

Foreign Affairs Committee

**From a Common
Understanding to Common
Ground: Building a UK-EU
Strategic Partnership fit
for the future**

Third Report of Session 2024–26

HC 857

Foreign Affairs Committee

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Summary

The UK's departure from the European Union was the defining moment of our recent political, economic and diplomatic history. After nearly fifty years of EU membership, Brexit profoundly changed the UK's external relations not only with the European Union itself and its 27 Member States, but also with allies and partners around the world. The process of withdrawal had a significant impact on the constitution, particularly in Northern Ireland, and on the Overseas Territories.

Free from the obligations of EU membership, the UK has been able to regulate its economy differently and strike its own trade deals. But Brexit has also shown that the EU remains one of the UK's most important international partnerships, alongside the US and Commonwealth allies. While new trade deals have boosted exports to some third countries, it is still the UK's largest economic partner. But increased trade barriers to trade with the EU have hampered exports and investment. The EU is a key partner for cooperation in areas of shared strategic interest: like the UK, it faces difficult questions around changes in US policy towards Europe, the rise of China, and above all the Russian threat to shared security of the European continent. But the UK and EU responses to those and other challenges are being developed largely in isolation from one another, despite the significant impact EU policies will continue to have on the UK and vice versa.

The Government came into office in 2024 with the view that the Trade and Cooperation Agreement negotiated with the EU by its predecessor does not provide an adequate framework to address these challenges. It therefore promised to "reset the relationship" with the EU to deepen cooperation. It has identified a number of negotiating objectives, as well as, consistent with commitments in its manifesto, setting "red lines" against re-joining the EU Single Market, Customs Union or free movement of people.

Given the importance of the UK's relationship with the EU, we undertook this inquiry to scrutinise, first, the progress the Government has made to date against its own stated objectives (chapters 1 and 2 of this Report, culminating in a 'Score Card' of progress made in chapter 3). Secondly, we sought to assess whether those objectives are adequate, including recommendations for the next phase of engagement with both the EU and with Parliament (chapters 4 and 5).

Overall, we found that Ministers have made some progress: the Prime Minister hosted the first bilateral UK-EU summit in May 2025, where the two sides agreed the launch of an ambitious new “Strategic Partnership” across areas including trade, security and energy. Ministers have also begun implementing a new Security and Defence Partnership with the EU, and secured commitments to explore ways of reducing trade friction. And they have secured a deal for the UK to re-enter the Erasmus+ exchange scheme from 2027 at a temporarily discounted cost.

But this new Partnership is a work in progress. Negotiations are on-going on new treaties with the EU on agri-food, carbon pricing, electricity trading, all based on alignment with EU rules, and a new youth mobility scheme. With some exceptions, confirmed timelines and milestones for these different negotiating strands are vague or non-existent. Recently, the Prime Minister also hinted at further areas of “alignment” with the EU, without providing any detail. We should also be clear-eyed about the potential difficulties these negotiations are likely to throw up. Already, despite the Russian threat to European security, negotiations on closer UK-EU defence industrial cooperation via the EU’s “SAFE” programme have faltered in the first round over the EU’s excessive demands for a UK financial contribution. This outcome is regrettable and in neither side’s interest, given that the UK and EU must both develop their defence industries to face common threats, in particular Russia’s menacing of the security of the entire European continent. Other EU policies in the economic sphere may also have a negative impact on the UK if not mitigated through negotiation, for example around a planned increase in EU steel tariffs.

Our inquiry has also highlighted shortcomings in how the Government has formulated its EU policy and conducted the negotiations to date: a lack of transparency about UK objectives and priorities, which appear to be shifting and changing constantly; a haphazard approach to consultation; and, most importantly, a lack of an overall vision for the new Strategic Partnership. We heard evidence that the Government lacked a real sense of what the end point of the “reset” might be and which challenges the Partnership needs to be able to meet. We urgently need more clarity from the Government about its strategic objectives for the relationship with the EU, and how it will seek to achieve them.

We have therefore recommended a change in the Government’s approach, to ensure it finds common ground with the EU on a Partnership that is fit for purpose for the long term and flexible enough to accommodate future challenges while still respecting the result of the 2016 EU referendum. We would like it to push for improved political dialogue on strategic matters, given the UK’s strengths and contribution to European security. While recognising its red lines, we want it to produce a more coherent, and ambitious, economic agenda with the EU. Ministers should also be more

transparent about negotiations with the EU, at least matching existing commitments for transparency afforded to new Free Trade Agreements with other partners. As Ministers have begun to indicate they might seek even closer ties with the EU than previously planned, we believe the Government should produce an EU White Paper with a coherent vision for the future of the relationship to frame this process. We have also reflected on the future of parliamentary scrutiny of EU affairs in Parliament. Given the continued impact of EU decisions on the UK and the much closer relationship being pursued by the Government, we recommend that there should be a dedicated Committee for scrutiny of EU affairs in the House of Commons. We would also encourage the Government to hold a vote in Parliament on any future agreements with the EU.

The UK-EU relationship is, and will always be, a work in progress, and our conclusions aim to shape the debate and the Government's approach to negotiations with the EU going forward. We will continue to take an interest in the Government's approach to EU relations, and its progress in forging the new Strategic Partnership, in the coming months and years.

1 Pressing the “reset” button

Introduction

1. The UK formally withdrew from the European Union on 31 January 2020. EU law then ceased to apply on 31 December 2020 following a “transitional period”, at which point the UK left the EU’s Single Market and Customs Union. From that point, the economic and political relationship has been governed primarily by the Trade and Cooperation Agreement (TCA) negotiated under the previous Government.¹ That Agreement is, by any measure, inadequate. As such, the Government elected in July 2024 has, in a break with its predecessor, pursued a “reset” of the UK’s relationship with the EU to “deepen ties with our European friends, neighbours and allies” in areas including trade and security.²
2. Any changes to the UK’s relationship with the EU remain of significant political and public interest. The purpose of this Report is to assess the Government’s progress against its own objectives for the “reset” to date and to consider how the relationship with the EU might be developed further in the future. To inform our thinking, we invited interested parties to submit evidence³ and visited Brussels to meet with EU interlocutors and stakeholders. We also took evidence in person from external experts and from the Ministers in the Cabinet Office and the Foreign, Commonwealth and Development Office. We are grateful to all who contributed to this inquiry and, by extension, to this Report.

The Government’s priorities for the EU reset

3. The Government draws some of its priorities and objectives for the “reset” of the relationship with the EU from the Labour Party manifesto, while others have only emerged since the 2024 General Election. The Minister for EU Relations summarised the priorities as “jobs, bills and borders”.⁴
4. The focus area of the Government’s EU agenda is “jobs” and “bills”, which in practice means it wants to reduce trade barriers with the EU. Whilst the US is our largest single country trading partner, the EU remains our largest

1 The TCA was provisionally applied from 1 January 2021 and formally entered into force on 1 May 2021.

2 Labour Party, “[Change: Labour Party Manifesto 2024](#)”, 13 June 2024, p. 117

3 The Terms of Reference of our inquiry into the EU reset are [available on our website](#).

4 [Q88](#)

overall trading partner).⁵ However, leaving the Single Market and Customs Union created significant new trade barriers that the 2020 TCA does not fully address which have had a negative economic impact. In particular, the independent Office for Budget Responsibility (OBR) has said that it has led to a significant reduction in UK-EU trade (in goods in particular) and negatively affected productivity.⁶ Its analysis indicates that trade with the bloc is likely to be “15 per cent lower in the long run than if the UK had remained in the EU”. It also estimates that UK gross domestic product (GDP) over the long-term will be 4% lower than if the UK had stayed in the EU, and notes that “new trade deals with non-EU countries will not have a material impact”.⁷

5. There was widespread support among those who provided evidence to our inquiry for efforts to make trade with the EU easier, either in a broad sense or in specific sectors.⁸ For example, Naomi Smith of Best for Britain, told us:

We all know that trade declines with distance. Geographically, we in the UK are closest to the largest single market in the EU, which is our most important trading partner. There is growth on offer for the UK—let’s not forget that the Government’s stated No. 1 ambition is to get growth, and to have sustained growth and the fastest growth within the G7—and trade improvements could be negotiated during any kind of review of the trade and co-operation agreement.⁹

6. The 2024 Labour Party Manifesto identified three areas for negotiations with the EU to address trade barriers:

- a Sanitary and Phytosanitary (SPS) Agreement to reduce border formalities for cross-border movements of food, drink, plants and live animals;
- new arrangements to remove barriers that hinder British artists touring freely in the EU since Brexit; and
- progress on mutual recognition between the UK and EU of professional qualifications to “help open up markets for UK service exporters”.¹⁰

5 The EU is the destination for 41% of all UK exports (valued at £358 billion in 2024). The US—the second-largest market for British exports—accounts for 22% (valued at £187 billion in 2023). House of Commons Library Research Briefing, “[Statistics on UK trade with the EU](#)”, 22 April 2025

6 Office for Budget Responsibility, [Brexit analysis](#) [accessed 13 January 2026]

7 It gives the example of the UK-Australia FTA, which is estimated to raise the UK’s GDP by 0.1% over 15 years. Office for Budget Responsibility, [Brexit analysis](#) [accessed 13 January 2026]

8 See for example: Best for Britain ([EURO009](#)); Foreign Policy Centre ([EURO022](#)); Centre for Inclusive Trade Policy (CITP), and UK Trade Policy Observatory (UKTPO) ([EURO008](#)); techUK ([EURO004](#)); UK Transport in Europe (UKTiE) ([EURO017](#)); City of London Corporation ([EURO024](#)); The Law Society ([EURO007](#)).

