



Select Committee on the European Union

Uncorrected oral evidence: Scrutiny of Brexit negotiations

Wednesday 20 February 2019

3.55 pm

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Members present: Lord Boswell of Aynho (The Chairman); Baroness Armstrong of Hill Top; Baroness Brown of Cambridge; The Earl of Kinnoull; Lord Liddle; Lord Polak; Lord Ricketts; Lord Soley; Lord Teverson; Baroness Verma; Lord Whitty.

Evidence Session No. 1

Heard in Public

Questions 1 - 10

Witness

I: Sir Ivan Rogers, former Permanent Representative from the UK to the EU.

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Examination of witness

Sir Ivan Rogers.

Q1 The Chairman: Sir Ivan, a warm welcome to the Committee. It enables us retrospectively to thank you for your service to the UK as Permanent Representative and in many other capacities. In my experience, and I think that of colleagues, you have exemplified the almost defining virtue of public service, which is to speak truth to power.

You have been assiduous enough to continue that interest from a position of slightly greater detachment, and some of us have enjoyed your unfolding thoughts in lectures. Indeed, the UCL one has been sent round to members of the Committee, although we will not ask you to interrogate them on the detail of it. The drift of thinking is clear, as is your own expertise. We are very grateful to you for spending the time.

You will be entirely familiar with the ground rules of this public evidence session. Colleagues will declare their interests as necessary. For the avoidance of doubt, as the room has been rather warm, if you want to take your jacket off to feel more comfortable we will not mind. I will preserve a degree of dignity in the Chair, but I think everyone understands. This is a working session and we are very grateful to you for coming.

You probably sense the nature of our interest, so unless there is anything specific that you want to say to start with we will kick straight off. I hope this will be the last substantive line of argument from me; I know that colleagues want to come in and have a lively exchange of views.

I think we are five weeks before the assigned date for Brexit, although I do not keep a clock of that kind in my office, only a mental one. I would like you to reflect, first of all, on something you said some time ago, which is that Brexit is a process rather than an event. In the nearer-term focus, what advice would you give the Prime Minister at this juncture?

Sir Ivan Rogers: First of all, thank you very much for inviting me, and for the warm welcome and very kind words at the beginning. I am delighted to be here.

As you say, we are now at what should be the denouement. Over the next few weeks, whether it proves to be or not will be interesting. The process not event thing was the fundamental misapprehension among a lot of the political class both before the referendum and immediately afterwards. There was brave, confident and rather blithe talk that this would be the easiest trade deal in history and that the trade deal itself would be struck before exit, which is not of course what Article 50 prescribes and was never going to happen.

Of course, as I totally understand from the point of view of Ministers and those not steeped in either EU negotiations or trade negotiations, it sounds absurd to say that it is going to take several years, perhaps the better part of a decade, to get to an equilibrium state the other side of Brexit, which is what I was saying both inside government before I

resigned and at the time I resigned, and I have said it since. I do not resile from any of it, because it is self-evidently true and has been proved true by what has happened in the first 32 months.

Indeed, I may have been overoptimistic in what I said. To be clear, I never used the word “decade”, but I said to the Prime Minister internally, both in person and in print, and frequently to colleagues in Whitehall, that the Article 50 process dealt purely with withdrawal terms, albeit in the light of the future framework, and that the future framework would inevitably be pretty thin. We can then have a discussion, no doubt here, as to the nature of a political declaration and how substantive it could ever have been, and whether it has soft-law status and is in any degree binding on the subsequent stage. There are different views that one can legitimately hold on that.

The reality was that withdrawal was always going to be about financial terms, the rights of citizens and various odds and ends that needed to be tied up. Of course, there was the Irish border, which has in the end, with the backstop question, come to dominate the whole thing, despite barely getting a mention during the referendum campaign.

Those of us who were insiders and who knew anything about Article 50—obviously, nobody had ever invoked it before, but we knew the treaties—knew that none of the serious trade negotiations could get under way until we had become a third country, because it is not possible to negotiate with an exiting member state on the trade side until it has left.

I was advising the Prime Minister and other Ministers, as was my duty, in 2016 that none of that would even begin before 2019, which is a year of transition in Brussels. Therefore, my best guess is that the serious trade negotiations, which will require a unanimously agreed mandate from the 27 and will be painful to negotiate in itself—no doubt the political declaration can inform what they have in their mandate—will probably only really happen under the next Commission, not led by Juncker, one presumes, but under a different commissioner. We do not yet know the format and whether there will be a Task Force 50-type arrangement for that.

My experience is that there will be a tortuous, difficult, conflictual and sometimes unpleasant negotiation covering multiple different sectors and hugely complex issues, and it will take years rather than months to conclude. When confronted with Ministers, understandably politically saying, “But this must be the easiest trade deal in history, because we are an ex-member and they know us intimately and we know them intimately, so what’s the problem?”, I am afraid that is not my perception at all. My perception is that it is one of the most difficult trade negotiations in history, not because there is not an awful lot of common understanding and common ground and, I hope, still a substantial amount of good will, but because it is the first trade negotiation in history between partners who are seeking to get further apart.

After all, trade negotiations are all about a process of convergence and the gradual reduction and elimination of barriers between trade partners. This is the first negotiation in history between developed countries where a developed country is seeking to get further apart from its previous partners. That involves the automatic re-erection of barriers. It is automatic; it is not punitive, retributive or horrible behaviour by those Europeans.

That was why my advice was that it is a process and will take several years. Even after that, let us assume it is a mixed agreement, which you will remember from the jargon of Brussels. It will then require ratification in 27 member state parliaments, and in the case of Belgium that is regional parliaments as well as national parliaments. That will all take another 18 months to two years. No doubt there can be some provisional application of elements of the deal or all of the deal before then. Ergo, it is blindingly obvious to an expert, and I hope I am in some way expert on both the EU and trade, that it will take until the early to mid-2020s at best before we have reached equilibrium the other side of Brexit.

I said all of that in September-October 2016, and I stick by every word of it now. It is a process.

The Chairman: We did condition it a bit by saying “five weeks to go”. Could you build on what you have said, which I fully understand and I think the Committee does? One thing I have noticed, and you might like to comment or not, is the sheer administrative complexity. Could you, highly hypothetically, isolate the politics, the interests and the fervour with which this is addressed sometimes down the corridor? There is a heck of an administrative job to be done.

Sir Ivan Rogers: Yes, enormous.

The Chairman: And we have five weeks to do it, or to put it into the sort of form that will work. That is a more immediate perspective than your longer one. Would you be able to offer any advice as to how we should get ourselves into reasonable shape to get through the five weeks, and then pave the way for the future relationship afterwards?

Sir Ivan Rogers: I entirely agree. I should have perhaps prefaced my remarks about the 10-year perspective or the mid-2020s perspective by saying that it is only phase one. No doubt we will come on to the subsequent phases. I think they are going to be worse and more difficult. I hope that both the Executive and the legislature manage to get their act together for the next stage rather better than it seems to me they have for the Article 50 stage.

If you think this element, with the Irish border, the backstop question, the money question and the citizens’ rights question, has been difficult, wait until you get into a trade deal when you are negotiating against the 27 in the European Union. That is real fun and will cover everything from financial services to fish, phytosanitary, employment and competition—you name it. We have not scratched the surface of that, because all we

have is an overarching political declaration that describes in terms that broadly mean all things to all people and in deliberately ambiguous language some basic shared conception of the potential end zone. Indeed, it has been left deliberately ambiguous.

What can you do next? It is a highly hypothetical question, because the Prime Minister is assuredly not going to seek my advice. She is where she is on methodology. It is obvious what her methodology has been and continues to be; it is, essentially, to run down the clock and to play it as late and as hard ball as possible. She wants to confront her internal opposition on the right with, "It's my way or the abyss, and if you don't go with my way you may risk losing Brexit all together". She wants to confront those in other parties and on the other wing of her own party with, "It's my way or the abyss, and if you don't go with my proposition you might end up with a no-deal Brexit, and I am keeping a no-deal Brexit and the deadline on the table".

To be honest, I have been saying to corporates in the UK and beyond the UK for more than 12 months—in fact, I think 18 months—that that is what the Prime Minister would do: that she would play it long and hard and late. A year ago in large parts of the private sector the belief was that a withdrawal agreement was a given, and therefore a transitional arrangement would come into effect on 30 March 2019 that would last at least 21 months and potentially longer.

My only candid advice to senior lawyers, to chief executives and chairs of companies who have asked me, and there have been loads of them, is, "You cannot count on that, and I would not bank on there being a withdrawal agreement at all because it is not obvious to me that it will get through the House". It is not obvious to me that there is a landing zone that can get through in the European Union.

I am obviously still in contact with some old friends and colleagues on the other side of the table, although, I hasten to add, not inappropriately and not with anybody engaged in the room. There is a widespread view in European capitals that the risk of a no-deal exit is now above 50%. It is all very well for the Commons to say that they do not want a no-deal exit, but unless they can come up with a serious proposition that is something other than the Prime Minister's and bring it into the political declaration, given that for the 27 the withdrawal agreement is closed, the accident risk is rising all the time. You can hear and feel that anxiety across the UK private sector now.

The Chairman: You have been very explicit, so there is only one other point I would like to probe a bit more: the question of good will, which you tossed in at one point. From your contacts and your diplomatic experience, do you sense that there is a collective breakdown in good will in prospect, or do you think that people are disposed to try to find a satisfactory outcome? That may well affect the way the next few weeks play out.

Sir Ivan Rogers: There is still some residual good will towards us; I hope there is. I still hope there will be one further effort to resolve this and find some solutions that the Prime Minister can attempt to sell here through the Commons and reverse the meaningful vote defeat of January.

An awful lot of good will has been burnt through. From a European capitals' perspective, Salzburg in early autumn went badly, and there were misunderstandings and misapprehensions on both sides. We know that the Prime Minister then pressed the accelerator button and sought a deal by 25 November. She urged her European colleagues and the institutions to do that deal by 25 November, telling her opposite numbers that that was necessary in the timetable here for her to be able to hold a meaningful vote before Christmas.

