



DEBATE PACK

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Alternatives to a no-deal outcome in negotiations with the EU

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The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

1. Background

What would 'no deal' mean?

The UK can leave the EU with or without a withdrawal agreement, but the Government has said it wants a smooth and orderly Brexit. Leaving the EU without an agreement would not be smooth or orderly.

If for whatever reason there is no withdrawal agreement by 29 March 2019, and no unanimous agreement to extend the two-year period, the EU Treaties will automatically cease to apply to the UK.

'No deal' would result in UK-EU trade being subject to general WTO rules, meaning increased barriers to trade in goods, with no preferential tariff agreement and possibly preventing some trade in services.

There would be no transitional period and possibly no other agreements with the EU on matters such as data sharing, aviation or customs co-operation. It would also mean significant uncertainty about all the other issues in the negotiations, such as citizens' rights.

Leaving with no withdrawal agreement would not necessarily prevent the two sides from reaching future bilateral agreements on any or all of these matters. But on Brexit day the UK and the EU would not have concluded such agreements.

Both sides have said they want to avoid this, but it is still a possibility.

Alternatives to no deal

The Institute for Government has published a [graphic](#) showing various possible scenarios for the UK's future relations with the EU, including two no deal scenarios: "bad-tempered no deal" and "amicable no deal". It also lists "delayed deal" and "deal".

"Bad-tempered no deal" would mean the UK leaving the EU, probably on bad terms with the other Member States, with no withdrawal agreement and no framework for a free trade agreement (FTA) or any other agreements. One possibility would be to seek more time to negotiate Brexit – unlikely to be granted by the EU27 if good will has been lost - while other options are various forms of a 'softer' Brexit. The Times commented on 10 November that somewhere between 'no deal' and the comprehensive free trade agreement with the EU that the Government would like "is an agreed no deal – where both sides recognise they are not going to secure a full agreement but there is enough goodwill left to lock in those things they have already reached agreement on as part of a minimal deal".

Possible ways of dealing with ‘no deal’ in March 2019 are summarised below.

Keep negotiating under Article 50 TEU

If the negotiating parties fail to agree or are likely to fail to agree an acceptable withdrawal agreement, or if the European Parliament or the UK Parliament vote against the draft withdrawal agreement, the UK Government could ask the other 27 EU Member States to extend the negotiating period and continue negotiating in the hope of reaching agreement. This would require the unanimous agreement of the EU27.

The UK Government has already ruled this out, opting instead for a roughly two-year implementation (transition) period in which the UK would not be a Member State but would continue to apply the EU acquis and would transition out of the EU by the end of 2020.

Revoke the withdrawal notification and maintain the status quo

Some have suggested the UK could revoke Article 50 TEU and stay in the EU on current terms of membership. There is a debate as to whether Article 50 can be revoked, and if so, how (i.e. unilaterally by the UK Government, or only with the agreement of the EU27). The Government could seek an answer to the question of the revocability of Article 50 from the Court of Justice of the EU. But revoking the Article 50 notification of withdrawal would contradict the June 2016 referendum result and the Government’s insistence that “Brexit means Brexit”.

The Government has ruled out both revoking Article 50 and a second referendum on the outcome of the negotiations.

‘Softer’ Brexits

Staying in the Single Market and Customs Union

The Government intends that the UK should leave both the Single Market and the Customs Union, but seek a customs agreement or arrangement, and a “deep and special” trading relationship with the EU that gives access to the Single Market. Some on the remain side have called for the UK to stay in both. But for the EU, the Single Market is indivisible and the UK cannot ‘cherry pick’ aspects of EU membership which it likes.

Membership of and access to the Single Market are explained on pp7-8 of Library Briefing Paper 7694, [Brexit: trade aspects](#), 9 October 2017. There is also a discussion of this issue in a [blog](#) by the Trade Policy Observatory at Sussex University.

Comprehensive free trade agreement

The Government would like a “comprehensive” partnership with the EU, which would include trading on favourable terms, UK participation in several European agencies (especially in science and research), UK control over EU immigration and the ability to strike new trade deals elsewhere. Security cooperation would continue as at present.

The free trade agreement option such as that agreed in the EU-Canada Comprehensive Economic and Trade Agreement, falls between the two extremes of WTO and EEA membership. But while the European Commission has [described](#) CETA as “the most ambitious trade agreement that the EU has ever concluded”, the UK Government has said CETA is not enough; it would like a “CETA plus plus plus”.

