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Lord Boswell of Aynho
Chair of the European Union Select Committee
House of Lords
London
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14th September 2017

Dear Tim,

I enclose the Government's response to the recommendations set out in the House of Lords European Union Committee's report entitled *Brexit: devolution*.

We welcome the Committee's scrutiny of intergovernmental relations and the potential impact of the UK's exit from the EU on the devolution settlements. The UK Government is committed to effective intergovernmental relations and achieving a deal that works for the whole UK.

The UK Government is committed to consultation with the devolved administrations, both within the formal structures of the Joint Ministerial Committee and also through bilateral discussions. We agree with the Committee that structured engagement and preparation must precede an effective meeting of the Joint Ministerial Committee. Bilateral engagement has continued over the summer and we are reconvening JMC(EU Negotiations) in October. We will continue to engage the devolved administrations as we seek to deliver an EU Exit approach that takes proper account of the interests of Scotland, Wales and Northern Ireland, as well as those of all parts of England.

We thank you and the other members of the committee for your hard work in producing these recommendations and advice.

CHRIS SKIDMORE MP

Response to the Lords European Union Committee
Brexit: Devolution - Fourth report of session 2017-19

COVER RESPONSE

The Lords European Union Committee published a report on Brexit and Devolution in the United Kingdom (UK) on 19 July 2017. The report made a number of observations and recommendations on managing the impact of UK withdrawal from the European Union (EU) on the UK's devolution settlements and the constitutional challenges that this will raise.

The UK Government welcomes the Committee's report on Brexit and Devolution and we are pleased the Committee recognises the importance of working together to achieve a deal that works for the whole of the UK and maintains the integrity of our internal market. With regards to the UK's exit from the EU, there is considerable common ground between the UK Government and the devolved administrations and we share many of the same objectives, including our commitment to protecting workers' rights and achieving the freest and most frictionless trade with the EU. The Prime Minister has set out her intention to seek a new, bold and ambitious free trade agreement which displays the UK Government's commitment to maintaining a prosperous and effective internal market within the UK.

It is our view that we can conduct these negotiations with confidence that, as a strong UK, we can achieve far more if we pull together than if we are divided. The UK Government has been clear from the start that the devolved administrations should be fully engaged in the EU Exit process. We will continue to engage the devolved administrations as we seek a deal that takes proper account of the specific interests of Scotland, Wales, Northern Ireland and all parts of England.

In order to achieve this, we recognise that, as the Committee notes, we need to continue to work constructively with the devolved administrations in order to shape and deliver a successful exit from the EU that delivers for the whole of the UK. These are complex issues that need detailed discussions with each of the devolved administrations, taking account of the different settlements. The First Secretary of State, as UK Government lead on intergovernmental relations, has spoken with both the First Minister of Wales and Deputy First Minister of Scotland to initiate a new programme of ongoing bilateral engagement with their respective administrations. He has met with his counterparts in Wales and Scotland, respectively, to take these discussions forward and monitor their progress. The Secretary of State for Exiting the European Union has also held a number of bilateral discussions with Ministers from the Scottish and Welsh governments before and after the recent rounds of negotiations with the EU and we are committed to positive and productive engagement going forward. This is in addition to the close working between the Secretaries of State for Scotland, Wales and Northern Ireland and their counterparts in the DAs. In the absence of a Northern Ireland Executive we have continued to engage at an official level with the Northern Ireland Civil Service. The UK Government remains committed to working with the parties in Northern Ireland to restore devolved government.

The UK Government's responses to the report's recommendations are set out below.

Devolution, the UK and the EU

1. ***We note, however, that the UK Government, in its pre-election published statements on Brexit and on the Repeal Bill, did not address the fundamental constitutional challenges now facing the whole United Kingdom. The new Government must now do so, working in a spirit of partnership and cooperation with the devolved legislatures and governments.***

The UK Government remains committed to seeking a deal that benefits the entirety of the UK. The Prime Minister has repeatedly reaffirmed her determination for the devolved administrations to be fully engaged in the process of planning for the UK's departure from the EU. Alongside the creation of the Joint Ministerial Committee on EU negotiations (JMC(EN)), bilateral engagement has also increased since the beginning of formal negotiations.

