

Meeting of the UK TCA Domestic Advisory Group

26 November 2024

List of organisations present:

- ADS Group Ltd
- Agricultural Industries Confederation (AIC)
- Association of Medical Research Charities
- Association of the British Pharmaceutical Industry
- Bar Council of England & Wales
- British Beer and Pub Association
- British Chambers of Commerce
- British Ports Association
- British Retail Consortium
- British Standards Institution
- Chemical Business Association
- Chemical Industries Association
- Community
- Confederation of British Industry (CBI)
- Energy UK
- Federation of Small Businesses (FSB)
- Food and Drink Federation (FDF)
- GMB Union
- Green Alliance
- Horticultural Trades Association
- Institute of Export & International Trade
- Intellectual Property Federation
- International Meat Trade Association
- Law Society of England and Wales
- Law Society of Scotland and Faculty of Advocates
- LIVE (Live music Industry Venues & Entertainment)
- Logistics UK
- Make UK
- National Farmers' Union
- National Youth Agency
- NHS Confederation
- NI Committee - Irish Congress of Trade Unions
- Prospect
- Scotch Whisky Association
- Scottish Council for Voluntary Organisations
- Scottish Fishermen's Federation
- Shellfish Association of Great Britain
- Society of Motor Manufacturers and Traders

- TheCityUK
- Trades Union Congress (TUC)
- UK Chamber of Shipping
- UKFinance
- Unison
- United Kingdom Accreditation Service
- Wales Council for Voluntary Action
- Wine and Spirit Trade Association (WSTA)

Agenda:

1. Introduction from the Executive Council and adoption of minutes
2. Update from UK Government on the Trade Specialised Committees
3. Session with All Party Parliamentary Group on Europe chairs Dr. Rosena Allin-Khan and Lord Kirkhope
4. DAG Executive Council governance

Introduction from the Executive Council and adoption of minutes:

1. The DAG Chair Sean McGuire welcomed members to the meeting, and thanked everyone for attending. He then thanked the secretariat for organising, and the staff upon the HMS Wellington for hosting. He informed the membership that Steve Turner had resigned from the DAG Executive Council, thanked him for his work, and stated that his efforts had been appreciated. He then confirmed that they would address the DAG chair question under the Executive Council governance item. He proceeded to outline the rest of the agenda, and asked if anyone had any objections to the September meeting minutes, before declaring them adopted.
2. The DAG chair then updated on the status of the UK-EU DAGs' joint statement, which had been circulated across the UK Government and European Commission. He stated that there had been positive responses from across the UK Government, including from Minister Bryant, who had expressed interest in meeting the DAG to discuss data flow and adequacy. He went on to explain that the Data Protection and Digital Information Bill was going forward, but that this shouldn't pose a challenge to data adequacy with the EU. He mentioned that the chair of the EU DAG had also met the EU delegation in Strasbourg, and had used the joint statement. He also updated the membership on a meeting between the UK Executive Council and a European Parliament delegation, where there had been a discussion on the DAG report, as well as an emphasis on the U.S. and China. He conveyed that the Executive Council were due to meet the rapporteur for the TCA review soon.

3. The vice-chair Irene Oldfather then conveyed her thanks to Steve Turner on behalf of the third sector. She remarked that it was the first face to face meeting with new members of the DAG since the membership refresh, and welcomed new organisations. She highlighted that sharing of the joint statement with the devolved administrations had been important, and highlighted key issues going forward including a Sanitary and Phytosanitary (SPS) agreement.
4. One member asked if the joint statement had been shared with DCMS, which DAG chair Sean McGuire confirmed.

Update from UK Government on the Trade Specialised Committees:

5. DAG chair Sean McGuire invited Niall Macentee, Deputy Director, Economic and Trade Partnership, EU Relations Secretariat, Cabinet Office and Tim Courtney, Director, EU, Services, and Trade, Department of Business and Trade to introduce themselves.
6. Tim Courtney apologised on behalf of Minister Alexander, who could not attend due to diary commitments, but affirmed he would like to address the DAG at a later date. He then gave a quick update on the UK Government's work, including preparations for a potential veterinary agreement and stated that more detail would follow later. He updated on the UK-EU reset citing the Prime Minister and President of the European Commission's meeting in Brussels in October, where a joint statement was released, committing to putting the relationship on a solid stable footing, and holding leader level summits. He described it as a step change that would lead to conversations around economy, energy, security, reliance, and that both sides would meet regularly. He stated that conversations with EU member states would accompany that. He confirmed that Minister Alexander had met with opposites from Italy and Ireland, as well as conversations within the G7 and G20. He highlighted the importance of ongoing dialogue with the DAG in complementing this work, as well as ensuring that the TCA is fully implemented.
7. Niall Macentee explained the coordination role of the new EU Relations Secretariat that reported into Minister Thomas-Symonds and the Prime Minister. He said that there were 10 Trade Specialised Committees (TSCs) that were being held for the fourth time in Brussels, and that their key purpose was to see the full implementation of the TCA, and not a renegotiation. He explained the agendas were an exchange of information, what parties had done and whether they are living up to their obligations in the TCA. He also explained that the TSCs could include any decisions that needed to be made under the TCA, and cited the working groups being taken forward as an

example. He stated that exchanges had been relatively high level this year due to the new government and new Commission, but the exchanges had been positive. He explained that there had been a discussion around the guidelines within the TCA, and said that it had felt a bit static at times and there had been an appetite to change this. He also stated that there had been good discussions around environmental regulators, dialogue under taxation, as well as Ofcom talks with DG TAXUD, and VAT exchange information. He closed by explaining that the TSCs would be bookended by the Trade Partnership Committee in December in Brussels, and will include a conversation on SMEs and economic security.

8. **Tim Courtney gave a brief update on some of the highlights from some of the TSCs:**

- **Technical Barriers to Trade** - He said that discussions had focussed on the progress of the working groups, which were good forums to exchange information on future plans. He said they had also discussed the exchange of surveillance data to protect consumers.
- **Services, Investment, and Digital Trade** - He stated that there was a focus on the talent call which involved access to the EU work force, a discussion on Mutual Recognition of Professional Qualifications (MRPQs), and that the EU had raised the UK's visa sponsorship system saying that it was costly for EU businesses.
- **Regulatory Cooperation** - He stated that the agenda had included innovative regulation, as well as the substance in future various EU files. He concluded by saying that it had been conducted in a positive atmosphere.

9. **Points raised:**

- **UK-EU reset** - Members welcomed the positive tone of conversations in the TSCs, and the change of mood. Members also welcomed the prospect of a UK-EU summit and asked for further details on what may be discussed. Another member stated that the DAG should be able to feed into the summit, and asked for details on the format, frequency, and how it would feed into the reset. A member also asked if economic growth featured in any of the conversations.
- **SPS agreement** - A member asked about the SPS TSC as this had been raised at the DAG Regulatory Cooperation subgroup meeting. They also stated that there had been a discussion about a potential SPS agreement, and further regulatory cooperation. Another member stated that Seed Potatoes was still an ongoing issue, and asked whether this could be resolved ahead of an SPS agreement. A member then highlighted that they wanted to update their members on the

progress of the reset and a potential SPS agreement, and stated it would be good if there was an update online.

- **Goods and Customs** - A member asked for an update on the status of shared supply chain cooperation, the decarbonisation agenda, and plans for economic cooperation beyond the TCA. Another member raised fiscal representative requirements for import VAT citing the burden on SMEs, and asked for an update on Union Customs Codes reform. A member also asked whether there was an update on Mutual Recognition of Conformity Assessments (MRCA), and mentioned a lot of sectoral discussions take place in the Regulatory Cooperation TSC.
- **Technical Barriers to Trade** - A member asked what areas of opportunity there were to remove barriers in working groups. Another member asked if there had been any progress on the chemicals annex in the TCA.
- **Business Mobility** - Members raised MRPQs and business mobility more widely, including asking for more details around the EU's sponsorship system and talent initiative. Another member stated that the talent initiative should be focussed on areas across member states with shortages, and asked whether the EU had stated that. A member also asked for an update on the implementation of legal services in Greece.

10. The UK Government confirmed:

- On the UK-EU summits the government confirmed that different departments would have different priorities, and specific conversations would be subject to negotiations, whilst there would be more detail on specific strands in due course. They stated that leader level summits would focus minds and bring people together from both the UK and EU. The government confirmed that ongoing dialogue with industry was important to determine what needed to be achieved from the summits. They confirmed that the frequency and scope would be subject to negotiations with the EU, but the first meeting would be between the Prime Minister and President of the European Commission and be in the first half of 2025, and more details would follow.
- They stated that the government had included a commitment to an SPS agreement in the manifesto, but could not provide a running commentary of negotiations but were ambitious to this end. They confirmed they wanted to remove barriers to trade, and see it have an impact on the ground easing the movement of goods between Great Britain, Northern Ireland and the EU and requested members keep in contact with Defra colleagues.

