

Negotiating Brexit

Preparing for talks on the UK's future relationship with the EU



Tim Durrant | Alex Stojanovic | Georgina Wright
Lewis Lloyd | Elliott Christensen

About this report

The UK has nearly completed the process of withdrawing from the European Union (EU), although it is now not expected to leave until October 2019. The Government now needs to prepare for the next phase: the negotiations on its future partnership with the EU. If the Withdrawal Agreement is ratified, the UK will move into a transition period and begin negotiating its long-term relationship with the EU. Those negotiations will be more complicated and wide-ranging than the first phase. Even if the UK leaves with no deal, it will still need to talk to its nearest neighbour and most important trading partner.

This report considers how the UK can prepare for the next phase of negotiations.

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Summary

The UK has secured a six-month extension to the Article 50 period, meaning it is unlikely to leave the EU before the end of October 2019. While the Government works to build support for its Withdrawal Agreement, it also needs to prepare for the next phase of negotiations, on the UK's future partnership with the EU. If the current Withdrawal Agreement is approved, the UK will move into a transition period and begin negotiating its long-term relationship with the EU.

Those negotiations will be more complicated and wide-ranging than the first phase; covering trade and security co-operation, and involving issues as diverse as fisheries and financial services, intelligence sharing and intellectual property, student exchanges, and sanitary and phytosanitary regulation. Even if the UK leaves with no deal, it will still need to talk to its nearest neighbour and most important trading partner.

This report considers how the UK can prepare for this next phase of negotiations. It starts from the assumption that a Withdrawal Agreement is signed and the negotiations take place during the transition period. If this assumption proves incorrect and the UK leaves without a deal, much of the analysis is still relevant: although negotiations may pause for a time, the UK will still need to talk to the EU.

To be ready, the Government needs to take into account the different context of the next phase of negotiations. These negotiations will be much more complex than those on the UK's withdrawal from the EU, and have the potential not just to determine the UK's relationship with the EU for decades to come, but also to set the context for the UK's relationship with other countries. As a result, many more departments across government will be involved; and the views of a much wider range of external groups will need to be considered before and during the negotiations.

The UK must have a better understanding of how the EU will approach the next phase, as well as the starting conditions set out in the Withdrawal Agreement and Political Declaration. The Government must also be mindful that there is still a risk of a cliff edge: if no deal is concluded by either December 2020 or December 2022, the UK will again face the prospect of a disruptive no deal exit – albeit into the 'backstop'.

The UK needs to learn from what went right – and what went wrong – in the first phase of negotiations:

- **Negotiations succeeded where the UK decided on its objectives early and engaged with specifics.** For example, while the decision to leave Euratom (the European Atomic Energy Community) was taken with little consultation, once negotiations began, the Government knew what it wanted and engaged key UK interests and EU counterparts early. With the financial settlement, the Treasury agreed the principle of meeting legitimate obligations upfront and then drilled

down into the detail of what that meant in practice, while resisting demands for an upfront settlement.

- **The negotiations were bedevilled by the difficulty of getting Cabinet agreement on the shape of the future economic relationship.** The shape of the security relationship seemed less contentious internally, but the Cabinet was split on how close the future economic relationship with the EU should be. This was only resolved in the Chequers white paper; a fragile compromise reached by the Cabinet six months after the EU agreed that talks on the shape of the future relationship could start. But because ministers were still unwilling to face trade-offs, the Prime Minister presented the Chequers position as the non-negotiable end point of negotiations, rather than a starting point.
- **Split responsibilities between No.10 and the Department for Exiting the EU (DExEU) caused tensions and ultimately proved unsustainable.** The Prime Minister lost two Brexit secretaries during the negotiation – they were unhappy about being cut out of decisions and felt sidelined by the Prime Minister and her Europe adviser and chief official negotiators. This feeling of division at the top of the negotiating team was compounded by the secretive approach adopted by the Prime Minister and her advisers.
- **Politicians, particularly on the Government backbenches, did not trust the UK's official negotiators.** Politicians routinely criticised the UK civil servants conducting the day-to-day negotiations, particularly the Prime Minister's 'Sherpa' and Chief Negotiator, Olly Robbins. Ministers, from the Prime Minister down, were unclear about the instructions they gave to officials, allowing political opponents to claim political decisions by the Government were made independently by the civil service. This undermined the work of those civil servants.
- **The Government engaged Parliament late, alienated the devolved governments and did not make use of external expertise.** Parliament had to resort to archaic mechanisms such as the 'humble address' to get information from the Government, and was only granted a 'meaningful vote' on the Withdrawal Agreement after it fought for it. The Government's approach to legislating for Brexit was criticised by the devolved governments and legislatures, which culminated in the Scottish Parliament's refusal of legislative consent to flagship Brexit legislation in Westminster. Engaging a Scottish government committed to independence was always going to be challenging, but this does not excuse the failure to follow through on the Prime Minister's early promises. However, engagement has improved more recently. In addition, the Government was slow to take into account the views of external groups including businesses, unions and non-governmental organisations (NGOs).
- **The 'divide and rule' diplomatic strategy cut little ice with leaders who rallied behind the European Commission negotiators.** The UK tried to go over the heads of the EU institutions and go direct to member states – but this just reinforced the determination of the leaders of the EU27 to present a united front. The UK's attempts to divide and conquer were not helped by tone deaf interventions by

ministers and senior politicians designed to appeal to domestic audiences. The Government's engagement strategy with EU embassies in London was also weak.

Preparing for the next phase

Preparations need to begin before the negotiations start

The UK and the EU have signalled their joint ambition to start negotiating the future relationship as soon as the UK Parliament gives the green light to the Withdrawal Agreement. But the time available to conclude an agreement by the end of transition in December 2020 is already very short and it is far from clear that the UK is ready.

The Government needs to be clear about its negotiating objectives

Negotiations will be shaped by the Government's decision on what type of relationship with the EU the UK is seeking. The first decision, which will shape the whole negotiation on the economic partnership, is whether the UK is seeking an institutional relationship with the EU (based on the European Economic Area [EEA] and/or a customs union) or is seeking to negotiate a chapter-by-chapter bottom-up trade agreement. The Government should use the extension of Article 50 until October to come to a clear position on what it wants from the future relationship.

Before negotiations begin, the Government should publish a mandate that sets out its ambition for the future relationship. This should clearly set out the UK's objectives for both the economic and security partnership. It should be ambitious, but needs to be developed with a clear view of what is negotiable. It needs to take account of wide external input to make sure it meets the business and operational needs of affected groups. This applies both to trade, where the EU rejected the Prime Minister's Chequers proposal, and to the security partnership, where the current Political Declaration sets too low a level of ambition.

The mandate and detailed negotiating positions must draw on departmental inputs – but reflect an agreed, whole of Government approach. In Phase One of the negotiations, decision-making structures were created, but the negotiations suffered due to the inability of the politicians to make decisions and/or reconcile different positions – resulting in undeliverable objectives. A similar scenario would spell disaster for Phase Two. The Government will require detailed negotiating positions – and a clear strategy for achieving them – on everything from financial services, to participation in EU military missions. The Government will also need to define what it is not prepared to accept: when will the backstop be preferable to a deal? These positions should draw on shared analysis from across different departments, rather than relying on each department to produce their own, to ensure that decisions are being made on a shared evidence base. Ministers will also need to agree in advance where negotiators have leeway to move, and where they need to refer back for a further political decision.

The Government needs to be clear on negotiating roles and responsibilities

The Prime Minister should appoint a ministerial deputy, based in the Cabinet Office, to oversee the day-to-day negotiations. Theresa May is unlikely to lead the Government during the next phase of the negotiations. However, her successor as Prime Minister cannot oversee the day-to-day detail of the negotiations – but will be

ultimately responsible for the final outcome. The next Prime Minister needs to appoint a senior Cabinet minister, capable of knocking departmental heads together, as his or her political deputy. But he or she must avoid the risk that they have a separate departmental agenda. As a senior Cabinet minister without a separate departmental agenda to advance, the Chancellor of the Duchy of Lancaster (currently David Lidington) would be the best person for this role.

DExEU cannot co-ordinate the negotiations: that role must fall to the Cabinet Office.

Co-ordination by the Cabinet Office, as the trusted neutral secretariat, would avoid the confusion and conflict of Phase One. The Phase Two negotiations should be co-ordinated by a beefed-up Europe Unit, with a secretariat that draws on departmental policy expertise and the experience gained in the first phase. That secretariat should perform the dual role of supporting UK negotiators and the decision-making machinery in London.

Ministerial and official structures should enable decisions to be made quickly, based on the best available evidence and expertise.

Negotiators need to be able to refer up for quick decisions whenever they reach the limit of their mandate. Those decisions can be prepared for ministers by a senior cross-departmental officials' group, but need to be taken by ministers, with the most important issues going to a top-level committee chaired by the Prime Minister. Those decisions should not only be able to draw on shared analysis, but also operational expertise from beyond core government departments.

The Government cannot afford to ignore the trade expertise in the Department for International Trade (DIT).

The EU is likely to run the trade part of the negotiation out of the European Commission's trade department, DG Trade. In other countries, the natural lead in negotiating a future trade relationship would fall to the trade department. But the initial division of labour in the UK gave EU negotiations to DExEU and confined DIT to negotiating with everyone but the EU. All indications are that DIT will play only a limited role in negotiating the economic partnership with the EU. Given how limited trade expertise is in the UK Government, it makes no sense to cut out the department where that expertise is supposed to reside – and the Government needs to remove any barriers to using that expertise.

The Government needs to build an effective engagement strategy

The Government should engage Parliament and the devolved administrations early.

The Prime Minister has provided assurances that Parliament will be consulted on the mandate for the future relationship – but has yet to say how. The Government should allow parliamentary time to debate the mandate for the future relationship negotiations and provide Parliament with the analysis underpinning its decisions. The Government must develop effective mechanisms for engaging Parliament early on in the process and keeping it informed throughout the negotiations. Likewise, the Government should continue to engage the devolved administrations at the beginning and throughout the negotiations. The Government should also give the House of Commons the chance to approve the final agreement with the EU.

The Government needs to be much more receptive to outside input into its plans.

The EU made a virtue of its transparency and willingness to engage during Phase One, whereas the UK was secretive and defensive, and failed to engage properly with Parliament, the devolved administrations, business groups and civil society. If the Government is serious about negotiating a future relationship that works for the whole UK, that needs to change. The Government needs to establish effective structures to allow all these groups genuine input. There needs to be a real willingness from the Government to use and engage with that external input so there is genuine dialogue rather than the one-way flow that characterised Phase One. DIT is developing such structures for future trade negotiations, and those may be useful for the economic element of the future partnership.

The Government needs to get the tone right for its engagement with member

states. The Government's faith in its 'divide and rule' attempts to go over the head of Michel Barnier and Taskforce 50 (the body created within the European Commission to formulate the EU's position and negotiate with the UK) and appeal to the self-interest of individual member states, was one of the biggest failures of Phase One.