The First Secretary of State has spoken with both the First Minister of Wales and Deputy First Minister of Scotland to initiate a programme of ongoing engagement with each administration. Further discussions are underway and the First Secretary will continue to lead this engagement in a spirit of partnership and cooperation. Equivalent discussions have taken place at official level with the Northern Ireland Civil Service. Supporting the ministerial level engagement led by the First Secretary of State and Secretary of State for Exiting the EU, official level engagement between the UK Government and the devolved administrations continues as negotiations advance.

The devolved administrations will continue to lead the relationship with the respective legislatures and the UK Government intends to continue working closely with them to support the process on legislative consent motions. Official level discussions and technical briefings - on the EU (Withdrawal) Bill and what it means for the devolved legislatures - have commenced with officials of the Welsh Assembly and Scottish Parliament.

Northern Ireland

2. ***Northern Ireland's distinctive geographical, historical, political, and (in the context of the 1998 Belfast/Good Friday Agreement) constitutional circumstances mean that it will be profoundly affected by Brexit.***

It also appears that the Brexit debate has undermined political stability and exacerbated cross-community divisions, contributing to the collapse of the Northern Ireland Executive... together with the appointment of a new Irish Taoiseach, the Conservative DUP confidence and supply agreement at Westminster, and the fact that no nationalist MPs have taken their seats in the new Parliament, has created new uncertainty, underlining the fragility of the political settlement in Northern Ireland.

Particular consideration must be given to the specific circumstances of Northern Ireland. However it is the view of the UK Government that none of the institutions and provisions set out in the Belfast ('Good Friday') Agreement are in any way

undermined by the decision of the UK to leave the EU. Following the third round of negotiations, the Secretary of State for Exiting the EU highlighted the positive discussions from both sides on safeguarding of the Belfast Agreement and maintaining a common travel zone.

It is clear that the majority of the people of Northern Ireland continue to strongly support the current political settlement, including Northern Ireland's position within the UK. In the absence of a Northern Ireland Executive, the Prime Minister and Secretary of State for Northern Ireland have a clear understanding of the range of views from across the region and will continue to champion Northern Ireland's unique interests to ensure they are protected and advanced. During this time, the UK Government continues to engage with officials from the Northern Ireland Civil Service to ensure that Northern Ireland is represented in domestic matters as well as those relating to exiting the EU. The UK Government is fully committed to seeing devolved government restored in Northern Ireland so that a NI Executive can fully engage on the important issues around EU Exit.

The UK Government's commitments under the Belfast ('Good Friday') Agreement are not in any way undermined or affected by the confidence and supply agreement with the DUP. We will continue to govern in the interests of the whole community.

- 3. While the agreement between the Conservative Government and the DUP provides an opportunity for Northern Ireland's interests to gain attention and prominence, the Government must also take account of the interests of the nationalist community, in order to maintain its confidence.***

The UK Government agrees and we will continue to govern in the interests of the whole of Northern Ireland. The UK Government is also committed to upholding the principle of rigorous impartiality as set out in the Belfast ('Good Friday') Agreement. We remain committed to that agreement and its successors.

- 4. Our December 2016 report on Brexit: UK-Irish relations called for all parties to the negotiations to give official recognition to the special, unique nature of UK-Irish relations in their entirety.***

We are therefore heartened by the statements by the Prime Minister, the Irish Government, the European Council and the European Parliament, all expressing a commitment to protect the achievements of the peace process and to seek to avoid the imposition of a hard border on the island of Ireland.

...the specific circumstances in Northern Ireland give rise to unique issues that will need to be addressed during the Brexit negotiations.

We welcome the European Council's commitment to seek "flexible and imaginative solutions", and call on the UK Government to work with the EU negotiators to identify and outline such solutions as a matter of priority.

The UK Government recognises that Northern Ireland's unique circumstances - in particular, its geography and history - must be taken into account in agreeing the UK's future relationship with the EU and in the UK's trade agreements with other countries. The UK Government also places huge value on maintaining the UK's unique arrangements with Ireland and the friendly, cooperative relationship we have developed in recent years. As highlighted in the Prime Minister's Lancaster House speech on the UK Government's negotiating objectives for exiting the EU on 17 January 2017, and in the EU Exit White Paper, the family ties and bonds of affection that unite our two countries mean that there will always be a special relationship between us. The PM reiterated the UK Government's position through her recent meeting with the Taoiseach on 19 June 2017.

