

# Meeting of the UK TCA Domestic Advisory Group

## 14 November 2025

### Agenda:

1. Welcome and Introductions
2. Discussion on Proposed DAG Subgroup Structure
3. Paymaster General Minister Nick Thomas-Symonds

### Welcome and Introductions:

1. The DAG Chair, Mike Clancy, welcomed members to the meeting and outlined the agenda.
2. DAG Vice Chair Irene Oldfather suggested an amendment on the previous DAG minutes.

### Discussion on Proposed DAG Subgroup Structure:

3. DAG Chair Mike Clancy introduced a paper, already circulated to Members, detailing a proposal for adoption. This initiative responded to feedback on the current DAG subgroups and sought to align with the practical structure of Common Understanding (CU) negotiations. The groups would cover three main “buckets” which were the CU and Negotiations, TCA Implementation and Technical Review, and Long Term Cooperation and Services. The proposal was that there would be four subgroups with the CU split between two groups covering Trade and People. Key proposals included reviewing the subgroup process, proposing an annual review, defining responsibilities, introducing rotational leadership, and outlining external engagement. DAG Vice Chair Sean McGuire stressed the importance of transparency and effective governance structures.

#### **4. Points raised by Members:**

- a. **Proposed Structure and Objectives:** The proposed structure was broadly supported by some Members as sensible and logical, with particular approval for linking subgroups to negotiations and mentioning regions and nations. Members also welcomed objectives like future-proofing and transparency.
- b. **Concerns about New Group Scope and Structure:** However, other Members raised concerns about the scope and structure of the new groups, with some arguing the former, more focused subgroups were more effective at capturing the complexity and cross-cutting nature of

the policy areas. Members flagged a lack of clarity between Buckets 2 and 3.

- c. **Regulatory Focus and Alignment:** Members raised the need to focus on influencing regulatory reforms and alignment, with suggestions for an implementation group and a group on level playing field. Members also suggested that, in addition to the 'Trade' and 'People' subheadings under the first 'Common Understanding & Negotiations' grouping in the proposal, it would be useful to add a third 'Implications of dynamic alignment' subheading.
- d. **Common Understanding Negotiations and Stakeholder Engagement:** Members raised points about UK Government (UKG) consultation with stakeholders, ensuring all relevant stakeholders are represented and the potential barrier of Non-Disclosure Agreements (NDAs) to access negotiations developments.
- e. **Improving the DAG's Overall Function:** Members commented on the need to improve the DAG's overall function and using the three "buckets" outlined in the reform proposal, as the standing agenda for future meetings. There was a desire for transformation over top-down restructuring, focusing on what works and ensuring outcomes are not just 'status quo.'
- f. **Cross-Cutting Concerns:** Members flagged cross-cutting concerns that span across multiple proposed groups (e.g., Youth Mobility Scheme (YMS) and business mobility). The Windsor Framework, health security, trade in services, and Sanitary and Phytosanitary (SPS) measures were also highlighted as needing explicit inclusion.

5. Dunstan Hadley (Cabinet Office) clarified that the intention was for departments leading on negotiation strands to directly engage with DAG Members. Some of these talks were currently under NDAs but as talks mature, they would become more public and consultative, particularly for the implementation of legislation for the SPS agreement. Live discussions were covering SAFE, Erasmus+ and YMS negotiations, and exploratory talks on electricity, but not SPS or Emissions Trading Scheme (ETS) linking at that time. Negotiations were happening, and discussions were taking place with relevant stakeholders. Topics such as business mobility were also covered in the CU, and they fell into Bucket 3, covering forward-looking development.

6. Vice Chair Dr Irene Oldfather reiterated the need for the overdue Terms of Reference (ToR) review, praised the inclusion of regions and nations, and clarified that Bucket 3 was proposed to future-proof areas like touring artists and health security. Vice Chair Sean McGuire agreed the ToR was outdated and stressed the need to focus on governance and transparency. He affirmed the priority paper's relevance and advocated for UK leadership in the renewal of the EU DAG, noting that restructuring subgroups was intended for better

tracking. Chair Mike Clancy acknowledged an improved context but stressed that DAG meetings must be valuable and realistic about outcomes. He observed a gap between Exco's reform proposal and feedback from Members, suggesting Exco will reconsider the proposal.

