



BREXIT WHITEPAPER SUMMARY

INTRODUCTION



It was only last week that David Davis was talking down the feasibility of this White Paper. A last minute change of heart from the Government – seen by some as a climb down, others as an olive branch to Remainers – has given Parliamentarians the chance to air their views on the Government’s Brexit plans, although its timing means they can no longer vote against Article 50 based on its content.

The twelve priorities laid out in the White Paper are designed to allay fears as much as boost confidence. Ensuring free movement will not be disrupted between Ireland and Northern Ireland, for instance, is a concern both economically and in relation to the peace process. The Government’s ‘aim’ of a frictionless border may not be hugely reassuring, but the nature of this White Paper means it is a document of sentiment rather than actuality.

Similarly, the devolved institutions of Wales, Scotland and Northern Ireland seem in line to receive some control over powers currently held in Brussels, but details here are equally thin on the ground.

This White Paper was intended to set out policy positions in greater detail than the Article 50 Bill, which was deliberately stripped back in order to limit opportunities for MPs to amend it (a move which hasn’t stopped hundreds of amendments being tabled for debates and votes over the coming days).

But in most cases, the White Paper doesn’t go beyond the priorities already outlined by Theresa May. While some substantial points are offered on immigration issues (with confirmation of new immigration rules which will be voted on by MPs), EU nationals living in the UK still face an uncertain future. Similarly, the White Paper expands on, but does not develop, what has already been said in favour of a transitional agreement following the two year Article 50 process.

This is something that opposition parties will jump on in coming debates, having pushed for a White Paper on the basis that they need more clarity than offered by Theresa May during her Lancaster House speech last month. Article 50 has been voted on, and the process of exiting the EU begun: the challenge for Davis, May and the Conservative front bench is now convincing those who doubt they have a plan, that this White Paper proves they do.

1. PROVIDING CERTAINTY AND CLARITY



Providing legal certainty

- The Great Repeal Bill will be introduced in order to remove the European Communities Act 1972 and convert the body of existing EU law into domestic law. The same rules and laws will therefore apply on the day after exiting the EU as before.
- Existing rights and obligations will be maintained. The rules will not change significantly overnight and the rights and obligations of individuals will not be subject to sudden change.
- Parliament, and, where necessary, the devolved legislatures, will decide which parts of a law to preserve, amend or repeal.

Public and parliamentary involvement and scrutiny

- Government ministers will continue to engage with their sectors as well as with ministers from the Department for Exiting the EU in order to inform Government of the main issues for various stakeholders.
- The engagement of the devolved administrations will continue through the Joint Ministerial Committee (JMC). The JMC will be chaired by the Prime Minister and will be attended by the First Ministers of Scotland and Wales, the First and deputy First Ministers of Northern Ireland and the JMC sub-committee on EU Negotiations (JMS(EN)), which is chaired by the Secretary of State for Exiting the European Union, with members from each of the UK devolved administrations.
- The Parliament will determine the content of the legislation that is required to give effect to the withdrawal from the EU.
- The House of Commons Select Committee on Exiting the EU and other committees will be involved in scrutinising and informing decisions.
- The Government will ensure that the UK Parliament receives the same information as that received by members of the European Parliament.

Funding commitments

- All European Structural and Investments Funds (ESIFs) projects that were approved before the Autumn Statement 2016 will be fully funded, including schemes under the Common Agricultural Policy (CAP).
- HM Treasury will provide grants funding for strong value for money projects that comply with domestic strategic priorities.
- Institutions, universities and businesses will be encouraged to continue bidding for funding. HM Treasury will underwrite the payment of the grants awarded.
- The agricultural sector will receive the funding classed under Pillar 1 of the CAP until the end of Multiannual Financial Framework in 2020.
- The Government will also ensure that funding is provided for the programmes administered by devolved administrations.

2. TAKING CONTROL OF OUR OWN LAWS



- The jurisdiction of the Court of Justice of the European Union (CJEU) in the UK will end.
- The UK will seek to negotiate a new approach to dispute resolution with the EU.