- On the SPS TSC they confirmed that there had been positive exchanges, and lots of discussion bilaterally. They confirmed the UK had raised seed potatoes, and Live Bivalve Molluscs, stating that they were looking for an equivalence agreement with the EU, and that the UK standards were high but were waiting on the results of the audit.
- On the reform of the union customs code the government confirmed that they are in discussions with the EU. They stated that they raised fiscal representatives at the Customs TSC, and would check the implications for sending parcels. They said they would continue to push for it, and that there would be more scope in reset talks.
- On MRCA they confirmed that this was something that the UK would want to raise in discussions, and confirmed that the Regulatory Cooperation TSC had been positive.
- They confirmed that close collaboration in the working groups was important, and that DBT had experience of the functioning of these groups due to chairing the automobile working group. On the chemicals annex, the government confirmed that they would follow up.
- On business mobility they confirmed that the UK had raised visa routes, and MRPQs though there was a particular difficulty under the framework of the TCA. However, they confirmed that they would have liked to have seen more progress. They also stated that the EU's talent programme shows that there were other initiatives that could achieve the same outcome. On legal services they confirmed that legislation was being changed in Greece, and that the UK was looking forward to seeing whether implementation would have the desired effect.
- They reiterated that the TCA still needed to be fully implemented as it currently stood, and on the reset more widely confirmed that there could be value in a public statement early in 2025 when there were some more updates, as the European Commission were still working through initial processes. They confirmed that the reset ambitions were centred around sustainable and mutual growth.

11. The DAG chair thanked both of them for their update, and commented that they had covered a wide range of issues, and the UK-EU summit would be an opportunity to focus minds. The meeting then adjourned for lunch.

Session with All Party Parliamentary Group on Europe chairs Dr. Rosena Allin-Khan MP and Lord Kirkhope:

12. DAG chair Sean McGuire welcomed the co-chairs of the All Parliamentary Group (APPG) on Europe, Dr. Rosena Allin-Khan MP and Lord Kirkhope. He stated that the DAG was a wealth of knowledge from three different sectors, and a source to be used.

13. Dr. Rosena Allin-Khan MP introduced herself, stating she was the MP for Tooting, and had voted against the triggering of Article 50 and had wanted to remain in the EU. She stated that this was the first engagement since the inaugural meeting of the APPG and that it was timely with the backdrop of the recent election of Donald Trump, climate change, and the war in Ukraine. She said that there was a need for a close working relationship between the UK and the EU. She added that it was a great time to reset, and could not wait to cooperate with the European Parliament and other partners across Europe. She stated that industry had conveyed that Brexit had had huge implications on trade and movement of people, and that these issues needed to be addressed at an international level. She concluded by saying that they were there to hear from members what was working well and what needed to be improved.
14. Lord Kirkhope stated that he agreed with Dr Allin-Khan's remarks, and was grateful to have been invited. He believed that the UK's relationship with Europe was very significant, and said that his career had been centred around fostering UK/EU relations. He said that he had been an MEP for 18 years, and that he deeply valued the bonds that unite the UK and EU. He stated that he had been very disappointed with the leave vote. He said he had been the leader of the Conservative MEPs for a long time in the European Parliament, and had overseen a change of mood, and that had been a great shame. He said that despite being outside the EU, the UK and EU remained deeply connected, both historically and economically. He explained that the newly formed APPG was a unique opportunity to drive the relationship forward. On future cooperation with the EU he stated that some of the discussions in parliament were limited, and that they wanted to fill that gap. He said that he wanted to focus on goods, MRPQs, youth mobility, security, and industry and that civil sector groups could provide helpful insights. He explained that industry engagement was essential when negotiating internationally. He said that they wanted to work with both the EU and member states. He stated that the Parliamentary Partnership Assembly (PPA) was important and played a critical role in the TCA, and provided monitoring and oversight and made recommendations. Although the new delegation was being awaited, he said that he had served under the last delegation. He stated that they had to foster a strong working relationship between them and the PPA. He said that the government intended to reset relations with the EU which should include data adequacy and energy, and said that he used to work on anti money laundering, GDPR, criminality and security so had a particular interest. He concluded by saying that the DAG was vital in strengthening ties, and that there was a desire to build a stronger partnership with the EU.