Agreed no deal

If no deal is reached by 29 March 2019 and there is little prospect of the “comprehensive, bold and ambitious” new relationship the Government wants to have agreed at least in framework, both sides would seek to make the best of the lack agreement and try to salvage, from the areas they did reach agreement on, something that would prevent the most damaging aspects (for both the UK and the EU) of the UK crashing out of the EU. This might involve, for example, many elements of citizens’ rights being implemented and compromise solutions in aviation, customs and possibly WTO terms in trade.

Norway model (EEA)

The Norwegian model is closest to EU membership. Norway is a member of the European Free Trade Association (EFTA) and is in the European Economic Area (EEA). This is covered in section 3.4 of Briefing Paper 7694.

The aim of the EEA is to extend the EU Single Market to the three participating EFTA States, Iceland, Liechtenstein and Norway. The [EEA Council](#) takes political decisions leading to the amendment of the EEA Agreement, including the possible enlargement of the EEA. Decisions by the EEA Council are taken by consensus between the EU on the one hand and the three EEA EFTA States on the other (see [EFTA FAQs](#)). But there is limited scope for EEA-EU states to influence EU decision-making.

Under Article 126 of the EEA Agreement, it is impossible to be a party to the EEA Agreement without being a member of either the EU or EFTA. So the UK would probably have to seek membership of EFTA first.

EFTA

If the UK were to seek to re-join EFTA, it would become part of the free trade area between the four EFTA states - Norway, Switzerland, Liechtenstein and Iceland - which covers trade in most goods and services, and eliminates tariff barriers. EFTA is economically motivated. It does not issue legislation or establish a customs union, and decisions are made by unanimity.

The UK would be able to sign up to the free trade agreements EFTA states have with third countries (27 free trade agreements covering 38 countries), but participation in these agreements would probably not be automatic.

Professor Carl Baudenbacher, President of the EFTA Court since 2003, outlined issues for the UK in [written evidence](#) to the Exiting the EU Committee on 30 January. Section 4 of Library Briefing Paper 7214

[Brexit: some legal and constitutional issues and alternatives to EU membership](#), 28 July 2016, looked at alternatives to EU membership, including EFTA. EFTA was also discussed in the [International Trade Committee's report on UK trade options after 2019](#) (see page 53).

2. Press Articles

The following is a selection of press and media articles relevant to this debate.

Please note: the Library is not responsible for either the views or accuracy of external content.

[**Brexit: Norway or No Way; Options for the UK are Limited**](#)

Global Trade
Peter Buxbaum
24 January 2018

[**MPs reject petition call to quit EU now**](#)

BBC News
23 January 2018

[**CBI chief calls for urgent 'jobs first' Brexit transition deal**](#)

Guardian
Phillip Inman
22 January 2018

[**Three traps for the UK on the road to Brexit**](#)

Financial Times
George Bridges
20 January

[**No deal is a disaster. The government must tell us the truth about Brexit**](#)

Guardian
Sadiq Khan
11 January 2018

[**Officials told to be ready for 'no deal' in Brexit negotiations**](#)

The Times
Sam Coates
2 January 2018

[**Barnier's sliding scale: EU told Brexit red lines leave UK with stark choice of Canada-style agreement – or no deal**](#)

Daily Telegraph
James Crisp
19 December 2017

'Sensible deal or no deal!' Former Brexit minister issues stark warning to European Union

Daily Express
Aurora Bosotti
5 December 2017

Options for deal or no deal

Institute for Government
27 October 2017

There are alternatives: late Brexit or no Brexit

Financial Times
Philip Stephens
26 October 2017

How about a 'No Deal Plus' Brexit?

Institute of Economic Affairs
Julian Jessop
25 October 2017

There is simply no such thing as a "no deal" Brexit

Prospect
Rafael Behr
19 October 2017

Brexit: What would 'no deal' look like?

BBC News-
Chris Morris
14 October 2017

UK must have credible 'no deal' Brexit plan – ex-Bank of England chief

Guardian
Jamie Grierson
5 August 2017

The six flavours of Brexit

The Economist
22 July 2017

Hard or soft Brexit? The six scenarios for Britain

Financial Times
Chris Giles and Alex Barker
23 June 2017

3. PQs

[Brexit](#)

08 Feb 2018 | HL5160

Asked by: Lord Taylor of Warwick

To ask Her Majesty's Government what assessment they have made of the impact on the economy of businesses implementing contingency plans for a hard Brexit due to lack of clarity over Brexit and the transition period.

