CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE

AGENDA

32nd Meeting, 2020 (Session 5)

Tuesday 15 December 2020

The Committee will meet at 3.30 pm in a virtual meeting and will be broadcast on www.scottishparliament.tv.

1. **Negotiation of the future relationship between the European Union and the UK Government:** The Committee will take evidence from—

   Rt Hon Michael Gove, Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office, Jess Glover, Director General, Transition Taskforce, Brendan Threlfall, Director, Transition Task Force Northern Ireland, and Emma Churchill, Director, Border and Protocol Delivery Group, UK Government.

Stephen Herbert
Clerk to the Culture, Tourism, Europe and External Affairs Committee
Room T3.40
The Scottish Parliament
Edinburgh
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The papers for this meeting are as follows—

**Agenda item 1**

Note by the Clerk

PRIVATE PAPER

CTEEA/S5/20/32/1

CTEEA/S5/20/32/2 (P)
Negotiation of the future relationship between the European Union and the UK Government

Note by the Clerk

Background

1. The Committee has scrutinised the negotiations into the future relationship negotiations between the European Union and the UK Government over the course of 2020. Most recently, the Committee has considered the impact of the end of the transition period, on 31 December 2020, upon sectors of the Scottish economy likely to be significantly impacted by the outcome of the future relationship negotiations. The Committee’s report on the implications of the end of the transition period can be accessed at—
   https://sp-bpr-en-prod-cdnep.azureedge.net/published/CTEEA/2020/12/11/1a2efc3a-5377-4678-88f1-a0d163b0c40a/CTEEAS520R7.pdf

Evidence session

2. The Committee will take evidence, via video-conference, from the Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office, Rt Hon Michael Gove MP. The Minister will be accompanied at the evidence by the following UK Government officials—
   - Jess Glover, Director General, Transition Taskforce,
   - Brendan Threlfall, Director, Transition Task Force Northern Ireland, and
   - Emma Churchill, Director, Border and Protocol Delivery Group, UK Government.

Supporting Information

3. The Chancellor of the Duchy of Lancaster previously gave evidence to the Committee on the future relationship negotiations on 25 June 2020. Recent correspondence from the Committee to the Chancellor of the Duchy of Lancaster is provided in Annexe A to this paper.

4. On 8 December 2020, agreement ‘in principle’ was reached in the EU-UK Joint Committee on the implementation of the Protocol on Ireland / Northern Ireland. A statement published, on the UK Government website, by the co-chairs of the Joint Committee is reproduced in Annexe B to this paper. A statement, in the House of Commons on 9 December 2020, by the Chancellor of the Duchy of Lancaster on the agreement ‘in principle’ can be accessed at—
   https://www.gov.uk/government/speeches/withdrawal-agreement-update
5. On 10 December, the Cabinet Office published a Command Paper on the Northern Ireland Protocol which can be accessed at—

6. At the time of writing, the text of the agreement ‘in principle’ on the Protocol has not been published.

7. The President of the European Commission met with the UK Prime Minister on 9 December 2020. Following these discussions, the UK Government released a short statement which is reproduced in Annexe C to this paper. The future relationship negotiations remain on-going with the transition period due to end at the end of the year.

CTEEA Clerking Team
Culture, Tourism, Europe and External Affairs Committee
11 December 2020
Dear Michael,

There are now fifty days left until the end of the transition period. In recognition of the limited time left, the Committee has taken evidence from a wide range of organisations representing sectors of the Scottish economy. These organisations have been unanimous in expressing alarm at the consequences of the current uncertainty that exists with regard to the UK’s trading relationship with the European Union on 1 January 2021. This uncertainty is further accentuated by the impact of the pandemic upon businesses across Scotland.

The Committee\(^1\) recognises the importance of the EU and UK Government agreeing a future relationship, however the evidence we have gathered suggests that given the timescale remaining, any agreement will be minimalist in scope but still preferable to no agreement. Nevertheless, even with an agreement there will still be significant challenges for businesses in Scotland.