In Phase Two, EU member states will have very different interests, and the European Commission negotiating team will have to manage them – so the UK needs to make sure it understands those, drawing on its network of embassies and the UK mission in Brussels as well as engage with EU embassies in the UK. The Foreign Office was largely sidelined in Phase 1 of the negotiations, a major error which must not be repeated. It needs to have a strong voice in the Government's decision-making process and the UK needs to start with a genuine interest in what each country wants and cares about. It also needs to pay particular attention to any possible veto players, given the need for unanimity in Phase Two, as well as how to influence potential supporters.

1. Introduction

The task of negotiating the UK's exit from the EU has occupied attention for the 34 months since the 2016 referendum. If all had gone to plan, the UK would be outside the EU now and preparing to negotiate its future relationship. However, the Withdrawal Agreement has been rejected three times by Parliament, leading the Prime Minister to request a long extension to the Article 50 process. The UK is now likely to remain in the EU until at least 31 October 2019. But it could still leave with 'no deal', which would mark a significant rupture in relations with the EU.

Yet assuming the Government achieves its objectives and the current Withdrawal Agreement is eventually approved by the UK and European Parliaments, the much bigger task lies ahead. The UK's ambition for the future relationship is a "deep and special partnership" that goes beyond any normal trade deal, to cover internal and external security co-operation, data exchange and the hotly contested area of fishing rights, with governance arrangements to match the depth of the planned relationship. The plan is to conclude these negotiations during the transition period, lasting up to December 2020, provided for in the Withdrawal Agreement. However, the negotiations could last much longer (not least because they will involve most government departments) and will affect the way in which the UK economy and security apparatus function in years and decades to come.

Negotiations on the Withdrawal Agreement involved a relatively small number of departments; a far greater number of civil and public servants have been involved in the preparations for implementation. But we have already seen the problems caused by internal divisions over the shape of Brexit, the difficulty of reaching common internal positions, the lack of sustained engagement with the devolved governments, the denial of information to Parliament and the limited willingness to have effective open dialogue with business interests.¹ If the UK is to achieve anything close to the outcome it wants from the next phase of negotiations, the Government needs to learn from the experience to date, not replicate it.

As the Prime Minister has said, the next phase of negotiations on the UK's future relationship with the EU "will cover a far broader range of issues in greater depth, and so will require us to build a negotiating team that draws on the widest expertise available."²

This report recommends changes the Government needs to make for this next phase. It draws on interviews and discussions with former and current trade negotiators, civil servants, academics and others, as well as research into how the EU and other countries around the world manage negotiations. It starts from the assumption that the Government will achieve its current policy objective and secure parliamentary approval for the Withdrawal Agreement. However, many of the recommendations would also apply if the UK were to leave the EU with no deal: it will still at some point

need to re-engage with the EU. These post-no deal negotiations would probably be affected by the acrimony surrounding a crash-out Brexit, which would make it even harder for the UK to negotiate any 'bespoke' relationship.

Chapter 2 looks at the context of the next phase of the UK-EU negotiations, including: how these will differ from the first phase; what the timescale will be; how the EU is likely to approach negotiations with the UK; and what lessons can be learned from the withdrawal negotiations.

Chapter 3 addresses what the Government needs to do to be ready for the future talks: how it can form a coherent negotiating position; how to divide roles and responsibilities to best run the negotiations; and how the Government can better engage with those, including businesses, unions and civil society groups, that have an interest in the outcome of the negotiations.

2. Context

The forthcoming negotiations between the UK and the EU are of a scale and complexity unmatched by any other negotiations the UK has undertaken, at least since it negotiated its accession to the European Economic Communities (EEC) in the early 1970s. Even those negotiations covered a narrower range of issues: the evolution of the Common Market into the EU means that there are now far more issues on the table than 45 years ago. For example, the EU only really established significant police and criminal justice co-operation in the 1990s.¹ This chapter considers the context of these forthcoming negotiations and how they will differ from the first phase of negotiations, as well as from 'normal' international negotiations.

These negotiations are much more complex than the first phase **Phase One covered a limited set of issues – the future talks go much wider**

The negotiations on the UK's future relationship with the EU will be fundamentally different to those concerning its withdrawal from the bloc. The first phase of negotiations mainly focused on a limited set of issues: the UK's financial settlement, the rights of citizens, a solution to the Irish border, and the role of the European Court of Justice in overseeing the Withdrawal Agreement.² Negotiations after December 2017 also considered the 'Political Declaration', which sets out the scope of the future economic and security relationship between the UK and the EU, but at a very high level.³

The Government has consistently said that it wants a "deep and special partnership" with the EU, one that is not based on any existing relationship between the EU and a third country. Alongside an unprecedented trading arrangement, the UK has said it wants to agree an in-depth relationship for co-operating with the EU on security matters, including such diverse issues as co-operation between police forces and participation in EU-managed military missions overseas. If both sides are serious about forging a robust security partnership, they will need to go much further than what is currently set out in the Political Declaration.⁴ The next phase of talks will need to go into much more detail on a much wider range of issues.

These economic and security arrangements will be supported by a number of so-called 'cross-cutting' arrangements on issues such as data sharing and environmental protection. The two sides will also have to agree a robust governance structure to ensure that the agreement is adhered to and to resolve any disputes.

Given the breadth of policy areas covered, it is inevitable that some issues will prove more contentious than others. Individual member states' concerns will feature more prominently, as each will have a veto over the final agreement.

This broader negotiation will require input from most government departments and many arm's length bodies

The withdrawal phase of negotiations was initially led from the Department for Exiting the EU (DExEU), although in 2017 the Cabinet Office Europe Unit took over the management of the negotiations. Depending on the issue at hand, other departments were also involved, notably HM Treasury on the financial settlement; the Home Office and the Department for Work and Pensions on citizens' rights; HM Treasury, HM Revenue and Customs, the Northern Ireland Office and others on the border question; and other departments on specific separation issues.

The next set of negotiations will require far wider input from across government than was the case for the first phase. Converting the 24 pages of the Political Declaration into thousands of pages of legally binding text will require detailed work from a huge number of departments and organisations across government.

Table 1 sets out the range of issues covered in the Political Declaration and considers which departments are likely to lead on a particular issue, and which departments and public bodies will be involved in formulating detailed positions and supporting the UK's negotiating team. Some, such as HM Treasury and the Department for International Trade (DIT), are likely to be affected by all the different parts of the economic partnership, while the Foreign Office will take an interest in all parts of foreign policy co-operation, and as such are not included alongside every issue.

The table gives a sense of how many government bodies will need to be involved (although the real picture is likely to be even more complicated). Unlike the withdrawal negotiations, the future relationship talks will require input from the majority of government departments and the arm's length bodies who are often responsible for implementation, and are where the technical expertise resides. As well as the departments involved in preparing and conducting the negotiations themselves, many other organisations will be responsible for implementing the eventual future relationship, including the devolved governments in Scotland, Wales and Northern Ireland, and local authorities across the UK.

Table 1 **Departments and/or bodies likely to be involved in future relationship negotiations**

Political Declaration section	Headings	Sub-headings	Lead department	Affected department/bodies
Economic partnership	Goods	Tariffs	HMT	HMRC
		Regulation	BEIS	Defra/DHSC/DfT
		Customs	HMT	HMRC
	Services and investment*	Market access	CO	BEIS/DCMS
		Regulation	CO	BEIS/DCMS
	Financial services		HMT	BEIS/BOE/FCA
	Digital		DCMS	BEIS/ICO
	Capital movement		HMT	
	Intellectual property		BEIS	IPO
	Public procurement		CO	BEIS
	Mobility		HO	DWP/BEIS/DfE
	Transport	Aviation	DfT	CAA
		Road transport	DfT	DVLA
		Rail transport	DfT	ORR
		Maritime transport	DfT	
	Energy	Electricity and gas	BEIS	Ofgem
		Civil nuclear	BEIS	ONR
		Carbon pricing	BEIS	HMT
Fishing opportunities		Defra		
Global co-operation**		FCO	BEIS/HMT/Defra/DfID	
Level playing field***		BEIS	HMT/DWP/Defra/CMA	
Security partnership	Law enforcement and judicial co-operation	Data exchange	HO	MoJ/DCMS
		Law enforcement	HO	MoJ
		Anti-money laundering	HMT	HO
	Foreign policy and defence	Consultation	FCO	
		Sanctions	HMT	
		Operations/ Mission	FCO	MoD
		Defence capabilities	MoD	
		Intelligence	MoD	Intelligence Agencies
		Space	BEIS	MoD
		Development	DfID	FCO/HMT

* This could cover all non-financial services, including audio-visual, telecoms, business services and legal services.
 ** This covers co-operation on 'issues of shared economic, environmental and social interest', including co-operation in G7 and G20 meetings, and on issues including climate change, pollution and sustainable development.
 *** This covers state aid, competition, social and employment standards among other areas.

Political Declaration section	Headings	Sub-headings	Lead department	Affected department/bodies
Security partnership (continued)	Thematic co-operation	Cyber security	HO	NCSC
		Civil protection	CO	
		Health security	DHSC	MHRA
		Illegal migration	HO	
		Counter-terrorism	HO	Intelligence agencies
	Classified information		CO	
Institutional/horizontal	Governance	Strategic direction	CO	FCO/HMT/BEIS/Defra
		Supervision	CO	HMT/BEIS/Defra
		Dispute settlement	CO	AGO
	Exceptions and safeguards		CO	

Notes:

AGO – Attorney General’s Office
 BEIS – Department for Business, Energy and Industrial Strategy
 BOE – Bank of England
 CAA – Civil Aviation Authority
 CMA – Competition and Markets Authority
 CO – Cabinet Office
 DCMS – Department for Digital, Culture, Media and Sport
 Defra – Department for Environment, Food and Rural Affairs
 DfE – Department for Education
 DfID – Department for International Development
 DfT – Department for Transport
 DHSC – Department of Health and Social Care
 DVLA – Driver and Vehicle Licensing Agency
 DWP – Department for Work and Pensions