3. STRENGTHENING THE UNION

- The Government will aim to ensure that the interests of all parts of England, Scotland, Wales and Northern Ireland are guaranteed.
- The JMC will meet on a monthly basis to share evidence and ensure that all proposals related to the work programme are taken into consideration.
- The Government has committed to take part in discussions on the proposals put forward in the paper on Scotland's Place in Europe.
- The common EU legal and regulatory frameworks will be abandoned and replaced by new UK rules. Policies made by devolved legislatures and administration under the former frameworks will therefore have to be revised to ensure that they are compatible with the new UK rules.
- No policy areas currently decided upon by the devolved administrations will be taken away.
- The Government will ensure that no new barriers to living and doing business within the Union will be created.
- Greater powers will be devolved to local government where it makes economic sense.
- The Government is committed to having further discussions on the paper Securing Wales' Future, published by the Welsh Government.
- Bilateral discussions will continue to take place with the devolved administrations so that the UK Government can fully understand their priorities.
- The relationships that the Crown Dependencies of the Isle of Man and the Channel Islands and the Overseas Territories maintain with the EU will change. To ensure that their priorities are taken into account, the JMC(EN) includes representatives of the governments of the Overseas Territories, a new Joint Ministerial Council (Gibraltar EU Negotiations) with the Government of Gibraltar and official quarterly meetings with the Chief Ministers of the Crown Dependencies.

4. PROTECTING OUR STRONG AND HISTORIC TIES WITH IRELAND AND MAINTAINING THE COMMON TRAVEL AREA



Economic ties

- The Government aims to ensure that the cross-border movement of goods, utilities, services and people remains as smooth as possible between Northern Ireland and Ireland. The UK and Ireland will aim to find shared solutions to economic challenges and to maximise economic opportunities.

Rights

- The UK and Irish Government will continue to respect the Ireland Act 1949, which defines how both nations should treat the other's citizens.
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- The 1998 Belfast Agreement will also be respected, meaning that the people of Northern Ireland will continue to have the choice of identifying themselves as British or Irish, or both, and to hold citizenship accordingly.
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- The Government is committed to maintaining the Common Travel Area (CTA) arrangement.
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- Freedom of movement between the UK and Ireland will be protected. In order to do this, the Government will work with the Northern Ireland Executive, the Irish Government and the Crown Dependencies to find a solution that enables to maintain both the CTA and a strong immigration system.

5. CONTROLLING IMMIGRATION



- The UK will seek to remain open to the talent of the world.
- Contributions that migrants currently bring and will continue to bring are appreciated, the UK will never close itself from immigration. Migrants from the EU will be welcomed and people who are highly skilled will always be welcome in the UK.
- Net migration has reached record levels and this has caused concern from the public and put increased pressure on services. The pressure which has been placed on schools, housing and wages has caused the public to lose confidence in the ability of the Government to control immigration. When there is unlimited free movement of people immigration cannot be completely controlled.
- The UK will remove itself from the Free Movement Directive allowing control over the numbers of people that come from the EU. The migration of EU nationals will come under UK law. The UK will still seek out migrants who can contribute to the prosperity of the UK and its European partners.
- Students will be welcomed to the UK, student loans and home fee status will remain eligible to EU students currently studying or due to begin studying until 2018 for the duration of their course.
- The impact on all parts of the UK economy and labour market will need to be considered to build a system that works for all. Parliament will have a key role in implementing new immigration arrangements, and to allow business and individuals to prepare for any changes the new immigration procedures will be phased in.

6. SECURING RIGHTS FOR EU NATIONALS IN THE UK, AND UK NATIONALS IN THE EU



- Roughly 2.8 million EU nationals reside in the UK, and roughly 1 million UK nationals reside in other EU countries. While the UK is a member of the EU the rights of both EU and UK citizens will remain as they currently are. In UK law those who have lived for five years in a country automatically gain the right to reside.
- One of the Government's first priorities is to provide certainty to EU nationals in the UK and UK nationals in the EU. A range of stakeholders have been engaged so the Government can understand the priorities of UK nationals living in EU countries. EU Member States, business and other organisations are working together to understand the issues concerning EU nationals in the UK. The Government will seek to resolve this issue and provide a level of certainty before formal negotiations begin.

