Our Ref: CDL/2952

Lord Boswell of Aynho
Chair of the European Union Committee
House of Lords
London
SW1A 0PW

3 May 2019

Dear Lord Boswell,

In line with our commitment to provide you and your committee with regular updates on Ministerial engagement with the devolved administrations, Overseas Territories and Crown Dependencies in relation to EU exit, we are pleased to provide details below on meetings that have taken place since our last update on 17 January.

Review of intergovernmental relations

At the Joint Ministerial Committee (Plenary) on 14 March 2018, Ministers from the UK Government and devolved administrations agreed to review the existing intergovernmental structures. The review of intergovernmental relations is a joint review between all four administrations, with leads from each administration charged with taking forward each of the five thematic workstreams.

On 19 December 2018, the Joint Ministerial Committee (Plenary) reviewed the progress made so far on the review. They remitted work back to officials from the four administrations to make progress against the five workstreams. It was agreed that the governments will continue to work together to:

1. Develop a set of principles to provide the context for future relations, which in turn will continue to shape the work of the review;

2. Ensure that the governance of common frameworks is being developed to ensure they can function effectively. Governance structures are being designed to facilitate agreement and provide clarity on the roles and responsibilities of each party, and to strengthen intergovernmental working on a substantial number of policy areas;

3. Ensure that the existing dispute resolution mechanism in the overarching MoU on Devolution is adapted to manage the range of policy differences that may arise as the UK
leaves the EU, including those involving third parties. The majority of our differences are resolved through dialogue rather than detailed procedures, which we believe is the best way to conduct effective intergovernmental relations. We expect the principle of dispute avoidance to remain central to managing disputes in the future and we are supporting common frameworks teams to bolster their dispute avoidance processes.

4. Maintain and build upon existing machinery, including the Joint Ministerial Committees, reflecting the range of views on the effectiveness of the current arrangements. We are considering the machinery required in relation to:
   a. The coordination of relevant domestic issues, particularly the governance of future common frameworks;
   b. Ongoing EU business and the UK’s future partnership with the EU; and
   c. The UK’s wider international interests.

5. Ensure that there are effective arrangements for engagement on international matters. This work continues to be informed by further thinking on the machinery and principles for effective intergovernmental working.

This is a live body of work that has many interdependencies. In many areas, the four administrations are already taking significant steps to outline new processes for the devolved administrations, such as the enhanced role of the devolved administrations in the next phase of EU negotiations and the work on establishing common frameworks. The revised version of the frameworks analysis published on 4 April 2019 demonstrates the significant progress made jointly by the four administrations on common frameworks. As mentioned above, this joint work includes the arrangements needed to govern common frameworks in the future to facilitate agreement and promote effective intergovernmental working.

Joint Ministerial Committee (EU Negotiations)

The Joint Ministerial Committee (EU Negotiations) (JMC(EN)) has met once since our last correspondence for the sixteenth time, on 7 February 2019. At the meeting, the Secretary of State for Exiting the European Union provided an update on the progress of the EU exit negotiations as well as developments in Parliament. The Committee also discussed domestic issues, including updates on operational readiness, the EU (Withdrawal Agreement) Bill and common frameworks. They also noted the publication of the second EU Withdrawal Act and Common Frameworks report.

The next meeting of JMC(EN) is currently being organised. As well as the formal JMC(EN) meeting, the Chancellor of the Duchy of Lancaster has also kept in close contact with his counterparts in the devolved administrations to keep them updated on the latest EU exit developments.

Joint Ministerial Committee (Europe)

The Joint Ministerial Committee (Europe) (JMC(E)) has continued to meet quarterly, mainly ahead of European Council meetings. The meetings are chaired by the DExEU Minister of State, Lord Callanan, and provide an opportunity for ministers from the devolved administrations to provide
input on UK positions on ongoing EU business. There have been two meetings since our last letter.

A meeting was held on 28 January 2019 where the Chair gave an update on the December European Council, and the Committee was joined by Her Majesty’s Ambassador to Romania for a discussion on priorities for the Romanian Presidency. Ministers also discussed a paper on Blue Growth as well as the role of the forum during the Implementation Period. In line with this and in preparation for the March meeting, the Committee commissioned officials to jointly develop a Common Priorities Framework that could be used to identify shared priority areas with the intention of developing joint campaigns to informally influence the EU once the UK is no longer a Member State.

The most recent meeting of JMC(E) took place on 18 March 2019. As well as the standing agenda item of the UK’s priorities for the European Council, the forum also received an update on the Multiannual Financial Framework from a representative from Her Majesty’s Treasury. The Committee also discussed preparations for the UK being a third country, in addition to the work commissioned at the January JMC(E) on developing a Common Priorities Framework. The next JMC(E) is due to take place in early June and will consider the progress on this work as well as the priorities for the Finnish Presidency.

Ministerial Forum (EU Negotiations)

The Ministerial Forum (EU Negotiations) (MF(EN)), co-chaired by the Parliamentary Under Secretary of State at the Department for Exiting the European Union, Robin Walker MP, and the Minister for the Constitution, Chloe Smith MP, has now met eight times since it was established in May 2018. Since our last correspondence, there have been two further meetings of MF(EN), on 31 January and 25 February 2019.

