

# Meeting of the UK TCA Domestic Advisory Group

## 3 September 2024

### List of organisations present:

- Agricultural Industries Confederation
- Association of the British Pharmaceutical Industry
- Bar Council of England and Wales
- British Beer and Pub Association
- British Chambers of Commerce
- British Meat Processors Association
- British Standards Institution
- Business Services Association
- Chartered Accountants Ireland
- Chemical Business Association
- Chemical Industries Association
- Confederation of British Industry
- E3G
- Energy UK
- Federation of Small Businesses
- Food and Drink Federation
- Green Alliance
- Law Society of England and Wales
- Logistics UK
- Make UK
- Musicians' Union (on behalf of LIVE)
- National Council of Voluntary Organisations
- National Farmers Union
- NHS Confederation
- Northern Ireland Chamber of Commerce
- Northern Ireland Committee - Irish Congress of Trade Unions
- Prospect
- Prosper
- Scotch Whisky Association
- Scottish Council for Voluntary Organisations
- Scottish Fisherman's Federation
- Society of Motor Manufacturers and Traders
- TheCityUK
- Trades Union Congress
- UK Chamber of Shipping
- UK Finance
- Unison
- Unite the Union

- United Kingdom Association of Fish Producer Organisations
- Universities UK
- Wales Council for Voluntary Action

### **Agenda:**

1. Introduction from DAG chair
2. Paymaster General, Minister Nick Thomas-Symonds MP
3. DAG joint statement discussion
4. DAG Governance

### **Introduction from DAG chair:**

1. The DAG chair Sean McGuire welcomed everyone to the meeting and communicated the agenda to members. He stated that the Executive Council had sent the minister a letter after his appointment, and that the minister had stated he thought engagement with the DAG was important. He then said that there had been an Expression of Interest to refresh the DAG membership over the summer, and that it had been a fairly easy process for current members to reapply. He said that there had been no decision yet, but it was likely that it would be in the following weeks. He closed by stating that all five subgroups of the DAG; Trade and Customs, Level Playing Field and Regulatory Cooperation, Energy and Climate Change, Business and Labour Mobility, and Nations and Regions had submitted an application to renew, and this had been accepted. He also stated that there had been an application for a Trade in Services subgroup.
2. The DAG chair then invited the vice-chairs to say a few words. Vice-chair Steve Turner thanked everyone for their work on the joint statement. He said that the TCA review was coming up, as well as a reset in the relationship, with the TCA at the heart of this. He stated that the DAG had a broad perspective on Europe and could have a huge influence on the reset.

### **Paymaster General, Minister Nick Thomas-Symonds MP:**

3. The DAG chair Sean McGuire congratulated Minister Nick Thomas-Symonds on his appointment and thanked him for joining the meeting, and for the response to the letter the Executive Council had sent to the Minister following his appointment. The DAG Chair passed to the Minister.
4. Paymaster General, Minister Nick Thomas-Symonds MP opened by thanking members for inviting him as guest speaker at the previous DAG meeting in April and underlined the important role of the DAG in hearing first hand from business, trade unions and civil society. He stated that the DAG report was key in drawing knowledge on the functioning of the TCA.

**5. The Minister set out the government's priorities for achieving a UK-EU reset:**

- The Minister stated that the starting point of UK/EU reset was the international context. He stated that the UK and the EU had to work together to help Ukraine, deal with climate change, and irregular migration. He said that it was in the mutual interest of UK and EU to work together.
- He stated that the government was committed to a security pact, and getting rid of unnecessary barriers to trade. He said that it was crucial that the UK was a trusted and reliable partner, and sentiments from Member States had been positive so far.
- He said that the government was committed to the European Court of Human Rights and noted that the government was aware of the Challenges that the EU Entry Exit System would present.
- He reaffirmed that there would be no return to the single market, customs union or free movement. He said that the government would prioritise a Veterinary/SPS agreement and Mutual Recognition of Professional Qualifications to boost business, jobs and growth.
- The minister closed by stating that the work had started with key leaders in the EU, and bilaterally with Member states. He said he had met his counterpart in the European Commission twice and spoken to colleagues in Devolved Governments. He said that the UK had hosted the European Political Community, and this had been a great opportunity to engage with leaders from all over Europe. He then opened the floor for members to contribute points and questions.