She then did not hold the meaningful vote before Christmas because she was expecting to lose it heavily. She failed to hold a meaningful vote for another five weeks until late January. I have no idea what the UK authorities were saying to opposite numbers about the scale of any likely defeat, but she lost by a much larger margin than people I know were expecting. That in itself brings a credibility and trust crisis.

I do not want to say anything inappropriate, but, if I can be candid, the fact that the Prime Minister then in effect backed the Graham Brady amendment in the House meant that in a sense she sought a mandate to reopen an agreement when she had been saying to fellow leaders in November and December, "I recognise this is the only game in town and the only deal doable". Indeed, as far as I can make out, she was urging fellow leaders to make it clear that it was the only deal doable, yet she then got a mandate to reopen the deal and say that the deal is unacceptable and needs legal reopening. I have been on the receiving end of quite a lot of views on that, most of which are not easily printable. People will get over that.

Let us be honest: people think it may be bad faith or worse than bad faith, and there has undoubtedly been a hardening of attitudes in the last two to three weeks post Brady and Malthouse. That comes from some of our best friends in northern Europe and not just from predictable capitals. There is a definite entering of the iron in the soul in parts of Europe at the moment.

As I was saying earlier, people's estimation of the possibility of an accidental no deal has gone up. People are preparing much more assiduously, and there is a massive uptick in momentum to prepare for no deal at the Brussels end and in capitals. There is always a danger, and I always worried about it back in 2016, of self-fulfilling prophecy on that. Of course, everybody on both sides of the channel has to prepare assiduously for a no-deal outcome, and one should prepare for a no-deal outcome. Nevertheless, there is a danger that it develops a momentum of its own, and that in capitals the feeling is rising, "We may well end up here by the summer". There may be no alternative, and the Prime Minister may no longer have the authority to get something through the

House. She has just been thumped by 230 on the first meaningful vote. Do we have good reason to believe that 115 people are going to switch between the first meaningful vote and the next? If so, why?

I do not want to be too negative or too gloomy. There is sufficient impetus behind trying to get the withdrawal agreement through. People do not want a disorderly, chaotic Brexit. To be honest, the people I know best want it done and over with. They want Britain out of the European Union. They certainly do not want Britain to stay and reverse, in my experience, but I may be talking to the wrong people.

They want to get it done in an orderly fashion. They still think that might be possible and they want to do anything possible that might genuinely assist the Prime Minister in getting the thing through the House, but as to the idea that they are going to agree to reopen the withdrawal agreement, my very firm assessment would be that they will not. The idea of a unilateral exit is a complete no-no for the 27. The idea of a definitive date-certain time limit is also a no-no for the European Union. Therefore you are into the codicil: is there some way of amplifying, explaining and expanding what is in the withdrawal agreement and the assurances that were given in the exchange of letters before the first meaningful vote?

I do not think there is an appetite to do anything more than that. We can come on to the extension question, and not all member states are in the same place on that. I do not think London should mistake it: the mood has changed and hardened quite markedly in capitals in the last two to three weeks.

The Chairman: I will stop at that point. You have opened up a number of areas.

Q2 Baroness Armstrong of Hill Top: I will speak to what I am meant to be asking rather than on some of the ideas you have been provoking. I want to talk about Northern Ireland.

The future of Ireland has been problematic for Governments historically in this country. Do you think we were prepared for what we wanted around Northern Ireland in the negotiations? Given where we are now, what are you hearing from Europe about their view and the unity of Europe with Ireland? For Ireland, a border will be as bad for them as for the north. On the other hand, as you said strongly in your lecture at UCL, the EU needs a border if there is no deal.

Sir Ivan Rogers: On the first question of whether we were prepared and saw the extent of the trouble coming, it is difficult for me to judge. When I resigned at the end of 2016, it was not a mega issue inside the UK Government. Clearly it should have been in many ways. The Irish, for whom it was an absolutely existential question, played it very hard but very well. They ran a formidably effective diplomatic campaign through 2016-17 to guarantee that all 26 fellow member states understood their position and knew exactly what they wanted, with a guarantee that what became the backstop issue was dealt with in phase one of the

negotiations. The risk for the Irish was that, if they did not nail the backstop issue in phase one of the negotiations, it would all get swept up at the end of phase two of the negotiations. They obviously feared that the big member states would ride roughshod over them and say, "But this is a relatively minor issue in the scheme of things".

They played a blinder on that. You can say that they played too much of a blinder or whatever, but they delivered what they delivered in December 2017. Obviously, I am aware of both sides' positions, or all positions, on exactly what was agreed in 2017 and what the fateful paragraphs 46 to 49, and indeed 50, meant and who did what to whom.

I looked at that agreement at the time and thought it led ineluctably to what the Prime Minister then tried to do at Chequers. To be honest, looking at it from outside government, I was a bit puzzled that some Ministers did not resign at that stage, because it was very obvious where she was going. Her only route through was the route she tried to take at Chequers. In my own political judgment, which is difficult from the outside, it was obvious that her only route through a backstop, which I did not think she could sell in the House of Commons, would be to flip the issue and turn it into an all-UK backstop. I was wholly unsurprised that that became the British obsession through the summer and autumn of 2018.

As you know, there was resistance to that right across the European Union, particularly in some capitals. It was then that the Commission, and Barnier specifically, said, "We are going to have to deliver an all-UK backstop, because the Prime Minister says that is what will unlock the majority of the Commons". They were assured by the Prime Minister that that was the route through and that it would enable her to get the deal done and the withdrawal agreement passed; she needed an all-UK backstop. When she was defeated by the margin she was defeated by, it threw people. They said, "Well, you told us that was exactly what you wanted us to do. We have done it, which was very difficult with some member states, and this is where we have ended up".

On the other side of the table, I have to be honest that there is some naivety in the institutions. Lots of people are very conscious of the importance of the peace process and the European role in it. Michel Barnier himself is very personally engaged on it. He is quite literate on Irish questions and heavily engaged. They nevertheless thought that it could be treated as a sort of technocratic set of technical customs issues and regulatory check issues rather than an issue that would turn into a core sovereignty and identity question. That is a bit naive, frankly, but maybe they do not spend too much of their time thinking about the raw politics of Northern Ireland.

Through the spring, when the Prime Minister reacted very toxically to the legal draft of the backstop, it shocked the European side. They thought, "Hang on, she signed off on that in December. She knew it was going to be turned into a text for the withdrawal agreement. Why did she react so toxically when she saw our draft text? This does not make sense". That

calmed down for March, but then they had a long period of basically saying, "There are ways of de-dramatising this issue". The trouble is that it has been so dramatised that it is difficult to put the genie back in the bottle, which is why we ended up where we ended up in the autumn.

There is no easy way through the backstop question. Constantly cycling back to new versions of max-fac, or whatever it was called in 2016, which is essentially the Malthouse compromise, is not going to work. A purely technological solution does not exist for the border. It is not a purely technological question, and can never be. The whole process of leaving the European Union is leaving a regulatory order, and these are regulatory checks; they are not just customs issues. There is a proportion that could be dealt with by technology, but the technology does not yet exist. If the technology existed, it would be in operation on the Norway-Sweden border, which is, after all, a border between an EU member and an EEA member.

What I have always struggled to explain to Brexiteers and Eurosceptics is that unless they think there is something fundamentally wrong with the Norway-Sweden relationship, why on earth would we not have the most cutting-edge technology on a border between an EU member and an EEA member when the EEA member has a much closer relationship with the European Union than any of them want to have with the EU when we are outside it, because they do not want to be in either the EEA or a Swiss-type relationship with the EU?

You never get an answer to that. The reality is that no purely technological solution is available. Even the technological component is many years away. Beyond the technological component, there will still need to be an administrative and regulatory checks component. It is not susceptible to a simple technological solution.

Battering on down a Malthouse compromise route, which is only a compromise between wings of the Conservative Party, is completely irrelevant. We keep on manufacturing or resurrecting Malthouse or max-fac type solutions, but they are never going to run, and they are never going to be agreed by the other side.

You are quite right that the other side has to focus. It is all very well, but if in the end the issue is politically unsaleable in the UK and causes the deal to crumble, we are going to have a hard border across the island of Ireland. If there is no hard border across the island of Ireland, there will have to be a hard border somewhere in the Irish Sea or a border between the Irish and the rest of the EU 27. I do not think people thought hard enough about that in the European Union, presumably because they thought it would never come to that. Well, now it is coming to that and they will have to think very seriously about what kinds of assurances they can offer the Prime Minister in the coming days and weeks.

She has to be able to say, and presumably Geoffrey Cox has to be able to say, in the House of Commons that this is not a permanent trap that traps us for ever in a customs union, which the bulk of the Conservative

Party would never wish to be in. It is explicitly temporary; it is indefinite. We do not have a right simply to trigger something and decide when we leave, but the others are in good faith in saying that it is genuinely a temporary mechanism, and ultimately they will work with us both on the trade deal and on technological and administrative solutions that will enable us to ensure that the backstop never comes into force. If we cannot crack that, we are going to end up with no deal.

The Chairman: Do you want to say anything at all about the Irish position? Although it is serious for us, as you explicitly said, it is particularly difficult for Ireland itself. If Ireland does not feel it is getting support from the EU 26, how is that going to be taken forward in the next few weeks?

Sir Ivan Rogers: I think the Irish feel very strongly that they have the support of the EU 26, that they are never going to be backed into a corner and that the Taoiseach is never going to have his back against the wall or be abandoned by the big member states. I share that judgment. I have never been terribly clear whether London understood at a visceral level the difference between being a member state and being a third country. I am afraid the 26 will always back the member state against the third country.