The UK welcomed the establishment of a dialogue on Northern Ireland/Ireland issues between the UK and the EU negotiating teams. The dialogue is being taken forward by the most senior negotiating teams, recognising the complexity and sensitivity of the issues at stake, and demonstrating the level of priority we are giving to fixing them. We believe that this dialogue should be substantial and detailed, and seek to address the unique circumstances of Northern Ireland and Ireland in a comprehensive and flexible way.

The UK Government published a position paper on Northern Ireland and Ireland in August 2017. The position paper states that we will put upholding the Belfast ('Good Friday') Agreement at the heart of exit negotiations, and protect the Common Travel Area and associated rights for UK and Irish citizens. The paper also puts forward proposals on avoiding a hard border on the movement of goods — making clear the UK's position that there should be no physical infrastructure at the border — and plans to preserve the wide range of institutional cooperation between Northern Ireland, Ireland and Great Britain, including for the energy market.

We aim to have as seamless and frictionless a border as possible between Northern Ireland and Ireland and we welcome the European Council's recognition that flexible and imaginative solutions will be required. It is our priority to deliver a practical solution, that recognises the unique social, political and economic circumstances of the border.

Wales

5. ***The Welsh economy is therefore particularly vulnerable to the effects of any diminution in the UK's unfettered access to and ability to trade freely with the single market.***

Since 2010 Wales has had the fastest growing economy outside of London, with almost 100,000 more people in work and 31,000 more SMEs, and we recognise the importance of maintaining economic growth beyond exit day. The UK Government is seeking a smooth and orderly exit that works for the whole of the UK. As a priority we will seek a bold and ambitious Free Trade Agreement with the EU that is of greater scope and ambition than any such existing agreement. In doing so we want to see zero tariffs on trade in goods and to minimise the regulatory and market access barriers for both goods and services. We are confident that we can achieve this aim. The EU is the UK's largest export market and the UK is the largest goods export market for the EU27 taken as a whole. We believe it is in both sides' interest to reach

an agreement on keeping trade as barrier-free as possible.

Outside of the EU, we have an unprecedented opportunity to redesign our policies to make them work for us - ensuring our agricultural industry is competitive, productive and profitable and that our environment is improved for future generations.

6. ***The rural communities that rely on the farming sector, which make an important contribution to Welsh culture and language, are also at risk.***

While the UK Government recognises that rural communities in Wales, like rural communities across the UK, are facing a number of specific challenges, rural development and associated policy in Wales is largely the responsibility of the Welsh Government and National Assembly for Wales.

The UK Government recognises the importance of the Welsh language to rural communities in Wales and understands that these communities want to be able to interact with Government in the language of their choice. Customer facing Government departments have Welsh Language Schemes, which set out what they are doing to support and promote Welsh language, and these are regularly reviewed and updated.

7. ***...we note widespread concern that the Barnett Formula is ill-suited to recompensing Welsh communities for the loss of needs-based EU funding.***

The UK Government has made a number of UK-wide funding guarantees to provide certainty as the UK leaves the EU. This includes the current level of agricultural funding under CAP Pillar 1 until 2020, structural and investment fund projects that are signed from within the devolved administrations' existing EU allocations before the UK leaves the EU, and projects where UK organisations bid directly to the EU Commission on a competitive basis while we are still a member of the EU.

In the longer term, leaving the EU means the UK will want to take its own decisions about how to deliver the policy objectives previously targeted by EU funding. For example, the UK Government will commit the same cash total in funds for farm support until the end of this parliament, and will create a UK Shared Prosperity Fund to reduce inequalities between communities across the UK. As we transition to longer-term arrangements the UK Government will work closely with the devolved administrations to ensure that all parts of the UK are treated fairly and their circumstances taken into account.