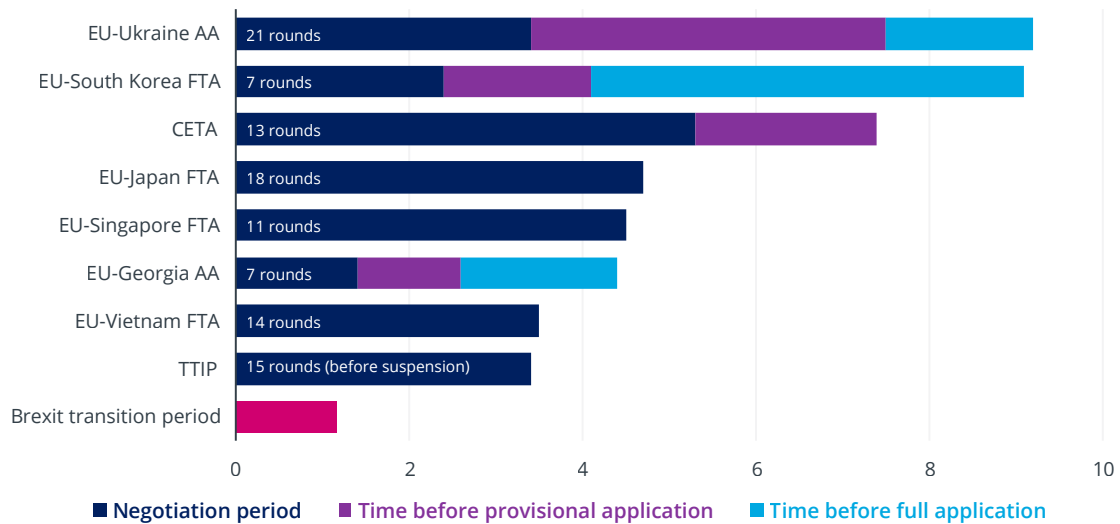
FCA – Financial Conduct Authority
 FCO – Foreign and Commonwealth Office
 HMRC – HM Revenue and Customs
 HMT – HM Treasury
 HO – Home Office
 ICO – Information Commissioner’s Office
 IPO – Intellectual Property Office
 MHRA – Medicines and Healthcare products Regulatory Authority
 MoD – Ministry of Defence
 MoJ – Ministry of Justice
 NCSC – National Cyber Security Centre
 Ofgem – Office of Gas and Electricity Markets
 ONR – Office for Nuclear Regulation
 ORR – Office of Rail and Road

Source: Institute for Government analysis.

The time pressure will be even greater in the next phase

Now that the UK has extended the Article 50 period until the end of October 2019, it only has 14 months for negotiations on the future relationship, unless it extends the transition period beyond the end of 2020. Even if, as both sides hope, they can move to future relationship negotiations ‘immediately following the United Kingdom’s withdrawal’,⁵ they do not have long to negotiate such a complex arrangement. Previous EU trade agreements have taken much longer than this to negotiate, as Figure 1 shows. And none of the agreements that the EU has previously struck have been as wide ranging as the deal the UK is seeking with the EU.

Figure 1 **Time taken for EU to conclude recent free trade agreements, compared to length of transition period (years)**



Note: AA – association agreement; FTA – free trade agreement; CETA – EU-Canada Comprehensive Economic and Trade Agreement; TTIP – Transatlantic Trade and Investment Partnership.

Source: Institute for Government analysis of European Commission, Directorate-General Trade data.

The Withdrawal Agreement allows the UK to ask to extend the transition period once for either one or two years (so up to December 2021 or 2022, respectively). Under the terms of the Withdrawal Agreement, the UK needs to request an extension by July 2020 at the latest, which is also the point by which the two sides have committed to reaching a resolution of questions around access to fishing waters: some member states may make this a pre-condition of extension, so the Government may be loath to open that discussion before it needs to. The UK may decide not to ask for an extension, and the UK cannot assume the EU would agree if it did.

There are further milestones in the Withdrawal Agreement and Political Declaration, including a six-monthly 'High Level Conference'; an ambition to recognise each other's financial services regulatory regimes as 'equivalent' by June 2020; and an ambition for the UK to secure an 'adequacy' ruling from the European Commission on its data protection regime by December 2020.⁶ The period from Exit Day until the end of the transition will be busy: the Government needs to be realistic about what it can achieve.

Ratification of the future relationship will be even more complex

Then there is the question of ratification. Ratification of the Withdrawal Agreement is relatively straightforward, at least on the EU's side. Under the terms of Article 50 of the Treaty on the European Union, once an agreement has been reached that the European Council supports in principle, it must be approved by a simple majority in the European Parliament.⁷ It comes into force when a Qualified Majority in the European Council, i.e. 55% of member states representing at least 65% of the population of the EU, votes in favour.⁸

The future relationship, however, will be a 'mixed agreement' – one that includes areas governed by both the EU and member states' national rules.⁹ This means that it will need to be ratified in both the European Parliament and by the individual member

states, including by some regional parliaments, in line with their constitutional rules. A recent example is the EU's agreement with Canada where one of Belgium's regional parliaments, that of Wallonia, held up the process of ratification over fears of the weakening of labour rights.¹⁰

In January 2019, the UK and EU agreed that if the deal cannot be ratified in full by the end of 2020, it can be 'provisionally applied', meaning that it can come into force before all relevant parliaments across the EU have approved it.¹¹ Agreements can be provisionally applied by the EU in all areas of EU exclusive competence (tariff rates, competition law and the Common Fisheries Policy, for example). However, where parts of the agreement are the shared competence of the EU and member states, or exclusive competence of member states, such as much of the security agreement, any provisional application would require the approval of member states (and would still not represent full ratification).¹²

The Government therefore needs to prepare for the fact that even if it is successful in its highly ambitious plan to complete negotiations by the end of 2020, it still may only be able to apply a proportion of that agreement at that point – and only on a provisional basis (it could still be revoked if the European Parliament were to vote against it).

The withdrawal negotiations have also shown that getting agreement in the UK Parliament is also a potential barrier to ratification of an agreement. The Government needs to ensure it does not face another political crisis when it seeks Parliament's approval for the long-term agreement: as well as any further 'meaningful vote(s)', the future relationship agreement will almost certainly require legislation. In Chapter 3 we discuss how the Government can build support among parliamentarians and others for the eventual deal.

The UK will still face a 'no deal' cliff edge

There is one aspect where the UK will face similar constraints to those faced in the withdrawal negotiations: it could still run out of negotiating time and leave with 'no deal'. However, the no deal outcome would be different. Assuming the Withdrawal Agreement is ratified, if no agreement on the future relationship has been reached by the end of the transition period (currently 31 December 2020), the Irish backstop will apply, which means the UK would still be in a customs territory with the EU, but England, Scotland and Wales would be outside the Single Market and will need to comply with the EU's procedures for third countries.¹³ UK negotiators will be under pressure to avoid this second cliff edge – though the backstop provides some mitigation and the UK has the option of seeking a two-year extension to the transition period.

If the UK leave the EU with no deal on its withdrawal, it will not be in a customs or Single Market arrangement with the EU (though various contingency arrangements may be in place as temporary mitigations). UK negotiators would then be in a position more like other third country negotiators seeking access (rather than trying to prevent loss of access) – but may be negotiating after an acrimonious and disruptive departure from the EU, which may colour the atmosphere.

Given the timing challenges, the UK needs to continue its contingency planning for a position where it leaves the standstill transition at the end of December 2020 with no, or only a partial, agreement in place.

The UK needs to take full account of how the EU approaches negotiations

The EU has a long track record of conducting wide-ranging negotiations.¹⁴ It has developed a complex decision-making process that reflects years of fine tuning. A large part of this process involves continually consulting a multitude of actors both within and outside of EU institutions. This has helped to ensure that, as much as is possible, the EU speaks with one voice when negotiating with third parties.

But even for the EU, the next phase of the Brexit negotiations will be a significant undertaking. Not all member states will want the same things out of their relationship with the UK, and their interests will need to be managed carefully. The EU will have to adapt its normal negotiating approach.

The EU has a structured, but flexible, negotiating process with clear roles and responsibilities

Under the EU's normal negotiating process, negotiators must receive approval from the Council of the EU, the ministerial grouping of EU member states, before negotiations can begin. The European Commission will have already explored these options informally with member states and will often set up a public consultation as well.

The European Commission publishes its draft negotiating directives online and sends a copy to EU governments, national parliaments and the European Parliament. These set out, in broad terms, the scope and kind of agreement the EU is hoping to reach with a third country – although much of the detail will be clarified at a later stage. The EU takes this process of engagement and transparency very seriously, to make sure EU governments and stakeholders support the negotiations from the outset.

The Council then decides whether to authorise the negotiations. Member states usually consult their national parliaments before giving their go ahead. Negotiations begin as soon as the Council has given its consent.

At the beginning of the process, the European Commission puts together a team with policy, negotiating and legal expertise. Typically, it is the European Commission's trade department (DG Trade) that negotiates trade agreements on behalf of the EU, although broader negotiations – covering for example climate, security and defence – will be co-ordinated together with relevant Commission departments or the European External Action Service.

While negotiators will formulate positions, they will do so with the input of the Council (who will be in close contact with their capitals) and other departments in the European Commission and the European External Action Service. For instance, when negotiating access for agricultural produce, the European Commission will first set up an informal working group on sanitary and phytosanitary standards, comprising officials from across the Commission's agricultural, health and trade departments.

Negotiators will also hold discussions with representatives from national parliaments and will meet interest groups (business and civil society). In parallel, interest groups will hold their own meetings with representatives from EU institutions, member states and national parliaments to flag their concerns and preferences.

The European Commission maintains this process of engagement throughout the negotiations. At each step, it provides regular updates and reports to the Council and European Parliament. Negotiators will also continue to liaise with national parliaments and hold informal meetings to understand the positions of those interest groups that are likely to be affected by the agreement – but who are not necessarily present at formal meetings.

Feedback to member states and the European Parliament is essential to make sure that EU countries continue to support the European Commission's approach, as well as giving them an opportunity to voice their concerns and reservations about the way in which negotiations are progressing. This means that when the time comes for EU heads of government and the European Parliament to vote on the agreement, the proposals on the table rarely, if ever, come as a surprise. Regular consultation, deliberation and feedback is essential to the EU's ability to speak with one voice and help get the final agreement ratified.