For small member states around the table, this is a really vital indication of whether the institutions will, in extremis and up against major pressure from a big player, back them against a big member state. It is an exemplary case for the Commission to demonstrate, "Don't worry, we've got your back and we will support you through thick and thin". They are never going to put Leo Varadkar right up against it and say, "You simply have to move on this; we are demanding that you move". They are not going to do that, and he is in the room and the Prime Minister is not.

That does not mean that there will not be conversations at European level saying, "We have to find a fix. We have to find a way through. We have to be able to give the British Prime Minister something that persuades her, and enables her to persuade her own party and a majority in the House, that there is a solution that may be several years distant but does not trap the UK permanently with a backstop and permanently in a customs union that is unviable for the Prime Minister's party".

Personally, I do not believe that the Europeans ever want to trigger the backstop themselves. I believe that they are in good faith on that. European leaders and bureaucrats may well think it would be better for the UK to be in a permanent customs union relationship than where the Prime Minister or others might want to go, but they are not intent on forcing us to stay in a customs union against our will. They may think that that is a saner economic place for us to end up than where we choose to end up.

We might want to go in a more Canadian direction under a different Prime Minister in the next two to three years. There is a huge amount of

Brussels, Berlin and Paris talk about where a next Conservative Prime Minister would go and whether they would go in a more Canadian direction, on the assumption that the next turn inside the Conservative Party might be further right and more Canadian. That, even more, brings them back to the need for a backstop. A Canada-style deal would make the problem worse, and you would need something alongside a Canada deal that enabled you to solve the backstop problem.

Q3 Baroness Brown of Cambridge: You said that in the EU people felt that the likelihood of a no-deal exit was perhaps greater than 50%. What figure would you put on it?

Sir Ivan Rogers: I am always very wary of percentages. You get endlessly asked by the private sector, "Is it 30%, 40%, 42% or 50%?" I do not know. There is a serious risk. I have always made it clear that I think it is an accident risk. I do not think the Prime Minister wants to go there or that the vast majority of members of the Cabinet want to go there. I do not think anybody serious on the other side wants to go there. It is just that we might end up there because they cannot reach a landing zone that works for both.

It is an appreciable risk for all the reasons we are seeing. The first attempt and the first deal she did lost by a huge margin. Maybe people thought that they had a free hit on the first vote and we would come back with something else, and that it gave her more power to her elbow to go and reopen the deal. That is a bit naive. As I say, once a deal is done in the European Union, it has in itself been a very complex process of internal negotiation among the 27 to reach a conclusion. That is something we Brits have always struggled with in my entire professional lifetime.

Reopening that process in a trade deal or in any deal like this is immensely difficult for them, and they ain't going to do it. They think, "This text is bolted down and stable. We can fiddle around a bit with the political declaration, if that helps to get it through in the House of Commons, and if we can use some different words, different language and intimate some different directions, that's useful and we will do it". They could add a codicil-type thing elaborating what the withdrawal agreement meant, and explaining what they have in mind by way of processes, to come to some non-backstop solution. You could do all that, but they are not going to reopen the text.

Looking at the situation from the outside, it is a very significant risk. That is partly the technocrat and bureaucrat in me talking, and technocrats and bureaucrats are not leaders. I personally think that this is going right to the wire, but I have always thought it would go to the March European Council. I do not want to say anything unhelpful, disloyal or that causes even greater problems, but we are only five weeks away, so how on earth are we going to leave the European Union on 29 March in good order, in orderly fashion, and ram all the implementing legislation for the withdrawal agreement through both Houses in the next few weeks when the deal is probably still several weeks away? Most people I know are

saying that not much will happen until at least the second week of March, and it will go live to the European Council, whether or not the Prime Minister has had an indicative meaningful vote, a conditional meaningful vote or a meaningful vote.

If the worst has happened and she has had another go at the meaningful vote and failed on it by a significant margin, will leaders at that point just pull the plug and say, "Well, that is the end of the process. We have had enough of this charade and fiasco, and we have other things to do with our lives, so it is time to push the British off a cliff"? My instinct is that they will not do that in March, however bad things are. You could get an emergency extension, even though bureaucrats are saying that there is no point in having an extension unless it is for something, and the "for something" has to be implementing the deal we have already done. That is what bureaucrats always say.

Leaders may think that they will kick the can down the road for another two to three months; what harm can come of that? The problem, as you all know, is that kicking the can beyond another three months runs you into the European Parliament elections problem and the new mandate for the institutions. That is why there is talk in some capitals of, "Look, if it is just political chaos we are dealing with and a complete inability of the UK political elite to come to a conclusion about where its destination is, maybe they need a longer extension, and that is nine or 12 months. Maybe that is what we should agree now and refuse a three-month extension".

Baroness Brown of Cambridge: May I stop you there for a moment? Lord Ricketts wants to probe a bit on extensions to Article 50. Suppose there is no deal. What will it feel like after that? What form might post no-deal negotiations take? Indeed, how might the EU treat us at that point?

Sir Ivan Rogers: It is a very difficult question, because again it is uncharted terrain. If it breaks down, it is very hard to see why it would be amicable and why negotiations of any sort, even in specific sectors, would resume rapidly. Why? Is it really imaginable that this process breaks down in the next few weeks, after another attempt at a meaningful vote, and we do not get recriminations on both sides of the channel about whose fault it is? Is it going to be possible for the Prime Minister if she fails on another meaningful vote because she has ended up with a text that is rejected by significant chunks of her own party and by the House in general as inadequate? She will naturally say, "This is not my fault. It is the intransigence of the European system; it is the inability to be flexible. They knew what would pass in the House of Commons and they were not prepared to give it to us. It is all their fault".

Where does that lead you? It leads you to immense pressure on the Prime Minister, not just in her own party but primarily there, to say that the £39 billion cheque is certainly not going to be paid in full. It may not be paid at all. Some proportion might be paid. There are, incidentally, questions about whether the UK pays into the 2019 budget, which is

looming in April. The deadline will be April, and we are on the verge of a seven-year negotiation for the future budget that would, in normal circumstances, be concluded towards the end of 2019 or early 2020.

If she says, "Well, I'm afraid that the intransigence has brought these negotiations to a halt. I regret it. I tried very hard for a deal. I could not get a deal and we are going to have to leave without a deal, so I am afraid that in those circumstances you have no backstop and you do not have our full £39 billion cheque", if you want my view as to what the European reaction will be, I am afraid it will be pretty brutal.

Let us be honest; the 27 will have a Council meeting on the same afternoon, or the following morning, and they will say, "This is the UK in bad faith. The Prime Minister negotiated a deal in good faith, both in December 2017 and November 2018. The money was not conditional on there being a trade agreement. The money was a separate negotiation, as we all knew, and it was concluded in 2017. It is nothing to do with whether there is a full free trade agreement afterwards. The UK has resiled from its financial obligations on exit and from a commitment to a backstop".

It would be incredibly easy, in a matter of five minutes, to get unanimity of the 27 to say, "We will not have normal relations with a member state that departs in those circumstances, and unless and until the UK is prepared to agree, or re-agree or recommit, to paying the cheque in full, and to a backstop arrangement, we are not prepared to have any sort of amicable negotiations in any sector".

Indeed, the Commission has been saying some of that stuff very openly this morning. It is clearly directed to certain quarters in the House of Commons. On the stuff about a managed no deal, mini deals and all kinds of sectoral negotiations breaking out that would in practice deliver continuity, the minutes of the Commission meeting this morning said explicitly that none of the arrangements it is putting in place has been negotiated with the UK. The EU will reach unanimous agreement that there will not be a negotiation with the UK unless and until the UK comes back to the table with its cheque book open and an agreement on the backstop.

I have always worried about that. I know that a lot of Eurosceptics believe it is alarmist talk. I do not want to get into all the spine-chilling immediate disorder kind of questions, because I do not think those are the interesting questions. The question for me has always been that if you want to leave the European Union, and part of your problem with it is the jurisdiction of the European Court of Justice, the drive towards political union and the belief that deepening integration was taking you into a place you were uncomfortable with and you were uncomfortable with the institutional implications of trade, then fine.

In the end, you want something outside that is not WTO only but is a free trade agreement, and probably a deep and comprehensive free trade agreement that covers all manner of sectors from aviation to road

haulage, to financial services, to data and to energy. All that stuff has to be dealt with in some preferential manner that gives the UK a preferential status in comparison with the vast bulk of other third countries around the planet. It would be insane to end up permanently in a WTO relationship.

The argument of the managed no dealers is that somehow, despite the fact that we would have walked away without agreeing a backstop and without agreeing all the money, the Europeans will come running to us in such desperation at the implications of not having a preferential deal that they will be doing all the demanding. I come as close as I can to guaranteeing to you that that will not happen.

Q4 Lord Ricketts: I welcome you, and I echo what the Chairman said about your contribution. I extend that to our former colleagues still in harness who, as you said in your speeches, are doing the very best they can within the red lines that were laid down. I am glad that there were staunch voices speaking up for Olly Robbins in the House of Commons yesterday against attacks that I thought were wholly inappropriate.

You were getting into your flow. All that is awful, but what about delay? It is the classic Brussels tactic for most things, when it is among member states, to delay if they cannot agree. Indeed, we have heard from some former members of my service in this House that if we asked for a delay we would get it from the EU 27. They would ask how long for and what would be the purpose, but we would get a delay rather than the kind of chaotic circumstances that you are describing.

It would be interesting to develop that a bit, if you want to. If it is beyond the end of June, we get into all sorts of problems about the composition of the European Parliament and so on, and no doubt many others as well. There are budgetary issues. Go a bit further on what you think the prospects are if, in March, it is clear that we do not have a deal and the Prime Minister says, "Okay, I really need an extension". How will that be played and dealt with on the EU side? How long an extension could one realistically expect?

Sir Ivan Rogers: It is an immensely difficult question. If she has already won a meaningful vote, or is on the verge of demonstrably winning one and requires an extension simply to put the implementing legislation through, there is no problem. Why would anybody demur if she said, "I need it to be 30 June rather than 29 March"?