7. PROTECTING WORKERS' RIGHTS



- During the process of EU law being adopted into domestic legislation, the UK will ensure the continued protection of the rights of workers'. This will give a level of comfort to both employees and employers alike, which should allow the UK to continue to grow.
- Almost 32 million people work in the UK. The Great Repeal Bill will maintain the protections and standards that benefit workers. This Government wants to go further than safeguarding the rights of workers set out in European legislation, it wants to enhance them. The Government wants to continually seek out opportunities to enhance the protections of citizens and workers who reside in the UK.
- The UK is committed to maintaining its status as a global leader on workers' rights in the changing labour market. The Government recognises it may need to change employment rules to keep up with the modern economy.

8. ENSURING FREE TRADE WITH EUROPEAN MARKETS



- It is in both the interests of the UK and EU to maintain their strong economic relationship after the UK leaves the EU, and the UK desires the freest possible trade deal for both goods and services. This will give companies the greatest possible freedom to do business with each other and across borders. The Government will seek a new customs agreement with the UK with the aim of having trade that is as frictionless as possible.
- The UK does not desire a model that some other countries enjoy, as the UK currently operates with zero tariffs on goods through the EU Single Market. This negotiation is different from other trade negotiations as it is not about two different systems working with each other. It is more about the current system that benefits both the EU and the UK being supported and enhanced into a new free trade agreement.
- The EU is the UK's largest export market while the UK is the largest goods export market for the EU27 when taken as a whole. The EU does however export more to the UK than vice versa.
- When excluding trade with Ireland, the UK's trade balance with other EU Member States is close to zero. The UK imports considerably more than it exports, and this is why a close trading relationship is beneficial for both the UK and the EU.
- The UK has various exports to the EU, such as motor vehicles, chemicals and chemical products, financial services and other business services all account for significant shares of total UK exports to the EU.
- The Government will continue to supplement its analysis of trade data with a wide range of analysis and engagement. It has structured its approach by five broad sectors covering the vast majority of the UK economy (goods; agriculture, food and fisheries; services; financial services; and energy, transport and communications networks, as well as areas of crosscutting regulation). The Government's stakeholder engagement and analysis covers over 50 sectors.
- The UK's new partnership with the EU should allow for tariff-free trade in goods that aims to be as frictionless as possible between the UK and the Member States of the EU.
- The UK's agriculture, food and fisheries sectors are currently heavily influenced by EU laws, frameworks such as the Common Agricultural Policy (CAP) and the Common Fisheries Policy ensure this, and through other rules meeting multiple objectives, such as high levels of environmental protection or animal welfare.

8. ENSURING FREE TRADE WITH EUROPEAN MARKETS



- Leaving the EU offers the UK a major opportunity to design new and better policies for delivering sustainable and productive farming, land management and rural communities. This will allow the delivery of a world-leading food and farming industry and a cleaner, healthier environment, benefiting all.
- The Single Market for services is not complete. The EU's Digital Single Market measures are designed to ensure regulation can keep up with the evolution of the digital economy.
- The new relationship between the UK and its European partners will aim for the freest possible trade in services, both financial and non-financial between the UK and EU Member States. As these sectors are already closely integrated, mutual cooperation is likely to be desired on all sides.
- Prime Minister Theresa May has stated the intention to collaborate with EU partners on science and research: nuclear energy is a key part of this. The UK is currently a world leader in nuclear research and development and there is no intention to reduce its place in this area. The UK fully recognises the importance of international collaboration in nuclear research and development and will ensure this continues by seeking alternative arrangements.
- Four transport modes (aviation, roads, rail and maritime), will need to be taken into consideration as we negotiate our future relationship. With aviation, the standard international arrangement is that air services operate under rights granted through bilateral air services agreements between nation states. In the late 1980s and early 1990s the EU created an internal aviation market whereby any carrier licensed in the EU is entitled to operate any service in the EU, superseding old bilateral agreements.
- While the UK goes through the process of exiting the EU, there will be a clear interest for all sides to seek arrangements supporting affordable and accessible air transport for all European citizens, as well developing links.
- The Government wants to make the UK the best place in the world to do business. This means developing and maintaining a high level regulatory environment, whilst taking opportunities to reduce the cost of unnecessary regulation.
- The Government wants this to be the first generation to leave the environment in a better state than it was found. The Great Repeal Bill will bring the current framework of environmental regulation into UK and devolved law.
- Once the UK has left the EU the UK will seek out its own trade agreements around the world. The UK will not be bound by the EU's Common External Tariff or participate in the Common Commercial Policy. However, it does want to have the best and easiest trading relationship with the EU. When negotiating this deal the UK will seek its own deal and will not attempt to replicate any other country's deal.
- As with the Common Travel Area, we are committed to working with the Irish Government and the Northern Ireland Executive to minimise burdens, a practical solution that keeps the border as seamless and frictionless as possible is desired by all, recognising the unique economic, social and political context of the land border between Northern Ireland and Ireland.
- The decisions on how taxpayers' money will be spent will be made in the UK. There will be no requirement to make vast contributions to the EU budget. European programmes in which we might want to participate may present themselves. If this situation does occur, it is reasonable that we should make a contribution.