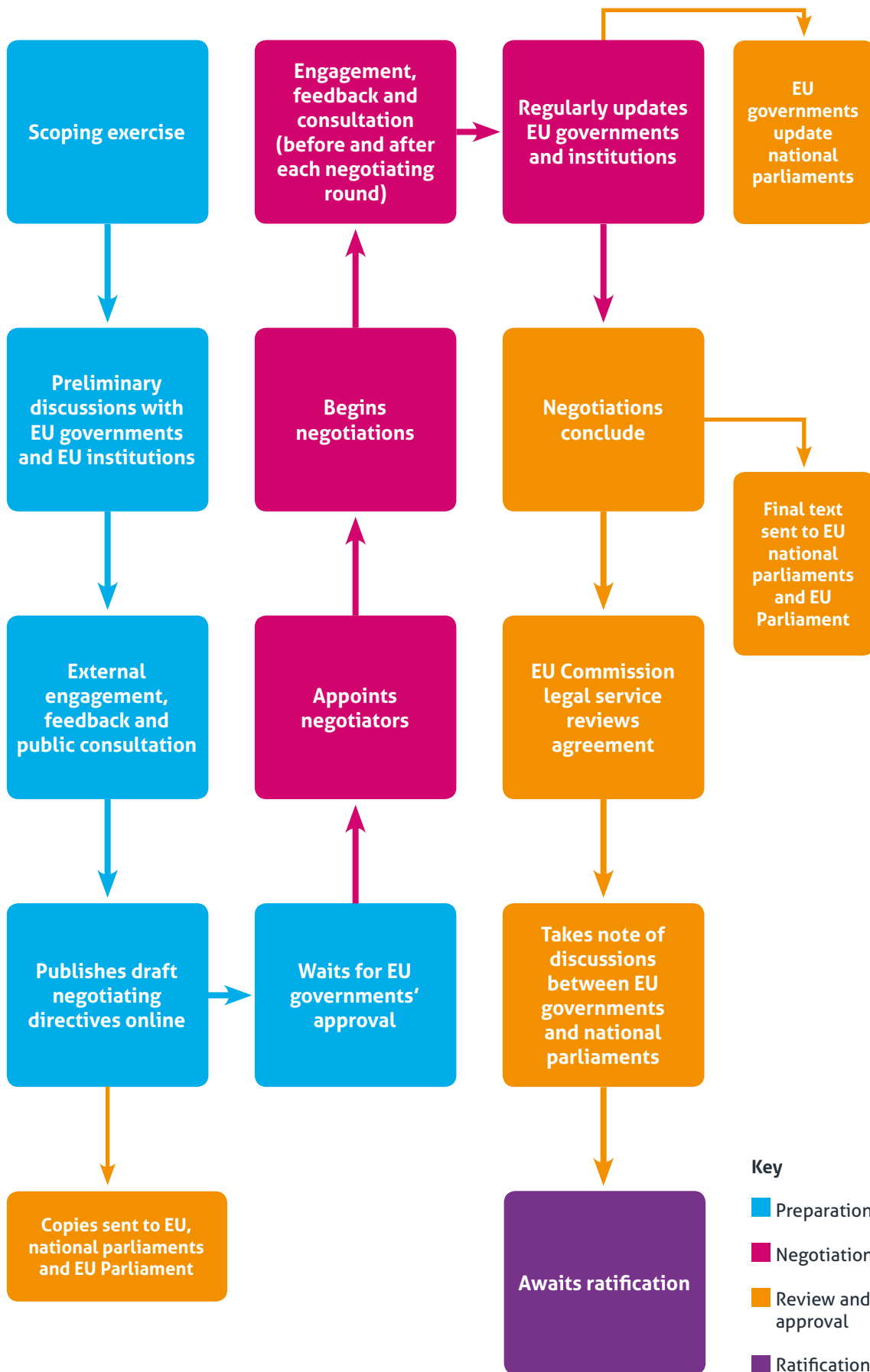
The EU has yet to clarify how it will conduct the next phase of negotiations with the UK

While the EU will maintain many of the approaches above for the negotiations with the UK, these negotiations will be unique. In the first phase of negotiations, a 'taskforce' was created within the European Commission to formulate the EU's position and negotiate with the UK: Taskforce 50, led by Michel Barnier.

The expectation is that while Taskforce 50 per se will cease to exist after the UK has left (marking the end of the Article 50 process), a similar dedicated structure within the European Commission, with a political figure leading, is likely to continue to co-ordinate these negotiations on the EU's behalf. There is no certainty at this stage who would lead this new taskforce, or how it will draw on expertise from other parts of the EU. For example, given the joint ambition for a close relationship on foreign and security policy, it is likely that the European External Action Service, the EU's department for external relations, will be more involved in the next phase of negotiations.

Although the European Parliament will have no formal role in the negotiations, it will want to be closely involved again. The Belgian MEP Guy Verhofstadt, providing he is re-elected in the May 2019 European Parliament elections, is likely to continue his role as Brexit co-ordinator and head of the European Parliament's Brexit Steering Group during the next phase of the negotiations.

Figure 2 **How the EU negotiates agreements with third countries – the role of the European Commission**



Source: Institute for Government analysis.

Managing member states' preferences and building a common position will be harder in the next phase

The future relationship negotiations are likely to test EU unity more than the first phase. Member states will want different things out of their relationship with the UK and will be affected differently by the inevitable reduction in economic integration with the UK. For example, some member states including Ireland, the Netherlands and Denmark will want to see a very close economic relationship, subject to strong provisions on 'level playing field' issues like competition policy and environmental standards. France, on the other hand, is likely to seek a more distant economic relationship as it attempts to capitalise on firms moving from the UK to maintain their position in the Single Market. Other member states, particularly the Baltic member states and Poland, will focus on a close security relationship, given how important co-operation with the UK is to them in that sphere.¹⁵

The European Commission negotiators will need to manage and reconcile these diverging positions carefully. At least five member states also have elections in the period between the UK's expected exit and the end of the transition period,¹⁶ meaning their governments are likely to be preoccupied by domestic politics. The German coalition and the Irish confidence and supply agreement may not last beyond 2019, potentially triggering elections in those countries too. A change in government in any member state could change negotiating priorities for that country.

The UK will be negotiating with a different European Commission – facing other concerns

The wider European context is also changing. Brexit, never top of the to-do list for the EU, will be an issue of external policy at a time when the Union is facing other more pressing internal challenges, including the vision of anti-EU populist leaders of a radically different Union; concerns over the rule of law in certain member states; and differing views around the future governance of the eurozone.¹⁷

The next elections to the European Parliament will take place in May 2019, and polls suggest that a much more Eurosceptic parliament will be returned.¹⁸ Following the elections, a new Commission will be appointed. It is still unclear whether the new President will again be chosen, as President Juncker was, by the *Spitzenkandidat* method, where a candidate of one of the parliamentary groupings becomes Commission President.¹⁹

Following agreement on appointment of the President, he or she will then have to agree the new Commissioners with the member states, with the consent of the European Parliament. During this time, it may be possible for the UK and EU to start to prepare the ground for detailed negotiations, but the EU has been clear that the actual negotiations on the future relationship cannot begin until the UK has formally left the bloc.²⁰ Even if the UK leaves the EU before the end of October, detailed talks are unlikely to begin before that point because the new Commission will not be in place until then. The timeline on page 24 (Figure 3) sets out the potential time available for negotiations, as well as the constraints placed on the time available by external factors.

The Government must learn lessons from Phase One

Theresa May is unlikely to lead the Government during Phase Two of the negotiations. Her successor should recognise what went well and what did not go well in the first phase of negotiations, to ensure he or she does not make the same mistakes again.

Negotiations worked best where the UK decided on its objectives early and engaged with specifics

On Euratom (the European Atomic Energy Community), while the Government took the decision to leave with little consultation,²¹ once it knew what it wanted, it engaged key UK interest groups and EU counterparts early. With the financial settlement, the Treasury agreed the principle of meeting legitimate obligations upfront and then drilled down into the detail of what that meant in practice, and resisted demands for an upfront settlement. And on the role of the European Court of Justice in overseeing the Withdrawal Agreement, the UK made a case for changes to the EU's position that still recognised the other side's motivations, winning key changes to the text. Some of the people we spoke to also highlighted successful co-operation across the Government on the Political Declaration, with teams drawn from numerous departments putting together a position that represented the interests of the Government as a whole.

These examples show the importance of having a strong negotiating objective, as well as an awareness of the other side's interests – rather than presenting vague ideas or demanding that the EU accept the UK's initial proposal regardless of its own concerns. Taking a similar approach to the future relationship will help the UK achieve its goals.

But the negotiations were bedevilled by the difficulty of getting Cabinet agreement on the shape of the future economic relationship

One of the Prime Minister's first acts on taking office was to establish a new Department for International Trade – taken as an immediate signal by the EU that the UK intended to leave the customs union. After a period of silence, the Prime Minister first started to flesh out her vision of Brexit, not in a green or white paper that would have been subject to collective agreement, but in her speech to the Conservative Party conference; thereby circumventing normal decision-making processes and relying on No.10 advisers.²² The full implications of the Prime Minister's red lines, for businesses and for the Irish border, only emerged after she had set them out. The Prime Minister marginalised those she thought were giving inconvenient advice.

The Government was then hamstrung for much of the negotiation on the Political Declaration and the implications of the future trading relationship for the border in the island of Ireland by its inability to come to an internal agreement on what it wanted the future relationship to look like. Once the EU agreed that discussions on the shape of the future relationship could start, it was six months before the UK put forward its initial position – agreed in July 2018 at Chequers and prompting the resignation of two Cabinet ministers.²³ Once that fragile compromise was stitched together, the Prime Minister then told the EU it was non-negotiable, because any movement away from the Chequers position compromised the unity of the Cabinet members who stayed.²⁴

The Government needs a better, more timely process to settle key parameters of its mandate before it starts to negotiate. Although the mandate for the future relationship will start from the Political Declaration, that document is currently still compatible

with a spectrum of outcomes, and the mandate needs to command the support of the Government as a whole. It also needs to be robust, rather than a fragile compromise that cannot bear any deviation. And it needs to take into account the interests and priorities of the EU. Sorting this out at the start of the negotiations, rather than months into the process, will help avoid some of the challenges of the first phase of negotiations.

Split responsibilities between No.10 and DExEU caused tensions and ultimately proved unsustainable

At the start of the withdrawal negotiations, DExEU was expected to lead the process, with the Secretary of State (initially David Davis) as Chief Negotiator, supported by his Permanent Secretary (Olly Robbins). However, that Permanent Secretary also had a separate direct reporting line into the Prime Minister as her principal Europe adviser. The inevitable tensions built and in September 2017 Robbins moved to the Cabinet Office to continue as the Prime Minister's 'Sherpa' on EU issues. David Davis and his successor as Brexit Secretary, Dominic Raab, complained that they were being excluded from key decisions on negotiations by No.10.

As negotiations progressed, the Prime Minister began discussing issues in more detail with her counterparts from the other 27 EU member states, as well as the Presidents of the European Commission and Council, but the detailed negotiations were still conducted by officials. This is how negotiations are normally conducted – with politicians being responsible for setting the broad direction and civil servants leading the detailed discussions – but this distinction was not made clear to outsiders.

The confusion and lack of trust at the top filtered down into the official level. DExEU struggled to play the role of the trusted broker, with departments more often than not seeing them as another line department with its own interests.²⁵

With an even greater task ahead, the Government needs an efficient structure at the centre that ensures there is no confusion over who is doing what – ministers or officials. The Government should ensure that roles are clear, with civil servants conducting the day-to-day negotiations and ministers overseeing them from London, with the Prime Minister and potentially other ministers getting involved at the closing stages to seal the deal or unblock particularly contentious issues.²⁶

Politicians, particularly on the Government backbenches, did not trust the UK's official negotiators

Politicians routinely criticised the UK civil servants conducting the day-to-day negotiations, particularly the Prime Minister's 'Sherpa' and Chief Negotiator, Olly Robbins.²⁷ They were able to do this because ministers, from the Prime Minister down, were unclear about the instructions they gave to officials. This opened the civil service to accusations that it was operating independently of political oversight.