Answering member: Lord Callanan | Department: Department for Exiting the European Union

The Government is undertaking a wide range of analysis to support our EU exit negotiations and preparations, looking across the UK economy and drawing on input from numerous stakeholders. We recognise the need for businesses to prepare contingency plans, and we continue to engage with companies to provide clarity wherever we can and to understand the challenges they may face.

[Topical Questions](#)

01 Feb 2018 | 635 c972

Asked by: Vicky Foxcroft

The independent "Preparing for Brexit" report commissioned by the Mayor of London found that a hard Brexit will lead to the loss of 56,500 more jobs in London alone than if the UK remains in the single market and customs union. Does the Minister agree that that is clear evidence that a hard Brexit will be catastrophic for jobs?

Answered by: David Davis | Department: Exiting the European Union

No, I do not. As I explained earlier, one of the great difficulties with such forecasts is that they have proved to be entirely wrong at every turn so far, and that is not just the view of a politician. The smartest and most innovative economist in the country is probably the deputy Governor of the Bank of England, Andrew Haldane, who referred to the forecasts as having faced a "Michael Fish" moment—in other words, they must find out why they did not work. A forecast is not evidence to be relied upon. It may be an opinion, but it is not evidence.

[Topical Questions](#)

01 Feb 2018 | 635 c971

Asked by: Lilian Greenwood

The UK's civil aerospace companies are leading the world in the development of future technologies, but everyone from the chief executive of Airbus to the Unite reps at Rolls-Royce says that a hard Brexit threatens that success. Why is the continued membership of the

customs union and the single market not on the table to protect the UK's engineering manufacturing sector?

Answered by: Mr Baker | Department: Exiting the European Union

As a chartered aerospace engineer, this subject is close to my heart. Aviation is crucial to the UK's economy, and we are committed to getting the best deal possible for the UK. We are focused on securing the right arrangements for the future, so that our aviation and aerospace industries can continue to thrive, that passengers can have opportunity and choice, and that businesses can be profitable. We will seek the right customs arrangements between the UK and the EU to ensure that trade is free and frictionless and that businesses can succeed.

Coastal Communities

22 Jan 2018 | 635 c12

Asked by: Alison Thewliss

Coastal communities face economic and social deprivation, and the Cardiff declaration highlights the fact that a hard Brexit will exacerbate that. Will the Minister meet representatives of the CPMR, and does he agree with them that if this Government do the unthinkable and walk away from a deal, Scotland, Wales and Northern Ireland should still be able to access EU funding programmes?

Answered by: Jake Berry | Department: Ministry of Housing, Communities and Local Government

Of course I will be happy to discuss having a meeting with the people to whom the hon. Lady refers. However, I gently point out that this Government—the UK Government—have already invested £174 million in our coastal communities and are getting behind those communities. What have the Scottish Government done? I think nothing.

Treasury: Brexit

21 Dec 2017 | 119228

Asked by: Hilary Benn

To ask Mr Chancellor of the Exchequer, whether his Department (a) has drafted or (b) is drafting a market access commission on the implications of the withdrawal of the UK from the EU.

Answering member: Stephen Barclay | Department: HM Treasury

As the Chancellor made clear in front of the Treasury Select Committee on Wednesday 6 December, the department has undertaken a variety of analysis and continues to do.

The Treasury has modelled and analysed the impact of a wide range of potential alternative structures between the EU and the UK. This analysis is ongoing and continues to inform our negotiation position with the EU.

[Leaving the EU: Border Discussions](#)

20 Dec 2017 | 633 c1048

Asked by: Tony Lloyd

I am grateful both to the Secretary of State and to the Minister for making it very clear that there will be no hard borders within the island of Ireland and no hard borders between Northern Ireland and the United Kingdom. Will she make it very clear that a hard Brexit for the United Kingdom would be incompatible with the statement that she has just made? It is important that we have that clarity.

Answered by: Chloe Smith | Department: Northern Ireland

The Prime Minister has given that clarity. She was at this very Dispatch Box only earlier this week saying that we need not speak in terms of hard or soft Brexit. What we are out to do is to get the best possible deal for all parts of the United Kingdom.

[Treasury: Brexit](#)

12 Dec 2017 | 118169

Asked by: Stephen Timms

To ask Mr Chancellor of the Exchequer, what quantitative assessments his department has made of the effect of the UK leaving the EU on the sectors for which his Department is responsible.

