

GREATER LONDON AUTHORITY

██████████
(By email)

Our Ref: MGLA161118-8234

14 December 2018

Dear ██████████

Thank you for your request for information which the GLA received on 16 November 2018. Your request has been dealt with under the Freedom of Information Act 2000.

You requested:

On the 15th of November the Mayor of London tweeted that his officials had combed through all 585 pages of the withdrawal agreement between the European Union and the United Kingdom. He tweeted that they had come to the conclusion that this was a bad deal for London, worsen life chances and reduce the opportunities available for future generations.

I would like to see the review and analysis of the withdrawal agreement that made the officials come to this conclusion.

Please find attached the information we hold within the scope of your request.

We have redacted a small amount of information (the name of the staff member and phone extension) which is exempt from disclosure under s.40 (Personal information) of the Freedom of Information Act. This information would identify specific employees and as such constitutes as personal data which is defined by Article 4(1) of the General Data Protection Regulation (GDPR) to mean any information relating to an identified or identifiable living individual. It is considered that disclosure of this information would contravene the first data protection principle under Article 5(1) of GDPR which states that Personal data must be processed lawfully, fairly and in a transparent manner in relation to the data subject.

If you have any further questions relating to this matter, please contact me, quoting the reference MGLA161118-8234.

Yours sincerely

Ruth Phillips
Information Governance Officer

If you are unhappy with the way the GLA has handled your request, you may complain using the GLA's FOI complaints and internal review procedure, available at:

<https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information>

To: Sadiq Khan, Mayor of London

From: [REDACTED] X [REDACTED]

OVERVIEW

On 29 March 2017 the UK invoked Article 50 of the Treaty of Europe which began the formal process of withdrawing from the EU. Despite the stated ambition of the Government to simultaneously negotiate both the UK's withdrawal and its future relationship, the EU Commission's adherence to the rigid structure of the Article 50 process has meant that the last 18 months have been dedicated to agreeing the terms of leaving the EU in March 2019, as well as a broad, non-binding political declaration of what both sides hope to achieve for the future relationship.

THE WITHDRAWAL AGREEMENT

The Withdrawal Agreement, which stretches over 500 pages, covers a wide range of areas pertinent to the UK's exit from the EU such as:

- **Common provisions**, setting out standard clauses for the proper understanding and operation of the Withdrawal Agreement.
- **Citizens' rights**, protecting the life choices of over 3 million EU citizens in the UK, and over 1 million UK nationals in EU countries, safeguarding their right to stay and ensuring that they can continue to contribute to their communities.
- **Separation issues**, ensuring a smooth winding-down of current arrangements and providing for an orderly withdrawal (for example, to allow for goods placed on the market before the end of the transition to continue to their destination, for the protection of existing intellectual property rights including geographical indications, the winding down of ongoing police and judicial cooperation in criminal matters and other administrative and judicial procedures, the use of data and information exchanged before the end of the transition period, issues related to Euratom, and other matters).
- A **transition period**, during which the EU will treat the UK as if it were a Member State, with the exception of participation in the EU institutions and governance structures. The transition period will

help in particular administrations, businesses and citizens to adapt to the withdrawal of the United Kingdom.

- The **financial settlement**, ensuring that the UK and the EU will honour all financial obligations undertaken while the UK was a member of the Union.
- The overall **governance structure** of the Withdrawal Agreement, ensuring the effective management, implementation and enforcement of the agreement, including appropriate dispute settlement mechanisms.
- The terms of a **legally operational backstop** to ensure that there will be no hard border between **Ireland and Northern Ireland**. The protocol on Ireland/Northern Ireland also contains UK commitments not to diminish rights set out in the Good Friday (Belfast) Agreement 1998, and to protect North-South cooperation. It provides for the possibility to continue the Common Travel Area arrangements between Ireland and the UK, and preserves the Single Electricity Market on the island of Ireland.
- A protocol on the Sovereign Base Areas (SBA) in **Cyprus**, protecting the interests of Cypriots who live and work in the Sovereign Base Areas following the UK's withdrawal from the Union.
- A Protocol on **Gibraltar**, which provides for close cooperation between Spain and the UK in respect of Gibraltar on the implementation of citizens' rights provisions of the Withdrawal Agreement, and concerns administrative cooperation between competent authorities in a number of policy areas.

Most relevant for London are the sections on:

Transition Period

The transition period is the temporary relationship the UK will enter with the EU directly after it leaves in March 2019. This will allow the UK to stay within the EU Single Market and Customs Union and allow for continued freedom of movement of goods, people and services.

Although scheduled to end in December 2020, the Withdrawal Agreement does make allowances for the UK to request an extension, which would incur further budgetary contributions to the EU.

EU Citizen Rights

The Withdrawal Agreement protects those EU citizens who were residing in the UK and UK nationals who were residing in one of the 27 EU Member States at the end of the transition period, where such residence is in accordance with EU law on free movement.