9 [Q2](#)

10 [Change: Labour Party Manifesto 2024](#), p 118

7. The Government’s objectives for trade negotiations with the EU also come to encompass a range of issues that were not mentioned in the Manifesto. For example, different Ministers have at various stages also indicated that they want new agreements with the EU on:
- carbon markets;¹¹
 - chemicals;¹²
 - medicines;¹³
 - mutual recognition of conformity assessments of manufactured goods;¹⁴ and
 - UK re-accession to the Pan-Euro-Mediterranean (PEM) Convention (which would make it easier for some British exports to the EU to receive tariff-free treatment).¹⁵
8. The Manifesto also set out certain fundamental “red lines”, or policy choices the Government said it would *not* consider in deepening economic ties with the EU. It has said, repeatedly, it will not seek to rejoin the EU Single Market or Customs Union, or re-establish free movement of people between the UK and the EU.¹⁶ The Government is, however, seeking partial re-integration into the EU Single Market for specific sectors, to which we return below. (Moreover, in January 2026, the Prime Minister explicitly said his Government is considering further alignment with the EU in other sectors without specifying any detail.¹⁷ We consider this further in Chapter 4 on the future of the UK-EU relationship.)
9. In addition to seeking to reduce trade barriers, the Government also identified other areas of cooperation it wants to deepen with the EU, particularly around security and home affairs. The Manifesto envisaged a UK-EU Security Pact to “strengthen co-operation on the threats we face”

11 Financial Times, [Keir Starmer looks to link UK and EU emission trading schemes](#), 28 January 2025

12 Financial Times, [Rachel Reeves to seek ‘improved’ UK-EU trade terms if Labour wins election](#), 16 June 2024; DEFRA, [Environmental Improvement Plan \(EIP\) 2025](#), gov.uk, November 2025

13 Oral evidence taken by the Liaison Committee on 21 July 2025, [Q80](#) [The Prime Minister]
14 [UK Trade with EU](#) PQ 86533. 3 November 2025. An MRA would not constitute mutual recognition of UK and EU product laws but facilitate certification for cross-border trade.

15 The PEM Convention is a multilateral agreement between 25 contracting parties in the European region, Middle East and North Africa. It is not a customs union, but aims to increase trade amongst its membership by establishing common “Rules of Origin” arrangements for tariffs.

16 [Change: Labour Party Manifesto 2024](#), p 17

17 BBC News, [Starmer ready for closer EU alignment ‘in the national interest’](#), 4 January 2026

on foreign policy and defence matters,¹⁸ as well as better cooperation in law enforcement and border control (in particular to reduce irregular migration into Europe and across the Channel).¹⁹ Beyond the priorities explicitly mentioned in the Manifesto, the Government has also said that it wants to expand links with the EU in areas including:

- economic security;²⁰
- defence industrial cooperation;²¹
- scientific research;²²
- trade in veterinary medicines;²³
- health security;²⁴ and
- space.²⁵

10. The EU for its part also outlined a number of priorities for negotiations with the UK that were not necessarily Government objectives, including in particular an extension of the temporary fisheries deal negotiated in 2020²⁶ and a new youth mobility agreement for the under-30s.²⁷

Prioritisation and transparency of the Government's EU reset objectives

11. The Government has not chosen to set out its vision and ambitions for the EU “reset” comprehensively in a formal publication. There has been no White Paper or similar policy document that brings together the various elements of its EU policy in one place.²⁸

18 [Change: Labour Party Manifesto 2024](#), p. 118. This reversed the [previous Government's policy](#) that no formal arrangement with the EU on foreign affairs was needed.

19 [Change: Labour Party Manifesto 2024](#), p 17

20 UK-EU Trade Partnership Committee, [minutes of the meeting of 12 December 2024](#), pp. 9–10

21 UK Government ([EURO01](#))

22 Society of Spanish Researchers in the UK (SRUK/CERU) ([EURO001](#))

23 Environment, Food and Rural Affairs Committee, Fifth Report of Session 2024–26, [UK-EU agritrade: making an SPS agreement work](#), HC 1661, para 58

24 Cabinet Office, [Minutes of the 3rd meeting of the UK-EU Trade Partnership Committee](#), gov.uk, 24 October 2024

25 Daily Express, [Labour 'actively exploring' rejoining £9bn EU scheme](#), 14 August 2024

26 Council of the EU, Document 16518/24, 3 December 2024

27 European Commission, [Recommendation for a COUNCIL DECISION authorising the opening of negotiations for an agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland on youth mobility](#), 18 April 2024

28 Ministers [described](#) initially desired improvements to the UK-EU relationship as conceptually consisting of three “pillars”: economy and trade; security, foreign affairs and defence; and safety, including irregular migration issues.

12. In the absence of a White Paper, it has been difficult to provide a comprehensive overview of the Government’s objectives for the deepened relationship with the EU, or to determine why certain priorities were selected while others were not. We heard from our witnesses that, following the General Election, Ministers chose to conduct the process of setting the UK’s negotiating position ahead of the summit mostly in secret.²⁹ Unlike its approach to Free Trade Agreement negotiations with other partners,³⁰ the Government did not issue any formal Calls for Evidence on key aspects of its EU trade agenda such as the Sanitary and Phytosanitary (SPS) Agreement.
13. In terms of the substance of the Government’s priorities for the EU “reset”, both in terms of trade and security policy objectives, much of the evidence we received as part of our inquiry considered them lacking in ambition.³¹ Indeed, many stakeholders that submitted evidence to our inquiry proposed additional areas of improvement to the UK-EU relationship that the Government does not appear to be pursuing at present (or at least not publicly). We consider those further in chapter 4, where we make recommendations on the next phase of the UK engagement with the EU.

Northern Ireland, the Windsor Framework and the EU reset

14. The Government has made clear the importance of implementing the existing UK-EU agreements to the stability of the UK-EU relationship as it is (and the likelihood of making a success of the reset).³²
15. Implementation of these agreements is not without challenge however, in particular the post-Brexit arrangements for Northern Ireland. There, the operation of the “Windsor Framework” remains a challenge and a continued source of friction in cross-community relations.³³ It appears that the economic element of the Government’s “reset” agenda is driven, in part, by a desire to reduce regulatory divergence and therefore barriers to

29 [Q61](#)

30 House of Commons Library Research Briefing, [Treaty-making and parliamentary scrutiny: recent developments](#), 23 October 2024, p25

31 [Qq58, 61–62](#)

32 See for example the [Statement by the President of the European Commission and the Prime Minister of the United Kingdom on Enhancing Strategic Cooperation](#), 2 October 2024

33 The Government is has recently responded to [Lord Murphy’s 2025 independent review](#) of the functioning of the Framework, which made a number of practical recommendations to reduce the impact of these on-going challenges.

trade that have arisen between Great Britain on the one hand and Northern Ireland on the other as a result of Brexit.³⁴ We consider the link between the Windsor Framework and the Government's EU reset below.

Interplay between the Windsor Framework and new UK/EU agreements under the “reset”

16. The Windsor Framework, formerly known as the Protocol on Ireland and Northern Ireland, is part of the Withdrawal Agreement which established the terms of the UK's exit from the EU. It introduced special arrangements to avoid a 'hard' border on the island of Ireland so that goods could continue to flow between Northern Ireland and the Republic of Ireland without the need for customs and other checks that would normally apply to goods entering the EU's Single Market.
17. Under these arrangements, Northern Ireland continues to apply a wide range of mainly goods-related EU laws which are listed in the Windsor Framework, including the EU Customs Code.³⁵ Since the rest of the UK left the Customs Union and Single Market in January 2021, this has created barriers to movement of goods from the rest of the UK into Northern Ireland. The Northern Ireland Affairs Committee is conducting a rolling inquiry into the operation of the Windsor Framework.³⁶
18. Any new arrangements with the EU that reduce barriers to trade in goods between Great Britain and the European Union are, by extension, also likely to further reduce barriers to trade between Northern Ireland and the rest of the UK that have arisen under the Windsor Framework. It is therefore notable that many of the areas of the Government's priorities for the “reset” – in particular agreements to align with the EU on SPS matters, carbon credits and electricity trading – intersect specifically with the Windsor Framework.³⁷ The Government believes that successful negotiations with the EU in those areas will also make “a transformatory difference for businesses

34 Ministers have been keen to emphasise, in particular, the positive effects of an SPS Agreement with the EU on removing existing complications in the movement of food, drink, plants and animals from the rest of the UK to Northern Ireland under the Windsor Framework. Letter from the Minister for EU Relations to the Chair of the House of Lords Northern Ireland Scrutiny Committee, [12 June 2025](#)

35 These laws are interpreted and applied in Northern Ireland in the same way as in EU Member States and when they are updated by the EU, the updated version applies in Northern Ireland automatically.