9. SECURING NEW TRADE AGREEMENTS WITH OTHER COUNTRIES



Strengthening the UK's global trading position

- The UK will continue to support the EU's trade agenda whilst it remains a member. After leaving, the Government will increase UK trade with the fastest growing export markets in the world. The US is singled out as the UK's single biggest export market on a country-by-country basis.
- After leaving the EU, the UK aims to remain a global trading nation. The Government hopes to boost trade, open markets and attract the world's most successful companies to invest in the UK.
- Government trade policy will include a variety of levers including: bilateral FTAs and dialogues with third countries, participation in multilateral and plurilateral negotiations, market access and dispute resolution through the WTO, trade remedies, import and export controls, unilateral liberalisation, trade preferences and trade for development.
- The Government will want to consult business and other interested parties on the detailed positions it should adopt.

Department for International Trade

- The Department for International Trade was established to promote and support UK exports of goods and services to deliver a strong economy, maximise wealth creation through supporting Foreign Direct Investment and Outward Direct Investment and deliver the best international trading framework in the UK.
- The Government will continue in its trade and investment with third countries, including those covered by existing EU free trade agreements or EU preferential arrangements.
- The Government cannot agree new trade deals until after it has left the EU but it will prepare the ground for its exit through discussions with current EU partners to deliver maximum continuity and certainty for businesses.
- The UK will host the inaugural Commonwealth Trade Ministers' Meeting in March 2017 ahead of hosting the Commonwealth Heads of Government Meeting in 2018.

World Trade Organisation (WTO) Membership

- The UK will establish its own schedules covering trade in goods and services at the WTO, providing clarity for UK business about access to overseas markets around the world, and a clear basis for negotiating new trade agreements both within and outside of the EU.
- The Government aims to establish its schedules in a way that replicates its current position as an EU member state and creates a mutually beneficial, simple and inclusive outcome to protect the interests of the UK and other WTO members.
- The UK will pursue its pro-trade and pro-development stance in institutions and organisations such as the G7, G20, the UN and the OECD.

10. ENSURING THE UNITED KINGDOM REMAINS THE BEST PLACE FOR SCIENCE AND INNOVATION



Science, research and innovation at the heart of the Industrial Strategy

- The Government is committed to building on the UK's world-leading science base and making the UK the go-to nation for scientists, innovators and investors in technology.
- The Government will continue to invest in research and innovation to protect the UK's strength in science. As mentioned in the Autumn Statement, a substantial increase in investment worth £2 billion a year by 2020/21 shows commitment to research and innovation. The UK will be at the forefront of innovation, developing new products and services that address future challenges.

Close engagement with the science and research base

- The Government has established a High Level Stakeholder Working Group on EU Exit, Universities, Research and Innovation including senior representatives of UK research and innovation funders, Higher Education Institutions, national academies and learned societies and businesses. This will ensure that the UK builds on its strong global position in research and innovation excellence.
- The UK has responded to concerns of the science and research sectors by announcing that researchers should continue to bid for competitive EU research funding, such as Horizon 2020, whilst the UK remains a member of the EU. The Government will work with the European Commission to ensure payment when funds are awarded and HM Treasury will underwrite the payment of such awards, even when specific projects continue beyond the UK's departure from the EU.
- UK businesses and universities are urged to continue to bid for competitive EU funding.
- The Government has ensured that existing EU students and those starting courses in 2016-17 and 2017-18 will continue to be eligible for student loans and home fee status for the duration of their courses. The funding support will cover the duration of their course, even if the course concludes after the UK has left the EU.
- On the whole, the UK will continue to collaborate with our European partners on major science, research and technology initiatives.

