

# **Meeting of the UK TCA Domestic Advisory Group**

## **6 November 2023**

### **List of organisations present:**

- ADS Group Ltd
- Agricultural Industries Confederation (AIC)
- Airlines UK
- Association of the British Pharmaceutical Industry
- Bar Council of England & Wales
- British Beer and Pub Association
- British Chambers of Commerce
- British Ports Association
- British Standards Institution
- Chartered Accountants Ireland
- Chemical Business Association
- Chemical Industries Association
- Confederation of British Industry
- Dairy Council for Northern Ireland
- E3G
- Energy UK
- Federation of Small Businesses (FSB)
- Food and Drink Federation (FDF)
- Greener UK
- Law Society of England and Wales
- LIVE (Live music Industry Venues & Entertainment)
- Logistics UK
- Make UK
- National Council for Voluntary Organisations
- National Farmers' Union
- NHS Confederation
- NI Committee - Irish Congress of Trade Unions
- Northern Ireland Chamber of Commerce and Industry
- Prospect
- Scotch Whisky Association
- Scottish Council for Voluntary Organisations
- Scottish Fishermen's Federation
- Society of Motor Manufacturers and Traders
- The Business Services Association (BSA)
- TheCityUK
- Trades Union Congress
- UK Chamber of Shipping
- UK Music
- UKFinance
- Unison
- Unite the Union
- United Kingdom Association of Fish Producer Organisations (UKAFPO)

- Universities UK
- Wales Council for Voluntary Action
- Wine and Spirit trade Association (WSTA)

### **Agenda:**

1. Introduction and welcome
2. Adoption of minutes from 20 September and update from subgroups
3. Preparation for joint DAG and CSF meetings
4. Session with Professor Anand Menon, UK in a Changing Europe
5. Priorities from the DAG for 2024 [note, this was not discussed due to the focus on discussing the joint DAG/DAG statement]
6. AOB

### **Introduction and welcome:**

1. Sean McGuire (DAG chair) opened the meeting and thanked everyone for attending. He then invited the vice-chairs Steve Turner and Irene Oldfather to introduce themselves.

### **Adoption of minutes and update from subgroups:**

2. The DAG minutes from the 20 September were approved with no objections.
3. The DAG chair stated that there was no history of Domestic Advisory Groups in the UK and that, as a first of its kind, lessons had been learnt. He stated that the protocol on how the subgroup papers should be published had been circulated and then invited members to comment.

#### **4. Points raised:**

- Participants stated that it was good to understand how subgroup papers were used. Some participants advocated to make them public once adopted formally. However, they argued there had to be a formal process for adoption and reflection of dissent if relevant.
- Some participants said that they were less focused on publication and would like to concentrate on making the papers more informative. They suggested that papers should represent a consensus view and omit issues where a consensus could not be reached. A participant reminded attendees that subgroups were set up to have open discussions, including with non-DAG members. He also stated that uncontroversial parts of the papers could be agreed in the meeting today, ahead of the upcoming Partnership Council.
- The DAG chair suggested for the DAG secretariat to put together a template for a “DAG report” which convenors could populate with their agreed positions. This would harmonise the different DAG subgroup papers. A participant also added that the template could be divided into TCA implementation changes, TCA text changes, issues solvable by TCA supplementary agreement and issues solvable outside of the TCA. One participant raised a concern that organisations should not be

asked to agree positions on issues outside their sectors. Other participants stated that the paper should represent conversations with EU counterparts and include upcoming EU legislation including CBAM.

5. The DAG chairs concluded that the report should represent issues that could be adopted by all members and that the DAG felt confident in publishing. They stated that a template should be created by the end of the month, so the DAG report could be finalised by the end of the year.