36 Northern Ireland Affairs Committee, [The operation of the Windsor Framework inquiry](#), opened 11 December 2024

37 Northern Ireland already applies EU laws on food and animal feed, animal and plant health, emission trading and wholesale electricity markets under the Windsor Framework and this is expected to remain the case irrespective of the outcome of the “reset”. According to the European Commission, the new SPS and ETS agreements it is negotiating

trading within the UK internal market”.³⁸ The Government should recognise the potential risks associated with poorly negotiated deals, as has been highlighted by Crop Life UK in respect of the proposed SPS Agreement.³⁹

19. CONCLUSION

The EU is a key partner for the UK. The relationship is more stable now than it has been for some time, but significant challenges remain and there are ample opportunities to improve it further. We are supportive of Government efforts to address these challenges, rebuilding trust and improving the relationship in the UK and EU’s shared interest.

20. CONCLUSION

We agree that faithful implementation of the existing agreements with the EU is key to the stability of the overall UK-EU relationship, as well as to the prospects of any substantive improvements to it. Regrettably, Brexit itself and the subsequent Windsor Framework arrangements for Northern Ireland have repeatedly been a source of friction. We understand the need for the Government to implement the Windsor Framework in good faith, while also working closely with the Executive, Assembly and stakeholders in Northern Ireland to mitigate negative impacts on trade between there and the rest of the UK. We welcome the Government’s clear intent to address some of those impacts through overall improvements to the UK-EU relationship as part of the “reset”.

A UK-EU Agreement on Gibraltar

- 21.** While not strictly part of the “reset” of the relationship, the Government is also prioritising a new agreement with the EU on Gibraltar. Its aim is to ensure continued “fluidity” of the territory’s border with Spain after Brexit without diminishing UK sovereignty over Gibraltar.⁴⁰ This process began under the last Government, which in 2020 agreed the outline of a deal with Spain.⁴¹ This envisaged the application of EU Schengen immigration controls

with the UK will apply “alongside and without prejudice to the Windsor Framework”. European Commission, [Recommendation on opening negotiations with the UK on SPS matters and ETS linkage](#), 16 July 2025

38 Letter from the Minister for EU Relations to the Chair of the House of Lords Northern Ireland Scrutiny Committee, [12 June 2025](#)

39 CropLife UK, [Analysis of the impact on UK crop production of GB aligning with EU rules and decisions on Plant Protection Products](#) [accessed 17 February 2026]

40 [Gibraltar: Future Relationship with the European Union](#) HLWS303, 18 October 2021

41 [Gibraltar: Future Relationship with the European Union](#) HLWS303, 18 October 2021

on arrivals into Gibraltar, as well as the territory’s alignment with some EU rules on trade in goods. In return, this would enable the removal of all customs and immigration infrastructure from both sides of the land border.

22. Negotiations on translating that outline into a formal treaty took place from 2021 to 2025. In June 2025, after nearly four years of talks, the UK, EU, Spain and Gibraltar announced “a conclusive political agreement on the core aspects” of the agreement.⁴² In December, the European Commission confirmed the legal text had been finalised.⁴³ It is now subject to legal ‘scrubbing’ before it is published for scrutiny and ratification. Press reports indicate both sides want the agreement to be applied before Spain is required to apply the EU’s new Entry-Exit System (EES) to all non-EU nationals, including Gibraltarians, that cross the border from 10 April 2026.⁴⁴ That would be severely socially and economically disruptive in Gibraltar itself as well as in the neighbouring parts of Andalusia.

23. **CONCLUSION**

We welcome the continued efforts being made by all parties to reach a new Agreement on Gibraltar. This should bring an end to nearly 10 years of uncertainty and ensure the continued fluidity of the border with Spain, without diminishing UK sovereignty. We hope that a treaty that safeguards UK and Gibraltarian interests can be brought into effect without delay.

24. **RECOMMENDATION**

We ask the Government to provide an update on its envisaged timetable for publication and ratification of the draft UK-EU Agreement on Gibraltar. Given its constitutional and political importance, we also request that the Government makes time in the House of Commons for a debate on the Agreement, prior to its ratification, during the scrutiny period provided for under Part 2 of the Constitutional Reform and Governance Act 2010.

42 Foreign, Commonwealth and Development Office, [Joint statement on the negotiations for an EU-UK Agreement in respect of Gibraltar](#), gov.uk, 11 June 2025.

43 Gibraltar Chronicle, [Negotiators complete work on treaty text, European Commission confirms](#), 17 December 2025

44 Gibraltar Chronicle, [Commission says EES border rollout a matter for Spain with six-month flexibility](#), 28 July 2025

2 The Lancaster House summit and the new UK-EU Strategic Partnership

Laying the groundwork: exploratory talks with the EU

25. There was no precedent or formal mechanism for the Government to initiate negotiations with the EU on its proposals for the “reset” after the 2024 General Election.⁴⁵ The Prime Minister had his first one-to-one meeting with the President of the Commission, Ursula Von Der Leyen, on 2 October 2024. At that point, the two leaders made a joint commitment to scope out how the UK-EU relationship might be deepened.⁴⁶ This meeting initiated a process of exploratory talks between the UK and EU to prepare for a bilateral summit—the first since Brexit—to be held “ideally in early 2025”.⁴⁷

The Lancaster House summit

26. On 19 May 2025, the first UK-EU summit since Brexit took place at Lancaster House in London.⁴⁸ The Prime Minister, Ursula Von Der Leyen and António Costa, the President of the European Council,⁴⁹ announced the launch of a “Strategic Partnership” between the UK and the EU. Reflecting a combination of UK and EU priorities for the “reset”, the leaders announced

45 We heard from our witnesses that the existing UK-EU Joint Committee and Partnership Council, which oversee the implementation of the Withdrawal Agreement and the Trade and Cooperation Agreement respectively, are technical bodies and not a suitable forum for political and strategic exchanges. [Qq62, 73](#)

46 [Statement by the President of the European Commission and the Prime Minister of the United Kingdom on Enhancing Strategic Cooperation](#), 2 October 2024

47 [Statement by the President of the European Commission and the Prime Minister of the United Kingdom on Enhancing Strategic Cooperation](#), 2 October 2024, Much of this initial process with the EU coincided with the Government’s own internal work on the UK’s negotiating objectives, which we described in chapter 1 of this Report.

48 Cabinet Office, [UK-EU Summit - Explainer](#), gov.uk, 19 May 2025

49 The European Council is the body that brings together the EU’s 27 Heads of State and Government.

a number of outcomes as a concrete manifestation of that new Partnership. Indicative of the lack of transparency on the Government's part to which we have already alluded, not all of the matters referenced in the published summit documents were known to be under negotiation in the run-up to the event. They are:

- A Joint Statement on shared UK-EU priorities, particularly on international affairs;⁵⁰
- Three sector-specific agreements on fisheries, energy cooperation and steel tariffs;⁵¹
- The signing of a Security and Defence Partnership to formalise UK-EU dialogue on foreign affairs issues;⁵² and
- A “Common Understanding” containing shared commitments to enter into further negotiations to deepen the UK-EU relationship in a range of areas, including SPS, youth mobility, climate, energy and migration.⁵³

The Joint Statement of 19 May 2025

- 27.** The Statement affirms the two sides’ “shared values and our commitment to deeper cooperation against the backdrop of an evolving and complex global geopolitical landscape”, with most of the document summarising the “strategic priorities for global affairs” that the UK and EU share (including upholding the rules based international order, ending Russia’s war on Ukraine and containing Iran’s nuclear programme). The document also provides for further structuring of political dialogue between the UK and EU. In particular, the two sides have agreed to hold annual UK-EU summits to oversee the relationship, “drive progress” in on-going negotiations and to ensure “opportunities for future cooperation are maximised” (providing a route for either side to introduce potential new areas of negotiation at subsequent summits).
- 28.** The Joint Statement additionally foresees possible further institutionalisation of UK-EU political dialogue through “high-level meetings [that] should take place regularly to consider our joint strategic interests [...] in particular in the areas of economy and trade, and justice and home

50 Cabinet Office, [UK-EU Summit - Joint Statement](#), gov.uk, 19 May 2025

51 European Commission, [New chapter in EU-UK relations announced at Leaders’ Summit in London](#), 19 May 2025

52 UK Government, [UK-EU security and defence partnership](#), gov.uk, 19 May 2025

53 European Commission, [A renewed agenda for EU-UK cooperation - Common Understanding](#), 19 May 2025

affairs”. However, it does not specify a minimum frequency or even whether such meetings would be attended at Ministerial level; it is unclear if any have taken place to date.⁵⁴

Agreements on fisheries, energy cooperation and steel

29. At the Lancaster House summit, the UK and EU announced that they had reached full agreements on three topics: fisheries, steel tariffs, and energy.