**6. Points raised:**

- A member raised the importance of collaboration with other government departments when approaching the EU reset.
- Members noted the government's growth agenda and asked if there was any progress on a Veterinary/SPS agreement and whether the Minister thought an agreement could be reached without reopening the TCA.
- Members noted increased public debate on youth mobility. A member asked that a clearer distinction is drawn between freedom of movement and mobility, and underneath that, further distinguish between youth mobility and business mobility. A member also asked that more constructive language is used when discussing youth mobility. Another member noted the Welsh Government's Taith programme and its desire to work with the Erasmus programme.
- A member welcomed the government's commitment to mutual high standards on employment rights, including rights for platform workers and workers' rights and AI and asked if there will be an agreement where UK and EU workers are entitled to the same standards.
- Members asked if there is any more information on the UK-Germany treaty announced during the Prime Minister's recent visit to Berlin, including whether

there is an update on touring artists from the Prime Minister's visits to France and Germany, and if there was appetite for widening the scope of the TCA review.

- A member asked the government to prioritise Mutual Recognition of Professional Qualifications to support a wider range of business activity workers can do in Member States.
- A member asked about the government's intent following its appeal in the legacy case in relation to Article 2 of the Windsor Framework. The member suggested that this had concerned some groups regarding whether the Government was seeking a weaker interpretation of the effect of Article 2 provisions of the Windsor Framework.
- A member thanked the Minister for his recent visit to Belfast and raised the importance of workable implementation of the Windsor Framework.
- Members raised concern about the EU's Entry Exit System and asked if the Minister had a sense of Member State readiness, including any contingency plans and the impact on borders.
- A member noted that the drive to zero emission vehicles is a huge opportunity for trade with the EU and requested early discussion with the EU on trade barriers to avoid a cliff edge and would welcome long term collaboration with the EU on critical materials supply chains. A member also asked what work was being done with the EU on regulatory cooperation approaches,
- A member highlighted that the UK is the largest net exporter of financial services, and asked the Minister how the UK-EU Financial Services Regulatory Forum will influence the wider reset.
- A member noted the EU's Carbon Border Adjustment Mechanism is a key concern and asked whether an ETS linkage is still being considered.
- A member raised concerns about the effects of the EU's upcoming deforestation regulation on UK meat exports.
- A member raised the need to work on mutual recognition of conformity assessment.
- A member asked that the issue of EU divergence sits with one department which provides an early warning system for upcoming issues.

## **7. The Minister responded:**

- On collaboration across Whitehall, the Prime Minister issued a Machinery of Government change that designates responsibility for the EU relationship with Minister Thomas-Symonds, which includes coordinating with other government departments.
- On timings for a future Veterinary/SPS agreement, the Minister noted that the new EU Commission isn't in place yet, and his desire for a constructive relationship with the EU.
- On workers' rights, the Minister re-affirmed the government's commitment to workers' right and maintaining mutual high standards with the EU, noting the Employment Rights Bill.

- On the Prime Minister's recent visit to Germany, the Minister noted that the focus of his visit was on deepening the bilateral relationship, and that the culture sector is a priority.
- On mobility, acknowledged the points made. On Mutual Recognition of Professional Qualifications, the Minister agreed on their value for supporting workers.
- On Carbon Border Adjustment Mechanisms, the Minister said he said the UK is following developments closely and is open to working alongside the EU.
- On the Legacy Act, the Minister said the Government had halted progress on the previous Government's legacy policy. He said the decision to appeal the article 2 decision did not mean we weren't committed to article 2, but that we thought it was important to understand the court's interpretation of article 2 so we can achieve better legislation in the long run.
- On the Windsor Framework, the Minister re-iterated the government's commitment to its implementation and his desire for practical solutions.
- On the EU's Entry Exit System, the Minister communicated his desire to visit Dover and acknowledged that, while he is focused on what he can do to ensure a smooth transition to the new system, there may be delays at the juxtaposed borders.
- On electric vehicle Rules of Origin, the Minister agreed that engagement is important ahead of the 2027 deadlines.
- The Minister noted the request for longer term collaboration on critical materials supply chains.
- On the EU's upcoming deforestation regulations, the Minister said he was aware of the issue and had asked for advice.
- On EU Programmes including Horizon, the Minister was interested in seeing how Horizon has benefited the UK and agreed on the importance of engaging with European neighbours and Taith on future opportunities.
- On financial services, the Minister said that more work can be done to make the most of the UK's expertise in Financial Services as an exporter.
- On the UK-EU reset, the Minister noted that it has been received positively so far.
- On coordination relating to regulatory cooperation, the Minister noted that while individual departments lead on details relevant to them, the Minister coordinates and is sighted.

### **DAG joint statement discussion:**

8. The DAG chair opened the session by providing an update on current drafting of the UK-EU DAGs joint statement. He stated that the first version had come from the EU, and that the UK Executive Council and subgroup convenors had made additions to it, before lastly opening to members. He then invited comments from members.