If there is still chaos and paralysis and a second meaningful vote has gone down in flames, there will be voices raised saying, "What is the point of carrying on with this charade? There is nothing else we can give her. Isn't it time to draw the obvious conclusions that this is going nowhere?" My instinct, but it is purely instinct, is that I do not think the bulk of leaders will ultimately go there and think, "Right, next week is the week". It would be next week at that point.

Is the mood changing? I think the mood is changing across Europe and becoming gloomier. Even if we had a technical extension for chaos and

paralysis, we might push it until June, but we might be dealing with a no-deal exit where we have more preparations in place on both sides of the channel and we do it in late June or July in slightly better order, but recognising that it will be pretty nasty and conflictual.

You may say that even that will lead us to say, "Hang on, is this all really being driven by the composition of the next European Parliament?" Leaders might well sweep in and say, "Really? Is that the imperative driving this—the desire that the Brits have to hold European Parliament elections at the same time as the rest of us, because under the treaties if they remain a member state they have to?" You would think that politicians and leaders might press legal services in the Commission and the Council to say, "Surely there is a fix to that. We did this on Romanian accession. We did it on UK accession".

It is genuinely more difficult than that. There is a lot of anxiety in capitals and in Brussels on that question, as far as I can see. It is a genuine anxiety. You either amend the treaties, which is hugely problematic, or you go against the treaties when clearly there would be court cases launched straightaway both here and in the European Union. We all know who would launch them. Those people would go to the European Court of Justice saying, "We have been deprived of our right to hold European elections".

Again, I can only judge from the outside, but major party leaders on both sides of the divide might not relish the prospect of having European elections at the end of May. Far be it from me to say, but one can imagine some qualms about where they would end up. One can imagine some qualms in Europe about where they will end up. There is a genuine legal anxiety that if we end up saying that we can find a fix, find a formula, and enable either existing British parliamentarians to stay on or an assemblage of appointed people from the Palace of Westminster to represent the UK for a while it would get struck down in the court.

You may ask why that matters. It matters because the composition of the next Commission would have been determined by the European Parliament in its nominations process, and therefore the composition of the next Commission could be illegal and ruled illegal by the court. Any legislation passed by the new European Parliament could be struck down when the private sector challenges it and said that it had been produced by an illegally constituted European Parliament. It is not a non-issue. Is it a soluble issue? I am not close enough now to the key lawyers, and do not have access to them, to know whether they could conceivably find fixes. You never know whether leaders will think, "Oh, don't trouble us with that kind of minutiae and details. This is big geostrategic stuff and we cannot allow that to stand in the way".

There is talk in certain very obvious capitals of a much longer extension being necessary because of the chaos here, and the perception that the chaos here is not actually on the verge of being resolved. Again, it is terribly difficult to judge. Is it tactical talk, which is, "If we tell them that the alternative to signing up to this withdrawal agreement now is a nine

to 12-month extension, maybe that will concentrate the minds of some of the people who are opposed to the Prime Minister's agreement and that in itself will propel it through"? That talk about needing a longer extension, of nine to 12 months and not three months, is coming from very important capitals.

From my reading of it, which is obviously not that of an insider, I do not think all capitals are in the same place on what sort of extension. I do not think that sort of discussion at ambassador and Sherpa level in plenary format is under way yet on the 27 side: "Okay, if we were faced in extremis in March with this falling apart, what would we try to do then"? That is a big debate still to come.

Lord Ricketts: It sounds as though a short extension, if there is to be one, is much more likely than a longer-term extension.

Sir Ivan Rogers: A short extension would gradually start to bake in on both sides of the channel, in the sense that we would only be doing it to give ourselves and each other more time to prepare for a slightly less disorderly but basically chaotic no-deal Brexit.

The Chairman: We will now proceed on the assumption of an orderly Brexit and the Earl of Kinnoull will ask his question.

Q5 **Earl of Kinnoull:** Thank you, Lord Chairman. Welcome from me, Sir Ivan.

Turning to the draft withdrawal agreement at the moment, would it be possible to consider the governance arrangements within that agreement? We would be very interested in hearing your views on those arrangements, particularly on how the joint committee and the specialised committees operate, and indeed whether there are any precedential arrangements that you are aware of and how they have operated in other circumstances.

Sir Ivan Rogers: I am not close enough to the work going on inside both camps to give you much value on that. It seemed to me from the outside that quite a lot of the governance stuff was rather well done and thought through and had been better cooked than other bits; it had drawn on precedents from elsewhere in the European Union and was being very well worked through at the Whitehall end. That was probably true of some of the Chequers proposals, and I am not a great fan of large parts of them.

As I say, I find it difficult to judge. It seemed to me that quite a lot of it was put together quite carefully from both sides. Everybody knows that the governance, both during and beyond a transitional period, and how you deal with the withdrawal agreement is immensely politically sensitive. I am not close in London to knowing how much of this will have to be done at political level. An awful lot of it inevitably is done at the technical and bureaucratic level by people who must have strong and intensive relationships with the other side of the table to make the thing

work. This is true in things like association agreements with other third countries.

I think there has been an appreciation in Brussels, as well as in London I hope, that this is going to have to be richer and more intensive than other comparable agreements. It will have to handle conflicts and disputes very sensitively. My general sense is that I am happier with lots of elements of the governance arrangements than with most of the others. They seemed to me to be the better bits of the agreement.

Earl of Kinnoull: We have some experience as a Committee of the Swiss arrangements and the Canadian ones, and have taken evidence on them. We have had their input on that. What is your perspective on whether the governance arrangements for their treaties are working well?

Sir Ivan Rogers: I obviously dealt with the Swiss issue week after week in Brussels. Everybody was looking at me after the Swiss referendum result in the handling of the Swiss issue, because everybody could see that the handling of the Swiss issue and the whole way in which the guillotine system operated on the Swiss issue and how they were going to negotiate with the Swiss on the free movement question was a precedent for what they might face with the British.

You do not need me to tell you that the European Union side of the table has been very unhappy with where they ended up with the Swiss, with an extraordinarily complex latticework of bilateral agreements. The EU side has been looking, quite successfully, for leverage over the Swiss. That goes back to the guillotine arrangements and the ability to unravel lots of things. The Swiss did not correct their course on the free movement of people, and they were put under immense pressure when I was there in 2015-16 to correct course on free movement, basically with the threat that if they did not put the genie back in the bottle on free movement, an awful lot of other things they liked about the European Union relationship would be pulled down with it.

I think the European Union felt that it negotiated too complex a set of arrangements with the Swiss, and that they needed a different institutional framework; it has used much more brutal tactics in dealing with the Swiss over the last two to three years. I am not saying that relations have broken down. I used to talk to both sides of the table often about where they had reached and why, and I was looking myself for potential precedents if we ended up with Brexit. There has always been a European Union view that we have ended up with a sort of complex bricolage arrangement with the Swiss, and they found that institutionally and juridically unsatisfactory.

The Swiss are a very interesting people for Whitehall, you and the legislature to talk to, because they have extraordinary experience over the last 25 years of negotiation with the elephant, from outside the room. They never joined the elephant, so they are in a slightly different position. We, having joined it, are in the process of leaving it, so I do not think the Swiss analogy completely holds, but they have been through

several extraordinarily difficult, complex technical negotiations and rafts of those negotiations over the last 25 years. There are similarities with where the Prime Minister has ended up. Look at what the Swiss have done on the goods side of things; it is not that dissimilar from where she was trying to end up at Chequers and is still trying to end up.

The Swiss of course are in a different place on free movement because they have given much more ground, and had to, on free movement. They ended up inside Schengen but outside the customs union, and with their own free trade deals outside. Talking to them about why they ended up there and what the politics and economics were, what their assessment was and whether it was in their national interest, is a very interesting thing both for the legislature and Executive to do. Bear in mind that the EU is determined not to have a more outsized version of Switzerland in the UK. It will not go down that route. That is an absolute no-no for the European institutions.

The Chairman: For the second half of this discussion we will move, if we can bear to, to the longer term.

Q6 **Baroness Verma:** What lessons can the UK learn from the withdrawal negotiations as it prepares for the negotiations over the future relationship? How should it approach them differently? Given your opening remarks, could you give us your thoughts on how the Prime Minister brings together all the different voices in her Cabinet at Whitehall to help those negotiations?

Sir Ivan Rogers: They are very different negotiations, but one of the things they will have in common is the importance of process and what I would call processology. The European Union, both the Council and the Commission, are past masters at process. I do not want to be unkind; they may not be good at much else but they are very good at process. I do not mean that too cynically. Process matters enormously. The way in which they set up the process on Article 50 was, as you would expect, deliberately rigged to deliver the results it largely has delivered.

Because we are less legalistic and obsessed with process, we can sometimes be a bit naive about the way the construction of the process delivers the result. It can drive you mad inside the European Union, let alone outside the European Union, in that you are dealing with an organisation that is so obsessed with technical and technocratic process, but the EU does it for a reason. It delivers results against third-country partners as well as against member states when it is negotiating against or with member states from within. The EU is very good at that.

I have to say that I think quite a lot of our senior politicians were quite naive in 2016 about what they were up against. Of course, the other side did what you would expect them to do. They did it on the morning of 24 June. They were well prepared for this in a way that our system probably was not. They had by the time of the European Council on 28 June 2016 agreed the no negotiation without notification mantra. They were

determined to force the Prime Minister into invoking Article 50 and have no pre-negotiation with her.

I have said publicly, and I can say it again, that I think that was a mistake on their part, because they were dealing with a new Prime Minister, a new entourage and a new set of people. She had never been to a European Council before. She needed to get a feel for the pitch, in cricket terms. Ultimately, it did not, in my view, help them much in the relationship with the UK and the management of the process to freeze her out of any informal discussions and say, "We are simply not prepared to have any informal discussions until you invoke Article 50". But they did it for a reason and they were virtually celebrating with champagne when she agreed to invoke Article 50 on the Sunday before the Tory party conference in October 2016. They thought, "That has forced the Brits down the Article 50 route and now we can manage it in a way that maximises the result for us".