Answering member: Stephen Barclay | Department: HM Treasury

As the Chancellor made clear in front of the Treasury Select Committee on Wednesday 6 December, the department has undertaken a variety of analysis and continues to do. The Treasury has modelled and analysed the impact of a wide range of potential alternative structures between the EU and the UK. This analysis is ongoing and continues to inform our negotiation position with the EU.

[Airports](#)

30 Nov 2017 | 115028

Asked by: Seema Malhotra

To ask the Secretary of State for Transport, what assessment he has made of the potential effect on the 10 largest airports in the UK by passenger volume of there being no deal between the UK and the EU.

Answering member: John Hayes | Department: Department for Transport

The Government is considering carefully all the potential implications arising from the UK's exit from the EU, and plans to negotiate the best possible relationship between the UK and EU in the field of aviation. This includes the implications for airports and passengers.

We will continue to work closely with the international aviation community to ensure that this global industry continues to be a major success story for the UK economy.

We do not want or expect a no deal outcome, but we have a duty to plan for the alternative. Both the EU and the UK have a common interest in getting the best outcome.

[Brexit](#)

21 Nov 2017 | 112478

Asked by: Jo Platt

To ask the Secretary of State for Exiting the European Union, pursuant to the Answer of 9 November 2017 to Question 110920, what the reasons are for the Government's publication of its economic assessment of a no deal scenario potentially undermining the UK's negotiating position.

Answering member: Robin Walker | Department: Department for Exiting the European Union

As the Government has already made clear, we are undertaking a comprehensive programme of analytical work that will contribute to our exit negotiations, help to define our future partnership with the EU, and inform our understanding of how EU exit will affect the UK's domestic policies and frameworks.

We have been clear that we recognise that Parliament has rights relating to the publication of documents. However, ministers also face conflicting responsibilities - such as a clear obligation not to disclose information when doing so would not be in the public interest. Anything that evaluates the impact of no deal or anything that evaluates the impact of alternative negotiation outcomes/options is negotiation sensitive and therefore will not be published.

[Employment: Wales](#)

20 Nov 2017 | 113334

Asked by: Jo Stevens

To ask the Secretary of State for Wales, how many jobs he estimates could be (a) lost and (b) gained in Wales in the event of there being no deal at the end of UK negotiations to exit the EU.

Answering member: Alun Cairns | Department: Wales Office

The Department for Exiting the European Union, working with officials across Government, including the Office of the Secretary of State for Wales, is undertaking a wide range of analysis covering the entirety of the UK economy, including Wales, to support the negotiations.

It is not standard practice to provide an ongoing commentary on internal analytical work that is being carried out within government. We have also been very clear that we must not publish material that could undermine the UK position in the negotiations.

We want our future relationship with the EU to be a deep and special partnership, taking in both economic and security cooperation. We are

confident that a future partnership between the UK and EU is in the interests of both sides, so we approach these negotiations anticipating success. We do not want or expect a no deal outcome. However, we have a duty to plan for an alternative to the unlikely scenario in which no mutually satisfactory agreement can be reached.

Department for International Trade: Brexit

13 Nov 2017 | 111214

Asked by: Jacob Rees-Mogg

To ask the Secretary of State for International Trade, what assessment he has made of the effectiveness of his Department's preparations for the UK leaving the EU with (a) an agreement on future partnership and (b) no agreement with the EU; and if he will make a statement.

Answering member: Greg Hands | Department: Department for International Trade

Following the referendum in June 2016, the Department for International Trade (DIT) continues to make rigorous preparations for a range of possible outcomes from the UK's negotiations with the EU. This is the job of a responsible government.

This preparation includes consideration of possible alternatives to a negotiated agreement, to ensure continued prosperity for business, workers and consumers across the UK.

European Union

06 Nov 2017 | 785 c1568

Asked by: Lord Wigley

My Lords, will the Minister confirm that, if it appears over the coming months that the Government will fail to get anything but the hardest of hard Brexits, and if in the meantime these ideas about the future of Europe develop, the Government still have the option to withdraw their Article 50 application?

Answered by: Lord Callanan

My Lords, we had a referendum: both Houses of Parliament voted for the triggering of Article 50. We are leaving the European Union in March 2019.