For the next phase, the Government needs to be clear about the instructions it is giving to the official negotiators (who will carry out the day-to-day negotiations). This will mean that the civil servants will have a clear mandate and will know when they need to refer back to ministers for further decisions, and it will protect them from political attacks.

The Government engaged Parliament late – and alienated the devolved governments

During the first phase of negotiations, the Government was reluctant to allow MPs to influence negotiations, or even see relevant information. This saw the Government being found in contempt of Parliament – a first in modern parliamentary history – and culminated in the biggest defeat in over 100 years when MPs voted down the Government’s Withdrawal Agreement. Similarly, there was no formal engagement with the devolved administrations for most of 2017.²⁸ In early 2018, the Scottish and Welsh legislatures both refused to give consent to the EU Withdrawal Bill on the grounds that it encroached on devolved competences – although the UK and Welsh Governments later reached a compromise and engagement has since improved.

Engaging with a Scottish Nationalist Government in Holyrood was always going to be a challenge – both because Scotland voted against Brexit, and the Scottish National Party is committed to independence – but the Prime Minister made bold promises to the Scottish First Minister on her first visit to Edinburgh in July 2016, which her Government then notably failed to follow through. The Government moved belatedly to strengthen its internal capacity on devolved issues, bringing in Philip Rycroft,²⁹ head of the UK Governance Group in the Cabinet Office, as a second Permanent Secretary at DExEU – but that did not happen until April 2017.³⁰

On 21 January 2019, the Prime Minister promised that Parliament would have “a proper say, and fuller involvement” in the next phase of the negotiations.³¹ It is important that this promise is delivered and the Prime Minister’s decision to discuss potential ways forward with Labour, the SNP and Plaid Cymru³² is a welcome start. The Government cannot afford a re-run of the difficulties it is facing in securing parliamentary approval for the Withdrawal Agreement at the end of the next phase. For one thing, there will not be enough time. For another, the EU needs to know that the Government can build and maintain parliamentary support for any deal – the regular rejections of the Withdrawal Agreement have undermined trust in the UK as a stable negotiating partner. And any deal will need to command the support of a substantial majority in Parliament to give it legitimacy at home. The UK Government also needs to bring the devolved administrations back on board as ‘fully engaged’ partners in the Brexit process, and do so as soon as possible.

The Government failed to properly take account of the views of outside interest groups throughout the negotiations

The Government’s engagement with businesses and other affected groups was slow off the mark. Discussions with business were few and far between before the general election in 2017, and it was some months later before the structures that now exist had fully materialised.* Interviewees told us that since then the Government has continually requested evidence and data from business, but without necessarily co-ordinating the work, or communicating the messages across departments. It was also unclear to business whether their advice had reached ministers or had simply been disregarded.

* For more on the structures themselves, see Owen J, Lloyd L and Rutter J, *Preparing Brexit: How ready is Whitehall?*, Institute for Government, 2018, www.instituteforgovernment.org.uk/publications/preparing-brexit-how-ready-whitehall

Beyond business groups, the Brexit Civil Society Alliance told us that the typical fora for engaging non-governmental organisations (NGOs) have been deconstructed over the last eight or nine years, meaning government does not even know who to talk to. DExEU did, apparently, try to reach out, but held most of their discussions in London, and rarely seemed sure what they were looking for. As the future relationship will be much more than a trade agreement, it is important that NGOs and other civil society groups from across society are able to feed in ideas on issues that are important to them, including security co-operation and foreign policy.

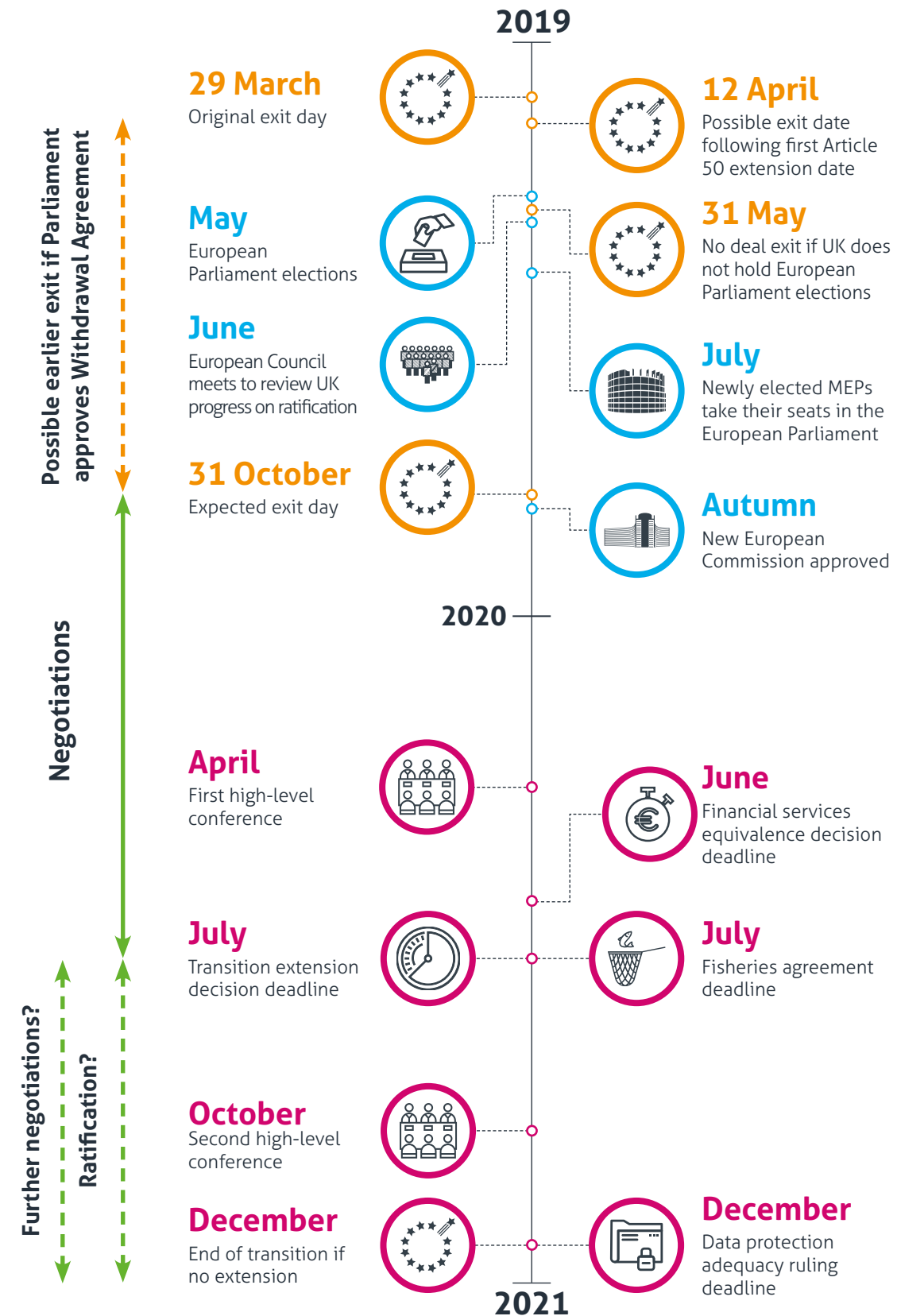
The Government must do a better job at listening to and informing external organisations during the next phase. It will need to rebuild trust that there is a two-way relationship that goes beyond high-level messages; communicate effectively on technical details; and engage with smaller organisations that may not have the capacity or connections to be heard otherwise.

The 'divide and rule' diplomatic strategy cut little ice with leaders who rallied behind the European Commission negotiators

During the first phase of the negotiations, the Government regularly tried to go around Michel Barnier and his negotiating team, and lobby member state governments directly. This was often seen as an attempt to 'divide and rule' the EU, and was not appreciated by the EU institutions or member states.³³ The approach was not helped by Government ministers making tone deaf interventions in European capitals, such as when David Davis exhorted the Germans not to "put politics before prosperity"; a move that many in the EU see as a mistake the UK is making.³⁴ The fact that the Foreign Office was largely sidelined from the withdrawal negotiations compounded the UK's diplomatic errors in the first phase – in the future, the Government needs to ensure that domestic political debates do not undermine its diplomatic strategy.

For the future negotiations, the Government needs a plan for engaging each of the member states – whose interests in the future relationship diverge more than they have to date³⁴ – as well as the EU as a whole. This should include more coordination and engagement with EU embassies in the UK.

Figure 3 Key milestones, March 2019–December 2020



3. Preparing for the next phase

President of the European Commission, Jean-Claude Juncker, has said the EU is ready to start negotiating the future relationship “as soon as possible” after Parliament gives the green light to the Withdrawal Agreement.¹ This ambition was reiterated in the joint UK-EU statement of 11 March 2019.²

While the timeline to conclude an agreement by the end of the transition period in December 2020 is short, the UK should be wary of diving head-first into the next phase before it has had time to prepare. The Government needs to use the Article 50 extension to October to reassess its current approach to negotiating Brexit and to put in place processes that will help to avoid the problems of the previous phase. There are three main tasks the Government needs to complete:

- decide its negotiating objectives
- clarify roles and responsibilities
- build an engagement strategy.

The UK’s negotiating objectives

The Political Declaration sets the scope for the future relationship – on both economic and security co-operation – but it is only the opening gambit. However difficult it may be, the Government needs to put time and effort into converting the Declaration into a feasible opening position – and give negotiators clarity on where they see the landing zone for any agreement. The extension of the Article 50 period to the end of October 2019 provides time for this process. This should be easier on security co-operation than on the economic partnership, but there will be trade-offs on both: a failure to face up to trade-offs will serve the UK badly in the next phase. Parliament’s attempts to agree an alternative to the Prime Minister’s deal through the ‘indicative votes’ process show the difficulty of securing agreement on what kind of future relationship the UK wants with the EU.³

Negotiations will be shaped by the Government’s decision on what type of relationship with the EU the UK is seeking

The first decision, which will shape the whole negotiation on the economic partnership, is whether the UK is seeking an institutional relationship with the EU (based on the EEA and/or a customs union) or is seeking to negotiate a chapter-by-chapter bottom-up trade agreement. The UK cannot pursue a strategy of ambiguity up until the last moment in the negotiating room. That would squander precious time to build support for its positions and make it very difficult for negotiators to actively make demands. On security, the UK should continue to advocate a strong security and defence partnership and demonstrate how changing the EU’s rules around third country co-operation will benefit the EU27, as much as the UK. For defence, it will need to go further than what is laid out in the Political Declaration; on internal security, the

EU27 will need to be ready to explore new ways to engage the UK once it is no longer a member state.⁴

The starting point should be a new political mandate agreed by the Cabinet

Former negotiators we spoke to noted that agreeing a political mandate was the first step of many negotiations. These can vary in detail and ambition. For example, in 2013 the Swiss Federal Council appointed its Federal Department for Foreign Affairs to create a detailed draft negotiation mandate for its most recent negotiations with the EU.⁵ New Zealand publishes high-level objectives for trade negotiations that have been agreed at Cabinet level.⁶ Trade negotiators told us that these mandates frame the negotiations – officials have leeway to negotiate anything within the mandate, and if things look like they will go beyond what the Cabinet has agreed, that needs to be referred back to the Cabinet for a political decision. Mandates also help manage expectations – in government, parliament and the country as a whole – about what can and cannot be achieved in negotiations.