The Withdrawal Agreement also protects the family members that are granted rights under EU law (current spouses and registered partners, parents, grandparents, children, grandchildren and a person in an existing durable relationship), who do not yet live in the same host state as the Union citizen or the UK national, to join them in the future.

Children will be protected by the Withdrawal Agreement, wherever they are born before or after the UK's withdrawal, or whether they are born inside or outside the host state where the EU citizen or the UK national resides. The only exception foreseen concerns children born after the UK's withdrawal and for which a parent not covered by the Withdrawal Agreement has sole custody under the applicable family law.

The Withdrawal Agreement enables both EU citizens and UK nationals, as well as their respective family members, to continue to exercise their rights derived from Union law in each other's territories, for the rest of their lives, where those rights are based on life choices made before the end of the transition period.

Union citizens and UK nationals, as well as their respective family members can continue to live, work or study as they currently do under the same substantive conditions as they do currently.

Backstop Arrangement

The backstop arrangement is the most contentious part of the Withdrawal Agreement. Slated to come into effect at the end of the transition period, in the absence of any other agreement, it would tie the UK into a “customs territory” with the EU. This would block the UK’s ability to agree new international trade deals, would lock the UK into abiding by EU product standards, and would tie the UK’s hands in other areas such as adherence to EU state aid rules. The backstop agreement is necessary to avoid a hard border between Northern Ireland and the

Republic of Ireland, but as the backstop has no set end date its critics believe it will tie the UK to the EU indefinitely. The Withdrawal Agreement only allows for the backstop arrangement to stop if both the UK and EU agree together. From London's perspective while the proposed customs territory backstop would allow for continued frictionless trade in goods, it would cut off much of the access enjoyed by our services sectors which would be incredibly damaging for our economy. Independent economic analysis you published in January showed that this type of arrangement could lead to in 304,000 fewer jobs across the UK and nearly £30bn less investment by 2030 than there would've been if we'd remained in the EU.

DECLARATION FOR FUTURE RELATIONSHIP

The outline political declaration for the future EU/UK relationship is a much shorter document, spanning only seven pages, and is a top-level statement of intent. This does not constitute a legally binding text and the ambitions stated within it are subject to further negotiation during the EU/UK transition phase. Despite several promises to the contrary, the Prime Minister now wants to the UK to leave the EU in March next year without any certainty about what our permanent future trading relationship will be. She wants us to sacrifice all of the security and economic advantages of our EU membership and put our faith in her ability to strike a comprehensive trade deal after we have left.

Goods

While the declaration commits to attempt to negotiate a free trade zone between the EU and UK with zero tariffs fees or charges, this would not avoid customs checks, would create friction at the border and massively disrupt supply chains. There is only a weak acknowledgment of the complex proposals put forward by Theresa May in her Chequers plan that were aimed at avoiding customs checks by aligning the UK to EU standards and ensuring all goods imported to the UK but destined for the EU were properly checked and taxed. The declaration states that:

“Extent of the United Kingdom's commitments on customs and regulatory cooperation, including with regard to alignment of rules, to be taken into account in the application of checks and controls at the border”

You have previously stated that the Prime Minister's Chequers proposals were likely to create a huge additional burden and costs for businesses, and were to be too complex to work in practice.

Services

Much like the criticism you levelled at Theresa May's Chequers plan, the declaration demonstrates a distinct lack of ambition to overcome the barriers to UK services exports once we leave the EU single Market.

Rather than set an ambition to strike an agreement on services that goes deeper than other EU trade deals with Canada or South Korea the declaration sets its baseline as the WTO provisions for services trade which are incredibly weak:

“Ambitious, comprehensive and balanced arrangements on trade in services and investment, delivering a level of liberalisation in trade in services well beyond the Parties’ WTO commitments, and in line with Article V of the General Agreement on Trade in Services, with substantial sectoral coverage, covering all modes of supply and providing for the absence of substantially all discrimination in the covered sectors, with exceptions and limitations as appropriate.”

As for financial services there appears to be no commitment to achieve a bespoke solution. The declaration only references an assessment of equivalence (the EU regulations that allow limited market access to financial services firms governed by regulation the EU deems adequate). Without a solution to enable comprehensive access to European markets for UK financial services then London could lose up to 10,000 jobs and cede ground to competitor financial centres in New York and Singapore.

Law Enforcement

While the declaration sets out the ambition for a “Comprehensive, close, balanced and reciprocal” deal on law enforcement and security cooperation, it also makes clear that the UK will have to accept the jurisdiction of European courts in related areas to achieve this:

“Scale and scope of future arrangements reflecting the commitments the United Kingdom is willing to make that respect the integrity of the Union’s legal order, such as with regard to alignment of rules and the mechanisms for disputes and enforcement including the role of the Court of Justice of the European Union, underpinned by long-standing commitments to the fundamental rights of individuals, including continued adherence to the ECHR and its system of enforcement, and adequate protection of personal data, which are both essential prerequisites for enabling the cooperation”

Though you would not necessarily object to this there are many in the Conservative party who would refuse to support any continued EU jurisdiction after Brexit. This redline for conservative Brexiteers could put this important agreement at risk.