Aviation

03 Nov 2017 | 110151

Asked by: Tom Brake

To ask the Secretary of State for Transport, what assessment his Department has made of the effect of no deal with the EU on the aviation sector when the UK leaves the EU; what plans he has to support the aviation sector in the event of no deal with the EU; and

what discussions he has had with representatives from the aviation sector about the effect on the aviation sector of no deal with the EU.

Answering member: John Hayes | Department: Department for Transport

The Government is considering carefully all the potential implications arising from the UK's exit from the EU. Securing liberal market access to EU markets is a high priority for the Department for Transport.

The importance of air services to the UK economy is recognised across Government and we work closely with the aviation sector to ensure its ongoing success. This includes through securing a good deal with the EU.

These discussions, as a matter of common sense, also include consideration of possible alternatives to a negotiated agreement, to ensure that no matter the outcome flights will continue.

Brexit

19 Sep 2017 | HL1586

Asked by: Lord Stoddart of Swindon

To ask Her Majesty's Government what plans they have made for the UK to leave the EU in March 2019 in the event that the European Council or the European Parliament does not ratify any agreement reached between the UK and the European Commission concerning the UK's departure from the EU.

**Answering member: Baroness Anelay of St Johns
| Department: Department for Exiting the European Union**

A future partnership between the UK and EU is in the interests of both sides, and we have entered into the negotiations anticipating success. However, since the result of the referendum, we have taken the responsible approach to work at pace to build a detailed understanding of how withdrawing from the EU will affect policies and services for a range of outcomes, including the unlikely scenario in which no mutually satisfactory agreement can be reached.

Given the long lead-in times to implement some of our contingency measures, we need to begin now for them to remain viable. But implementing the first stages of contingency plans now should not be interpreted as an expectation that talks with the EU will not be successful, and we are clear that securing a good deal for both sides is by far and away the highest probability, but we have a duty to plan for the alternative. These are the actions of a responsible government determined to ensure a smooth exit under any eventuality.

Brexit: Impact on Young People

11 Sep 2017 | 783 c2257

Asked by: Lord Cormack

My Lords, notwithstanding what the noble Lord, Lord Howarth, has just said, does my noble friend agree that it would be extremely sad, to put it mildly, if young people from all the countries of Europe found it more difficult to travel and work around the continent than those who came over in the Middle Ages to help build Lincoln and the other great cathedrals? If that stage were reached, we would have not a hard Brexit or a soft Brexit but a barren Brexit. That would be the worst of all.

Answered by: Baroness Anelay of St Johns

My Lords, I taught history several lifetimes ago, and I know that we were not always the most welcoming of countries. I hope we have learned that it is better to welcome than to prevent people coming from countries for the wrong reasons. Clearly, it is important to have a legal basis to control immigration, but it is important to recognise that we have a way of welcoming people that enriches our society. Certainly, as we have announced already, for those who wish to take up Erasmus, applications will continue as normal in 2017-18, and:

“The Government will underwrite the payment of such awards, even when specific projects continue beyond the UK’s departure from the EU.”

That shows a welcoming spirit.

Brexit

17 Jul 2017 | HL421

Asked by: Lord Blencathra

Her Majesty’s Government whether civil servants in the Department of Health are permitted to use the term “hard Brexit” in official briefing papers.

Answering member: Lord O’Shaughnessy

| Department: Department of Health

The Government is committed to seizing the opportunities arising from exiting the European Union, and to ensuring that we exit smoothly on the best possible terms. The terms ‘hard’ and ‘soft’ are commonly used outside the Civil Service and within discussions around EU exit.

The role of the Civil Service is to provide impartial advice and to deliver Government policy, and is focused on delivering this Government’s commitment to leave the EU and get the very best deal for the United Kingdom.

[Brexit: EU Institution Relocations](#)

06 Jul 2017 | 783 c974

Asked by: Lord Grocott

My Lords, it would assist all sides of the House if the Minister provided a glossary of terms relating to Brexit. My noble friend referred to hard Brexit, the Liberal Democrats referred to brutal Brexit—I am sorry, extreme Brexit—and we have heard of the hardest of hard Brexits, most extreme Brexit and soft Brexit. I would really like to know what they all are, and could the Minister explain to the House the difference between soft Brexit and remaining in the European Union?

Answered by: Baroness Anelay of St Johns

My Lords, as ever, the noble Lord, Lord Grocott, provides us with a sensible approach to this. Remember, he was a really great Chief Whip. I may no longer be a government Chief Whip, but you recognise a good one when you see one. The serious issue is that I call on those who use these terms to define them. I talk about a successful Brexit, and that is the one we are negotiating.