Given the limited time that is left to negotiate the future relationship with the European Union and for businesses to prepare for the outcome of the negotiations, the Committee has heard calls from a range of sectors for a ‘grace period’ of six months to be built into any agreement with the European Union, to allow for businesses to transition to this new relationship. The Committee is aware that eleven organisations from across Scotland’s food and drink sector wrote to the Prime Minister on 4 period” from the end of the transition period, to allow businesses in the food and drink sector to adjust to the new rules.

The Committee considers that a 6 month ‘grace period’ is essential not just for the food and drink sector but for all sectors of the economy. This approach would be analogous to the ‘grace period’ that the UK Government has put in place to allow business to adjust to new arrangements for the transport of goods to the EU at the UK border. The Committee recognises that a 6 month 'grace period' would be contingent on agreement being reached with the European Union. Clearly, the implications of no agreement being reached with the European Union would be hugely detrimental to the Scottish economy.

I wish to also take this opportunity to state that the Committee considers it essential that you are available to give evidence to the Committee on the outcome of the negotiations. The Committee is available to take evidence from you at any point during December in recognition of the seriousness of the situation facing the Scottish economy.

\(^1\) Dean Lockhart MSP and Oliver Mundell MSP are not signatories to this letter.
Yours Sincerely,

Joan McAlpine MSP  
**Convener, Culture, Tourism, Europe and External Affairs Committee**
JOINT STATEMENT BY THE CO-CHAIRS OF THE EU-UK JOINT COMMITTEE

The co-chairs of the EU-UK Joint Committee – European Commission Vice-President Maroš Šefčovič and the UK Chancellor of the Duchy of Lancaster, the Rt Hon Michael Gove – yesterday held a political meeting to address the outstanding issues related to the implementation of the Withdrawal Agreement. Ensuring that the Withdrawal Agreement, in particular the Protocol on Ireland and Northern Ireland, is fully operational at the end of the transition period, i.e. as of 1 January 2021, is essential. The Protocol protects the Good Friday (Belfast) Agreement in all its dimensions, maintaining peace, stability and prosperity on the island of Ireland.

Following intensive and constructive work over the past weeks by the EU and the UK, the two co-chairs can now announce their agreement in principle on all issues, in particular with regard to the Protocol on Ireland and Northern Ireland.

An agreement in principle has been found in the following areas, amongst others: Border Control Posts/Entry Points specifically for checks on animals, plants and derived products, export declarations, the supply of medicines, the supply of chilled meats, and other food products to supermarkets, and a clarification on the application of State aid under the terms of the Protocol.

The parties have also reached an agreement in principle with respect to the decisions the Joint Committee has to take before 1 January 2021. In particular, this concerns the practical arrangements regarding the EU’s presence in Northern Ireland when UK authorities implement checks and controls under the Protocol, determining criteria for goods to be considered “not at risk” of entering the EU when moving from Great Britain to Northern Ireland, the exemption of agricultural and fish subsidies from State aid rules, the finalisation of the list of chairpersons of the arbitration panel for the dispute settlement mechanism so that the arbitration panel can start operating as of next year, as well as the correction of errors and omissions in Annex 2 of the Protocol.

In view of these mutually agreed solutions, the UK will withdraw clauses 44, 45 and 47 of the UK Internal Market Bill, and not introduce any similar provisions in the Taxation Bill.

Next steps

This agreement in principle and the resulting draft texts will now be subject to respective internal procedures in the EU and in the UK. Once this is done, a fifth regular meeting of the EU-UK Joint Committee will be convened to formally adopt them. This will take place in the coming days and before the end of the year.
Statement on UK-EU negotiations: 9 December 2020

The Prime Minister and President von der Leyen met for dinner in Brussels this evening.

The leaders had a frank discussion about the state of play in the negotiations. They acknowledged that the situation remained very difficult and there were still major differences between the two sides.

They agreed that Chief Negotiators would continue talks over the next few days and that a firm decision should be taken about the future of the talks by Sunday.

The Prime Minister is determined not to leave any route to a fair deal untested, but any agreement must respect the independence and sovereignty of the UK.