I say all that, because obviously the way they set up the subsequent process is embedded carefully in the withdrawal agreement and the political declaration, and I know it preoccupies a lot of the Eurosceptic side of both Houses. It is again designed to maximise leverage and pressure, and use cliff edges against the UK, and thus force the substantive concessions that they know they want to get from us in 2020.

I am saying the obvious. These people are not daft; they are very good negotiators. They think very hard about the technique and structure of negotiation and process. They are very good at process. We Brits have always struggled with the complexity of European Union processes.

Baroness Verma: Do you think our Secretaries of State still remain naive two and a half years on?

Sir Ivan Rogers: I am two years out of date, so I am not privy to where they are. People learn rapidly through dealing with the EU, either from the inside or from the outside, what it is really like and what it really takes. There had been rather too much blithe talk of, "We can circumvent the institutions and the lawyers, the theologians and theocrats, and we will go to capitals and it will all be fine with them". It does not work like that. The system does not work like that, so you just get completely screwed if you do it. Some Ministers have found out the hard way.

The trade negotiation is more difficult, but it is more difficult for the EU. It has been very easy to keep solidarity on the question of how much money the EU wants from the British. It is not very difficult to say, "As much as we can get from them". It is very easy to get an agreement about what you want to do for the protection of your own citizens' rights in the UK.

The solidarity of the 27 has held remarkably well over the last two and a half years. I fear that we have made that rather too easy for the other side. It is more difficult in a trade negotiation. Let us be honest: in a

trade negotiation between the EU and the UK, the interests of Germans, Baltic states, Croatians or Spaniards are radically different at the next stage. That is why the construction of the negotiating mandate among the 27 will take some time because they will all want their key points in there. The Spanish will inject Gibraltar, and there will be loads of sticking points that individual member states will stick into the mandate to ensure that it cannot be forgotten at the end game of the trade negotiation.

Their interests diverge more, so some will care vastly more about road haulage and fish, but there are only eight fishing member states. Others will care more about aviation and some will care profoundly about financial services. They will not all be on the same side, so in a sense there are more games for the UK to play at the next stage, and there is a greater risk for the 27 that their solidarity will not hold throughout the trade negotiation.

What do you need to do on a trade negotiation? I have said some of it openly in various lectures. Secrecy does not really work, either inside the Executive or with the legislature. It has been a serious mistake even in this process, and it would be an even more serious mistake in the next. I am speaking as a citizen now and an outsider. We need a more open, honest and serious debate about what form of Brexit we want, what trade-offs we face and what counts most for us and why. What is the trade-off between sovereignty and market access in specific sectors? What really counts?

From the outside it seems to me, I am afraid, that we have made a fundamental error in the last two and a half years. You have to build social consensus behind some sort of version of Brexit that can command 70% or 75% of the public behind it. You are never going to satisfy either the ultra-remainers, who basically want to go back in and have a rejoin campaign, or the ultra-sceptics, who just want to be as far out as possible and if we end up with WTO-only terms that is fine for them. I think the vast majority of the middle ground could be brought along, but you have to expose to them—I know it is very difficult to do—the trade-offs and the choices: “What are we really facing? What really matters?” That has to be done collaboratively inside government. It is very obvious that the Government are internally divided at Cabinet level and beneath Cabinet level. I know it is painfully difficult, but you have to have mechanisms, both bureaucratic and ministerial, for those conversations.

Look at the fascinating debate that is already breaking out in the papers between Liam Fox’s position on tariffs in the event of a no deal and Michael Gove’s position. They were both fervent Brexiteers and advocates of Brexit in 2016, but they are already taking radically different positions about what a no-deal Brexit ought to look like on tariffs. Both are perfectly reputable and defensible positions. I think I could write the argument for both.

That debate needs to be had in Cabinet, in depth and on the basis of substance and real evidence and economic analysis. It also needs to be had in both Houses of Parliaments so that people are exposed. One of the

fascinating things on Brexit will be what UK trade policy is going to be and why. What do we really care about with which partners? Which markets do we most want to open? What are we prepared to do in our own market that we were not prepared to do when part of the European Union?

If you have all these questions in a black box and never expose any of them to the public, you end up in the position where I think the Government have ended up in the last few months. Everybody knows what they hate about the Prime Minister's withdrawal agreement and her proposal on political direction, but they are never obliged to say what they would actually do instead. That has been a critical error for her.

Let us say that in the trade negotiations, for social and political reasons we say that we are going to take an enormously strong position on fisheries, fish stocks and fishing grounds. If we do, we will be up against eight member states that will view that as a zero-sum game and that everything is done at their expense. They will exact a heavy price outside the fisheries sector and exert considerable leverage to force us to move on fisheries by screwing us over on aviation or energy.

A trade negotiation all comes together as a single extremely complex bundle, which means that at political level, underneath the Prime Minister, you need a very effective machine that enables the Prime Minister and the immediate team around her to understand all the moving parts of the trade negotiation. There will be hundreds of moving parts, many of which are extremely technically complex. The House needs to develop its own conception of what matters most to it and why.

The Chairman: From what you have said, it is worth recording, or at least I would like your assent on it, that this is comparatively new territory for Whitehall, because we have not been engaged in that kind of comprehensive trade agreement. We have in effect demitted it to the Commission in the past.

Sir Ivan Rogers: Yes, for the last 45 years. I talked a lot with the late former Cabinet Secretaries about this question: if we Brexited, we would need an independent trade ministry. We need it to be world-class. Say there are perhaps four world-class trade ministries—the US, the EU, Japan and China—and maybe there are other smaller world-class trade ministries in Australia and New Zealand. We need to be at that level. We are not at that level, because we have not been doing it for 45 years. We need to recruit, as we have, non-Brits to educate a cadre of young Brits. They will have to learn on the job, and you do not necessarily want to learn up against the biggest monsters in trade negotiations.

There is a huge learning curve. One of the big problems we have, which again has been difficult to explain to Ministers—Sabine Weyand said it openly in Brussels the other day—is that the consequences of no deal for the Brits are much worse than the consequences of no deal for the EU. We have to rebuild significant regulatory capability across large parts of the state that we simply do not have, and have not had for 45 years.

They do not have to rebuild anything in the event of a no deal; it is already there.

That stuff can be done. You can develop the Department for International Trade into a world-class trade ministry, but it cannot be done overnight and they cannot do everything at once. They are struggling now, as we see. You will remember the ministerial commitments given in 2016 that at midnight on 30 March 2019 we would have a load of new trade deals and everything would be rolled over from existing EU free trade agreements.

The reality is that we are nowhere near that. Five weeks out, from the figures quoted in the *Financial Times*, only 14% of the trade covered by EU FTAs has so far been rolled over via UK versions of the EU agreement. This stuff is complex and difficult. Oddly enough, the Japanese, the Canadians, the South Koreans and others are not behaving badly. This is a moment of opportunity, so they are just using a moment of strategic national weakness for the UK to say, "No, there are various other things that we now want, given that you are independent and your market is small in the UK, and, no, we are not signing a cut-and-paste document with you that exactly replicates what you used to have when you were in the EU, because you are a new negotiating partner and we now have leverage on you".

That is what I mean about naivety. That was always going to happen; of course it was going to happen.

The Chairman: For the record, I should say that, given that we have recently assumed responsibility for scrutiny on the continuity of trade agreements, we are keeping score on the matter you referred to.

Q7 **Lord Polak:** Before I push you a bit more on process, Sir Ivan, you touched on the 75% of people. I am very conscious of the average person in the UK who may be watching, or may have given up watching. It is all very technical. I am thinking of the shopkeeper in Liverpool or the guy who employs five or 10 people in Newcastle. If they watch this broadcast and they voted to go out, or they might have voted to stay in, they might have picked up on the line you talked about earlier.

I think you said that the EU would not reopen the withdrawal agreement, but it wants the UK to move. The average person is going to think, "That is why we voted to go out, because it's intransigent and we don't understand it". There are so many people who do not understand it. You were talking about explaining it to Ministers, and you felt that they could not understand it.

The problem with all this is that there is great misunderstanding. The more people hear lines like, "They won't reopen the withdrawal agreement", the more intransigent they become, and we are going to end up in all sorts of situations that could be no deal and so on. I wanted to say that, because it needs to be consistently said.

Sir Ivan Rogers: Yes, I totally agree.

Lord Polak: You used the word “process”. In the longer term, how will the process be structured, and what sort of role will Parliament have in scrutinising negotiations on the future relationships? That is something I would like you to look at.

Sir Ivan Rogers: On your first point, I totally agree. I do not want to be patronising or condescending, but most ordinary people who have lives to lead and other things to do are probably bored rigid by this entire exercise, in so far as they look at it, and wondering why, 32 months on, so little appears to have happened, why we still have not left and why there appears to be doubt about whether we can leave on time. I totally agree with that.

It goes to my point that you need a compelling political narrative and a story of what you are doing, and why it is difficult and complex, why it is a long process, and why extricating yourself from an immensely complex club that you have been in for 45 years and that has indeed got into every nook and cranny of British life is going to take some time. Then you have to set out an overarching vision of where we are going, why we are going there, why it is going to take a degree of time and why it requires care. You cannot just snip all the threads and expect there not to be economic consequences.

That is difficult to do for any leadership, but it does not seem to me that we have done a terribly good job on any of it. Of course, that then adds to the, “Oh, to hell with this. It’s all ridiculous. Why don’t we just go?” People who have no idea what WTO-only rules mean advocate going to WTO-only rules because it sounds like a clean break. It sounds tremendous: “Can’t we just go?”