[Engagements](#)

25 Jan 2017 | 620 c295

Asked by: Pat McFadden

In her speech last week, the Prime Minister said that Parliament would get a vote on the final deal between the UK and the European Union. Will she set out for the House what would happen if Parliament said no to the terms of that deal? In those circumstances, would she negotiate an alternative deal, or would her no deal option mean our falling back on World Trade Organisation rules, which would mean 10% tariffs on cars, 20% tariffs on food and drink, and a host of other barriers to trade, investment and prosperity in the UK?

Answered by: The Prime Minister | Department: Prime Minister

As I also said in my speech last week, I expect that we will be able to negotiate a good trade deal with the European Union, because it will be in our interests and the interests of the European Union to do so. There will be a vote on the deal for this Parliament. If this Parliament is not willing to accept a deal that has been decided on and agreed by the United Kingdom Government with the European Union, then, as I have said, we will have to fall back on other arrangements.

[Brexit](#)

25 Jan 2017 | 60982

Asked by: Catherine West

To ask the Secretary of State for Exiting the European Union, what his policy is on seeking an alternative deal with the EU in the event that Parliament rejects the deal brokered by the Government.

Answering member: Robin Walker | Department: Department for Exiting the European Union

We have been clear that we are not going to speculate around hypotheticals. The Prime Minister has set out what the basis is for a good deal, and we expect to be able to achieve that. The most important thing is that the Government is determined to respect the result of the referendum.

As the Prime Minister has said, the Government will put the final deal that is agreed between the UK and the EU to a vote in both Houses of Parliament, before it comes into force, as both the Exiting the European Union Committee and the Opposition have requested.

[UK Trade with EU](#)

11 Jan 2017 | HL4372

Asked by: Lord Pearson of Rannoch

To ask Her Majesty's Government what assessment they have made of what tariffs would be paid by EU exporters on their trade with the UK, and what tariffs would be paid by UK exporters on their trade with the EU single market, if World Trade Organisation tariffs start to apply to UK trade with the EU single market.

Answering member: Lord Bridges of Headley

| Department: Department for Exiting the European Union

If the UK were to leave the EU without alternative trading arrangements in place, WTO rules would require that trade between the UK and the EU would be subject to Most-Favoured Nation (MFN) treatment for goods and services.

[Brexit](#)

03 Nov 2016 | 776 c761

Asked by: Lord Soley

Perhaps this morning's developments indicate how fast moving and difficult it is to predict the direction that these negotiations and discussions will take. I am increasingly concerned about this talk of hard and soft Brexit when crucially, regardless of what happens with the court decision at the end of the day, what matters is that Parliament is involved in trying to work out a good arrangement—good for the United Kingdom and good for the European Union. Many of those members will continue to move towards ever-closer union. We must be sensitive to that, and I hope that the Minister will confirm that.

Answered by: Lord Bridges of Headley

My Lords, absolutely, and I thank the noble Lord for giving me the opportunity to say this. As my ministerial colleagues have said, while we are leaving the EU, we are certainly not going to turn our backs on Europe. I share the noble Lord's concern about the use of language. The Prime Minister has made it very clear that we are not adopting an off-the-shelf approach; we are looking for a bespoke approach. We want a

relationship that will reflect mature, co-operative arrangements in the future, with close friends and allies with whom we have been partners for a number of years and with whom we continue to face common challenges. Once we have left the EU, those common challenges will remain, and it will be utterly in our national interest to look to see how we can continue to co-operate with our European partners once we have left.

4. Other Parliamentary material

4.1 Debates

[Brexit: Deal or No Deal \(European Union Committee Report\)](#)

16 Jan 2018 | House of Lords | 788 cc570-634

Lords motion to take note of the seventh report of the European Union Committee on Brexit: deal or no deal (HL 46). Agreed to on question.

[Brexit Deal: Referendum](#)

11 Dec 2017 | House of Commons | 633 cc1-50WH

Motion that this House has considered e-petitions 200004, 187570, 193282 and 200311 relating to a referendum on the deal for the UK's exit from the European Union. Agreed to on question. Sitting adjourned without Question put.

[EU: Transition Deal](#)

19 Oct 2017 | House of Lords | 785 cc698-711

Lords question for short debate on what assessment they have made of the impact on the economy of failure to agree a transition deal with the European Union.