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

#### **7. Minister Nick Thomas-Symonds provided opening remarks:**

- a. **Mandates Signed and Negotiations Begin:** The Minister confirmed the sign-off of the SPS and ETS mandates by the EU. He mentioned positive recent engagement after visits to Dublin, Belfast, and currently Cardiff.
- b. **Shift to New Strategic Partnership:** The Minister welcomed the current moment and noted that relationships with the EU, especially Maroš Šefčovič had been good. The Minister stated that the focus is no longer on resetting the relationship, but on building a new strategic partnership, in which the DAG had a vital role. This effort required engagement from all stakeholders, from businesses to trade unions. He stated that the UK needed to encourage EU counterparts to champion this new ambition.
- c. **Addressing Challenges and VFM Approach:** The Minister acknowledged ongoing challenges, specifically mentioning the protectionist "Made in Europe" agenda as an issue for the UK. However, SPS and ETS were opportunities for progress. The Minister stated that the UK is adopting a Value for Money (VfM) approach, stating that the UK did not expect the EU to subsidise UK students, or vice-versa for the Erasmus+ programme, and was therefore seeking a balanced package. Similarly, while there was a strategic case for participation in 'SAFE,' the UK would always apply a VFM assessment.
- d. **DAG's Role in Driving Ambition:** The Minister referenced a previous speech at *The Spectator* where he outlined the UK's ongoing ambition for the UK-EU relationship, guided by "ruthless pragmatism." He concluded by reiterating that the DAG is a crucial part of this next phase, tasked with pushing the EU's ambition in this space. He suggested the annual UK-EU summit is an opportunity to promote priorities and that, as negotiations continue, the DAG's work would be helpful in providing context and driving the debate.

8. Members raised questions on timelines for changes at **border**s, support for **businesses** facing negative impacts from **SPS** changes and timelines for **Erasmus+**.
  - a. The Minister noted that there would be a period of further negotiations regarding SPS carve-outs and that conversations on prioritisation were needed. Legislation was expected to receive Royal Assent by the end of 2026, with implementation to begin in the first half of 2027, and he stated

that he would continue to push for this so that people feel the benefits as soon as possible. An SPS agreement would take the red tape away at the borders, and allow the UKG to work with businesses on data sharing to create a single SPS zone, engaging as early as possible. The Minister flagged that, as the EU's Multiannual Financial Framework (MFF) cycle had almost concluded, accessing Erasmus+ in 2027 presented a tight timeline to work with. The terms for accessing it required a balanced package with fair terms, a fair mechanism, and a fair set of principles. There would be another MFF, but the Minister stated that he would need to have a sense of the participation basis. He also stated his intention to bring YMS forward as well.

9. Members raised questions on risks of rushing **SPS** negotiations, **ETS** linkage negotiations timelines, and concerns on **mutual recognition**.
  - a. The Minister acknowledged the Member's warning about the risks of rushing to conclude a SPS agreement, recognising it requires a careful balance. On ETS, the Minister noted the EU's Carbon Border Adjustment Mechanism (CBAM) was expected to launch in January 2026. The Minister also stressed the need for a precise balance of trade considerations. For example, the India Free Trade Agreement, the CU negotiations, and the US deal were not being handled in isolation; their cross-consequences were being managed together in a tightly coordinated approach.
10. Members urged UKG to quickly deliver the **Erasmus+** and **YMS** packages to maintain social cohesion and avoid youth disengagement. They also requested updates on **business mobility**, **MRPQs**, and the **2026 TCA review**, and highlighted issues on **Rules of Origin**, **regulatory divergence**, and the '**Made in Europe**' agenda for the automotive sector.
  - a. The Minister noted he made a strong case for YMS and Erasmus+ in the speech at *The Spectator*, acknowledging the challenges facing young people. He reassured the Members that during negotiations, while addressing granular details, there would always be a focus on the bigger picture, which was building cohesion and relationships alongside opportunities. On business mobility and touring artists, the Minister stressed the importance to ensure these opportunities were not just for high-profile individuals but for groups such as orchestras and choirs to travel. He stated that the DAG was right in maintaining pressure on these areas. On the TCA review, the focus had shifted from an initial debate about its nature to recasting the EU relationship. He confirmed that a review of implementation issues, such as energy within the CU framework, was underway. On Implementation of the Common Understanding, he stated that UKG considered dynamic alignment to be