8. ***While the numbers of EU workers in Wales are comparatively low, the NHS, agriculture, tourism and some parts of the manufacturing sectors are heavily dependent on EU labour. Restrictions upon the free movement of EU workers could place these sectors under strain.***

As we consider the options for a future immigration system we will need to understand the potential impacts of any proposed changes in all parts of the UK. To

do so we will build a comprehensive picture of the needs and interests of all parts of the UK and look to develop a system that works for all.

The UK Government has commissioned the Migration Advisory Committee (MAC) to gather evidence on patterns of EU migration and the role of migration in the wider economy, ahead of our exit from the EU. The commission is clear that the MAC should consider evidence relevant to all parts of the UK and its constituent nations and regions. The MAC will build on the significant analysis already underway in government, but we want the MAC's credible, independent advice to inform our decisions on our future immigration arrangements.

9. ***We heard general concern that, because of its size, because the situation in Wales does not give rise to such complex political and constitutional questions as in Scotland and Northern Ireland, and because, unlike the other devolved jurisdictions, most votes cast in Wales were in favour of leaving the EU, the interests of Wales may be overlooked in Brexit negotiations. The UK Government needs to take action to assuage these fears.***

We are committed to securing a deal that works for the entire UK - for Scotland, Wales, Northern Ireland and all parts of England. The First Secretary of State has already begun to engage with the First Minister of Wales to drive forward a programme of work with his administration regarding common frameworks. There are of course differences in terms of competence and interests between with the other devolved administrations and it is therefore right that each is heard individually to best understand their needs, as well as meeting in the multilateral setting when most useful to do so. The First Secretary met with the First Minister of Wales during the summer to continue these discussions in person and track the progress of this engagement.

The Secretary of State for Exiting the European Union has also had a number of bilateral discussions with the Welsh Government as we have moved into the negotiation phase and we are committed to positive and productive engagement going forward.

10. ***The Welsh Government has made clear that it wishes to work constructively with the UK Government to ensure that Wales' interests and priorities are reflected in the terms of a UK-wide Brexit agreement. The UK Government needs to reciprocate this good faith and to seek to protect Wales' interests in the Brexit negotiations.***

There is broad agreement between the UK Government and the Welsh Government on the major objectives for the negotiation. The views put forward by the Welsh Government have informed the UK Government's approach to the negotiations. The First Secretary of State is engaging with the First Minister of Wales to drive forward a programme of work with his administration regarding common frameworks. The Secretary of State for Exiting the European Union has had a number of bilateral discussions with Ministers from the Welsh and Scottish Governments as we have moved into the negotiation phase with the EU and we are committed to positive and

productive engagement going forward. The Secretary of State for Wales is working closely with Ministerial colleagues as well as the Welsh Government and stakeholders in Wales to ensure the best deal for Wales and for the rest of the UK.

Scotland

- 11. We also note the Scottish Government's preference, should Scotland remain part of the UK, for the whole UK to continue within the EU Single Market as part of the European Economic Area. This option was ruled out by the previous Government, and it is now for the new Government, and Parliament, to decide whether this remains the position.***

We conclude, on the basis of the weight of evidence submitted to this inquiry, that the Scottish Government's further proposal, for continued Scottish membership of the Single Market, through the European Economic Area, while the rest of the UK leaves the Single Market, is politically impracticable, legally highly complex and economically potentially disruptive to the functioning of the UK Single Market.

The UK Government agrees with the Committee's assessment that there are clear barriers to realising the Scottish Government's proposals, including the integrity of the internal UK market. We do not believe that disruption to the internal UK market is in Scotland's - or the UK's - best interests. The UK Government is committed to maintaining a prosperous and effective internal market within the UK and notes that, for Scotland, trade with the rest of the UK is worth approximately four times as much as trade with the EU.

- 12. While we acknowledge that the referendum was a UK-wide vote, giving a UK-wide result, the Government needs to recognise the fact that the vote to remain in Scotland, at 62%, was the largest and most decisive (either in favour of remaining or leaving) in any nation of the UK.***

We therefore consider that, in the event that the UK Government does not secure a UK-wide agreement that adequately reflects Scotland's specific needs, there is a strong political and economic case for making differentiated arrangements for Scotland.