15. Points raised:

- **APPG engagement** - Members welcomed the formation of the APPG, and the willingness of the chairs to work closely with the DAG. Members pointed the chairs toward the DAG report published that year, and stated the usefulness of having a group that would engage with the EU rather than individual member states. Another member asked if the APPG would explore options beyond the TCA citing their shared ambitions for growth and supply chain changes. Another member enquired if the APPG would monitor the UK/EU summit. A member also asked if they were engaging with the cross parliamentary group in the Scottish Parliament.
- **SPS** - a member raised the movement of plants across borders, with particular respect to SMEs, and asked whether looking at SPS goods was a priority for them going forward. They specifically stated that these goods were subject to border checks, and perishable goods were in a virtual lottery, that they were getting damaged due to delays and had to pay for logistical costs regardless.
- **Services** - A member raised Financial Services cooperation, and asked the chairs what their views were on it, and how best DAG members could feed in. Another member stated that Trade in Services was not a big part of the TCA and asked the chairs how they planned to engage with the EU on this.
- **Mobility** - A member welcomed the focus on Youth mobility and professional mobility, and pointed to the DAG subgroup which had been formed to this end. Another member stated that a clear distinction should be made between youth mobility and Erasmus plus, and the latter should be the priority.
- **Regulatory Cooperation** - Members raised CBAM, deforestation regulation, and general products safety highlighting that the biggest impact was on SMEs, and asked whether the APPG could do a bit of work on regulatory trackers to determine whether there should be any alignment. Another member stated that the UK still had influence over EU product regulations, and whether there was alignment or not, it was all underpinned by technical standards, and this was an important factor of UK influence. Members stated that regulatory alignment can attract investment, and create good jobs, and that they would like to see Swiss style alignment for the chemicals industry in order to achieve that. Another member said that the lack of medical research cooperation was causing delays to child cancer research.
- **Medicines** - A member raised the TCA medicines annex, and stated that the Windsor Framework had shown that health issues are important in both Great Britain and Northern Ireland, and that they could be solved with technical agreements. They stated that there were

issues around batch testing of medicines and mutual recognition of standards between UK and EU, and that it would be good to see a reassessment around a mutual recognition agreement.

- **Programmes** - A member stated that the new European Commission and Parliament were consulting members on funding for the Culture Programme, Erasmus, and Horizon, and asked the APPG whether the UK should be influencing the rules if they rejoin, or whether they should rejoin on the EU's terms.
- **Windsor Framework** - A member asked what consideration the APPG had given to specific circumstances relating to Northern Ireland, and asked how the group would examine issues relating to the implementation of the Windsor Framework. The member also asked whether they would monitor the impact of legal challenges relating to Article 2 and whether they had any insights on that.

16. The APPG chairs confirmed:

- They were ready to work with the DAG, as well as take more points and opinions from members where appropriate, and stated that they were happy to use their authority to arrange meetings and briefings as appropriate. They said that the PPA worked on a thematic basis and to an official calendar, and the APPG would be able to act in areas where the PPA could not. They also stated that they could be a critical friend of the government on behalf of DAG members, and could take their queries forward across parties and houses. They said that members could feed in through themes via subgroup convenors. They confirmed that the APPG could hold discussions with member states as long as it was in the context of UK/EU relations.
- They stated that when the UK left the EU, the UK became a third country and lost a lot of important levers and influence in areas such as security. They said that looking at the different issues of the component parts of the UK was important, including engagement with the Scottish Parliament. They confirmed that they would follow the progress of UK/EU summits, and stated that they wanted to effect change, but would not be able to solve all the issues at once.
- On professional recognition they confirmed that they would like to hear more views from the sectors concerned. They stated that they would like to see further cooperation between the UK and EU in both the financial services industry and the motor industry. They said that mobility in general was also important, and although a priority for them there was a limit to what they could do. They also confirmed that they would look at youth mobility schemes, and said that they had made the case for Erasmus plus previously.