## 9. Points raised:

- Members discussed how to agree wording on Veterinary/SPS agreement which would be acceptable to all members. Some members strongly supported the inclusion of wording, whilst others did not. One member commented that SPS should have been included in order to reference the agricultural sector. A member said that alignment should be looked at but appreciated that it may be a step too far at that point. Another member commented that alignment and the trade-offs that may be a consequence of a potential agreement meant they could not be supportive of the inclusion in the joint statement. Members stated that a compromise could be found.
- Members discussed finding clearer wording on mobility and Erasmus+ association. One member thanked the chair for including their suggestions on mobility.
- A member stated that they would like to see the role of the Parliamentary Partnership Assembly mentioned, and how Devolved Governments would be involved.
- A member stated that they had suggested wording about the ongoing proceedings on the article 2 case relating to legislation of the legacy of the Troubles. Whilst the new Government had indicated that it intends to repeal and replace this legislation, it was continuing an appeal against a decision that provisions of the legislation breached Article 2 of the Windsor Framework and should be disapplied.
- A member requested that the joint statement lists specific annexes of the TCA, where relevant to do so including on REACH. The member also thanked the secretariat for including the relevant lines on REACH.
- Members discussed finding acceptable language on the Level Playing Field and workers' rights. Some members felt that the wording had been made too political. Others supported the original drafting, and one member said that they could provide language to neutralise and clarify the section on workers' rights, addressing other members' concerns.
- One member stated that they supported deforestation topics being included, but separate sentences on energy cooperation and Northern Ireland issues needed to be added.
- One member stated that although clinical trials had been referenced, they thought it should be separate from the section on batch testing.
- Another member asked for some wording around Mutual Recognition of Conformity Assessments to be clarified.
- Members asked to ensure the Joint Statement flows in the correct order and that any spelling or grammatical mistakes are rectified.

10. The Chair thanked members for their contributions and noted he would finalise the statement with the help of the DAG Secretariat.

## **DAG Governance:**

11. The Executive Council asked if members would agree to an 18-month extension to the Executive Council term, which would take the term to June 2026. They stated that this would provide some continuity during the transition of the UK Government and the EU Commission, as well as the DAG membership refresh. The Executive Council also asked members whether they would support a change in the chair rotation, and whether the DAG's Rules of Procedure would need to be changed to allow this change in Chair rotation. The Chair noted that if an extension was agreed, he would have no intention to stay in the role beyond June 2026.

## **12. Points raised:**

- Members agreed on the value of continuity in the organisations represented in the Executive Council, particularly ahead of the TCA review in 2026, but expressed concern at amending the Rules of Procedure as this would need a vote as set out in the rules.
- Members discussed whether there was a need to change the Rules of Procedure to allow for an extension to the term. Other members expressed concern at amending the Rules of Procedure without following the correct procedure, and one member pointed out that a change in the Rules of Procedure would require a third of the DAG to propose it, and three quarters to approve it. Members agreed that the correct process should be followed if amended.
- A member noted that the same organisations can remain on the Executive Committee if it is the wish of the constituency, but care should be taken to rotate between groups as the rules of procedure state. The vice-chair also stated that although there was value in the continuity in the Executive Council, they would not accept that the chair automatically continues or removing the rotation clause from the Rules of Procedure. He also stated that an election could be done easily online and could be done early in order to end the term at the beginning of 2027.
- One member stated that the Rules of Procedure would need to be changed, in order to avoid an election to the Executive Council in 2024.
- Members discussed whether the DAG Secretariat should hold an election for DAG members to agree whether the term of the current Executive Council should be extended to June 2026. A member stated that the Executive Council should take it away and come back with a proposal for members.
- A member proposed a services subgroup, and felt it was essential due to the services industries not having a natural home in any of the current subgroups. He stated that asking the current convenors to reconfirm their own subgroups seemed like a conflict of interest. He said that in the meantime, they will continue to engage in existing groups and thanked the current convenors for their effort to accommodate the services industries.

### **13. The Executive Council concluded that:**

- The Executive Council agreed to present the DAG membership with options on extending the Council's term. They concluded that there were three options; an agreement between members to extend the term as a one off, an election and the beginning of a new Executive Council Term, and a permanent change in the Rules of Procedure. The chair stated that the Executive Council would discuss and propose some options for the membership.
- The Chair recognised the importance of services as part of the UK-EU relationship but noted that while an additional group would not be created at this stage, other groups should put more emphasis on services where relevant and it should remain an option for the 2025 workplan. The chair said he felt that topics such as Mutual Recognition of Professional Qualifications, the creative industries, and Financial Services were important.
- The Chair committed to finding additional time for the group to continue discussing governance issues and noted that he would be in touch with members to finalise the Joint Statement.

14. The chair stated that although they had not had time to discuss the upcoming Civil Society Forum in the meeting, the subgroup convenors should remember to prepare for their presentations. The Chair closed the meeting by thanking everyone and stated that he looked forward to seeing members at the upcoming meetings in Brussels.