It is the UK Government's view that we can enter these negotiations with confidence that, as a strong UK, we can achieve far more if we pull together than if we are divided. Our guiding principle must be to ensure that, as we leave the European Union, no new barriers to living and doing business within our own Union are created. We have an opportunity to shape negotiations with the EU that deliver for the UK as a whole, as well as the specific interests of Scotland, Wales, Northern Ireland and all parts of England.

- 13. The Scottish economy has particularly pressing needs, including its reliance on access to EU labour, which is acute in sectors such as health and social care, agriculture, food and drink, and hospitality. We also note Scotland's***

demographic needs, and its reliance upon EU migration to enable its population (and in particular that of working age) to grow.

The UK Government acknowledges the importance of taking into account the needs of all nations and regions of the UK in designing our future immigration system. As the Home Secretary announced on the 27th July, the Government has commissioned the Migration Advisory Commission (MAC) to provide advice and evidence in respect of current patterns of EU and European Economic Area migration, and the role of migration in the wider economy and society. The MAC will provide an opportunity for the Scottish Government to submit evidence of specific requests in an objective and transparent way. The UK Government's engagement will complement this in gathering the views of stakeholders from across Scotland and the rest of the UK.

- 14. Our witnesses have also suggested that differentiated arrangements could be reached in fields such as energy policy, justice and home affairs cooperation, participation in Europol, access to EU structural or research funds, participation in such programmes as Horizon 2020 or Erasmus, reciprocal health care provision, workers' rights and working hours, and agriculture and fisheries.***

There is considerable common ground between the UK Government and the Scottish Government and we share many of the same objectives including our commitment to protect workers' rights. We, like the Scottish Government, would welcome continued collaboration with the EU on major science, research and technology initiatives which will be of benefit to the whole of the UK, and indeed in the interests of the EU. Our focus is, therefore, on the many areas on which we agree and achieving the best deal for Scotland as well as the entire UK. We expect the outcome of leaving the EU will result in a significant increase in the decision-making power for each devolved administration.

- 15. Finally, we reiterate that maintenance of the integrity and efficient operation of the UK single market must be an overarching objective for the whole United Kingdom... Close cooperation between the UK and Scottish Governments is paramount: it is incumbent on both Governments to set aside their differences and work constructively together to protect the interests of the citizens of Scotland in the final Brexit deal.***

We are committed to working closely with the devolved administrations on an approach to returning powers from the EU that works for the whole of the UK and reflects the devolution settlements of Scotland, Wales and Northern Ireland. The UK Government has always been clear that no new barriers for people living and doing business in our own union should be created when the UK leaves the EU, and therefore in some areas common frameworks will need to be retained. That is why the European Union (Withdrawal) Bill currently before the House of Commons prioritises protecting continuity and certainty for individuals and businesses by replicating existing EU frameworks. This is a temporary arrangement in order to provide the space for detailed discussions on the nature and form of any future common frameworks. Supporting the effective functioning of the UK internal market

will be one of the key considerations when discussing where common frameworks are needed with the devolved administrations, alongside ensuring the UK provides certainty for people and businesses by delivering on its international obligations.

A New Devolution Settlement

16. ***...we recall the words of the House of Lords Constitution Committee, in its report on The Union and Devolution, that hitherto "There has been no guiding strategy or framework of principles to ensure that devolution develops in a coherent or consistent manner and in ways which do not harm the Union." Thanks to Brexit, it is now more important than ever that reform of the devolution settlements should be underpinned by a clear and agreed framework of guiding principles.***

The UK Government appreciates the committee's recognition of the careful thought required on the future consistency and coherence of the UK's constitutional arrangements. We are committed to working closely with the devolved administrations on an approach to returning powers from the EU that works for the whole of the UK and reflects the devolution settlements of Scotland, Wales and Northern Ireland. The current devolution settlements were based on an ongoing UK membership of the EU and the UK Government has started working with the devolved administrations on the establishment of common frameworks.. The UK Government has also been clear that that no new barriers to living and doing business within the UK will be created as powers are repatriated from the EU.

