to the Bill, through whatever legislative mechanisms they use, would you nevertheless feel content that the Bill sets the framework for the internal market without the assent of the devolved Administrations? That would not, for you, represent a defining moment in relations between UK and devolved Governments?

Simon Hart: I can be absolutely confident in saying that I would feel content that we have tried every possible means at our disposal to reach agreement. We will have had debates, arguments and consultations. They may not be enough, not loud enough or long enough, but we will have none the less made every effort to reach a happy conclusion.

If we do not, it will be not dissimilar to the way it was over the withdrawal agreement when Welsh Government chose to withhold a legislative consent motion. It is a pity, but it is not terminal. As we know with LCMs, there is quite an emphasis on the "not normally" description: are the circumstances we are discussing outside the parameters of normality? In the case of the withdrawal agreement, I think that very much applied and I do not think anybody would argue that those kinds of discussions are routine Government dialogue. These are extraordinary times requiring extraordinarily bold legislative measures. If we cannot reach agreement and Welsh Government decide to exercise their democratic right to withhold LCMs, we will live to fight another day.

Chair: Secretary of State, Minister, thank you very much. Thank you both for your generosity of time and for the full and frank answers you have given us. We hope that we will see you again in front of us not in the distant future but within perhaps a few weeks or a couple of months. That would be great.

Simon Hart: Thank you.

Chair: Thanks to my colleagues on the Committee for making this such a useful session.