My point is a simple one. You can never be gone with the European Union. We are going to be negotiating for all eternity with the European Union. Talk to the Swiss, the Norwegians and others about the experience of negotiating with the EU from the outside. It never ends.

Lord Polak: It does rather suggest that the problem is over there rather than here.

Sir Ivan Rogers: It would be true if you were outside a behemoth like the US and you were dealing with them as the Canadians do. It is less intensive, because the EU has turned into something that goes well beyond a free trade agreement. We will be negotiating on issues such as what extradition arrangements are going to be, given that we will not be inside the European arrest warrant, but we will want all the efficiencies of a European arrest warrant without all the legal and juridical structures.

It is not that everybody in the country has to understand or wants to understand the complexity, but for bureaucrats and the system a significant number of people—more people than ever used to be engaged in European Union business when we were in it—are going to be engaged in permanently negotiating with it on all these arrangements. We are just going to have to get used to that as a country.

Hopefully, a lot of this will de-dramatise, and it will not be on the front of every newspaper in every bit of a trade negotiation. If it is, we will never get anywhere in a trade negotiation and everything will be blown up out of proportion. In the end, we are going to have to grow up and work out that when you are outside the EU, yes, you need a preferential arrangement, you need it to work, it is never going to be stable, and there are going to be all kinds of things that the EU will suddenly come up with that you do not much like the look of.

We will need a very intensive, good diplomatic lobbying campaign from the outside to work out where our interests lie and how to prosecute them. But it is never going to go away, and somehow, politically, we must not make that sound as though we never really exited. After all, the Swiss never really joined. You cannot say that Switzerland and Norway are effectively members of the European Union, and that being in a Swiss or Norwegian-style relationship with the EU is Brexit in name only. That is absurd. Switzerland is a very different place from anywhere in the EU. It has some downsides. There are some serious downsides to being Swiss, and some downsides in sovereignty terms, but you cannot say that it does not really exist as a form of Brexit.

My point is that politicians have to find a way of explaining to the public that it will be an ongoing process. There are loads of things that we are going to be negotiating for ever with the EU from outside. Somehow, eventually we have to lower the temperature so that we can start again. The real challenges for the UK system and UK productivity are not really about most of that stuff. They are not really about the third-country trade deals that we strike. The danger at the moment is the fact that the opportunity cost of Brexit is so high in Whitehall because virtually everything is getting sucked into EU negotiations.

The Chairman: As we move on, the impression I get is that at least one of the important roles for Ministers interacting with Parliament will be to give some kind of frank appraisal of the trade-offs, as a start.

Sir Ivan Rogers: Yes. As you will have seen, I tried to raise, rather provocatively, the services question. I know a bit about trade. I am not a trade negotiator, but I have done some trade negotiations and I know quite a lot about trade theory. What drives me mad about the trade debate is that our trade discussion, both inside the Executive and within Parliament, seems to be overwhelmingly still dominated by tariff questions. I do not want to minimise tariff questions, but they are the least of your problems. The non-tariff barriers and non-tariff obstacles to your trade are vastly more important.

An awful lot of tariff questions outside the world of agriculture were dealt with via multilateral rounds in the 50 years after the Second World War. I used to work for Leon Brittan, who was after all a Tory Cabinet Minister and was the last person to negotiate the end of a world trade round for the European Union. That was 25 years ago. Why are we now talking about bilateral and regional agreements? Because post China's arrival in

the WTO, and the arrival of India and others, it has been very difficult to move inside the WTO, particularly on non-tariff questions.

Given that 80% of our economy is services, and a very significant proportion of our exports and imports are services, perhaps parliamentarians could focus a bit more on the non-tariff questions and what is happening to services industries. I have, deliberately slightly provocatively, said that we have relegated services. The Prime Minister has done that very openly. That is because of her free movement position, which I respect and understand. She feels that very strongly.

As I know, not just from my Treasury past but from everything I have done since I left the Civil Service, the reality is that many service sectors, not just financial services but business services, accountancy services and legal services, feel that they have been completely neglected by both the Executive and the legislature in the last two years, and that none of their interests is registered in government documents, despite the fact that 80% of our economy is not manufacturing.

Q8 Lord Soley: Your answers to Lord Polak take us to the next area, which is the future relationship between the EU and the UK, and the role of the political declaration. My view for a long time has been that this is going to be a very long process and probably an unending one—it will go on for years—if we are to build, as we must, a very close relationship between the EU and the UK.

Before I ask more specifically on that, I have a short, perhaps challenging, question. A lot of people have hopes of going back into the EU. My gut feeling for many years is that Britain has always been ambivalent about the EU and the EU is ambivalent about Britain. If there was an about-turn by Britain, do you think it would welcome us back or would it make it difficult?

Sir Ivan Rogers: I do not think it thinks there is going to be an about-turn. Opinion would be mixed, but it is probably negative at the moment. There is a feeling that unless it was an unequivocal and enthusiastic decision, which the EU does not see as likely given the political mood in both Houses and in the country, why on earth would it want the UK back in current circumstances?

There are some in the EU who are more theological than federalist. There are not actually many theologians or federalists left, even inside the institutions, but there are some who think, "Well, it would be a bloody good thing if these people left and departed the scene, and then they'd work out how cold life is on the outside". I do not think that is the majority view in capitals.

I am afraid there is a growing sense of ennui about the British question, and a bandwidth problem. That worries me and it was worrying me before I left the service. The EU is in trouble, in all honesty. It is not about to collapse in my view, but there are lots of problems with monetary union. There is little evidence at the moment that they can take major steps forward on monetary union. The institutional

architecture still needs revision. There are major problems on values with the Hungarian regime, the Polish regime, et cetera. There are major questions about the handling of the migration crisis. If I had to characterise the problem the EU faces beyond the monetary union crisis, which stemmed from the financial crisis—I have been trying to say some of this in lectures—it is that we have moved from a world where the EU felt comfortable with essentially regulatory stuff. It does regulatory and trade stuff, which is basically technocratic, very well. That world is now suddenly becoming extremely toxic and political, with Trump and everything else.

In the EU, they are uncomfortable with that, because these have been technical and technocrat issues, handled in technocratic bodies and invisibly from the public. They are also dealing with events-based politics and identity-based politics. That is not what the European Union ever felt it was any good at. You cannot deal with migration questions where there are vehement disputes between the Germans and the Hungarians, or the Germans and the Italians or whatever, via qualified majority voting. That is what they are struggling with.

They think that they bent over backwards, although there will be plenty of people who disagree, to accommodate lots of UK exceptionalism, from Maastricht onwards. Cameron made a further attempt to entrench that exceptionalism, enhance it a bit and then ultimately produce some things that would be turned into treaty changes. They think they made a good-faith effort to make one last effort to enable the Brits to stay in on terms that were unlike anybody else's terms. That failed, and people just think, "Well, we've got so many other things to deal with, so many other crises and so many other problems, that we're not going to spend the next five years obsessing about where we are going to go with the British".

My worry on that, which I think the Committee shares, is that not enough thought is going on in European capitals at senior leader level about the British question. The British question is a very big question for the European Union and for France, Germany and individual member states. They need to think harder about the British question, because we are their major strategic partner outside the European Union in the hemisphere, but you would not know it. Believe you me, I have been to Berlin, Paris and plenty of other places and done lots of both private sector and think tank-type things in the last couple of years. It is difficult to get people to want to think about Brexit. They are mostly bored rigid with it and they just want to get it over with.

Lord Soley: I have considerable identity with those views, in a way. The British have always seen it as a supermarket and not a superstate. It is a big division. However, that leads you to the even greater importance of the post-Brexit relationship. If it is to be a very close economic and political relationship, as I think it must be, either the political declaration has to be the way forward as we continue to evolve the relationship or there have to be other approaches.

Do you have any suggestions as to what the other approaches should be,

or do you think we just use the political declaration, which although fairly vague has, in my view, the advantage of being a building block for future negotiations?

Sir Ivan Rogers: All we have in the next five weeks is the political declaration. You could revise the political declaration in certain directions. The question is whether you could command a majority in the House for any specific revisions. It has been very carefully constructed to meet what the Prime Minister said she wanted and to meet the desiderata of the other side, so reopening is always difficult. They are clearly open to reopening the political declaration and tweaking that in any way that works for the House.

The big question you are asking is the important one, and it still worries me. If we spend the next three to five years—I think that is the timescale—on a difficult, tortuous and technical trade negotiation ranging from the financial sector to agriculture, phytosanitary, fisheries, aviation and road haulage, it will mostly be difficult, conflictual stuff that is not really partnership and collaboration, and will play out as a zero-sum game. The mood might get worse rather than better. The mood in this country may be that yet again we are being beaten up by the European Union side and the pressure of the clock is being used against us to exact concessions.

There will not be much political appetite—bandwidth as I would call it—at leader level to think much about the British question, because they are fed up with having to think about the British question. My concern for both sides of the channel is that that would be a sad and difficult place to end up. Somehow we need to inject a bit of vision. Some vision has to come from this side of the channel about where the hell we are going by 2030 and why.

Some vision has to come from the other side of the channel: “Okay, we’ve got a different scale of partner outside the European Union, maybe permanently. We may regret that. What are we going to do with the British that looks different from what we do with the Norwegians, the Ukrainians, the Swiss or other third-country partners that are not quite in the British league”? Just telling the Brits that they can have a Friday night drink with Federica Mogherini is not going to work. It should not work and it is not appropriate. What are they going to do institutionally to put something behind an EU-UK relationship that is completely different?

We hear a lot from European theologians—not just on the economic side but on the foreign policy and security and defence side, for obvious reasons—about the autonomy of EU decision-making: “We cannot open this stuff up. You are not a member any more. You chose not to be a member. You do not have rights to vote and speak in the room. You are not in our room”. That is all fine, but we are not Norway and we are not Canada. We are not Switzerland and we are not Ukraine. There needs to be creativity on the other side of the table to think, “We’re going to have to end up with something architecturally different for these people than we have ever created for anybody else”.