beneficial to business, and a sovereign decision to take. The Minister stated that the UK was seeking a rule-shaping role for itself in SPS measures, which would necessitate independent mechanisms. He welcomed the debate around 'Made in Europe', and noted the associated challenges.

11. Members raised questions on **Creative Europe** and future partnerships to EU programmes. They also raised concerns on **Article 2 of the Windsor Framework** with regards to civic society and devolved governments engagement. Members urged ambition on the **YMS** age range. On **dispute resolution**, Members questioned the possibility of UK-qualified lawyers appearing before the Court of Justice and the interpretation of **regulatory divergence** and **dynamic alignment**.

a. The Minister emphasised the dual necessity of addressing the immediate situation whilst simultaneously focusing on achieving progress for the upcoming summit. He flagged that there were currently no plans to join Creative Europe but he welcomed Members making a good case for UK participation. The Minister highlighted the importance of devolved administrations and civic society in Northern Ireland as he was engaging with them regularly—for example, he had met with Scottish, Welsh and NI counterparts that week. The Minister also highlighted the role of the Interministerial Group, but flagged the need to go beyond that and engage with stakeholders. On the YMS age limit—he noted the point on the upper limit of 35 years old. On dispute resolution, the Minister agreed that UK lawyers should be able to appear in the Court and would take that away. On regulatory alignment, there were different models like the Swiss or New Zealand ones, but UKG had managed to secure a bespoke model, as the equivalence model was not realistic.

12. Members discussed the 10% decline in trading ease since 2024 noted by the Office of National Statistics UK **trade** survey, urging ambition and pace given major upcoming EU changes such as *de minimis* and the customs reform. Members also raised the question of how the UK government intends to act as a 'rule shaper' with regard to future EU policy making in areas of dynamic alignment (e.g. the future revision of EU food labelling policy which will impact on key food and drink exports like Scotch Whisky). The role of **financial services** was also raised.

a. The Minister agreed with the key messages of ambition and pace, and confirmed that customs changes are areas that UKG was looking into. In terms of rule-shaping mechanics, the Minister reassured UKG would be pushing to find pragmatic solutions. On financial services, he stated that although the TCA focussed mainly on goods, financial services were

important to the UK economy.

13. Members raised questions on the challenges for regulatory divergence and alignment, both in the civil society and business space. A member also raised the need for clarity on how the Government's dual-use strategy (Strategic Defence Review, Industrial Strategy etc) is being considered in the aviation and aerospace industries. Members raised they would like **customs** to be an area of focus and alignment of **cross cutting issues**.
  - a. The Minister acknowledged the ongoing difficulties and specifically mentioned the implementation of the Entry/Exit System on 12 October. He emphasised the need to prevent this system from adding to the existing problems, given the variety of ports UKG was working with. Furthermore, the Minister stated that a written reply regarding aviation would be provided.
14. Members raised questions on dynamic alignment including on the role of devolved governments in **secondary legislation, financial services, defence spending and chemical standards**.
  - a. The Minister stressed the importance of writing to him to assist in making the case for lobbying the EU. Regarding the inclusion of devolved governments and dynamic alignment, the Minister acknowledged the complexity of the issues, noting his close collaboration with devolved government counterparts in his capacity as Chair of the Interministerial Group. On defence funding, the Minister confirmed that the UK Government had increased the proposed spending and is evaluating SAFE with a focus on VfM.
15. Chair Mike Clancy thanked the minister for attending and answering Members' questions, thanked DAG Members and concluded the meeting.