17. ***We note also that the Acts of Parliament establishing the devolution settlements set out in full those competencies that are in each case either reserved or devolved. On the day of Brexit, competences currently exercised at EU level will, by default, be exercised in accordance with these pre-existing statutory provisions.***

The current devolution settlements and the powers devolved within them were based on an ongoing UK membership of the EU. Under these arrangements, frameworks set by European legislation guarantee a consistent approach is taken across the UK in certain areas. Outside of the EU, new replacement frameworks may be needed to ensure that, for example, the UK internal market continues to function effectively. The European Union (Withdrawal) Bill therefore introduces a transitional arrangement whereby the devolved administrations will continue to be bound by the EU frameworks to which they are currently. This is a temporary measure that provides the necessary time and space for detailed discussion on where common frameworks are needed and how they might operate.

The UK Government is responsible for ensuring that the internal market within the UK operates freely and openly. Previously, European legislation has set the frameworks to guarantee that a consistent approach is taken across the UK, negating further action. Outside of the EU, new frameworks may be needed in a number of areas in order to ensure, for example, that the UK internal market continues to function and we are able to strike trade deals with third countries. The powers

currently held by the EU that provide that guarantee on the internal market are not, and never have been, within the competence of the devolved administrations.

18. ***On balance, we therefore conclude that, for the duration of the Brexit process, the statutory balance of competences between the UK Parliament and the devolved legislatures should as far as possible be unchanged.***

We agree with the Committee that certainty of the law is the priority and as such the balance of competences should remain temporarily unchanged in order to progress more detailed discussions on future arrangements. As a result, we have included provisions in the European Union (Withdrawal) Bill that ensure that the current competence and powers of the devolved administrations will be maintained during the Brexit process. This transitional arrangement ensures certainty and continuity while the United Kingdom undertakes negotiations with the European Union on its future relationships, and the UK Government and devolved administrations discuss precisely where we need to retain common frameworks in the UK in the future. This will provide stability and certainty for people living and doing business in the UK on the laws that are in place. Without such a mechanism, there is a risk of immediate divergence that negatively impacts on people's lives and businesses operations. It is the UK Government's expectation that, following the UK's departure from the European Union and framework discussions, there will be an increase in the decision making power of the devolved administrations.

19. ***We therefore call on the UK Government, in bringing forward its forthcoming Immigration Bill, to look for opportunities to enhance the role of the devolved institutions in managing EU immigration... we urge the Government, in devising a post-Brexit immigration policy for EU nationals, to ensure that maximum flexibility is granted to the UK's nations and regions.***

As we conduct our negotiations, it must be a priority to regain more control of the numbers of people who come here from Europe. As part of that it is important that we understand the impacts on the different sectors of the economy and the labour market, across all areas of the country, from any changes that we make.

We will introduce an Immigration Bill that will allow the UK Government to end the EU's rules on free movement by making the migration of EU nationals and their family members subject to relevant UK law once the UK has left the EU. The immigration bill will ensure that we have the flexibility to create a fair and sustainable immigration system that gives us control over the numbers of EU nationals coming to the UK, whilst still allowing the UK to attract the brightest and the best.

20. ***...we note that each of the devolved jurisdictions receives significantly more EU funding per capita than England. This has led to acute concern from across the UK that in the longer term farmers and deprived regions in the devolved jurisdictions would lose heavily were needs-based EU funding to be replaced by UK subsidies granted in accordance with the population-based Barnett Formula.***

This will be a complex task, but the prospect of Brexit means that reform of the Barnett Formula can be delayed no longer.

The UK Government has made a number of UK-wide funding guarantees to provide certainty as the UK leaves the EU, and will work closely with the devolved administrations to ensure all parts of the UK are treated fairly as we transition to longer-term arrangements.

Alongside this, the UK Government has committed to continue to use the Barnett Formula to underpin the devolved administrations' funding. While the UK Government recognises that the Formula has its critics, it has a range of strengths that has seen it stand the test of time. The Formula has also been incorporated successfully into new funding arrangements to support the devolution of further tax and welfare powers. In Scotland, it is a core element of the Scottish Government's new fiscal framework, which was based on the Smith Agreement signed by the five main parties in Scotland. It also provides the foundation for the Welsh Government's new fiscal framework, which was designed to provide Wales with a long-term guarantee of fair funding.