Access to fishing waters

30. Under the Trade and Cooperation Agreement negotiated in 2020, UK-EU talks on access to fishing waters after the end of an “adjustment period” in June 2026 were to take place on an annual basis.⁵⁵ At the summit, the EU instead accepted a UK offer to maintain existing levels of access for its vessels to British waters (and vice versa) for a further 12 years, until 30 June 2038.⁵⁶ Several EU Member States had insisted that a continuation of the existing levels of access was a precondition for progress in other areas of the reset, notably a Sanitary and Phytosanitary Agreement.⁵⁷ The agreement was formalised by means of a legally binding Decision of the UK-EU Specialised Committee on Fisheries, a body created by the Trade and Cooperation Agreement, on 19 June 2025.⁵⁸ Such Decisions do not require a parliamentary debate or vote before the Government can approve them within the Specialised Committee.
31. The substance of the fisheries deal had not been subject to prior consultation and appears to have taken the UK fishing industry by surprise. It was criticised by National Federation of Fisherman’s Organisations

54 The UK-EU Foreign and Security Policy Dialogue established under the Security and Defence Partnership, which we consider further below, explicitly states it should include the UK Foreign and Defence Secretaries and the EU High Representative and take place every six months. The first such Dialogue took place in October 2025 (although it already been established informally earlier, with similar meetings taking place in October 2024 and March 2025).

55 House of Commons Library, [UK-EU Relations: Fisheries](#), Research Briefing 9902, 23 November 2023

56 European Commission, [New chapter in EU-UK relations announced at Leaders’ Summit in London](#), 19 May 2025

57 Financial Times, [UK hopes of security deal with EU hit by fishing dispute](#), 28 January 2025

58 European Union, [Decision No 1/2025 of the Specialised Committee on Fisheries](#) as regards the arrangements on the level and conditions of access granted by each Party to vessels of the other Party to fish in its waters from 1 July 2026 to 30 June 2038 [accessed 24 February 2026]

(NFFO)⁵⁹ and Scottish Fishermen’s Federation,⁶⁰ who had sought a further reduction in the level of access for EU vessels to British waters from 2026. However, it was welcomed by Salmon Scotland “to cut red tape”.⁶¹ The Government argues that the deal extends existing access arrangements, and does not affect the annual allocation of quota between British and European fishing vessels.⁶² Ministers have also said fisheries exports to the EU will in the future benefit from the envisaged UK-EU SPS Agreement (see below).⁶³

32.

CONCLUSION

The Government’s deal with the EU to extend access to British waters for EU fishing vessels by 12 years came as a surprise for many in the industry. Irrespective of the merits of the agreement, the Government should have consulted and managed expectations accordingly with the affected sectors ahead of the summit.

33.

RECOMMENDATION

While the fisheries deal represents an extension of the status quo, the Government also had the option of using the end of the adjustment period to reduce access to its waters for EU vessels from 2026, or to offer an extension of existing levels of access for a lesser period than 12 years. The Government should provide regular updates to Parliament on the operation of the 12-year deal as overseen by the UK-EU Specialised Committee on Fisheries.

EU tariffs on UK steel exports

34. The second agreement struck at the UK-EU summit related to EU steel tariffs. Since 2018 the EU has operated a system of Tariff Rate Quotas (TRQs) for steel imports: this means only a certain volume of steel can enter the EU Customs Union at a zero or low tariff rate, and anything above the quota attracts a 25% tariff. These were introduced in 2018 as a response to oversupply of the global steel market, in particular due to Chinese overproduction.

59 National Federation of Fisherman’s Organisations, “[NFFO comment on 19th May UK-EU ‘reset’ summit](#)”, 19 May 2025

60 Scottish Fishermen’s Federation, “[PM urged to meet fishermen he insulted and patronised after EU trade deal](#)”, 29 May 2025

61 Salmon Scotland, [Salmon Scotland welcomes UK-EU deal to cut Brexit red tape](#), 19 May 2025

62 Under the TCA, the proportion of each stock of fish species allocated to the UK and EU respectively is fixed from 2026. In accordance with international law, the EU and UK negotiate annually on the total amount of each stock that can be caught, taking into account scientific advice. That is then shared between them according to the agreed allocation.

63 [Q96](#)

35. Since the UK left the EU Customs Union, the EU’s TRQs and 25% safeguarding tariff on steel have applied to imports from Great Britain.⁶⁴ In March 2025, the EU made an amendment to its steel tariffs that had the—apparently unintended—effect of reducing the UK’s tariff-free quota for some steel products (“Category 17”⁶⁵) below historic export volumes to the EU.⁶⁶ This change meant that a proportion of UK steel exports not previously subject to EU tariffs faced a 25% import duty. At Lancaster House, the Government obtained a commitment from the EU to adjust its TRQ for Category 17 steel products to reinstate historic levels of relevant UK exports that can enter the EU duty-free under its current tariff regime.⁶⁷
36. However, the agreement has not fully resolved the problems posed by EU steel tariffs for UK exporters. In October 2025 the European Commission proposed a much stricter replacement EU tariff regime for all categories of steel to take effect after the current regime expires in June 2026.⁶⁸ This could see a large proportion of British steel exports to the EU—which make up 78% of all British steel exports⁶⁹—face a “devastating” 50% tariff, unless the Government secures country-specific steel quotas that reflect historic UK-EU trade volumes.⁷⁰
37. At the Lancaster House summit, the Government did not obtain any explicit agreement from the European Commission on how EU steel tariffs after June 2026 would apply to British exports, except a commitment that the issue of tariffs on British exports of Category 17 steel specifically would be “duly reflected” in the EU’s post-2026 regime.⁷¹ Ministers have said they are in “active dialogue” with the EU about the impact of its proposals on the UK steel industry.⁷²

64 A special arrangement in relation to EU TRQs for steel applies to Northern Ireland under the Windsor Framework.

65 Category 17 encompasses “angles, shapes and sections of iron and non-alloy steel”.

66 [Commission Implementing Regulation \(EU\) 2025/612 of 24 March 2025](#)

67 UK Government, [UK-EU Summit Explainer](#), 19 May 2025. The European Commission [passed the relevant legislation](#) in July 2025, with effect from 1 August that year.

68 European Commission, [Commission proposes plan to protect EU steel industry from unfair impacts of global overcapacity](#), 7 October 2025

69 UK Steel, [Key Statistics Guide 2025](#) [accessed 28 November 2025]

70 UK Steel, [UK Steel: EU unveils plan to slash import quotas, with potentially devastating results for UK steelmakers](#), October 2025

71 European Commission, [Questions and answers on the package agreed at EU-United Kingdom Summit](#), 19 May 2025. It is unclear if this constitutes a commitment to maintain the TRQ for UK exports in that category at current levels under the new EU tariff regime or for steel products more generally.

72 [UK Trade with EU: Iron and Steel](#) PQ 84859, 3 November 2025

38.

CONCLUSION

We welcome the Government's success in securing a time-limited commitment from the EU to restore tariff-free exports for certain steel products at the Lancaster House summit.

39.

CONCLUSION

With the UK now outside the Customs Union, the risk of future EU tariffs on British steel remains. The Government did not identify the issue of steel tariffs as a priority in its public communications on the "reset", and it is not at all clear what, if anything, it proposed to the EU to address this matter comprehensively as part of the first UK-EU summit. Nonetheless, it is disappointing that, despite the positive momentum in the relationship, and the importance of a thriving metals sector to Europe's shared defence industrial base, the European Commission has not proposed to exclude the UK from its proposals for the EU's post-2026 steel tariff regime. We regret that the Lancaster House summit did not produce a long-term deal on steel tariffs. These developments point to the lack of adequate UK-EU political structures to address shared strategic challenges, in this case unfair Chinese industrial practices, collaboratively.

40.

RECOMMENDATION

We ask the Government to confirm if the European Commission's commitment to 'duly reflect' historic UK export volumes of Category 17 steel in its new steel tariff regime means that historic UK volumes of such exports will still be able to enter the EU tariff-free from June. We also ask the Government to clarify if it sought a more durable arrangement with the EU on steel tariffs in the run-up to the May 2025 summit; provide an update on its engagement with the Commission more generally to avoid the imposition of tariffs on exports of British steel in other categories from summer 2026; and set out to what extent the UK's "red lines" for negotiations with the EU, particularly on customs matters and the Single Market, affect its ability to do so.

Energy cooperation under the Trade and Cooperation Agreement

41.