6. **The meeting then moved to an update from each subgroup:**

- **Nations and regions:** Subgroup convenor Irene Oldfather stated that the group had met in July and had adopted a different process from the other subgroups. She said that a “Nations and Regions” summit meeting was coming up in Scotland that week. She said that youth mobility and citizens were key issues for the group, and a member stated that changing to funding, the lack of membership of ERASMUS, and labour shortages in the volunteering sector were key concerns.
- **Trade and Customs:** Convenor Konstanze Scharring said that the group was very engaged, and that the issue tracker was live. She stated that key issues were customs documentation, rules of origin and the need for working groups on regulatory cooperation. She also pointed to future priorities including the TCA review.
- **Level Playing Field and Regulatory Cooperation:** Subgroup convenor Rosa Crawford commended officials for using the subgroups paper during the specialised committee, and welcomed the ongoing engagement with subgroup members on reporting back from the SC. She said that key priorities were the Retained EU Law (REUL) Bill and the Strikes (Minimum Service Levels) bill’s potential to affect the UK’s adherence to Level Playing Field commitments and regulatory cooperation issues including those raised by the EU. These include the Carbon Border Adjustment Mechanism, and UK gene editing legislation.
- **Business and Labour Mobility:** Convenor Marco Cillario opened by stating that the subgroup paper already distinguished between the different types of issues that were being discussed. He said that some of the issues were raised in the Services, Investment, and Digital Trade SC including the transparency on post-Brexit mobility rules, that the group saw as an issue. He commended the UK Government for raising the issue of the EU migration portal, and acknowledged the difficulties around it given that the competency was shared with member states. He said that although he had heard some responses from government officials on issues, he wanted to hear more about border issues to make things as easy as possible for touring musicians and improve youth mobility. He said that the government was reviewing the list of activities that could take place without a work visa.
- **Energy and Climate Change:** Convenor Paige Truelove said that a high-level paper had been pulled together on three key issues – North Sea Energy Cooperation (NSEC), the implementation of alternative trading arrangements, and the linking of UK and EU emissions trading

schemes. She said that the group would next meet following the Energy SC and said that the paper would require a bit more work.

7. DAG chair Sean McGuire stated that it was important to consider the all-Island energy market in Ireland, and that it would be good to hear more Northern Ireland voices on the energy situation. He then thanked the convenors for the update and moved the meeting to welcome keynote speaker Anand Menon from UK in a Changing Europe.

#### **Session with Professor Anand Menon, UK in a Changing Europe:**

8. Professor Anand Menon gave a presentation to the UK DAG making the following points:
  - The Windsor Framework (WF) had improved the mood music between London and Brussels and with national capitals, though no progress had been made on Stormont restoration. He said that people thought the WF would lead to fundamental reset in UK-EU relations leading to much closer ties, but this had had a relative lack of substantial process, and it seemed mending the relationship would be more difficult than thought. Horizon association negotiations took a long time despite being a relatively straightforward issue.
  - He mentioned the TCA review and said that the course of action would depend on which party was in power. He said if the Conservatives were to win the 2024 election, little would change as the prevailing view in the party was that the TCA was working well.
  - He said he sensed a naivety among the Labour leadership on the willingness of EU to revisit the TCA during the review, as most member states viewed this as an opportunity to see how well the TCA was functioning, rather than reopen the substance of the agreement. He said that the economic consequences of Brexit had been less severe for the EU. He said Labour would have to make their asks very clear early on, and a larger Labour majority would make negotiations easier. This was due to the likelihood of the Conservatives shifting rightwards if they lost in 2024, meaning if the EU had thought they would win in 2029, it would have been more difficult for Labour to sign agreements.
  - He said that agreements on SPS and veterinary medicines were important for GB-NI border and certain sectors but were relatively insignificant in macroeconomic terms. Most of the economic impact of Brexit came from losing single market access, and UK was unlikely to rejoin the single market without having any say in rules.
  - He commented on the fact that it was difficult to get the PM face time with EU leaders. The TCA governance groups were technical, but bilateral meetings yielded better results, and cited a recent example of Sunak and Macron almost reaching an agreement on youth mobility arrangements. He said that the EPC was a good opportunity for the UK.
  - UK services exports had held up quite well since Brexit, and remote working had helped, and reduced the number of UK service jobs moving to the EU.

- UK political debate would have to change significantly if the UK was to rejoin the single market. He mentioned that 70% of leave voters thought Brexit had been bad for the economy, however most thought it would be economically damaging before Brexit and the vote was about sovereignty rather than economics. He said many of them believe Brexit was a good idea poorly executed. He said that a second Eurozone would potentially reinforce the idea that Brexit was a good idea. He also said the number of people who thought Brexit was harming the economy had increased significantly after Liz Truss' mini budget, so many people who thought Brexit was economically damaging thought so for the wrong reasons.
- He stated it would be likely that Sunak would hold off calling the 2024 election for the longest time as he was behind in the polls, and enjoyed being PM.
- He said that the idea that the UK would aggressively deregulate after Brexit had not come to pass, and that the UK had struggled to keep up with new EU regulations. There was consensus among Labour and Conservatives that the UK should not rip up EU rules for the sake of it, but Labour seemed more interested in minimising passive divergence.

