

Update on the UK Internal Market (UKIM) Bill

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Statement made by:

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House of Commons

Statement -

The UK Internal Market (UKIM) Bill is fundamental to providing a reliable legal basis for the effective and coherent functioning of the UK internal market. It guarantees that businesses and consumers across the UK are not subject to harmful internal trade barriers following our exit from the EU Single Market regime. Legislation of this kind must be in place across the whole UK in order to provide businesses and consumers from all parts of our country with the same legal protections and advantages.

From the outset, it has been the UK Government's objective to legislate for the UK Internal Market Bill with the consent of all the devolved legislatures. At every stage, we have followed the spirit and letter of the devolution settlement and worked hard to secure legislative consent for this vitally important piece of legislation for all of the UK. We have also engaged with businesses, business representative organisations and wider stakeholders, such as academics, across the entire country since the Bill's introduction to better understand expectations, needs and concerns. The UK Government regrets the Scottish Government's decision to withdraw from UK-wide work on the internal market in Spring 2019.

The engagement with the Welsh Government, in particular, has resulted in tangible changes to the Bill to accommodate concerns as well as strengthen devolved involvement within the machinery of the legislation; this includes putting the relationship between the Market Access Principles and Common Frameworks on the face of the Bill as well as ensuring that the Secretary of State is obliged to seek the consent of the Devolved Administrations when panel appointments are made to the Office of the Internal Market (OIM). We have also agreed to have an annual meeting to review the operation of Parts 1-4 of the UK Internal Market legislation with

the Devolved Administrations, including the Office for the Internal Market's reports and new developments that might require the use of delegated powers, using our intergovernmental structures.

The UK Government does however deeply regret that the Scottish Parliament and Senedd Cymru have both refused to provide their consent for the Bill. We have maintained, throughout the Bill's passage, that the Government is open to discussing the concerns of each Devolved Administration, and would make changes to the Bill where it is possible, without undermining the necessary purpose and integrity of the legislation. Proceeding with the Bill to Royal Assent is necessary to put the legal structures in place which provide clarity and consistency for businesses and citizens working across the country.

The Sewel Convention envisages situations where the UK Parliament may need to legislate for the whole country in this way. The exceptional circumstances of our departure from the EU, and the need to provide a UK-wide legal underpinning for the internal market, is clearly one such situation. This Government is fully committed to the Sewel Convention and the associated practices for seeking consent. Indeed, in the current legislative session of Parliament alone, the UK Government has secured (to date) 37 LCMs from the devolved legislatures; this is in addition to the hundreds of other LCMs passed by the devolved legislatures over the last 21 years of devolution. We will, of course, continue to seek legislative consent, take on board views, and work with the Devolved Administrations on all future Bills that engage the legislative consent process, just as we have always done.

The UK Internal Market Bill will allow people to do business reliably and seamlessly across all parts of the UK and enable the UK Government to boost our economic recovery, increase investment across the whole UK, create new jobs and be stronger as a country as we emerge from this pandemic. The UK Government stands as the conservator of this great Union - the most successful political and economic Union in history - as a force for bettering peoples' lives, with devolution delivering clear benefits for all UK citizens. The UK Internal Market Bill will help to ensure that England, Scotland, Wales and Northern Ireland remain more prosperous, stronger and safer together.