21. ***We agree with the Prime Minister's statement, in her speech on 17 January, that certain "common standards and frameworks" will be needed to maintain the integrity of the UK internal market post-Brexit. It is regrettable that the Government has hitherto failed to explain clearly and coherently how it will work with the devolved governments to achieve this desired outcome.***

Common approaches will be needed in some circumstances to ensure the free functioning of the UK internal market. The First Secretary has led engagement on the European Union (Withdrawal) Bill and common frameworks with the First Minister for Wales and Deputy First Minister for Scotland. The UK Government will continue to work closely with the devolved administrations to review the powers that will return from the EU and determine where consistency will continue to be needed.

22. ***We are concerned by the apparent deterioration of relations between the UK and Scottish Governments. Statements by Ministers, and in the Government's White Paper on Legislating for the United Kingdom's withdrawal from the European Union, seem to imply that the UK Government is considering a top-down approach to establishing the necessary frameworks and standards in law at UK level.***

We are committed to securing a deal that works for the entire UK - for Scotland, Wales, Northern Ireland and all parts of England. The First Secretary of State has already begun to engage with his counterparts in Scotland and Wales to drive forward a programme of work with both administrations regarding common frameworks.

There are of course differences in terms of competence and interests between the administrations and it is therefore right that each is heard individually to best understand their needs, as well as meeting in the multilateral setting when most

useful to do so. The First Secretary met with the First Minister of Wales and Deputy First Minister of Scotland during to continue these discussions in person and track the progress of this engagement.

The Secretary of State for Exiting the European Union has also had a number of bilateral discussions with Ministers from the Scottish and Welsh Governments as we have moved into the negotiation phase and we are committed to positive and productive engagement going forward.

- 23. We call on the UK Government and the devolved Governments to work together to put in place the frameworks needed to ensure consistency at UK level, thereby preserving the integrity of the UK single market, while respecting national, regional and local diversity, and the autonomy of the devolved institutions.**

The UK Government recognises the importance of ensuring certainty and continuity until we know where common frameworks will need to replace existing EU laws are replaced. Maintaining the effective functioning of the UK internal market is at the heart of the UK Government's approach. We are committed to working closely with the devolved administrations on an approach that is not only beneficial to the UK as a whole but also maintains the necessary common standards and frameworks for our own domestic market. As a temporary arrangement, the European Union (Withdrawal) Bill provides the mechanism for maintaining existing frameworks to provide certainty across the UK and time for detailed discussions on future common frameworks.

- 24. We therefore call on the UK Government and the devolved governments to engage positively in developing solutions that work for the whole of the UK and all its constituent nations and territories.**

We are committed to working closely with the devolved administrations on an approach to returning powers from the EU that works for the whole of the UK and reflects the devolution settlements of Scotland, Wales and Northern Ireland. It is a helpful starting point that the devolved administrations agree with the UK Government that there will need to be common approaches as EU law is returned from the EU. Common frameworks will need to be established only where they are needed, whether, for example, this is to maintain a functioning UK internal market, put us in a strong negotiating position to strike trade deals, or to provide the certainty needed to agree and meet international obligations. The UK Government expects that the return of powers from the EU will lead to a significant increase in the decision making powers for the devolved administrations.

- 25. We call on the UK Government and the devolved administrations to work together to ensure that the devolved institutions are properly resourced and equipped for this vital work. This should include more regular interchange between civil servants in the devolved administrations and Whitehall.**

The UK Government is committed to ensuring that we are ready to deliver a smooth exit right across the UK. We want to work positively and productively with the devolved administrations on areas where there are practical implications for them. We anticipate there will be regular and sustained bilateral discussions with officials from the devolved administrations, reporting back to Ministers at regular intervals to ensure sufficient progress is being made. There is also a place for multilateral meetings, and we will take that forward as and when it is appropriate.

The UK Government interchange week in February welcomed 55 participants from the Scottish and Welsh Government and for the first time the Northern Ireland Executive. 2017 has also seen 101 civil servants from Welsh Government and Scottish Government apply for 41 placements for the Welsh Government interchange week in June. In 2016 the demand for placements outstripped availability, with 450+ applications for 125 placements, we expect this to be the case again this year, with the upcoming Scottish Government interchange week occurring at the end of October.