The third agreement struck at Lancaster House extended the legal basis under the Trade and Cooperation Agreement (TCA) for UK-EU energy cooperation, which would also have expired in June 2026. With the UK having offered a 12-year extension on access to fishing waters (see above), the EU agreed to extend the application of the energy provisions within the

TCA until 31 March 2027⁷³ and annually on a continuous basis thereafter.⁷⁴ While this did not as such make any substantive change to how energy is traded between UK and EU,⁷⁵ at the summit the two sides also agreed to explore a new approach to electricity trading. We consider this further in paragraphs 82 to 85 below. While it seems disappointing that the energy provisions of the TCA were extended only for one year, rather than mirroring the 12-year length of the fisheries deal, this is the result of the legal structure of the Agreement. Article 331(2) of the TCA only allows an annual extension in relation to energy cooperation. The UK and EU have nonetheless formally announced that they intend to extend the energy provisions of the TCA on a “continuous basis” through successive annual Decisions to that effect from March 2027 onwards.⁷⁶

The Security and Defence Partnership and defence industrial cooperation

- 42.** One of the Government’s key priorities for the EU “reset” was a new ‘Security Pact’ with the EU to formalise cooperation on foreign policy matters. Fulfilling that objective, at the Lancaster House summit the UK and EU signed a formal Security and Defence Partnership or “SDP.”⁷⁷ This is a non-binding document that sets out a framework for bilateral UK-EU engagement “across the security and defence spectrum” through various “dialogue and consultation mechanisms [that] facilitate the exchange of information”.⁷⁸
- 43.** The importance of UK-EU security cooperation was highlighted to us during our inquiry. For example, Sophia Gaston, Visiting Fellow in the Department of War Studies at King’s College London, told us that continued UK engagement with the EU on defence was “crucial”:

While defence co-operation, and security and strategic co-operation, with the US will remain vital for us moving forward, we also need to be pursuing that with the EU, partly because that is the mechanism through which the European region [...] will be defended. [...] One risk we face is bifurcation in the defence industrial marketplace, where the US essentially focuses on the Indo-Pacific [...] and Europe

73 The UK-EU Partnership Council and the UK-EU Specialised Committee on Energy [adopted the legal acts](#) formalising the agreement in June 2025.

74 Cabinet Office, [Joint Declaration on Energy](#), gov.uk, 19 June 2025

75 These provisions the basis for long running discussions on more efficient post-Brexit electricity trading arrangements.

76 European Union, [Joint Declaration 1/2025 of the EU and the UK in the Partnership Council established by the Trade and Cooperation Agreement part](#), 19 June 2025

77 Cabinet Office, [UK-EU security and defence partnership](#), 19 May 2025

78 European External Action Service, [EU Security and Defence Partnerships](#) [accessed 1 December 2025]

focuses on itself. [...] The UK will have a really crucial role to play in preventing that from happening, because we will be the bridge between security theatres vis-à-vis that relationship with the US.⁷⁹

44. The SDP signed at the Lancaster House summit highlights a range of areas for dialogue and, where possible, cooperation. The Government has identified four as “key”:⁸⁰ hybrid threats, Ukraine, the Western Balkans, and the Indo-Pacific. Implementation of the Partnership began almost immediately after the summit. For these, the Minister for Europe (Stephen Doughty) told us:

The idea is that we pick those as four key areas where we want to see a greater understanding and cooperation between ourselves and the EU on matters that affect all of us and then ensure that we can align.⁸¹

45. The first six-monthly Foreign and Security Policy Dialogue foreseen by the SDP took place between the Secretaries of State for Foreign Affairs and Defence and the EU High Representative for Foreign Affairs in London in October 2025.⁸² The two sides are also drawing up Terms of Reference for formal new Dialogues on development cooperation and on disaster response,⁸³ as well as a new Memorandum of Understanding on maritime safety and security.⁸⁴ The Government has said that it has established joint FCDO-MoD governance for the Partnership, including a “Delivery Board” with “clear objectives for each priority area, and milestone tracking”.⁸⁵ Those priorities have not been published in detail, but Ministers say they will judge the success of the SDP against outcomes such as “enhanced operational and industrial cooperation with European partners, stronger resilience to hybrid threats, and sustained support to Ukraine”.⁸⁶

79 [Q67](#)

80 Foreign, Commonwealth and Development Office, [Speech by Minister Doughty at the UK-EU Parliamentary Partnership Assembly](#), 17 November 2025

81 [Q99](#)

82 In addition, the UK and EU have convened their new “strategic dialogues” on Russia/ Ukraine, sanctions, the Western Balkans and Hybrid Threats. The Europe Minister also attended an informal meeting of the EU’s Foreign Affairs Council on xxx to discuss Russia, Ukraine and the Middle East.

83 Council of the EU, [Document WK 13635/25](#) and [Document WK 13720/25](#), 15 October 2025

84 Council of the EU, [Document WK 13844/25](#), 21 October 2025

85 House of Lords European Affairs Committee, [Government Response to the European Affairs Committee Report Unfinished Business: Resetting the UK-EU relationship](#), 27 January 2026, para 22

86 House of Lords European Affairs Committee, [Government Response to the European Affairs Committee Report Unfinished Business: Resetting the UK-EU relationship](#), 27 January 2026, para 22

46. Indeed, it is clear that support for Ukraine is the priority.⁸⁷ Following the first meeting of a “Strategic Dialogue” on Ukraine, the EU and the UK announced a lowering of their Oil Price Cap for Russian oil to further reduce Moscow’s hydrocarbon revenues that finance its military activities.⁸⁸ The Government and the EU also remain in close contact, alongside other G7 partners, over the use of Russian Central Bank assets immobilised (‘frozen’) in their respective jurisdictions to underpin further financial support to Ukraine.⁸⁹ The EU is a key player in this context because the vast majority of such assets are held within its financial system.⁹⁰ In December 2025, the European Commission made formal proposals to the EU Member States to establish a legal framework that would enable immobilised Russian Central Bank assets to be utilised to that end, but regrettably there was no unity among in the European Council on taking that step.⁹¹ Instead, the European Union will borrow money on the capital markets to provide a new €90 billion “Loan for Ukraine”, with financial backing from 24 of its 27 Member States. The EU’s decision also put a stop, at least for now, to the Government’s parallel plans to utilise the £8 billion in Russian Sovereign assets immobilised in the UK to underpin its further assistance to Kyiv.⁹²

47. **CONCLUSION**

We welcome the UK-EU Security and Defence Partnership. It is a useful tool for structured dialogue and cooperation in a key area of mutual interest, without constraining the UK’s ability to conduct its foreign, defence and security policies as it sees fit. We urge the UK, EU and EU Member States to go further and faster in strengthening defence cooperation and coordination in coalition structures like the Joint Expeditionary Force and Coalition of the Willing. Russia’s illegal war in Ukraine and US equivocation on NATO have made this more important than ever.

87 [Q99](#)

88 Foreign, Commonwealth and Development Office, [UK tightens Oil Price Cap in blow to Putin’s war machine](#), gov.uk, 18 July 2025

89 Foreign, Commonwealth and Development Office, [Joint Statement of G7 Foreign Ministers’ Meeting in the Niagara Region](#), gov.uk, 12 November 2025

90 European Parliament Research Service, [Confiscation of immobilised Russian sovereign assets](#), September 2025, p 2

91 European Council, [European Council meeting \(18 December 2025\) - Ukraine](#), 18 December 2025, para 8

92 Financial Times, [UK rules out using frozen Russian assets to aid Ukraine](#), 19 December 2025

48. CONCLUSION

We hope the Security and Defence Partnership will, in particular, facilitate sustained UK-EU cooperation in support of Ukraine’s defence and, by extension, European security. In that context, it is extremely regrettable that the EU Member States in December 2025 were unable to find a united EU position on the use of immobilised Russian Sovereign assets to provide Ukraine with the financial support it needs. The UK is unwilling to seize the Russian Sovereign assets in its jurisdiction in the absence of a coordinated move with Europe. It will be European taxpayers that shoulder more of the burden, rather than utilising the significant assets of the aggressor that are at the UK and EU’s disposal to utilise in line with international law. Ultimately, for a just and lasting peace, Russia will need to pay reparations to account for the damage it has inflicted. It remains imperative that a way is found to deploy the Kremlin’s Sovereign assets in support of Ukraine.

49. RECOMMENDATION

We urge the Government to continue discussions with the EU and its Member States with respect to the coordinated use of immobilised Russian Sovereign assets to provide financial support to Kyiv, to ensure that Russia pays for the damage it has caused.

Defence industrial cooperation and the EU “SAFE” programme

- 50.** In light of the increased US pivot away from Europe, the EU, like the UK, has been considering how to increase defence spending and strengthen Europe’s contribution to its own security. Several of our witnesses emphasised that defence industrial cooperation is a crucial area for improved UK-EU relations to improve Europe’s overall defence capabilities. In particular, they highlighted the benefits of enabling the UK industrial base to work together closely with European partners through the growing list of EU defence initiatives.⁹³
- 51.** Of particular interest in this context is the EU’s Security Action for Europe (SAFE) instrument, established in spring 2025 to provide up to €150 billion in loans to its Member States to finance defence procurement projects.⁹⁴ While the programme allows for the involvement of companies based in non-EU countries (like the UK) to act as suppliers within SAFE-funded projects, this is subject to strict limitations.⁹⁵ These industrial opportunities can be expanded for companies based in countries that have signed a Security and

93 [Q32](#), [Q56](#), [Q67](#), [Q71](#)

94 19 out of 27 EU Member States have [indicated](#) they will seek a loan from SAFE, which if disbursed would fully exhaust the funds available.