On 31 January, MF(EN) met in Edinburgh to discuss the UK Government’s proposal for a future security partnership, led by Kwasi Kwarteng MP from the Department for Exiting the European Union; internal security, led by Nick Hurd MP from the Home Office; and civil judicial cooperation, led by Lucy Frazer MP from the Ministry of Justice. This followed Minister Walker’s regular update on negotiations in Brussels. In addition to the regular ministerial attendees from the devolved administrations, Graeme Dey MSP, Minister for Parliamentary Business and Veterans for the Scottish Government and Jeremy Miles AM, Counsel General and Brexit Minister for the Welsh Government, Ash Denham MSP, Minister for Community Safety for the Scottish Government, was also in attendance. Senior officials from the Northern Ireland Civil Service attended in the continued absence of a Northern Ireland Executive.

MF(EN) also met on 25 February in Cardiff to discuss data protection in the context of our future relationship with the EU, led by Margot James MP from the Department for Digital, Culture, Media and Sport. Ministers also discussed a review of the work of the Forum to date and the role of the devolved administrations in the next phase of negotiations, following the commitment the Prime Minister made in the House of Commons on 21 January 2019 to an enhanced role for the devolved administrations in the next phase.
Underpinning this ministerial engagement, there is ongoing official-level engagement to discuss the policy detail behind topics relating to the future relationship with the EU; there have been over 30 such meetings to date. These discussions continue to highlight policy areas and issues for discussion at future meetings of MF(EN).

British-Irish Council

Preparations continue for the 32nd Summit of the British-Irish Council, which is due to be hosted by the UK Government later this summer.

Chief Ministers’ Quarterly (CMQ)

The Crown Dependencies’ (CDs) Chief Ministers’ Quarterly (CMQ) has met once since our last correspondence. The eighth CMQ took place on 28 January 2019, chaired by Minister Walker. The CMQ discussed progress on the fiscal elements of UK-CDs customs arrangements, which have since been completed. Representatives from Her Majesty’s Treasury, the Department for Business, Energy and Industrial Strategy, Her Majesty’s Revenue and Customs, the Department of Environment, Food and Rural Affairs, the Department for International Trade, and the Department for Culture, Media and Sport with responsibility for goods and services trade gave updates on their policy areas in relation to the Future Economic Partnership and Chief Ministers were given the opportunity to respond. Finally, Ministry of Justice colleagues gave an update on their work to coordinate cross-Whitehall readiness planning on behalf of the CDs in a no deal scenario.

Engagement with the Overseas Territories (OTs)

Officials from the Department for Exiting the EU and the Foreign and Commonwealth Office regularly engage with officials from the OTs. Official-level meetings with OT representatives and leaders took place on 13 February and 4 April 2019.

Joint Ministerial Council on Gibraltar and EU Negotiations

Since our last correspondence the Joint Ministerial Council on Gibraltar and EU Negotiations (JMC (GEN)) has met twice, on 24 January and on 9 April 2019. As usual, the JMC was chaired by Minister Walker. On 24 January, he was joined by: the Minister of State for Europe and the Americas, Sir Alan Duncan MP; the Economic Secretary to the Treasury, John Glen MP; the Minister for the Armed Forces, Mark Lancaster MP, and the Minister for Sport and Civil Society, Mims Davies MP. These Minister were joined by officials from across government for a wide-ranging discussion on the thematic issues relating to Gibraltar in EU exit and beyond. Ministers and officials discussed contingency planning with the Chief Minister of Gibraltar, assessing the progress of the Government of Gibraltar’s contingency planning and updating the Chief Minister on cross-Whitehall readiness in preparing to support Gibraltar in the event of a no deal Exit. Minister Walker led a discussion with the Chief Minister on the future relationship, exploring the priorities of both the UK and Gibraltar. Finally, the UK Government addressed a range of bilateral UK-Gibraltar issues, most notably the conclusion of an MoU on gambling between the competent authorities in the UK and Gibraltar.
At the JMC (GEN) meeting on 9 April, Minister Walker was joined by the Exchequer Secretary to the Treasury, Robert Jenrick MP and the Minister for the Armed Forces, Mark Lancaster MP, as well as officials from across government. The JMC largely focussed on contingency planning, continuing the discussion from the last JMC and considering how both HMG and Gibraltar’s planning had developed. The JMC discussed Gibraltar’s ambitions for a future relationship with the EU, and the possible challenges ahead in the next stage of negotiations. Minister Walker restated the UK’s staunch position on sovereignty. Ministers and officials also discussed a range of UK/Gibraltar bilateral issues. In particular, they agreed that the JMC would continue to be the primary Ministerial forum for discussing EU exit in any scenario, and considered Gibraltar’s role in appointments to the IMA provided for in the Withdrawal Agreement.

We hope that this provides a useful summary of recent engagement with the devolved administrations, Crown Dependencies and Overseas Territories on EU Exit and look forward to continuing these regular updates.

Rt Hon David Lidington CBE MP
Chancellor of the Duchy of Lancaster
Minister for the Cabinet Office

Robin Walker MP
Parliamentary Under Secretary of and State for Exiting the European Union