4.2 Statements

[Procedures for the Approval and Implementation of EU Exit Agreements](#)

13 Dec 2017 | HCWS342

David Davis (Secretary of State for Exiting the European Union):

The UK will exit the EU on 29 March 2019. We are currently negotiating the terms of our withdrawal (and hope shortly to move on to the terms of our future relationship). This note sets out the role of Parliament in approving the resulting agreements and how they will be brought into force.

Background

There will be at least two agreements.

A Withdrawal Agreement will be negotiated under Article 50 of the Treaty on European Union (TEU) whilst the UK is a member of the EU. It will set out the terms of the UK's withdrawal from the EU (including an agreement on citizens' rights, Northern Ireland and any financial

settlement), as well as the details of any implementation period agreed between both sides.

Article 50(2) of the TEU sets out that the Withdrawal Agreement should take account of the terms for the departing Member State's future relationship with the EU. At the same time as we negotiate the Withdrawal Agreement, we will therefore also negotiate the terms for our future relationship.

However as the Prime Minister made clear in her Florence speech, the European Union considers that it is not "legally able to conclude an agreement with the UK as an external partner while it is itself still part of the European Union". This is because the EU treaties require that the agreement governing our future relationship can only be legally concluded once the UK is a third country (i.e. once it has left the EU). So the Withdrawal Agreement will be followed shortly after we have left by one or more agreements covering different aspects of the future relationship.

How will the Withdrawal Agreement be approved and brought into force?

The Withdrawal Agreement will need to be signed by both parties and concluded by the EU and ratified by the UK before it can enter into force. The UK approval and EU approval processes can operate in parallel.

The EU's Chief Negotiator, Michel Barnier, has said that he wants to have finalised the Withdrawal Agreement by October 2018. In Europe, the agreement will then require the consent of the European Parliament and final sign off by the Council acting by a qualified majority. It will not require separate approval or ratification by the individual Member States.

In the UK, the Government has committed to hold a vote on the final deal in Parliament as soon as possible after the negotiations have concluded. This vote will take the form of a resolution in both Houses of Parliament and will cover both the Withdrawal Agreement and the terms for our future relationship. The Government will not implement any parts of the Withdrawal Agreement - for example by using Clause 9 of the European Union (Withdrawal) bill - until after this vote has taken place.

In addition to this vote, the Constitutional Reform and Governance Act 2010 (CRAG) normally requires the Government to place a copy of any treaty subject to ratification before both Houses of Parliament for a period of at least 21 sitting days, after which the treaty may be ratified unless there is a resolution against this. If the House of Commons resolves against ratification the Government can lay a statement explaining why it considers the treaty should still be ratified and there is then a further 21 sitting days during which the House of Commons may decide whether to resolve again against ratification. The Government is only able to ratify the agreement if the House of Commons does not resolve against the agreement.

If Parliament supports the resolution to proceed with the Withdrawal Agreement and the terms for our future relationship, the Government will bring forward a Withdrawal Agreement & Implementation Bill to give the Withdrawal Agreement domestic legal effect. The Bill will implement the terms of the Withdrawal Agreement in UK law as well as providing a further opportunity for parliamentary scrutiny. This legislation will be introduced before the UK exits the EU and the substantive provisions will only take effect from the moment of exit. Similarly, we expect any steps taken through secondary legislation to implement any part of the Withdrawal Agreement will only be operational from the moment of exit, though preparatory provisions may be necessary in certain cases.

How will the agreement governing the UK's future relationship with the EU be approved and brought into force?

As described above, the agreement governing our future relationship with the EU can only be legally concluded once the UK has left the EU. This may take the form of a single agreement or a number of agreements covering different aspects of the relationship.

Whatever their final form, agreements on the future relationship are likely to require the consent of the European Parliament and conclusion by the Council. If both the EU and Member States are exercising their competences in an agreement, Member States will also need to ratify it.

In the UK, the Government will introduce further legislation where it is needed to implement the terms of the future relationship into UK law, providing yet another opportunity for proper parliamentary scrutiny.

The CRAG process is also likely to apply to agreements on our future relationship, depending on the final form they take.

EU Exit - Sectoral Analysis

7 Nov 2017 | HCWS231

David Davis (Secretary of State for Exiting the European Union):

Following the Opposition Day debate motion on 1 November, the Government is making arrangements to respond to the motion which called on the Government to provide the Committee on Exiting the European Union with "impact assessments arising from" the sectoral analysis it has conducted with regards to the list of 58 sectors referred to in the answer of 26 June 2017 to Question 239.

