



Department for  
Business, Energy  
& Industrial Strategy



Pete Wishart MP  
Chair, Scottish Affairs Committee  
House of Commons  
London  
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Dear Pete,

Thank you for the invitation to appear before your Committee on November 18<sup>th</sup> and opportunity to give evidence on what is a crucial piece of legislation. Wendy Chamberlain has asked follow-up questions so we thought it would be helpful to address those and other questions the Committee raised on Common Frameworks in this written response.

The Competition and Markets Authority (CMA) in carrying out its new functions as the Office for the Internal Market (OIM) will have the power to receive and consider any proposals that may be made or referred to it for undertaking a review of matters within its remit, namely the operation of the internal market. The CMA is therefore able to accept reporting requests from bodies and individuals with relevant concerns connected to these, including those from outside of the UK. Nevertheless, the CMA has discretion over which requests it chooses to accept. If a request is considered inappropriate or can be resolved through alternative means, the CMA is not obliged to provide a report. The Government has been clear that these reports will be strictly non-binding and cannot curtail devolved competencies. We can confirm that the design of the OIM has been developed through close co-operation with other Government departments, including the Department of International Trade.

Turning to your question regarding the Bill's relationship with Common Frameworks, I would like to take this opportunity again to reassure you that the UK Government, along with the Scottish Government, Welsh Government and Northern Ireland Executive, remains committed to the development of Common Frameworks and have been working productively together to develop them. We are keen to preserve this valuable cooperation which we anticipate the Common Frameworks will come to embody. In the last months, the programme has shown a real focus in significantly accelerating frameworks development so that we will have provisional frameworks in place for the end of year. Regular updates on progress are set out in the quarterly EU (Withdrawal) Act and Common Frameworks reports, the most recent of which was published on 24 September.

The Government has made clear that the Common Frameworks programme and the UK Internal Market (UKIM) Bill are two complementary undertakings. The Common Frameworks programme establishes consensual arrangements between the UK Government and the Devolved Administrations to encourage regulatory coherence (and in many cases common standards) in areas of returning EU law. It is our intention that the mechanisms for cooperation provided by Common Frameworks will underpin coherent policymaking between the UK Government and Devolved Administrations in specific policy

areas. However, Common Frameworks are not, and are not intended to be, an all-encompassing solution to the maintenance of the UK internal market. While frameworks will be vital tools through which to drive coherent policymaking across the UK, they need a legislative bedrock on which to operate. By establishing the core principles upon which our economy outside the EU will take shape, this Bill provides legislative protection to the continuation of internal UK trade.

We would refer you to pages 81-83 of the White Paper, which sketch out a cross-sector example in the form of an illustrative supply chain in the agri-food area. As can be seen, a typical food product will pass through a multitude of sectors before reaching its final end point of consumption, starting in the agricultural sector, before moving into the food manufacturing sector and eventually into the wholesale or retail sector.

At each step in this journey, the product in its various stages of refinement is subject to a variety of frameworks, ranging from pesticides to labelling to waste. Divergences in any of those framework areas are likely to create the need for operational adjustments by affected businesses, introducing cost increases which accumulate along the supply chain.

Common Frameworks focus on vertical, policy-by-policy impacts which creates the risk that cumulative effects go undetected. The UKIM Bill therefore provides a complementary cross-cutting structure, to create links between framework areas and to enable a comprehensive whole-system approach. A food product is just one example and any final good that passes through multiple stages is likely to be exposed to a whole range of sectors that are directly or indirectly involved in its creation. The high degree of inter-sectoral linkages can be seen from the chart on page 81 of the White Paper, which draws on ONS data to show the highly complex net of relationships between sectors in the UK economy.

We hope this response clarifies the Government's position on both issues.



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