#### **Preparation for joint DAG and CSF meetings:**

9. Sean McGuire opened by stating there were still ongoing discussions with the EU DAG about the wording in the DAGs' joint statement. Issues that still needed to be resolved included parts on Electric Vehicles Rules of Origin, Seed Potatoes, more regular UK-EU meetings on regulatory change, veterinary medicines supply for NI, and the Windsor Framework and impact of illegal migration act on cross-border cooperation (and commitment to Belfast Good Friday Agreement). He also said that the references to the Ukraine Crisis were political and outside the DAGs' scope. He also acknowledged some UK DAG members' reservations to name check UK legislation such as the REUL and MSL acts.

#### **10. Points raised:**

- Participants stated that they wanted clarity around the procedure for agreeing the joint statement and expressed concern that statement had only been sent to DAG members two working days ago – with final comments on the statement only circulated in the meeting that day. It would be important to learn from this process and next year provide participants with more time in advance to consider the draft joint statement and submit comments. Some argued for a delay until after the publication of the DAG report and pointed out that it should potentially also be delayed due to the complexity and out-of-scope nature of some elements in the document. Participants also stated that the paper could take a more constructive tone as it would otherwise inhibit the progress made by subgroups.
- Some participants stated that they found the explicit mentions of legislation in the statement problematic and made clear that they would find it hard to support the statement without them being withdrawn.

Other participants said that the same applied to the points on illegal migration and ECHR withdrawal as both these issues made the statement too political to support. They suggested using more general language and said that it was not a comment on the policy itself, but a point of principle of political neutrality. Other participants said that areas of dispute should not be included, for example the degree of impact that the Minimum Service Levels act had on LPF commitments, and that the statement could not include clauses not backed up by all members. Another participant said that it would be impossible to support the mention of legislation that their organisation had not considered, and to say that the UK was undermining the TCA was too much of a strong statement.

- Other participants stated that the role of the DAG was to monitor the implementation of the TCA and highlight areas of concern to be considered by the EU and UK governments. It was important for the joint statement to highlight legislation that potentially affected UK government commitments to Level Playing Field in the TCA, such as the Strikes (MSLs) and REUL Acts. It should have also been comfortable calling out acts that affect the functioning of the TCA, particularly the joint UK-EU commitment to ECHR. Another participant stated that DAG statements historically were in part-political due to having to comment on the implementation of trade agreements. Another participant said that if the DAGs were only restating high level principles, there was no point in issuing a statement.
- A participant noted that businesses, unions and civil society on the EU side were united in requesting an inclusion in the joint statement of concerns about the Strikes (Minimum Service Levels) act and the Retained EU Law Act.
- Participants also noted that the statement should be focussed on active and passive divergence, and that EU legislation should be pointed out. Participants also stated that there were other issues such as pet travel and movement of creative artists that hadn't been included and said that the statement should stay high level instead of becoming a shopping list.

#### 11. The DAG chairs responded and closed the meeting:

- Chair Sean McGuire said that ideally there would have been more time to discuss the statement, and the chairs would take the comments forward. He said that a consensus should be found that credited the DAG's work. Amendments could be made in the DAG-to-DAG meeting, and the statement could be issued after the CSF if needed. He said that a shorter statement would have been better and said that nobody wanted to leave ECHR or reduce LPF commitments, but they needed to find wording that works for all members of the DAG and not be prescriptive to one part of the DAG.
- Vice-chair Steve Turner stated that concerns around specific issues between organisations were inevitable, and the joint statement was a culmination of discussions between the UK and EU DAGs. He said that going forward there should be a two-week window before the joint

meeting to agree future statements. He also reiterated that the concerns around UK legislation had come from the EU DAG as a whole, and not just UK trade unions. He said members should respect other members' concerns, given that trade unions had agreed to mention businesses' concerns. In a tripartite organisation this should be recognised.

- Vice-chair Irene Oldfather said that the executive council wanted to hear and recognise the legitimacy of all groups on the DAG. She said that the third sector were interested in mobility and workers' rights, and there were other issues that were not mentioned in the statement.