11. COOPERATING IN THE FIGHT AGAINST CRIME AND TERRORISM



- The UK plans to work more closely with EU member states to support each other in combating threats. The UK will continue to work with European partners on foreign affairs and provide strong support in tackling the threat of terrorism.
- The UK will continue to participate fully in EU security and criminal justice measures whilst it remains a member of the EU. EU member states recognise UK expertise in the fight against terrorism, particularly in the light of recent attacks and the threat posed by foreign terrorist fighters.
- The UK will continue to cooperate on cyber security with its European and global allies and work closely with international partners to build capability in countering cyber threats and to ensure the continuation of a free, open, peaceful and secure cyberspace.
- As the UK exits, the government will look to negotiate the best deal with the EU to cooperate in the fight against crime and terrorism. It will seek a strong and close future relationship with the EU, with a focus on operational and practical cross-border cooperation.

The UK in the World

- The UK will continue to be one of the most important global actors in international affairs. It will continue to be a leading actor, working with European and other international partners in global efforts to tackle major challenges, including climate change.
- The UK will use its tools and privileged positions in international affairs to work with the EU on foreign policy, security and defence. This will include implementing sanctions against Russia after its actions in Ukraine, working for peace and stability in the Balkans, securing Europe's external border and continue to play a leading role alongside EU partners in strengthening and promoting European security and influence around the world.

European Security

- The Government aims to ensure that the EU's role on defence and security is complementary to, and respects the central role of NATO. After the UK leave the EU, it will remain committed to European security and add value to EU foreign and security policy.
- To ensure a continued leading role in NATO's enhanced forward presence, the Government is providing the Framework Battalion of around 800 military personnel in Estonia, based around armoured infantry equipped with Warrior armoured fighting vehicles, and a troop of our Challenger 2 Main Battle Tanks. The UK is also sending a reconnaissance squadron of around 150 military personnel to Poland.
- The UK will continue to play a role in NATO's Response Force and contribute to NATO's Southern Air Policing mission based in Romania.
- Britain will remain a global power and will continue to work with European partners to tackle shared challenges.

12. DELIVERING A SMOOTH, ORDERLY EXIT FROM THE EU



- Article 50 will be triggered no later than the end of March this year. The Treaties of the EU will cease to apply to the UK when the withdrawal agreement enters into force, or failing that, two years from the day the UK submits our notification unless there is a unanimous agreement with the other 27 member states to extend the process.
- To prevent a 'cliff-edge', the government hopes to have reached an agreement about our future partnership by the time the two-year Article 50 process has concluded. The Government therefore believes a phased process of implementation in which the UK, the EU institutions and Member States prepare for the new agreements that will exist between us, will be in our mutual interest.
- For each issue, the time the UK needs to phase in the new arrangements may differ; some might be introduced very quickly, some might take longer. The UK will not seek some form of unlimited transitional status.
- The Government reiterates that no deal for the UK is better than a bad deal for the UK. In any eventuality the Government will ensure that economic and other functions can continue, and will pass legislation as necessary to mitigate the effects.

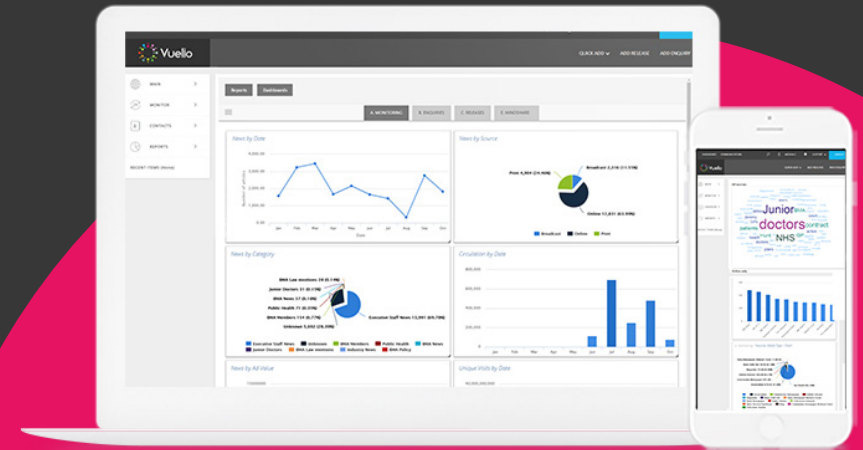
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