- They confirmed that although it would be desirable to do a regulatory tracker, they could not commit their secretariat without asking them, but confirmed that they would take it away. They stated that they were interested in AI, and it was encouraging to look at EU legislation and regulation. They said that regulators could not move as fast as innovators, and it was important to have international cooperation in this field. On the Product Regulation Bill they confirmed that the UK should retain rules from Europe as it is its biggest market. They stated that they would be listening to stakeholders, and pressuring the government to align when possible.
- They agreed with members' points that small and medium sized businesses have suffered, and stated that they hoped the government would take into account the need to simplify matters and involve them. They also agreed that the difficulty of getting medication across borders was a serious issue, and they would not let cancer research be harmed.
- On Northern Ireland, they stated that it was still part of the single market for goods, and that it was a difficult political issue, and commented that it was a shame that Great Britain did not have the same access. They said that there was a strand of opinion that GB and NI were diverging, and that they would like to work with Devolved Governments on this.

17. The DAG chair thanked the APPG chairs, and stated that the dialogue should continue. The meeting then adjourned for a short break.

DAG Executive Council governance:

18. DAG Chair Sean McGuire re-opened the meeting and reiterated that Steve Turner had resigned. He said there would therefore be a new representative for Unite the Union as part of the TUC's delegation on the DAG. He stated that his chairmanship would conclude on 31 December 2024, and that it would rotate to the trade union constituency on 1st January, in line with the principles laid out in the rules of procedure. He confirmed that the trade unions had nominated Mike Clancy as their representative and DAG chair. Sean McGuire and Irene Oldfather would continue as the representatives of the business and third sectors respectively. Whilst all the Executive Council agreed with the principle of rotation to the third sector, they had been holding discussions around the length of each chair term. 2.5 years was proposed as too long. The chair stated that they would propose to the membership to shorten the term to 18 months or 2 years. Vice-chair Irene Oldfather agreed that a full rotation at 7.5 years was too long. She proposed that the trade union constituency should take over chairmanship in January 2025, followed by the third sector in October 2026.

19. Mike Clancy addressed the DAG, and outlined his credentials for the role. He stated that members of his union Prospect were engaged with the UK/EU future relationship debate, and 70% of members had voted to remain in the EU which was a contrast with other unions. He said that he was aware that the DAG was a tripartite environment, and that it was important that the chair was impartial. He stated that the future of the TCA and its review were important, and that he wanted to be sure to represent all views and sectors. He concluded by saying a lot of Prospect's members were in business sectors including aviation and defence, so decisions that affect them would affect his members, and that business, trade unions, and the third sector had more that united them than divided them.

20. Points raised:

- A member asked for clarification that Mike Clancy was chair as an individual, rather than as a representative of an organisation.
- Members stated that there had been little communication on the Exco proposal prior to the meeting, and another member asked why Steve Turner had resigned.
- Members stated that they did not believe a vote was necessary given that Irene Oldfather had stated the chairmanship should rotate to the third sector in October 2026.
- A member stated that it would be helpful to have a subgroup convenors update in future meetings, and there had been a good discussion at the regulatory cooperation subgroup meeting.
- A member reminded the Executive Council that continued engagement with the EU DAG was important, and should not be sidelined.
- A member noted that any change to the rules around the term of the Chair or other changes to the rules of procedure would require a vote with three quarters of members supporting.

21. DAG chair conclusions:

- Sean McGuire stated that the DAG chair represents the entire DAG, and the organisation that holds the chair can have an alternative representative attend meetings. On prior communication, he stated that there had been a number of options, and there had only been an agreed Executive Council position that morning, although all constituencies had agreed that 7.5 years was too long for a full rotation. However, it was important that the rotation proposal was well communicated. He further noted that Steve Turner's decision to resign was personal, and not a reflection on the DAG. He also stated that they would meet with the EU DAG chair soon to discuss cooperation.

- The Executive Council said that the proposed change to the rules of procedure and other changes members thought necessary would be put to the group to consider. They would work with the secretariat and DAG membership on proposals for this in the new year. Exco also stated that they would work with the secretariat to write to all DAG members about the chairmanship proposal and hold an affirmative vote in early December 2024 on the proposals for rotation to the trade union and third sector constituencies.
- Vice-chair Irene Oldfather thanked Sean McGuire for all his work as chair on behalf of the whole DAG, and cited all the work that the DAG had completed over the previous two years including joint statements and reports. She said that there was mutual respect, and thanked him once again.
- Chair Sean McGuire thanked Irene Oldfather for her words, and thanked all members for their support. He stated that the UK DAG had been a success, and that he was looking forward to remaining on the Executive Council in his capacity as business representative. He then closed the meeting.