HOUSE OF LORDS
Select Committee on the Constitution

House of Lords
London
SW1A 0PW

Tel: 020 7219 1228
constitution@parliament.uk
www.parliament.uk/lords

Lord True
Minister of State
Cabinet Office
70 Whitehall
London
SW1A 2AS

22 October 2020

Dear Lord True,

UK Internal Market Bill

I write on behalf of the Constitution Committee regarding the UK Internal Market Bill. We would welcome clarification from you on one of the recurring themes during the second reading of the Bill, common frameworks.

The two examples that Lord Callanan offered in his speech by way of justification for the Bill – Welsh lamb and English barley for Scotch whisky – would, on the face of it, appear to fall within the sectoral categories of common frameworks.

During your speech on the Bill on Tuesday 20 October you said:

> "common frameworks do not replace the need for this Bill; they are a mechanism for collaborative policy-making in areas of returning EU law which intersect with devolved competence. They are sector-specific and allow for a deeper level of regulatory coherence, but they do so in a specific set of policy areas. While they remain a crucial part of our regulatory landscape, common frameworks alone cannot guarantee the integrity of the entire internal market."

We were surprised by your characterisation of common frameworks as being solely sector specific. The latest iteration of the Common Frameworks Analysis (September 2020), which has formed the basis of the collaborative approach the UK Government has been adopting with the Devolved Administrations identifies 154 policy areas under consideration. These include, for example, two areas – public procurement and mutual recognition of professional qualifications – that are not sectoral, but cross-cutting.

This is illustrative of our concern as to why an internal market framework could not have been developed in combination with the other powers and provisions at the Government's disposal.

In your speech you went on to say that:

> "The Bill ensures that areas without a common framework will still benefit from regulatory underpinning and, crucially, market coherence will be provided for issues *that fall around, or between,* individual sector focused frameworks".

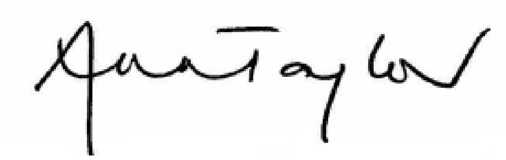
Our understanding of the Government's common frameworks analysis was that it was a comprehensive assessment of the risk policy areas arising from EU exit. It would assist the House in the next stages of consideration of the Bill if you could set out more specifically and in greater detail what are the risk areas not already identified in the analysis, and which "fall around, or between" individual sectors.

As you know, the devolution statutes prohibit the devolved administrations from legislating in ways that are contrary to international agreements. The UK Government can negotiate trade treaties safe in the knowledge that the whole of the UK will be required to adhere to those terms and that divergence will be managed. Further, the Government has powers under section 12 of the European Union (Withdrawal) Act 2018 to amend retained EU law which could be used to accommodate divergence within the UK internal market.

These provisions would act as substantial buttresses to an internal market common framework, which could then be formulated with the devolved administrations in a more consensual manner than the approach taken with this Bill. We believe such an approach would have a greater chance of receiving a positive reception in the devolved legislatures as well as in Parliament. It would also be more in line with the Chancellor of the Duchy of Lancaster's desire, reported in yesterday's Financial Times, to re-set and put on a firmer basis relations with devolved administrations

We therefore look forward to the Government's response to our report and to your more detailed reasoning as to why a common frameworks approach, supported by the other powers available to the UK Government, could not have been taken to complete the development of the internal market. We also look forward to engaging constructively with you and your ministerial colleagues during the further debates on the Bill.

Yours sincerely,



Baroness Taylor of Bolton
Chair of the Constitution Committee