As the Government has already made clear, it is not the case that 58 sectoral impact assessments exist. During the Opposition Day debate the Parliamentary Under Secretary of State told the House "there has been some misunderstanding about what this sectoral analysis actually is. It is not a series of 58 impact assessments." I made the same point during my appearance before the House of Lords EU Committee on 31 October and to the House at DEXEU oral questions on 2 November.

The sectoral analysis is a wide mix of qualitative and quantitative

analysis, contained in a range of documents developed at different times since the referendum. It examines the nature of activity in the sectors, how trade is conducted with the EU currently in these sectors and, in many cases, considers the alternatives following the UK's exit from the EU as well as considering existing precedents. The analysis ranges from the very high level overarching analysis to sometimes much more granular level analysis of certain product lines in specific sectors. The analysis in this area is constantly evolving and being updated based on our regular discussions with industry and our negotiations with the EU. It is not, nor has it ever been, a series of discrete impact assessments examining the quantitative impact of Brexit on these sectors.

Given the above, it will take the department, working with other departments, time to collate and bring together this information in a way that is accessible and informative for the Committee. The Government is committed to providing the information to the Committee as soon as is possible. I have made plain to the House authorities that we currently expect this to be no more than three weeks.

As ministers made clear during the Opposition Day debate on this motion, there are a number of reasons why the Government believes that it would not be in the public interest for elements of the analysis, at least, to be released into the public domain.

The House of Commons has itself recognised that while ministers should be as open as possible with Parliament, the Government also has an obligation to consider where it would not be in the public interest for material to be published.

Furthermore, it is important to recognise in some cases there may be confidential or commercially sensitive information in this analysis, and that in many cases this analysis has been developed to underpin advice to ministers of the negotiation options in various scenarios. It is well understood (as was the case under successive administrations) that such advice to ministers must remain private.

I have written to the Chair of the Committee on Exiting the European Union to set out the Government's position as outlined above. I will also be meeting the Chair to discuss these issues further on 13 November.

4.3 Early Day Motions

[OECD CALL FOR A SECOND REFERENDUM ON EU MEMBERSHIP](#)

EDM 445 (session 2017-19)

24 October 2017

Tom Brake

That this House notes that the Organisation for Economic Co-operation and Development (OECD) has stated that a second referendum on the UK's membership of the EU would have a significant positive impact on UK economic growth; expresses concern that the OECD made an assessment that a No Deal Brexit would cause the pound to hit

unprecedented lows and cause the UK's credit rating to be cut; is concerned that the UK's productivity growth is significantly behind that of other states in the EU; is alarmed that the Government has left open the option of the UK leaving the EU without a deal; calls on the Government to protect the UK economy by ensuring that the UK stays in the single market and as a member of the customs union; and, in light of the negative economic forecast for the UK if it leaves the EU, calls on the Government to offer the people a vote on whether the UK should accept the terms for the UK exiting the EU or stay in the EU.

A PEOPLE'S BREXIT

EDM 13 (session 2017-19)

21 June 2017

John Mann

That this House believes that the UK leaving the EU gives the opportunity for a People's Brexit; further believes that the UK should make use of the opportunity to bring health services, railways services and postal services fully under public management and ownership; urges the Government to require procurement contracts let by public authorities to give preference to British businesses, to introduce a fair points-based immigration system, to establish devolved boards to assess local needs and capacity for immigration, to make provision about the priority accorded to British citizens for the allocation of local authority-owned housing, to require local determination of neighbourhood planning other than in relation to certain major infrastructure projects, to save the UK steel industry, to prohibit the use of zero-hour contracts and the exploitation of cheap labour through agencies in order to ensure that the employment policy of using agency labour by Sports Direct in Shirebrook is made unsustainable, to provide the support for British farmers to grow the food needed by the UK and to continue the Erasmus programme; and calls on the Government to prioritise the ability of businesses to trade fairly and competitively across Europe.

4.4 Select Committee publications

Brexit: deal or no deal

House of Lords European Union Committee

7th Report of Session 2017–19

HL Paper 46

7 December 2017

The progress of the UK's negotiations on EU withdrawal

House of Commons Exiting the European Union Committee

Second Report of Session 2017–19

HC 372

28 November 2017

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