95 UK in a Changing Europe, [Explainer: Security Action for Europe \(SAFE\)](#) [accessed 1 December 2025]

Defence Partnership (SDP) with the EU *and* negotiated a formal agreement (treaty) on increased access to SAFE with the bloc. With an SDP signed at the Lancaster House summit, the Government had been keen to strike such a supplementary agreement to give British companies a better chance at supplying SAFE-funded projects.⁹⁶ Equally, EU Member States would benefit because they would be able to consider a larger range of suppliers within the UK's sophisticated defence industrial sector for procurement projects funded by SAFE.⁹⁷

- 52.** At the summit, the UK and EU agreed to explore the possibility of UK involvement in the SAFE programme further. Although President Von Der Leyen said at the summit that she hoped a deal could be done in “weeks”,⁹⁸ the EU Member States did not authorise the start of negotiations until September 2025.⁹⁹ The key issue then became the EU's demand for a significant UK financial contribution in return for preferential access for UK industry to SAFE-funded projects, with the EU initially demanding up to £5.7 billion (later reduced to £1.8 billion), and the UK offering £200–300 million.¹⁰⁰ Lord Ricketts, former National Security Adviser and Chair of the House of Lords European Affairs Committee, commented the requested contribution was “so off the scale that it suggests some EU members don't want the UK in the scheme”.¹⁰¹ Several EU countries themselves were also critical of the extent of the financial demands.¹⁰² In the end, the talks collapsed at the end of November 2025. However, the UK and EU have both indicated there is scope for further negotiations on cooperation under the scheme, in anticipation of a possible second round of SAFE funding. There may also be a linked track of negotiations to enable Ukraine to spend money from the EU's proposed €90 billion “Loan for Ukraine” support package for 2026–27 towards UK-made military equipment.
- 53.** The possibility of closer cooperation between the UK and EU under SAFE would not only be an end in itself, but was also identified by our witnesses as a stepping stone towards longer-term UK-EU defence industrial cooperation.¹⁰³ The bloc is planning a substantial investment programme for “Resilience and Security, Defence Industry and Space” as part of a new

96 Cabinet Office, [UK-EU Summit - Explainer](#), 19 May 2025

97 [Q35](#)

98 BBC News, [Starmer hails speed of reaching deal with EU](#), 19 May 2025

99 Council of the EU, [Defence investment: Council authorises negotiations with UK and Canada on their participation in SAFE](#), 18 September 2025

100 Politico, [UK and EU hit impasse in defense deal talks](#), 20 November 2025

101 The Guardian, [Talks for UK to join EU defence fund collapse in blow to Starmer's bid to reset relations](#), 28 November 2025

102 Financial Times, [UK talks to join EU defence fund break down](#), 28 November 2025

103 [Q71](#)

European Competitiveness Fund (ECF) with a putative budget of €125 billion (£110 billion).¹⁰⁴ Substantive involvement of UK industry in this programme would require further negotiations.

54. CONCLUSION

European security is facing its greatest threat since the end of the Cold War. Russia continues its illegal war on Ukraine and poses an acute threat to the security of the entire European continent. It has intensified its hybrid operations in the UK and across the EU. This threat makes industrial cooperation between the UK and EU, to support Europe's collective military capabilities and resilience to hybrid threats, an indispensable, strategic imperative.

55. CONCLUSION

The UK is a key player in continued efforts to repel Russia's invasion of Ukraine and to protect Europe's security more broadly. Security Action for Europe, as a key EU programme aimed at improving the defence of the European continent, would clearly be more effective with greater involvement of Britain's large and sophisticated defence industrial base. This was highlighted explicitly as a priority in the new Security and Defence Partnership, and agreeing on greater UK involvement would send a clear sign of close UK-EU security cooperation in response to the Russian threat.

56. CONCLUSION

It is therefore extremely disappointing that these negotiations have been a failure so far. This is the direct result of EU demands for a UK financial contribution to Security Action for Europe that was, we agree with the Government, beyond the bounds of the reasonable. As a result, cooperation in an area as crucial as defence collaboration, needed urgently to support Ukraine, has been derailed. This is a worrying sign that the UK and EU are far from ready to think strategically about their shared interests and act accordingly.

104 European Commission, [Proposal for a Regulation on establishing the European Competitiveness Fund](#), 16 July 2025, Articles 3(2)(d) and 4(2)(e)

57.

RECOMMENDATION

The EU’s regrettable approach to the Security Action for Europe (SAFE) negotiations does not negate the need for improved UK-EU cooperation on defence industrial matters as a matter of strategic urgency. We therefore recommend the Government continue to seek a deal on cooperation under SAFE, provided the EU is willing to reconsider its financial demands. Given the strategic priority of closer UK cooperation with the EU on defence industrial matters, it should be clear with the public as to the reasons why the negotiations failed, and raise the importance of avoiding the same mistakes occurring again at all levels with the EU and bilaterally with Member States.

58.

RECOMMENDATION

We also recommend the Government continues to monitor other EU defence initiatives closely, including the security component of its proposed new Competitiveness Fund, and report back to Parliament in due course on whether it believes it worth exploring options to secure closer UK involvement in those EU initiatives in addition to Security Action for Europe.

The Common Understanding: areas for further negotiation

59. One of the key outcomes of the Lancaster House summit was a “Common Understanding” on a “renewed agenda for EU-United Kingdom cooperation”.¹⁰⁵ This document contains, in essence, a joint commitment to explore further ways of deepening the UK-EU relationship in areas including trade, energy, mobility, irregular migration and law enforcement, subject to further negotiations.
60. The Common Understanding covers many—but certainly not all—of the UK’s known priorities for the “reset”, as well as topics put forward by the EU. Beyond talks on UK participation in the EU “SAFE” programme, which we considered above, the document refers to five high-profile areas of negotiation. For these, the UK and EU have explicitly identified the possibility of new binding arrangements, including formal new treaties to supplement the existing Trade and Cooperation Agreement:
- A Sanitary and Phytosanitary Agreement, explicitly based on UK alignment with EU law, to reduce trade barriers for food, drink, plants, and live animals;

105 European Commission, [A renewed agenda for EU-UK cooperation Common Understanding](#), 19 May 2025

- An Agreement on linkage of the UK and EU Emissions Trading Systems (ETS) to create a more efficient market for carbon trading, also based on UK alignment with EU law;
- An Agreement on UK participation in the EU’s internal electricity market, *also* based on UK alignment with EU law, to make cross-border electricity trading more efficient and lower energy prices;
- A visa-based Youth Experience Scheme for young UK and EU nationals to “deepen people-to-people ties”;¹⁰⁶ and
- A decision on the UK re-joining the EU’s Erasmus+ programme for student and teacher mobility.

61. Other key areas covered by the Common Understanding include commitments to improve cooperation on health security,¹⁰⁷ as well as law enforcement cooperation and irregular migration.¹⁰⁸ For these areas, no formal negotiations on new agreements are foreseen (at least at this stage) and no specific outcomes or outputs are specified.

62. Overall, the different sections of the Common Understanding are only loosely connected and there is no real attempt to place them within a coherent shared narrative or vision for the UK-EU relationship. Notably missing from the Common Understanding are several of the Government’s known objectives for the EU “reset”, particularly those aimed at removing barriers to trade and cooperation on economic security matters. These appear to have been dropped, at least for now, as part of the pre-summit negotiations.¹⁰⁹ This is despite the fact that the EU is poised to introduce an Industrial Accelerator Act (IAA) to reduce the bloc’s dependence on overseas manufacturing, which may lead to “Made in Europe” preferences for key industrial goods that could disadvantage UK producers. We have considered the different commitments made in the Common Understanding further below, as well as progress made by the Government and the EU since the summit in delivering them.

106 The EU has proposed a Youth Experience Scheme based on a binding agreement whereas the UK Government has reportedly proposed a non-binding Memorandum of Understanding instead. We return to this below.

107 European Commission, [UK-EU Common Understanding](#), 19 May 2025, para 11

108 See in particular sections V and VI of the Common Understanding.

109 For example, there was no reference in the Common Understanding to many of the Government’s ambitions to facilitate UK-EU trade we referenced in Chapter 1 of this Report, including economic security cooperation; a Mutual Recognition Agreement for conformity assessments; or measures to remove trade barriers affecting the chemical and pharmaceutical sectors. We consider such “missing elements” further in Chapter 4 on the next phase of negotiations with the EU.