Lord Soley: It follows from that, to some extent anyway, that it will be very difficult for us just to become a member of the European Free Trade Area, for example. We will need different institutions of some kind. Do you have views about what sort of institutions, or even headings? I often hear that we need a special relationship on foreign policy and defence, and there are aspects of the economy and trade, and all the other areas. How do we do that, either under the political declaration or with other structures?

Sir Ivan Rogers: It will vary area by area, and the appetite will vary area by area. Personally, this is not a desire to go back into a single market or customs union relationship, but we could think about important areas of economic activity—for example, data protection. I happened to be talking to one of the senior data controllers in the European Union the other day and that person said to me: “The absence of the Brits in the room as among the most constructive, interesting and best informed people is going to be a real problem for us. We can’t give you voting rights and a voting say, because you have left the organisation, and you won’t be part of the juridical mechanisms and part of our system, but we need to find a way of making a special case”.

There has to be an overarching political appetite from the top, in the institutions and member states and here, to want to do that and to say that we must end up with a world where we cannot just treat the Brits as any other third-country partner. Of course, the EU has an enormous problem. The European Union is a legalistic and precedent-based organisation, and as soon as it does something specific and special for us the US and others will be knocking on the door saying, “We want a slice of that action. Why on earth are you privileging them as a third country over us”? It is not straightforward. We will have to work on that as part of the trade negotiation. A specific part of the trade and security negotiations has to be about what the overarching political relationship looks like, and how we govern that.

As you say, the British are very different from others, and there has been a British tendency throughout our membership to go bilateral and think, “Well, we can dispense with all this desperate tedium of European Union fora and institutions, and deal direct with the Élysée on stuff that matters to us, direct with the Chancellery in Germany and direct with other capitals”. That does not always work. There is an architecture and a common European process, and we have to be able to latch on to that. We are not going to be in the room and we are not going to have voting rights. We are not going to have a voice in the same way as a member, but we cannot just rely on a latticework of bilateral relationships with chancelleries; it will not work because that is not how other Europeans think.

Lord Soley: I shall be in Bucharest this weekend on the security issue. It is a crucial one, and we are already getting messages that they want a special agreement precisely because of what we put into it. Do you agree with that?

Sir Ivan Rogers: Yes, I think so, but it is the architecture of how you do it. There will be French and other objections, if I can be candid, saying, "But you chose to leave. That is a sovereign decision on your part. We don't need you in the room permanently with your own voice". In other words, "We will design what we want to do and then we might deign to invite you into it".

That will be very toxic and difficult for the British political establishment. Why would you be entirely involved in the inception and design of everything you want to do and then you might be good enough to invite? That is not going to work. You need some sort of privileged relationship outside the room, but the construction of that needs a lot of thought. Why would Prime Minister-level people, or Foreign Secretary-level people, really devote energy and attention to that unless it really matters? If it is just some sort of technocratic make-work exercise where, on a six-monthly routine, they invite us in on a Saturday afternoon, it is obviously not going to cut it.

Lord Soley: I think the Irish question was answered.

The Chairman: I think so.

Lord Teverson: You mentioned fisheries, Sir Ivan. I think the industry has already assumed that it will be sold out. I suspect that is not going to be part of the issue, but it might be.

A question you mentioned, and in which I am particularly interested, is how long you think the future relationship will take to negotiate. You mentioned three to five years. What is the standard error on that? Do you feel, as many have said, particularly on the Brexit side, that it will be fairly easy, because all the standards are fairly close to where we start, or do you think it will be more difficult because of recent history?

Sir Ivan Rogers: It is very difficult to judge, and it depends on the level of ambition on both sides of the table and how deep an FTA you want. Maybe we end up with something that looks more like an association agreement, but we could end up in an FTA world. I originally advised the Prime Minister that if she was committed to leaving the single market and the customs union, which it seemed to me she was, we would end up with the maximum of an FTA. That was not familiar terrain and terminology to her, but it still seems to me that you are heading for an FTA.

You can still go relatively deep and complex in an FTA or relatively light. The fundamental question, certainly inside the Conservative Party, still appears to be divergence between those who want close proximity and dynamic alignment with, essentially, lots of European rules, or those who want a Canadian destination. Frankly, until we have taken that choice, if that is the choice, in the governing party, the EU will be deeply frustrated: "If you want to go in a Canadian direction and be full out in the mid-Atlantic, we would regret it and it will be a much thinner relationship. You will do much lower volumes of trade both on goods and

services, but that's fine. It is a sovereign choice. You can go in that direction, or we can build something different and deeper", which they think they have done with elements of the withdrawal agreement and political declaration. There is a choice for us: which do we want?

Why do I think it is not the work of 10 minutes or 10 weeks, or what various Ministers and ex-Ministers said to me in autumn 2016? Because, as I said, it is a divergence process. In a convergence process you are looking at which barriers you can eliminate, how far you want to go in the elimination and the pace of elimination. In a divergence process, the EU is bound to do what it has been doing already and ask, "Where do you want to diverge and where is the destination you have in mind? Until we are clear on the destination you have in mind, how do we negotiate?"

Then there is the baseline question, which again I have tried to draw out in lectures. Our baseline, very understandably, is to say, "Well, you know us terribly well and we have been part of your regulatory order for 45 years, so you know us far more intimately than any other trading partner. It's terribly easy to do business with us, because you know all our financial sector regulation, and our authorities know each other vastly better than they know any other trading partner around the world".

True, but the retort comes: "Yes, but you wanted to leave, so you want regulatory disalignment. What is the point of Brexit unless you are disaligning? It is all very well talking about dynamic and permanent regulatory alignment, but why do you want to do that if you are leaving? You must be leaving for a reason. You must be leaving because you think you can regulate yourselves better, in which case please specify the destination that you have in mind".

In the EU, their view of the baseline is that it is a sort of tabula rasa. They do not start from the fact that we are a third country unlike any other, so we start from that baseline and look at the extent to which we diverge from our previous complete conformity with EU rules. They start from the same baseline as for any other third country. You start from the bottom up and they say on financial services, "I am afraid all that's available to you is a bog standard equivalence regime, and then we may be able to adjust the equivalence regime for the UK". Nothing special is on offer for a third country, because there is no such beast in their world as a third country that used to be a member.

It is very striking when you talk to both sides that we have not got beyond that point either at political or bureaucratic level. I think they are getting there at bureaucratic level. The baseline is different. The assumption built into the institutions in the capitals is, "You chose to leave. It was a sovereign decision. You must want to diverge quite appreciably, otherwise you would not have chosen to leave. Tell us what you want to diverge to and then we can build the ship".

A lot of what they are hearing from the Prime Minister and her entourage is, "We want to keep a hell of a lot of the world completely the same for issues such as data, aviation and energy. We like the world of having all

the single market access and rules. Please don't take any of that away, even though we are not prepared to live under the European Court of Justice".

That is not going to happen. That is why I keep on saying that it is not going to happen. They say, "You have chosen to leave the jurisdiction. You have chosen to leave adjudication enforcement. You do not want supranational legislation. You want to be on your own. That has economic consequences, because we are not going to give you the same trading rules in energy, aviation and data as you used to have when you were within. The world has changed and you chose to change it".

That is the problem. In the end, once trade negotiations get going, they will get going sector by sector, and the fisheries negotiators and the phytosanitary negotiators will not know about the financial services negotiations. There will have to be a whole architecture across Whitehall and various DGs in Whitehall. Then you will need a layer of senior officials. Obviously you need a senior official negotiator, the equivalent of Olly Robbins or Sabine Weyand. They will not know in detail all the individual issues on fisheries or energy, but it all has to come up through them.

My view, which almost certainly will not be what the Government do but I will give it to you, is that you still have to centralise the architecture. My view is that you should centralise it in the Cabinet Office, under a sort of Chancellor of the Duchy of Lancaster working to the Prime Minister.

The problem with the DExEU structure, which I opposed when it was set up in 2016 and which I still think was a fundamental mistake, is that spending ministries—if I can call them that as an ex-Treasury individual—do not trust the adjudicating role unless it is done by the centre. I have lived in the centre and worked in those jobs for both Tony Blair and David Cameron. In order to do those jobs, you have to be the Prime Minister's eyes, ears, mouth and fixer—somebody close to the Prime Minister. You also have to be the senior adjudicator, umpire and convener of the top of Whitehall to say, "We need some collective wisdom about what matters to us and why, and we need to know where all our secretaries of state stand. Then we need to get the best possible collective advice to the Cabinet".

If my advice or the chief negotiator's advice diverges from what the Secretary of State is going to say, there needs to be an open and collaborative process so that the representative of the department knows from the person running the trade negotiation, "I don't share the judgment of your Secretary of State on that, either on the substance or the relative importance of it, and that is what I am going to say to the Prime Minister".

That is my point about transparency both internally as well as with Parliament. You must have that level of trust between the top negotiator in No. 10, but I think that person has to be in No. 10 and the Cabinet Office. As soon as they are in DExEU working for a Secretary of State on

their own, I am afraid my experience in Whitehall, as happened very rapidly after the referendum, is that people thought, "Ah well, David Davis is a specific Secretary of State and he's not working in a direct line to the Prime Minister". DExEU had its own departmental axe to grind and therefore a lot of Whitehall just clammed up on talking to DExEU.

Q9 Lord Liddle: I want to take you back to the Irish border and the bogs of Fermanagh and South Tyrone or wherever Asquith was stuck in 1914. You said that we need something alongside a Canada deal if we are to avoid an Irish border, which is fairly obvious.

If you asked me to guess in what direction British politics is going to go in the next few years, I would say that the most likely outcome, although it is not what I wish, would be a new Conservative Prime Minister who is committed to a Canada deal. Therefore, we will end up with a very serious Irish question. What permanent solutions do you think there are for it, or is the only solution the customs union, which it seems it will be very difficult to persuade the Conservative Party to accept?