Engagement with the devolved institutions

26. ***...if the UK Government wishes the JMC(EN) to make a useful contribution, it must give it appropriate support, both in political and resource terms.***

The JMC(EN) forum has met four times since it first convened in November 2016. The UK Government has been clear from the start that the devolved administrations should be fully engaged in our preparations to leave the EU and this remains the case. The First Secretary of State has outlined his intention to convene the next meeting of the JMC(EN) in the autumn.

The Secretary of State for Exiting the European Union has had a number of bilateral discussions with Ministers from the Scottish and Welsh Governments as we have moved into the negotiation phase and we are committed to positive and productive engagement going forward. In the absence of a Northern Ireland Executive we have engaged at an official level with the Northern Ireland Civil Service.

To supplement the formal JMC(EN) meetings and ensure constructive engagement with the devolved administrations throughout the EU Exit process, a programme of constructive, bilateral engagement with the devolved administrations is underway to build an understanding of shared priorities regarding common frameworks, with a view to reviewing the progress of these discussions in a multilateral setting in the autumn.

A joint secretariat, made up of officials from the UK, Welsh and Scottish Governments and the Northern Ireland Executive, is responsible for facilitating meetings of JMC(EN). To ensure the positive and efficient convening of future meetings, the UK Government is committed to working constructively with the devolved administrations within the established secretariat.

27. ***...the UK Government needs to raise its game to make the JMC (EN) effective. This means better preparation, including bilateral discussions ahead of***

meetings, a structure work programme, greater transparency, and a willingness to accept that the JMC(EN), even if not a formal decision-making body, is more than a talking shop...

The UK Government remains committed to engaging with the devolved administrations and shares the desire to make the JMC(EN) as effective as possible. Over the course of the summer, a number of bilateral and multilateral meetings have taken place between UK Government departments and their counterparts in the devolved administrations, and these discussions will continue into the autumn

Additionally, the First Secretary of State has met with the First Minister of Wales and Deputy First Minister of Scotland to ensure that positive and productive engagement supplements multilateral discussions at JMC (EN). Equivalent discussions have taken place at official level with the Northern Ireland Civil Service.

- 28. ...we further recommend that a long term programme of meetings of the JMC(EN) should be adopted, with the meetings coinciding with the fourth week in each cycle.***

The UK Government recognises the importance of JMC(EN) and of engaging with each of the devolved administrations throughout the EU negotiations.

Our commitment to engagement with the DAs over the summer has been steadfast, with a number of bilaterals having taken place and a JMC(EN) expected to convene in the autumn. The Secretary of State for Exiting the European Union has held a number of bilateral discussions with Ministers from the Scottish and Welsh governments before and after the recent rounds of negotiations with the EU and we are committed to positive and productive engagement going forward. Equivalent discussions have taken place at official level with the Northern Ireland Civil Service.

- 29. We note the suggestion by the Governments of Wales and Scotland that they should have a seat at the negotiating table with the EU when devolved matters are being discussed, and that they should be 'in the room' throughout. We call on the UK Government to respond to this suggestion as a matter of urgency, and at all events before the negotiations turn to the future relationship between the UK and the EU, where issues of strong devolved interest, such as fisheries, are likely to arise.***

The UK Government has been clear it will negotiate on behalf of the UK, taking into account the specific interests of every nation and region of the UK, working closely with the devolved administrations.

- 30. We recommend that the structures for interparliamentary dialogue and cooperation be strengthened, and invite the House to consider how this might be achieved. In the short term, the priority is to engage in closer interparliamentary dialogue regarding the Brexit negotiations themselves and the accompanying domestic legislation...***

In the longer term, we also see the need for a strengthened forum for interparliamentary dialogue within the post Brexit United Kingdom. The resourcing of this body, and its relationship with existing bodies (notably the British-Irish Interparliamentary Assembly) will require careful concentration by the House more widely...

The UK Government suggests that these recommendations would be for the UK Parliament and, where applicable, the devolved legislatures to comment upon.