The UK's future relationship with the EU is more politically sensitive than many international negotiations. Nevertheless, the Government should use the process of producing a published mandate first to establish an evidence base for making the big strategic choices, identifying interdependencies between the different areas of the negotiations, and finally to ensure that there is proper buy-in from the Cabinet. It should also be ambitious. On security and defence, the Government should not be afraid to go further than the principles set out in the Political Declaration.⁷

The mandate will reflect the different interests across Government. But it needs to be underpinned not by conventional horse-trading between departments, but by a shared and agreed analysis of where the UK's real long-term strategic interests lie. The mandate that is published should seek to clarify the type of relationship the UK is seeking, but to avoid the mistakes of Phase One, it should steer clear of setting out absolutist red lines. The UK may also need to be mindful of a further negotiating mandate set out by the EU. The timing of when the mandate is published could change whether the UK is responding to the EU's position or trying to initially influence it.

There is a danger that the mandate becomes nothing more than a drafting exercise, with language papering over genuine disagreements. Internally, the Cabinet needs to discuss the most difficult questions. In particular, there needs to be some degree of consensus over the point at which the backstop, as the no deal default outcome, becomes preferable to a negotiated agreement. A failure to do this, as the Phase One negotiations shows, simply stores up trouble for the future. Uncomfortable as it may be, the Cabinet needs to be agreed not just on the UK's starting point, but on how it would make trade-offs down the line, without each decision threatening the survival of the Government and the Prime Minister.

The political mandate must inform detailed (private) negotiating positions

Once the high-level trajectory of the negotiations is decided, the UK will need to form more detailed positions for each area of the negotiation. The Government needs to know its preferred approach within each sector, and possibly preferred legal text – for example, on financial services this might mean detailed proposals on regulatory co-operation, or it might translate into harder commitments involving continued

supervisory oversight by EU institutions. These positions should draw on shared analysis using different departments' knowledge and expertise, rather than relying on each department to produce their own. A useful precedent for this has already been set out in a written statement from the DExEU Secretary of State addressing alternative arrangements to the backstop.⁸ The Government plans to set up a workstream composed of six relevant departments, which will report directly to the negotiating team. Another useful example is the cross-departmental economic analysis released in November.⁹ This cross-departmental approach will ensure that ministers take decisions from a shared evidence base.

The shared analysis should set out a variety of options and contingencies for consideration by ministers. They would also need to be translated into detailed mandates for each dossier, so that negotiators know what margin they have to move and where they need to escalate to ministers for further political guidance.

The Government needs to engage interested parties as it builds its negotiating positions

The EU has a rigorous process of formal and informal engagement with third parties before and throughout the negotiations. The UK Government should look to do the same – we consider how the Government should do this below. It is particularly important that the Government takes account of practicalities for business to ensure that it is using its negotiating capital to secure valuable outcomes – but it needs to avoid being entirely captured by incumbents. The Government's alternative arrangements approach provides a good model that could be expanded. It will be supported by three advisory groups, composed of technical experts on customs, business and a Parliament engagement group.¹⁰ This could be expanded to other areas where detailed input is necessary.

Government will need to engage Parliament on the mandate

Engaging Parliament on the overall mandate will be particularly important. The Government will need to ensure Parliament has greater involvement than it had in the previous phase, and the mandate is a useful vehicle to do this. However, the Government should avoid giving Parliament a formal veto on, or right to amend, the mandate. We address how the Government should engage Parliament in more detail later in this chapter.

Roles and responsibilities

The Government needs to get the structure right from the start of these negotiations.¹¹ Wasting time during the negotiations reorganising departments and reassigning responsibilities will distract from the important business of the negotiations – time that the UK does not have.

The Prime Minister should appoint a ministerial deputy to oversee the day-to-day negotiations, and set up a Cabinet committee structure to reflect that

Theresa May is unlikely to lead the next phase of negotiations. Her successor as Prime Minister will want to continue to oversee the negotiations with the EU, given how important they will be for the UK as a whole. But he or she cannot – and should not – exercise day-to-day oversight of the negotiations. The next Prime Minister should therefore appoint someone who is clearly a deputy (rather than being seen as an

independent player with their own agenda) to oversee the negotiations and resolve issues. This would make sure the Prime Minister is only called to broker agreements as a last resort. In the current Cabinet that role would naturally fall to the Chancellor of the Duchy of Lancaster. The role of Secretary of State for Exiting the EU, or the successor role once the UK has left the EU, is not sufficiently neutral within the Cabinet to play this role: they will always be seen as advocating a particular approach, whereas the Chancellor of the Duchy of Lancaster can perform the role of an honest broker.

This needs to be reflected in the committee structure for the negotiations. The Prime Minister should chair a high-level strategic negotiations group, in a reformed EU Exit (Strategy and Negotiations) Cabinet Sub-Committee.¹² This committee should set the overall strategy and resolve any very difficult issues. It should meet as necessary, rather than to a set timetable. The relationship with the National Security Council (NSC), also chaired by the Prime Minister, would need to be resolved for issues relating to the security partnership (interestingly, one reason that Sir Mark Sedwill has given for combining his role of Cabinet Secretary with his previous role as National Security Adviser is to deal with Brexit).¹³

This should be supported by a wider committee chaired by the Prime Minister's deputy. It would have a wider membership, meet much more regularly to align with the rhythm of negotiations, and be able to bring in other ministers as required. The committee would review progress, resolve hold-ups, deal with new issues that emerge during the course of the negotiations and decide which issues should be referred up to the Prime Minister's committee. It will work more effectively if, like the NSC, senior officials who will be doing the bulk of the detailed work in the negotiations can both attend and speak.

Past experience suggests that ministers will do little 'negotiating' until the political end-game to get the deal over the line. That will ultimately fall to the Prime Minister to resolve. But that is why a robust system of collective political oversight of the negotiations is important.¹⁴

DExEU cannot co-ordinate the negotiations; that role must fall to the Cabinet Office

Numerous interviewees highlighted the importance of a central co-ordinating body that would have authority across Whitehall to make trade-offs, but would also be trusted by departments to reflect their views to ministers making key decisions. At the moment, DExEU expects to retake the lead role in co-ordinating the negotiation.

As we identified in *Preparing Brexit: How ready is Whitehall?*, DExEU lacks the authority of the Cabinet Office and suffered in the first phase of the negotiations from being seen as having a distinct departmental agenda, rather than acting as an honest broker. The departure of two Brexit secretaries also suggests that the structure exacerbated tensions with the Prime Minister.¹⁵

It would therefore make much more sense to recognise from the start that the negotiations need to be co-ordinated by the Cabinet Office, working in close conjunction with the UK's mission in Brussels. That means beefing up the Europe Unit with people drawn from across the Whitehall departments which will be leading on

key dossiers.* That secretariat should perform the dual role of supporting the UK's negotiators in Brussels and the decision-making machinery in London. The unit should be headed by a Permanent Secretary, who will be the official in overall charge of managing the negotiations: individual negotiating leads will come from the relevant departments.

This would differ slightly from the process followed by other countries, where negotiations are often co-ordinated by the Ministry of Foreign Affairs and/or Trade.¹⁶ For example, the Directorate for European Affairs in the Swiss Ministry of Foreign Affairs co-ordinates all negotiations with Brussels, supporting the Federal Council (the equivalent of the British Cabinet).¹⁷ Most countries – and the EU – also select lead negotiators from one central trade department. However, given the importance of these negotiations to the UK – and their political sensitivity – it makes sense that they are run from the centre of government, with the Cabinet Office team reporting directly to the Prime Minister. There is a risk for the UK of rifts opening up between the Cabinet Office and lead departments during the negotiations, and duplicated lines of accountability could cause further problems. But this is outweighed by the need for the Prime Minister to have full oversight of the negotiations.

This does not mean that DExEU should be abolished as Phase Two starts. It should continue its role in overseeing planning for implementation (including contingency planning for the possibility of the UK and EU failing to conclude a new relationship), keeping Parliament up to date on the negotiations and in ensuring necessary domestic legislation is on the statute book. The expertise that DExEU has developed on negotiating with the EU during Phase One can be used in the Cabinet Office or in other departments.

The Government appears to be planning for DExEU to have a more significant role than this during the next phase of the negotiations, as shown in their decision to take an experienced Permanent Secretary from one of the key frontline departments for readying the UK for Brexit.¹⁸ It has not been clear about the respective roles different departments will play. But it must not fall into the same trap as it did last time – of assuming the negotiations could be led from a line department, when they inevitably gravitated to the centre of government. The Government needs to be honest about that and put in place a credible and durable structure.

Ministerial and official structures should enable decisions to be made quickly, based on the best available evidence and expertise

Negotiators need to know what flexibility they have to agree inside the room – and when they need to escalate decisions. Before starting the negotiations, the processes for escalation need to be clearly established, including what can be resolved between officials and what needs to go to ministers.

Ideally, negotiating positions should have already spelled out to a degree what potential issues are higher order political issues and what might be reasonably within the scope of the negotiator's mandate. When an impasse is reached, lead negotiators

* The secretariat could be based on the National Economic Council officials committee. See the Institute's paper: Harris J and Rutter J, *Centre Forward Effective Support for the Prime Minister at the Centre of Government*, Institute for Government, 2014.

need to be able to quickly feed this up the chain for the minister in overall charge of negotiations to decide how to resolve it.

The Government needs to decide what role DIT will play

The suggestion that the trade discussions should be run out of the Cabinet Office may seem strange when the UK has a dedicated international trade department. Some trade negotiators we spoke to suggested DIT should be responsible for co-ordinating and ultimately negotiating the trade part of the future relationship. DIT is the natural home of much trade expertise across government and is intended to be the lead department for all other trade agreements. But it is not yet clear what role, if any, DIT will play in the EU negotiations. DIT has been told to prioritise trade deals with all major trading partners apart from the EU, which means its agenda is served by having a loose trading relationship with the EU; potentially much looser than favoured by the Prime Minister and other ministers in the big economic departments.¹⁹

The Government needs to work out how it will utilise DIT's expertise in the trade negotiations with the EU – and how far it extends beyond pointing out the implications of whatever is being agreed with the EU for third country deals. DIT is the main repository in government of both trade negotiation and trade law expertise: this expertise should be used in negotiations with the EU. This is important because DIT will need to know what support it is supposed to be giving to the EU negotiations and what resource it has for its core tasks of rolling over existing deals to which the UK is party as an EU member, and preparing the ground for potential new trade deals.