Sir Ivan Rogers: That is an excellent question, and I do not have an answer. I think I may share your assessment. Much more importantly, I think a lot of people in Brussels and in capitals share your assessment. That is colouring the discussion they are having with the current Prime Minister. I do not want to be unkind in saying this, but everybody is thinking that two or three years ahead, when we are negotiating the final trade deal, it will probably not be with this Prime Minister. It is going to be with a Prime Minister who is in a more Canadian frame of mind than this one.

Therefore, the problem is worse under the next iteration of the Conservative leadership than the current one. Is that colouring people's sentiment and strong line at the moment in capitals and in Brussels? Of course it is, because they are looking ahead two to three years and thinking that the problem may be worse, so there is all the more reason not to back off on the backstop and to back the Irish on the backstop.

My very strong view is that people would probably regret that. They might hope that we would go down a customs union route. I think they have worked out that going down a customs union route, as far as the Prime Minister is concerned, is deadly for the Conservative Party and would split the Conservative Party, and she is not going to do it. Therefore, the best assessment I could give you, from private chats and old friends, is that they think that ultimately the Brits will leave both the single market and the customs union. The question is the pace at which that happens and then, as you say, what on earth we put in place by way of both technological and administrative solutions, and whether we can convince ourselves that they will genuinely work.

Will the EU put energy and oomph behind the process? I think people will try to write some of it down. Some of it is already effectively there and implicit in the exchange of letters in the withdrawal agreement. They will try to give the Prime Minister, and, beyond her, her supporters, the

assurance that there will be a good-faith effort if we choose to go in a more distant, mid-Atlantic, direction to find a combination of technological and administrative solutions over the coming X years.

What they will not guarantee is that by a certain date, say 30 October 2023, there shall be no possibility of a backstop. They are not going to do that, and they are never going to guarantee the unilateral right to exit. They are likely to try to write down something by way of assurances that we do not want it to be permanent: "If you choose ultimately as a national decision to leave the customs union, that is your prerogative and your choice, and we will try to work intensively on the fixes that would enable it to work". There has been a very hard line from well-informed officials in Brussels that the technology and the administrative solutions do not exist at the moment, otherwise they would be operating in Norway, Sweden or on the EU/Switzerland border. This is years away from being ready.

Lord Liddle: It could only happen over a very extended period.

Sir Ivan Rogers: Yes. When they hear talk of, "It's all got to be there before the next general election", you just get guffaws of laughter from people. It is just not going to happen.

Q10 **Lord Whitty:** You have given us a fair view of your feelings about how the British structure needs to change to deal with the developing situation. I am going to take a leap of faith, beyond the three-to-five-year period, to when we have a trade deal and some sort of future relationship. It may or may not be as you describe, but it is a relatively stable institution.

How do you then see Whitehall and the British effort maximising UK influence in positive partnership with Europe? It is not so much the economic side but the security side, the soft power, the internal security and the culture of using the English language—all that kind of relationship—where you could see a more positive arrangement, rather than the antagonistic position we have had for most of our period of membership of the EU under successive Governments? In a new situation, how would you see Whitehall changing? Specifically, would you also see a role for Parliament in that whole process?

Sir Ivan Rogers: I see it changing already. It needs to change further, and it will take many years.

The Chairman: Can you factor in the future structure of UKRep?

Sir Ivan Rogers: It is already changing. This process could be very good and very healthy, and might lead to enthusiasm in London, across Whitehall and at ministerial level, for finding solutions and doing things differently. As you say, when we are on the outside, we may have more creativity and more ability to innovate than on the inside. Even when I was there, in 2016, we were starting to take more constructive positions on defence initiatives when we left than I ever had in my instructions

when we were in. My instructions were mostly just to block things and prevent them happening, so maybe that will change.

Over the last 25 years, the problem for people such as me in Whitehall, if I can put it like that, is that in my view EU knowledge, international knowledge and negotiating knowledge has become very ghettoised, both at the centre and in departments. Peter and others will have views. I think it has also gone downhill, in all honesty. Fewer and fewer people understand both international negotiation generally and the EU. It has become a rarefied art. Quite a lot of senior mandarins shied away from doing anything with the European Union because it was all too technical, complex and difficult, and could it not be left to experts like me?

That will not work when you are on the outside. I have talked about it with everybody from the Swiss to the Norwegians, the Japanese and the US. It will not work. In a way, that is quite healthy, because the Brexit process is forcing domestic mandarins and the domestic establishment to engage with Europe in a way and with an intensity that they never did when we were within it. It was left to a few specialists, experts and people who had done that for much of their working life. That will no longer work across Whitehall.

UKRep will turn into UKDel, which will be at the front end of the process. The attraction for junior, middle-ranking and relatively middle to senior levels of going to UKRep was, "You're representing your country. You've got the microphone, you've got the flag, you're dealing with very important dossiers and issues and you're the negotiator for your country". That is exciting work for young officials to do. They have real weight as a Brit, or they did; whatever the politics of what we now believe, we had real weight around the table. It was a great job. It was very easy to attract top-class people to come to UKRep because it was exciting stuff to do.

The bulk of my staff in UKRep were not Foreign Office civil servants. The bulk of them were domestic civil servants and a third of them were locally engaged staff—mostly, obviously, Belgian nationals. UKRep is not a Foreign Office organisation, by and large. Of the 150 or so people, a very small proportion came from the Foreign Office and they did mostly Foreign Office business. Some would be learning non-Foreign Office business in COREPER-type environments, but the brightest and best came from domestic Whitehall. The appeal was early responsibility, having the microphone, representing your country, doing extremely difficult negotiations and taking responsibility. That is wildly attractive to people.

Our problem, therefore, in attracting that calibre of person to UKDel is obvious; we are no longer in the room. It is a very different job. You are not in a working group representing the country and driving through your particular directive or your particular negotiation. It is a different skill set. You are influencing people around the Council, people around the European Parliament and opinion formers, shaping initiatives and representing Britain. It is a great job, in my view. It would be a wildly

attractive job for lots of people, but it is a very different skill set from the one I concentrated on getting in UKRep people from domestic departments.

We are still going to need domestic civil servants to want to do it. It is not all Foreign Office. There will be more Foreign Office people in UKDel than in UKRep, and there will be more need for the classic diplomatic skills in bilateral embassies than there were, because we will be outside the main rooms. We will not be in COREPER, the PSC or the working groups. We will have to find people who are very good at influencing from outside, picking up what the hell is going on and acting on it as a kind of intelligence network and then finding solutions. We need a different breed of person, but we still need to persuade the brightest and best of domestic civil servants that it is a brilliant place to go. That has to come from the top. The signs have to come from Ministers and the Prime Minister that this stuff really matters.

My anxiety on that, if I can be honest, is that, if you are Swiss or Norwegian, the most glamorous post you could ever occupy at the top of the service is obviously the one in Brussels, because it is the most important. I do not think that will be the culture of the Foreign Office. People will always think that it is more glamorous being in Washington, Paris, Berlin or Beijing than in Brussels.

I hope that is wrong, because Brussels is bloody hard work. It is a regulatory space. It is extremely economically driven. It is not glamorous diplomacy; it is a hard grind, and now it is a hard grind outside the room. We are going to have to persuade the next generation across domestic departments and in the Foreign Office that it is absolutely critical work for the future economic and security prosperity of the country. I think we will need more people in UKDel than we had in UKRep, and we are going to need them to be better plugged in.

We had an excellent cadre of staff in my time at UKRep. They were very good people, but sometimes the problem was that it was very difficult to get them the quality of jobs after UKRep that they deserved because they had been out of sight and out of mind in Whitehall with their senior establishment. I spent a lot of my life then trying to persuade fellow mandarins, "You have a real star here and you have to get them immersed back into Whitehall and going into top quality non-European jobs".

I think it is wildly attractive. It will be very exciting work to do, but it is a very different form of work from the work we used to do when we were in the room. There is a danger that people will think that the glamorous work is in the French and German delegations, because they are in the room dictating the play and the game, and we are listening with our ear to the door, working out what the hell is going on, and then working out whether we can have an impact on it.

You have to create the mindset over the next five to 10 years in Whitehall that this work is absolutely pivotal to the country's future. Over

time, if it becomes less ghettoised and people think, "This is a really core thing to become good at in my domestic Civil Service career", you may get that kind of innovation in policy-making where people think, "Why don't we take initiatives with what used to be European partners?" and being more creative on that. Maybe that is a good thing about DExEU as well as the Foreign Office existing; I do not know what will happen with DExEU in the medium term.

In the last few years of my professional life—this is not a partisan point—a lot of my instructions from Whitehall, from officials, let alone those blessed by Ministers, were just to prevent things happening and block things happening. An awful lot of it was, "We need you to see this off. We need you to prevent this happening". When we are on the outside, we will not be able to prevent it happening because the 27 can ultimately go ahead and do whatever they want. We will have to think much more creatively about where we want to line up with them and how, and how we can influence the line-up so that, from the outside, we are pushing their direction into something congenial for the country. It is a very different skill set.

The Chairman: Thank you, Sir Ivan. At that point, we record on behalf of the Committee our thanks to you. If I may say, I thought the quality of the last answer and the nature of it was entirely consonant with those that preceded it. We have engaged you for nearly two hours and we are not surprised by what we have drawn on your experience, but we are very grateful for it in every respect.

You have been frank, articulate and provocative, which is all that we need at this interesting stage. I am sure that the Committee will wish to keep in dialogue with you as appropriate and as the scene unfolds. In thanking you, and adding to the points that have already been made in relation to public service, we are very grateful to those who have represented us in different capacities over this period and before.

As we draw the formal evidence session to a close, I remind members of the Committee who are minded to toddle off that we have a short deliberative session to follow. May we, pro forma as it were, both thank you sincerely, Sir Ivan, and remind you that we will send you a copy of the transcript for correction? I formally close the evidence session.

Sir Ivan Rogers: Thank you very much.