63. CONCLUSION

The Common Understanding agreed with the EU is one of the key outcomes of the Government’s “reset” efforts to date. As and when delivered fully, it should significantly reduce barriers to trade for some sectors, albeit resulting in reduced UK regulatory autonomy due to the commitment to dynamic alignment with EU law. It should also improve cooperation in areas like irregular migration, although it is vague on specific outcomes in that area making scrutiny of progress difficult.

64. CONCLUSION

Reflecting the Government’s approach to setting its EU negotiating objectives, we found there is little in the Common Understanding by way of a connecting thread between its different elements. Some of the Government’s known objectives for the “reset”, as well as numerous proposals made by stakeholders for improvements to the relationship, are missing. Conversely, some elements that are included in the Common Understanding, such as electricity trading and steel tariffs, were not articulated as UK priorities before the summit at all. There is no sense of urgency within the Common Understanding to establish better ways of working together on other strategic challenges, notably economic security risks and coordination of the UK and EU’s respective policy response to them (such as the EU Industrial Accelerator Act). The overall impression is that the Government failed to present and secure a coherent roadmap for the future of the UK-EU relationship.

Sanitary and Phytosanitary Agreement

- 65.** The only substantive commitment in the UK-EU Common Understanding to reduce barriers to trade in goods pertains to a new Sanitary and Phytosanitary (SPS) Agreement.¹¹⁰ This would reduce, or possibly fully eliminate, SPS controls that have applied to trade in food, drink, plants, animal products and live animals with between Great Britain and the EU. This would be done by England, Scotland and Wales aligning dynamically, meaning on an on-going basis, with relevant current and future EU legislation.
- 66.** There would also be a role for the EU Court of Justice (CJEU).¹¹¹ In particular, the EU Court would be the “ultimate authority for all questions of European Union law” under any UK-EU dispute taken to an independent arbitration panel under the Agreement.¹¹² The Government has not confirmed if the Agreement is also likely to contain a provision, like the new EU-Switzerland

110 Environment, Food and Rural Affairs Committee, Fifth Report of Session 2024–26, [UK-EU agritrade: making an SPS agreement work](#), HC 1661, para 1

111 [Q127](#)

112 Cabinet Office, [UK-EU Summit: Common Understanding](#), gov.uk, 19 May 2025, para 29

Common Food Safety Area Protocol, that would require the UK to interpret and apply EU legal acts referred to in the Agreement “in accordance with the case law” of the CJEU past and future.

67. While many who submitted evidence to our inquiry supported an SPS Agreement,¹¹³ we also heard that a deal of this kind might affect the extent to which the UK could open its markets further to agricultural exports from other trading partners.¹¹⁴ An SPS Agreement also has positive implications for Northern Ireland: it would reduce the remaining SPS checks on goods and animals moved there from Great Britain under the Windsor Framework.¹¹⁵
68. While the Minister for Food Security and Rural Affairs (Dame Angela Eagle MP) told Parliament in October 2025 that the UK had “secured” a commitment from the EU to an SPS Agreement,¹¹⁶ formal negotiations only began in November 2025 and are on-going.¹¹⁷ A key issue is the extent of to which the agreement will allow for exemptions for Great Britain¹¹⁸ to the principle of dynamic alignment with EU law in areas where the UK has chosen to take a different regulatory approach since Brexit, such as animal welfare,¹¹⁹ genomic techniques¹²⁰ and pesticides.¹²¹
69. The EU has reportedly also proposed a specific termination clause in the SPS Agreement under which the party exiting the arrangements after they take effect would have to “pay significant compensation” to the other side.¹²² This is linked to EU concerns that a future UK Government could terminate the Agreement because of opposition to the principle of dynamic alignment, and therefore the EU wants to include an article requiring the withdrawing party to pay compensation for the “costs of setting up the infrastructure and

113 For example: UK Transport in Europe (UKTiE) ([EURO017](#)); Centre for Inclusive Trade Policy (CITP) and the UK Trade Policy Observatory (UKTPO) ([EURO008](#)); Best for Britain ([EURO009](#))

114 [Q16](#)

115 The Common Understanding states this explicitly, and notes the Windsor Framework would remain in operation alongside the SPS Agreement.

116 [UK Relations with EU: Fisheries](#) PQ 82134, 22 October 2025

117 Council of the EU, [EU-UK relations: Council greenlights negotiations on agri-food deal and linking emissions trading systems](#), 13 November 2025. While this document has not been made public, the European Commission draft that underpins the mandate is [available online](#).

118 It is also unclear if Northern Ireland, which already applies EU SPS legislation under the Windsor Framework, would also benefit from any new exemptions the Government negotiates.

119 Trade and Animal Welfare Coalition, [UK-EU SPS Agreement: Securing Animal Welfare Carve-Outs](#), October 2025

120 National Farmers Union, [UK-EU SPS negotiations: Precision breeding](#), 30 July 2025

121 Farmers Weekly, [Brexit ‘reset’ threatens half of British farmers’ herbicides](#), 13 November 2025

122 Financial Times, [EU demands ‘Farage clause’ as part of Brexit reset talks with Britain](#), 11 January 2026

equipment, initial recruitment and training in order to set up the necessary border controls”.¹²³ The Minister for EU Relations has indicated that such “requirements” were “standard operating procedure” in EU Agreements.¹²⁴

- 70.** The Government has not issued a formal public consultation or Call for Evidence on the SPS negotiations. The UK and European Commission have made a political commitment to conclude the negotiations by the time of the next annual UK-EU summit later this year, for which a date has not yet been announced. Subject to successful conclusion of the talks later this year,¹²⁵ the Government has indicated it hopes to pass legislation implementing the UK-EU SPS agreement in late 2026 (as discussed in Chapter 5) to allow it to come into force in 2027. The precise timetable for implementation is unclear, with the Government having initially said “early 2027”¹²⁶ But more recently aiming for “the middle part of next year”.¹²⁷ It has estimated the deal could “add up to £5.1 billion a year to our economy in the long run”, which would make it more economically significant than any post-Brexit free trade deal.¹²⁸ The National Farmers Union (NFU) has said how critical it is to avoid a ‘cliff edge’ and ensure there is a sensible, phased transitional approach to alignment with the EU, as part of the future SPS agreement. This is to ensure that British farm businesses can effectively produce food without crippling costs and a loss of income.¹²⁹

71. CONCLUSION

British companies lead the world in their work in editing crop genes to prevent disease, eradicate pests and enable crops to survive drought or flooding. Furthermore, the UK maintains some of the highest animal welfare standards in the world. Since Brexit, the UK has had the power to set animal welfare standards, such as banning the live export of livestock for slaughter. However, the Government must remain conscious of the risk that the UK’s ability to set its own standards could be compromised by conditions set in trade deals with major partners.

123 Financial Times, [EU demands ‘Farage clause’ as part of Brexit reset talks with Britain](#), 11 January 2026

124 Oral evidence taken by the Public Administration and Constitutional Affairs Committee 28 January 2026, [Qq419–420](#)

125 European Commission, [Joint Statement by Commissioner Maroš Šefčovič and HM Paymaster General The Rt Hon Nick Thomas-Symonds MP](#), 19 December 2025

126 DEFRA, [Fruit and veg import checks scrapped ahead of UK-EU deal](#), 2 June 2025

127 Oral evidence taken by the Public Administration and Constitutional Affairs Committee 28 January 2026, [Q432](#)

128 See Table 1 in paragraph 116

129 National Farmers Union, [MPs back NFU calls for transition period and carve outs in future EU deal](#), 6 February 2026

72. CONCLUSION

The Government has made the Sanitary and Phytosanitary Agreement with the EU a political priority and convincingly demonstrated its potential economic benefits if properly negotiated. However, important questions remain about the scope of the Agreement and of any exemptions from the UK's obligation to align with EU rules.

73. RECOMMENDATION

In particular, we ask the Government to provide further clarity regarding the specific exemptions it will demand with respect to animal welfare, genomic techniques and pesticides at the earliest opportunity, recognising the significant benefits of UK regulatory autonomy in these areas.

74. CONCLUSION

We are also concerned about reports of a termination clause requiring potentially significant financial compensation to the EU if the UK were to exit the Sanitary and Phytosanitary Agreement in the future.

75. RECOMMENDATION

We ask the Government to provide examples of other agreements entered into by the UK or EU where termination by one party would require the payment of compensation to the other. This will ensure that Parliament has the proper context when considering the relevant provision of the Sanitary and Phytosanitary Agreement and the legislation necessary to implement it in due course.

Emissions Trading Systems linkage

- 76.** At the summit the two sides agreed to formally link the UK and EU Emissions Trading Systems (ETS).¹³⁰ This is a possibility already foreseen in the 2020 Trade and Cooperation Agreement,¹³¹ as it could create a larger, more liquid market for carbon allowances and increase investment in low-carbon technologies.¹³² The ETS Agreement would be based on UK alignment with EU legislation and with a role for the EU Court of Justice similar to the one

130 The UK participated in the EU ETS prior to Brexit and established its own Emissions Trading System which became operational when it left the EU Single Market on 1 January 2021.