The UK needs to use this expertise in its most important trade negotiation, which will also have a bearing on its future negotiations with other potential trading partners. If there are any barriers to using this expertise, they should be removed.

The Government needs people with the right skills and experience

The UK has not conducted negotiations on this scale for over 40 years and has very few experienced trade negotiators working in government (with a few exceptions, such as the Chief Negotiator at DIT, a former New Zealand trade negotiator).²⁰ The EU, on the other hand, does not lack experience in negotiating a variety of complex agreements.

Previous Institute for Government work has emphasised the importance of negotiating experience.²¹ Where possible, the UK needs to bring in what expertise and valuable skills it does have. That means a big role for those with previous experience of negotiating with the EU, whether in UKRep* or for other countries – but also actively trying to bring in UK officials who work in the European Commission. This should have been a recruitment strategy for the UK from the day after the 2016 referendum, but was not – it may be too late, but it is still worth trying.²² The Government also needs to road test its strategies on people who have experienced negotiations with the European Commission and should try to engage them – even if they have personal reservations about Brexit. The UK has been too reluctant to use the EU expertise available to it.

* UKRep is the UK Permanent Representation to the EU.

The Government needs to avoid staff turnover in order to build trust between negotiators

It is not just the skills that are important. The EU will likely have a stable team that can deliver Brexit from start to finish, even if the negotiations go on for years. In Canada's case, their chief negotiator Steve Verheul was appointed in 2009 and stayed to complete the negotiations with the EU, going on to lead the renegotiation in the North American Free Trade Agreement (NAFTA).²³

The UK Government, on the other hand, is apparently planning to replace its entire top team of civil service negotiators, in part to placate Brexit-supporting Conservative backbenchers.²⁴ This will place the UK at an immediate disadvantage. A revolving cast of negotiators makes it hard to build any kind of rapport with the opposite number. It also undermines the negotiating capital that has been built based on the knowledge of what has been said in the room – a readout is not the same as being present.

High staff turnover will create further problems for the UK side. The Institute for Government has recently published a report on the problems with staff turnover from a general civil service perspective.²⁵ For Brexit, high staff turnover risks destabilising important relationships that have been built across departments.

When filling the key Brexit negotiation roles, the Government needs to establish a clear presumption that key people will stay in the role for the expected duration and, if necessary, provide the incentives for people to stay while they are needed.

The UK does not need many people in the room, but they need to be the right people

Different countries take different approaches to who they have at the negotiating table. The USA and China flood the room, while Australia opts for only a handful of representatives.

Trade negotiators we interviewed recommended that the UK keep numbers small. This helps project a clear and consistent position. It also mirrors the EU's likely approach. One former EU trade negotiator told us that while the EU's trade delegations typically run to about 30 people, there are only a handful of people in the room on any one issue. For example, there will be the lead negotiator, a co-ordinator, a lawyer and a note-taker. Lead negotiators on the granular issues should come from the responsible department, as this is where the expertise sits.

If only a small number of people are going to be in the room negotiating, it is important that they are supported by machinery that allows them to cascade information across Whitehall quickly, and pull information back up from networks of expertise when required. The wider team outside the room will need to be debriefed transparently to avoid creating mistrust.

The UK also needs to ensure it is making the most of intelligence from its embassies and missions around the EU, in member states' capitals and in Brussels. The Government should also make sure it is sending the right representatives – and at the right level – to special summits and meetings with the EU and member states. That information needs to flow easily between all parts of the Government as part of a coherent engagement strategy.

The engagement strategy

For the negotiation and ratification process to run smoothly, the Government needs to engage with a wide range of actors from the beginning of the process. It needs to secure the broad support of Parliament, the devolved administrations, other interested parties such as businesses and NGOs, and ultimately the UK public. It also needs a more effective strategy for communicating with its EU partners in Brussels and EU capitals.

Government cannot afford to ignore Parliament

The Government suffered the largest parliamentary defeat in over 100 years when it brought its Withdrawal Agreement to the House of Commons in January 2019. The Withdrawal Agreement was subsequently rejected two more times by large majorities in the House of Commons. To avoid similar challenges when it has completed negotiations with the EU on the future relationship, the Government needs to involve parliamentarians before, during and after the negotiations. Encouragingly, on 21 January 2019 the Prime Minister promised that Parliament would have “a proper say, and fuller involvement” in the next phase of the negotiations.²⁶ It is important that this promise is delivered on.

Parliament should have a voice, but not a vote, on the negotiating mandate

The Government needs to engage parliamentarians from the very start of the next phase of negotiations. One way to do this would be to grant both Houses of Parliament the chance to debate the Government’s draft mandate for the next phase of negotiations. The Government should first provide Parliament with the analysis underpinning its decisions. Then the Government should organise a debate so that it can explain its priorities to MPs and Peers, as well as listen to their views and concerns.²⁷

However, Parliament should not be able to vote or pass ‘an amendable, substantive motion’²⁸ on the Government’s planned approach before the negotiations have even started, as proposed by the International Trade Select Committee. The result will by definition be the outcome of compromise. Parliament needs to be prepared for the fact that the Government may not be able to secure everything it wants, and that any limits Parliament tries to place on the Government’s starting point could restrict the negotiators’ room for manoeuvre further on in the process. The ‘indicative votes’ process also revealed the inherent difficulty the House of Commons faces in reaching an agreed position on what it wants the future UK-EU relationship to look like.

It is also important that the Government keeps Parliament up to date on the state of negotiations.²⁹ The Government has signalled that it is willing to legislate for a greater role for MPs in overseeing the Phase Two negotiations and approving the final deal.³⁰

A designated select committee should hold regular hearings and liaise with other committees on the negotiations

One way to engage Parliament would be through a designated select committee. The House of Commons should decide how to structure this committee, but its role should include holding regular hearings with the minister responsible for overseeing the negotiations, as well as with organisations with an interest in the outcome of the negotiations.

In line with the Prime Minister's commitment to "harness the knowledge of all select committees" in this next phase,³¹ the committee should also work closely with existing departmental select committees in the Commons and relevant thematic committees in the Lords. On security matters for example, it should liaise with the Foreign Affairs, Intelligence and Security, Home Affairs and Justice committees in the Commons, and the International Relations and European Union committees in the Lords. It should also engage committees from the devolved legislatures to ensure it has an accurate overview of the broader impact of the negotiations – particularly for devolved policy areas, such as agriculture and the environment.

The House of Lords is considering its own committee structure and may want to take a similar approach. Throughout the withdrawal negotiations, the House of Lords European Union Committee continued to hold hearings with ministers, as well as playing its usual role in scrutinising EU legislation and the Brexit process more generally. For example, it produced a comprehensive analysis of the Withdrawal Agreement and the Political Declaration soon after they were published.³² It also recently published a report looking at how the UK Parliament can continue to engage the EU in the longer term.³³

During the negotiations on the future relationship, the Government should engage with both Houses. The committee(s) should publish reports based on their hearings and highlight significant issues to Parliament. Ideally, at the end of the process, the Commons committee should aim to present a comprehensive analysis of the final deal to the House; and any Lords counterpart may want to do the same. The Government should engage seriously with any recommendations from the committee(s).

The House of Commons should get a final vote on the deal

The way Government currently engages with Parliament on treaties is set out in the Constitutional Reform and Governance Act 2010 (CRAG). Under CRAG, ministers must present a treaty to Parliament 21 sitting days before it can be ratified. During this time, the House of Commons could vote against ratification, which would delay ratification by a further 21 sitting days. In theory, MPs could delay ratification indefinitely. In practice, neither the House of Commons nor House of Lords have ever passed a motion to prevent ratification of a treaty in the decade since CRAG came into force.³⁴

There is another way MPs could express their opposition to a future UK-EU treaty. Due to the dualist nature of the UK legal order, MPs would also have to pass implementing legislation for the agreement on the future relationship to come into effect. They could frustrate this legislation to show their disapproval of the treaty.

The ratification process under CRAG is not sufficient for an agreement of this importance. As we have recommended previously,³⁵ the Government should give the House of Commons a meaningful vote on the future relationship agreement – without the Commons having to fight for it this time. It should commit to this vote in its upcoming legislation to implement the Withdrawal Agreement, the Withdrawal Agreement Bill.³⁶ As was the case for the Withdrawal Agreement, the House of Lords should consider the future relationship agreement, and have a vote to express its view, but this should not be a binding part of the approval process.

The devolved administrations must continue to have a role

The Government must continue to meet regularly with the devolved administrations to discuss the negotiations

The Prime Minister should discuss any mandate for the future relationship with the devolved First Ministers, giving them an opportunity to voice their thoughts and concerns – but not to veto it. For this process to be effective, the Joint Ministerial Committee (JMC) in its plenary form – the foundation of the UK Government’s interactions with its devolved counterparts – should continue to meet at critical flashpoints or at the request of First Ministers.* The Government should take note of any concerns, as failing to do so could complicate the process of finalising the agreement further down the line.

The JMC has a sub-committee focused on the Europe Negotiations (JMC(EN)), which is chaired by the Minister for the Cabinet Office and the Chancellor of the Duchy of Lancaster (David Lidington), and is attended by ministers and officials leading on Brexit from each government.³⁷ This must continue to be the go-to forum for updating the devolved administrations on progress in the negotiations and it should continue to meet on a consistent basis.** In July 2018, the Government set up a new Ministerial Forum on EU Negotiations (MF(EN)), as well as working groups between officials from the UK Government and the devolved administrations, to allow greater input into the development of detailed negotiating positions.³⁸ This is especially important for issues that are of particular interest to the devolved governments, such as fisheries and agriculture, and any level playing field commitments in areas such as environmental policy, where the devolved governments will be bound by new arrangements.

The devolved legislatures should be updated regularly, but not vote on the final deal

The devolved legislatures should also be updated regularly on progress. Updates should happen at least every six months, with a UK Government minister reporting back at the same time the Prime Minister updates the Commons. UK ministers should be willing to give evidence on progress to committees of the devolved legislatures.

However, the devolved legislatures should not have a vote on the final deal. The devolved legislatures are likely to need to give consent, under the Sewel Convention, to any implementing legislation passed by the UK Parliament where it impacts areas of devolved competence. The Sewel Convention is a political commitment to not ‘usually’ legislate without consent. Although the UK Government chose to pass the EU Withdrawal Act without the consent of the Scottish Parliament, this should not become the norm. Early and regular engagement with the devolved governments and legislatures should help avoid further damage to intra-governmental relations.

Government needs a new and better process for engaging business and civil society

The Government should set up a new, formal process for transparently engaging business and civil society

This should build on two existing approaches: the first is the process of engagement set up by the Department for Business, Energy and Industrial Strategy (BEIS), which

* Its plenary form – chaired by the Prime Minister, with the devolved First Ministers in attendance – is supposed to meet at least once a year and met twice in 2018 for the first time in its history.

