



## **Proposal for Joint Committee on the Costs and Implications for the UK of a No-Deal Brexit on 31 October 2019**

### **Debate on 3 July 2019**

This briefing identifies relevant reports and useful documents, including recent parliamentary materials and press articles, which may be of assistance to Members in preparing for the following debate:

Baroness Smith of Basildon to move that, further to the resolutions of this House on 14 and 28 January, and that of the House of Commons on 14 March, it is expedient that a joint committee of Lords and Commons be appointed to consider and report on the costs and implications for the United Kingdom of exiting the European Union without a withdrawal agreement on 31 October 2019, and that the committee should report its findings by 30 September 2019.

Copies of the materials are available for collection from the Library.

#### **Background: Previous Resolutions**

Baroness Smith's motion refers to three earlier resolutions, details of which are given below. Some of these resolutions themselves also refer to other House of Commons resolutions, not specifically mentioned in Baroness Smith's new motion. Where this is the case, details are also provided below.

- **House of Lords, 14 January 2019**

Baroness Smith of Basildon moved that this House, while noting that it is for the House of Commons to determine the matter, considers that a no deal outcome to negotiations under Article 50(2) of the Treaty on European Union must be emphatically rejected, and regrets that withdrawal from the European Union on the terms set out in the withdrawal agreement and political declaration laid before Parliament would damage the future economic prosperity, internal security and global influence of the United Kingdom.

The motion was agreed to by 321 to 152, a majority of 169 ([HL Hansard, 14 January 2019, cols 119–22](#)).

- **House of Lords, 28 January 2019**

Baroness Smith of Basildon moved that this House, noting both its resolution of 14 January and the resolution of the House of Commons of 15 January, calls on Her Majesty's Government to take all appropriate steps to ensure that (1) the United Kingdom does not leave the European Union without an agreement with the European Union, and (2) sufficient time is provided for this House to ensure the timely passage of legislation necessary to implement any deal or proposition that has commanded the support of the majority of the House of Commons.

The motion was agreed to by 283 to 131, a majority of 152 ([HL Hansard, 28 January 2019, cols 984–6](#)).

The motion refers to a Commons resolution of 15 January 2019. This was the date on which the first ‘meaningful vote’ on the withdrawal agreement and political declaration took place in the House of Commons. The Commons voted by a majority of 230 not to approve the deal ([HC Hansard, 15 January 2019, cols 1122–5](#)).

- **House of Commons, 14 March 2019**

The Government moved that this House:

- (1) notes the resolutions of the House of 12 and 13 March, and accordingly agrees that the Government will seek to agree with the European Union an extension of the period specified in article 50(3);
- (2) agrees that, if the House has passed a resolution approving the negotiated withdrawal agreement and the framework for the future relationship for the purposes of section 13(1)(b) of the European Union (Withdrawal) Act 2018 by 20 March 2019, then the Government will seek to agree with the European Union a one-off extension of the period specified in article 50(3) for a period ending on 30 June 2019 for the purpose of passing the necessary EU exit legislation; and
- (3) notes that, if the House has not passed a resolution approving the negotiated withdrawal agreement and the framework for the future relationship for the purposes of section 13(1)(b) of the European Union (Withdrawal) Act 2018 by 20 March 2019, then it is highly likely that the European Council at its meeting the following day would require a clear purpose for any extension, not least to determine its length, and that any extension beyond 30 June 2019 would require the United Kingdom to hold European Parliament elections in May 2019.

The Commons voted by 413 to 202 in favour of this motion, a majority of 211 ([HC Hansard, 14 March 2019, cols 647–51](#)).

This resolution refers to Commons resolutions of 12 and 13 March 2019:

- The second ‘meaningful vote’ took place in the Commons on 12 March 2019. MPs rejected the withdrawal agreement and political declaration by 391 votes to 242, a majority of 149 ([HC Hansard, 12 March 2019, cols 291–5](#)).
- On 13 March 2019, the House of Commons voted by 321 to 278, a majority of 43, in favour of the motion that this House rejects the United Kingdom leaving the European Union without a withdrawal agreement and a framework for the future relationship ([HC Hansard, 13 March 2019, cols 460–3](#)).

## **Background: Establishing a Joint Committee**

Paragraph 11.43 of the [Companion to the Standing Orders and Guide to the Proceedings of the House of Lords](#) explains that the standard procedure for setting up a joint committee proposed by the Lords is as follows. A motion is moved that it is expedient that a joint committee of both Houses be appointed to consider some particular subject. If this is agreed to, it is communicated by message to the Commons, with a request for their concurrence. If the Commons agrees then a message is returned which contains the Commons membership and orders of reference. The House then appoints a select committee, on a

proposal from the Committee of Selection, and agrees the powers, orders of reference and time and place of the first meeting.

## Key Information

- HM Government, [EU Exit: Long-Term Economic Analysis](#), November 2018, Cm 9742, pp 3–10

*Executive summary of government paper published alongside the draft withdrawal agreement in November 2018. The paper analyses the long-term impact of Brexit on the economy in five future trading scenarios, including leaving with no deal.*

- Bank of England, [EU Withdrawal Scenarios and Monetary and Financial Stability](#), November 2018, pp 1–9

*Executive summary of report published by the Bank of England in response to a request from the House of Commons Treasury Committee. The report analyses how Brexit would affect the Bank of England's ability to deliver its objectives for monetary and financial stability in different scenarios, including a no-deal exit.*

- HM Government, [Implications for Business and Trade of a No Deal Exit on 29 March 2019](#), 26 February 2019

*Summarises government activity to prepare for a no-deal Brexit prior to 29 March 2019 and provides an assessment of the implications of a no-deal exit for trade and businesses in light of that contingency planning.*

- House of Commons, [‘Written Statement: EU Exit Preparedness’](#), 26 June 2019, HCWS1661

*Latest update from the Government on preparations to minimise any disruption in the event of a no-deal scenario.*

- House of Commons Exiting the European Union Committee, [Response to the Vote on the Withdrawal Agreement and Political Declaration: Assessing the Options](#), 28 January 2019, HC 1908 of session 2017–19, pp 3–7

*Committee's conclusions on the implications of a no deal Brexit, from a report published in January after the Government lost the first meaningful vote.*

- House of Commons Library, [What If There's No Brexit Deal?](#), 8 February 2019, pp 6–10

*Summary of a briefing covering the impact of no deal in a range of policy areas including: the economy; trade and customs; the Northern Ireland-Ireland border; free movement; food supply; agriculture and fisheries; energy; internal security; family law; transport; and research and higher education.*

## Further Information

- House of Commons Exiting the European Union Committee, '[Committee Hear from Key Sectors of UK Economy on Impact of No Deal Departure](#)', 11 June 2019; '[Impact of No-Deal Departure on UK Pharmaceutical, Chemical, Higher Education and Research Sectors Examined](#)', 13 June 2019; and '[Impact of No-Deal Departure on UK Services Industries Discussed by Committee](#)', 25 June 2019
- House of Commons Library, '[EU Preparations for a No-Deal Brexit](#)', 30 May 2019; '[UK Progress in Rolling Over EU Trade Agreements](#)', 26 April 2019; and '[Brexit: Trade Tariffs If There's No Deal](#)', 13 March 2019

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