** Engagement was slow at the beginning of the withdrawal negotiations, with an eight-month interruption between February and October 2017.

currently oversees a network of 18 sectoral groupings of 'stakeholder bodies'.³⁹ The second is DIT's decision to establish a Strategic Trade Advisory Group (STAG) for cross-sectoral engagement on future trade deals.* While they are useful starting points, these models are, as yet, insufficient to cover all the relevant sectors of the economy and will either need to expand or integrate with other departmental engagement processes.

STAG will primarily be a forum for government to update as wide a range of actors as possible about progress, to manage expectations appropriately, and for those actors to voice any questions or concerns. Following DIT's original proposal, the main STAG committee, to be consulted primarily on strategy, should be supported by a number of sub-committees to allow for more detailed discussions. The International Trade Committee has proposed that these sub-committees should align with the representative groups in the top committee.⁴⁰ Alternatively, the sub-committees could be drawn up according to the anticipated chapters of the future agreement with the EU, as we have suggested previously.⁴¹ Some of these sub-committees will likely be carried over into future trade negotiations; others that are not focused on trade may prove short lived. In these negotiations, what is most important is that sub-committees provide a forum for going beyond high-level strategy or sentiment with ministers, focusing instead on testing practicalities in detail.

Now that the Government has chosen the members of STAG, it should consider whether the principal, 14-member committee needs to be larger and more representative, as suggested by the International Trade Committee.⁴² As we have noted, it is important that these groups are able to consider more than just the trading relationship: NGOs and other groups need to have a voice, alongside business representative bodies.

The Government will still need to rely heavily on informal channels

We have observed before that it can take 18 to 24 months to develop the mutual understanding and trust necessary for new bodies for engagement to be truly effective.⁴³ But the Government needs to draw on the expertise of businesses and civil society organisations now, to inform the negotiating positions and build support for them. Even after Brexit, many of these groups will continue to be represented in European groupings (for example the business lobby group BusinessEurope and other European sector specific trade associations), which could give them greater insight into Brussels' thinking and new EU legislation that is likely to affect the UK.

It makes sense to continue using these informal networks once the negotiations get underway, for when additional expert input is required. Well-briefed negotiators should not need constant input from external voices: if the mandate-setting process has been run well, having them on hand remotely for intermittent input should be sufficient. As well as seeking information from external organisations during the negotiations, the Government needs a mechanism to feedback progress to interested parties.

* According to the International Trade Committee, this group will consist of '14 members representing civil society and business interests, and will include a business organisation, a regional business, a think tank, an academic organisation, two consumer organisations, a development organisation, an NGO, and a trade union.' House of Commons International Trade Committee, *UK Trade Policy Transparency and Scrutiny*, HC 1043, 2018, retrieved 14 March 2019, <https://publications.parliament.uk/pa/cm201719/cmselect/cmintrade/1043/1043.pdf>

The Government should run an open, ongoing consultation online

This engagement should be bolstered by an online consultation process which is open and accessible to everyone, following the example of the European Commission and a number of countries including Australia. These must not be simply PR exercises: the Government must commit to considering each submission it receives, to ensure that people feel that their voices have been heard.

Government consultations typically present a fixed range of questions, offering little scope for deviation on the part of respondents. Given the breadth of these negotiations, a more flexible approach should be taken. Questions should be more open-ended, along the lines of those presented by select committees seeking written evidence.

It is vital that this consultation process begins in good time before negotiations themselves commence, to give those submitting evidence confidence that there will be time for their opinions to be taken on board. Clearly, the 14-week consultation period promised by Liam Fox prior to any future UK trade negotiation run by DIT may not be possible for the coming Brexit negotiations.⁴⁴ But the Government should mirror the Australian approach to trade consultations, keeping the public consultation open throughout the negotiations to make sure that everyone feels as though they have a proper chance to contribute.

The Government needs a robust diplomatic strategy for engaging member states

The Government should continue to meet with member states

For the talks on the future negotiations, the Government needs a plan for engaging each of the member states, as well as the EU as a whole.⁴⁵ The Government should be able to make a convincing case to each of the 27 member states that they will benefit from a strong relationship with the UK. To do so, the UK needs to start from a genuine interest in what each country wants and cares about. It must draw on its network of embassies and the UK mission in Brussels, and engage constructively with EU embassies in the UK. The UK needs to pay particular attention to any possible veto players, given the need for unanimous approval of the future relationship, as well as how to influence potential supporters.

Here, the UK can learn from other countries' experiences. Swiss embassies hold regular discussions with officials in EU capitals, which helps officials in Bern gain a more nuanced understanding of a particular EU policy under discussion, as well as where there might be differences in opinion between member states.

One trade negotiator told us that in the opening stages of trade negotiations with the EU, the Trade Ministry drew up a strategy for engaging with each member state, including those with whom they did not previously have strong relations. This meant they could begin to promote the benefits of an agreement to each EU member state early on. This early engagement would also allow the UK to adapt their negotiating position to take into account any particular concerns that each member state may have, particularly the role they see the UK playing in EU security going forward.

Negotiators we spoke to also stressed the importance of continuing this kind of engagement with negotiating partners throughout the negotiations and during the

ratification process. They found this helpful in building grass-roots support for the deal, which influenced the legislatures of negotiating partners when they came to ratify the deal.

The Government should adopt a more constructive tone

Brexit negotiations are very different to the negotiations the UK has been used to in the EU in the past. The UK will need to strike a far more constructive tone: it will need to frame its proposals by demonstrating how they would benefit the EU as a whole – and not just the UK. It will need to show it has taken the EU's concerns on board and propose workable alternatives when the proposals on the table no longer work.

Open engagement will help the Government during and at the end of the process

The Government cannot do this on its own

If the Government involves MPs, business, civil society, the devolved administrations and others throughout the negotiations, it can build a 'Team UK' spirit – which will help strengthen its negotiating hand and get the deal over the line. Of course, there will always be those who feel their interests have been sacrificed, but the Government needs to show that it is listening to, and involving, as many people as possible.

But there is an added bonus to engaging interested parties throughout the negotiations: benefitting from their networks. Big business groups, for instance, already have strong connections in Brussels and across the EU that will continue after Brexit. Similarly, the devolved administrations have connections in Brussels and beyond that they can draw upon. And there are strong links between British parliamentarians and their counterparts in European capitals. If these groups understand and support the UK Government's position – feeling, at least to some extent, as though it is theirs – they will be able to try to sell this position across the Continent. They will also be able to inform the Government on the attitude of its negotiating partners, allowing for a stronger engagement strategy with member states. These channels of influence could prove crucial to the UK getting approval for its ideal future relationship.

Popular support will be critical to giving a deal legitimacy. If businesses, charities and other interested parties are all openly supportive of the Government's approach, it will be easier to win the support of the public. Ultimately, it is the British public that the Government – and any deal with the EU – is supposed to serve.

The Government needs to keep the EU ratification process in mind from the start

The ratification process for the eventual agreement between the UK and the EU will be much more complex than that for the Withdrawal Agreement (which only required sign-off from the House of Commons, EU heads of state and the European Parliament).

The ratification process of the eventual agreement is not a 'nice to have' – it is an essential part of the process. While the EU has agreed in principle to allow 'provisional application' of the deal if it cannot be fully ratified in time for the end of the transition period in December 2020, it will not come into force completely until each EU member state has ratified it, and it has been approved – and legislated for – by the House of Commons. If the Government adopts a thorough negotiating strategy, it will ease the ratification process once talks are over. The Government needs to plan for this now.

4. Conclusion

The negotiations on the future relationship between the UK and the EU will be much more complex and involve many more parts of government than the withdrawal negotiations that finished in November 2018.

The Government wants to start negotiating this relationship as soon as the Withdrawal Agreement is ratified. But there are many things it needs to consider before it can start the detailed negotiations required to convert the Political Declaration into a treaty that will be thousands of pages long. Given the extension of the Article 50 period to October, and the European elections, it is unlikely that negotiations will start before November 2019.

The Government should use the time until then to prepare properly for the negotiations. There are three main issues it needs to deal with in the coming months:

1. Decide its negotiating objectives

The Government needs to set out its ambition for the future relationship before beginning negotiations, without setting out absolutist red lines. This position needs to command the support of the whole Cabinet, and the Government needs to provide an opportunity for Parliament to debate it. It also needs to make sure that outside organisations – businesses, civil society groups and the devolved administrations – can feed into the Government's position.

2. Clarify roles and responsibilities

The first phase of negotiations was characterised by confusion over who was in charge and which department was responsible for what. The Government needs a clear negotiating structure, with the Prime Minister and a senior deputy overseeing the cross-Government process of forming positions and conducting the negotiations. This should be co-ordinated by the Cabinet Office, not DExEU. The Government also needs to make sure that its negotiators have the necessary skills and that turnover among officials does not hamper the negotiating effort.

3. Build an effective engagement strategy

The Government needs to bring others with it from the very beginning of the negotiations – parliamentarians, devolved administrations, business groups and civil society all need to feel that they have a stake in the negotiations and that the Government listens to their concerns. The Government also needs to recalibrate its approach to engaging the EU member states – they will be important in approving the ultimate deal.

These negotiations are the most important the UK has faced in over four decades and they will set the tone for the country's relationship with not only its most important partner, but with many other countries around the world. The Government needs to be ready.

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About the authors

Tim Durrant is a senior researcher on our Brexit programme. His work focuses on the negotiation process as well as the Government's preparation for a no deal exit. Prior to joining the Institute, Tim was a civil servant, working on a number of international and domestic policy areas at HM Treasury and the Department for International Development. He has a degree in Middle Eastern Studies from the University of Cambridge.

Alex Stojanovic is a researcher at the Institute, working in the Brexit team. He joined the organisation in March 2017 from the University of Sussex, where he completed an MA in Philosophy.

Georgina Wright is a senior researcher on the Brexit team, where she focuses on the negotiations and the views from the 27 EU member states. Her research interests include Brexit, Franco-British relations and the future of the European Union. Prior to joining the Institute, she was a research associate at Chatham House. She has also worked in the Directorate for Central and West Africa in DG DEVCO at the European Commission.

Lewis Lloyd is a researcher at the Institute for Government, working in the Brexit team. He graduated from the University of Cambridge with a BA in Politics, Psychology and Sociology in 2015, and has an MSc in Intelligent Systems from the University of Sussex. Lewis has previously worked for a polar explorer, a cyber-security start-up, and as a paralegal.

Elliott Christensen is a research assistant at the Institute for Government. He joined the Institute's Brexit programme in September 2018, after graduating from University College London.

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 enquiries@instituteforgovernment.org.uk

 +44 (0) 20 7747 0400  +44 (0) 20 7766 0700

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**Institute for Government, 2 Carlton Gardens
London SW1Y 5AA, United Kingdom**

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