131 Article 392(6) of the Trade and Cooperation Agreement

132 European Parliament Research Service, [Linking the EU and UK emissions trading systems](#), July 2025

envisaged under the UK-EU SPS Agreement. We received evidence that “linking UK-EU ETS is a clear avenue for strategic partnership and security of both parties”.¹³³

- 77.** An ETS Agreement would also enable mutual exemptions from each other’s Carbon Border Adjustment Mechanisms (CBAM). These are new border taxes on imports of some carbon-intensive goods such as steel and electricity, with their associated compliance requirements.¹³⁴ The UK’s carbon tax will operate from 1 January 2027, while the EU’s CBAM took effect on imports from 1 January 2026. While the EU scheme has therefore created new paperwork and compliance burdens when British goods are exported to the EU, payments of any tax due because of differences in UK and EU carbon pricing will not be required until 2027.¹³⁵ While affected sectors had asked the Government and the EU to agree a temporary exemption for British exports to exempt them from the administrative burden of complying with EU CBAM while the ETS linkage negotiations are on-going, none was formally announced.¹³⁶ It is unclear what the practical impact of the new EU scheme has been on UK exporters.
- 78.** An agreement on ETS linkage would also reduce the complexity of carbon border taxes in Northern Ireland. At present, the interaction of the EU and UK separate CBAMs under the Windsor Framework until ETS linkage is completed is unclear.¹³⁷
- 79.** The Government has not issued a formal public consultation or Call for Evidence on the ETS linkage negotiations. In December 2025, the Minister for EU Relations and the European Commission have “underline[d] their commitment” to conclude the negotiations on linking their Emissions Trading Systems “by the time of the next EU-UK Summit” later in 2026.¹³⁸ However, as the date for that summit has not yet been announced, this does not in itself provide a specific indication of when the Government hopes the agreement might be finalised and take effect. It has estimated the ETS linkage could add £2.7 billion to UK GDP annually in the long term, more than the new UK-Australia Free Trade Agreement.¹³⁹

133 University College London (UCL), Department of Science, Technology, Engineering and Public Policy (STeAPP) ([EUR0015](#))

134 HM Revenue and Customs, [Carbon Border Adjustment Mechanism](#), 26 November 2025

135 European Commission, [Guidance document on CBAM implementation for importers of goods into the EU](#), 30 May 2024. See also Article 22 of the [EU CBAM Regulation](#).

136 Politico, [EU may exempt UK from carbon border tax—but not yet](#), 17 December 2025

137 Centre for Inclusive Trade Policy, [The Complexity of the EU CBAM in Northern Ireland](#), 4 September 2023

138 European Commission, [Joint Statement by Commissioner Maroš Šefčovič and HM Paymaster General The Rt Hon Nick Thomas-Symonds MP](#), 19 December 2025

139 See Table in paragraph 116

80. CONCLUSION

We support the Government’s intention to act on the commitment made by its predecessor within the Trade and Cooperation Agreement to “seriously consider” linking the UK and EU emissions trading systems. An agreement to that effect would be of benefit to both sides’ climate ambitions. An agreement on Emissions Trading Systems linkage would also allow for mutual exemption from carbon border taxes that might otherwise hinder UK-EU trade when they are fully in effect. However, we are concerned by the lack of communication about the timing and detail of any temporary arrangement to exempt UK exports from EU Carbon Border Adjustment Mechanism in the meantime.

81. RECOMMENDATION

We ask the Government to provide clarity at the earliest opportunity about the state of play of its engagement, if any, with the EU to agree an interim arrangement for British exports under the EU’s Carbon Border Adjustment Mechanism, while negotiations on a formal agreement to achieve linkage between the UK and EU Emissions Trading Systems are on-going.

Electricity trading

- 82.** In the Common Understanding, the Government and the European Commission committed to explore a new mechanism for making UK-EU electricity trading more efficient based on “UK participation in the EU’s electricity trading platforms”.¹⁴⁰ Like the SPS and ETS linkage agreements, this agreement would be based on UK alignment with relevant EU laws and with a role for the EU Court of Justice.
- 83.** The overall aim of such an agreement would be “reducing the cost of electricity across the UK and EU and developing new renewables in the North Sea”.¹⁴¹ Here, again, there is also a specific Windsor Framework angle: Northern Ireland remains part of the Irish Single Electricity Market (SEM) after Brexit and continues to align dynamically with specific pieces of EU energy legislation to make that possible.¹⁴² Future participation by Great Britain in the EU electricity market could therefore also improve the efficiency of electricity trading between Northern Ireland and the rest of the UK.¹⁴³

140 Cabinet Office, [UK-EU Summit - Explainer](#), 19 May 2025

141 Cabinet Office, [UK-EU Summit - Explainer](#), 19 May 2025

142 Article 9 and Annex 4 of the Windsor Framework

143 The Common Understanding refers to this, stating again that the “agreement should be appropriately articulated with the provisions of the Windsor Framework”.

84. The Government has not published any detail on its negotiating position for these talks or issued a Call for Evidence.¹⁴⁴ Formal negotiations are yet to start, because the EU Council of Ministers has not yet adopted the EU's formal position for the talks.¹⁴⁵ The Government has not stated publicly when it expects the new UK-EU electricity trading agreement to become operational, or what its estimated economic benefits would be. Unlike the talks on youth mobility, SPS matters and ETS linkage, the two sides have not made a commitment to finalise this strand of negotiations by the time of the 2026 UK-EU summit.

85. **CONCLUSION**

Citizens of both the UK and EU face a sustained cost of living crisis, and the Committee supports the Government's efforts to bring down energy bills by making electricity trading with the EU more efficient. However, we note there is no detail yet about the Government's position for the talks or the expected timing of any agreement. Consequently, we do not know when these benefits are likely to materialise or what the extent of dynamic alignment in this area might be.

86. **CONCLUSION**

More broadly, the Government has now entered into negotiations with the EU on several agreements on the basis of dynamic alignment with relevant EU laws, subject to some exceptions yet to be negotiated. The Committee notes that this will, necessarily, reduce regulatory autonomy in Great Britain, beyond the constraints that apply already in Northern Ireland under the Windsor Framework, as the price for improved terms of trade with the EU. We consider the democratic legitimacy and parliamentary implications of this further in chapter 5 of this Report.

87. **CONCLUSION**

There is a lack of clarity about the extent to which relevant case law of the Court of Justice of the European Union will be binding on the UK under any new Agreements based on dynamic alignment.

144 UK Government, [Review of electricity market arrangements](#) (REMA), gov.uk, July 2025

145 The Member States have also suggested the UK should be asked to pay a financial contribution to the economic development of the EU's lower-income Member States in return for participation in the internal electricity market, which we consider further below.

88. RECOMMENDATION

Beyond the Court of Justice of the European Union’s (CJEU) limited role in dispute resolution where there is a referral of a specific question relating to EU law to that Court, we ask the Government to clarify if these Agreements are also likely to follow the precedent of the EU’s recent treaties with Switzerland, requiring the UK to interpret and apply EU law referred to in the Agreements in conformity with CJEU case law, outside the context of a UK-EU dispute.

Youth mobility

- 89.** One of the key sections of the Common Understanding relates to youth mobility. This is separate from Erasmus+, which we consider separately below. The European Commission published a proposal for a UK-EU youth mobility scheme during the UK General Election period in spring 2024.¹⁴⁶ The new Government initially maintained for months that it had “no plans” for such an arrangement with the EU.¹⁴⁷ However, we heard from our witnesses that it was clear early on that the EU would make the UK’s willingness to consider a youth mobility arrangement as a precondition for further progress on other elements of the “reset”.¹⁴⁸ When giving evidence to our Committee, Naomi Smith of Best for Britain also highlighted that polling indicated that “it is extremely popular with all kinds of voters in every part of the country”.¹⁴⁹ It was also identified as a positive step by many of those who submitted written evidence.¹⁵⁰
- 90.** As such, the viability of much of the Government’s EU policy, particularly on trade and economic matters, hinged on accepting this reality. It did so, gradually, but with the lack of transparency that we already alluded to earlier in this Report. While as late as April last year Ministers maintained that a “youth mobility scheme is not part of our plans”,¹⁵¹ the Minister for

146 The previous UK Government approached several EU countries individually for bilateral youth mobility agreements. The EU has since taken the view that, rather than bilateral arrangements, it would prefer one overarching visa-based youth mobility scheme between the UK and the EU as a whole.

147 [Youth Mobility Scheme: EU Countries](#) PQ 3936, 10 September 2024

148 [Q38](#)

149 [Q41](#)

150 Society of Spanish Researchers in the UK (SRUK/CERU) ([EUR0001](#)); City of London Corporation ([EUR0024](#)); Law Society (EUR0007)

151 [HC Deb, 24 April 2025, col 1200](#)

EU Relations publicly announced a change in the Government position the next month¹⁵² and a “Youth Experience Scheme” was formally agreed as a negotiating strand in the Common Understanding weeks later.¹⁵³

91. The talks with the EU on such a scheme are now underway. They cover in particular the legal form of the scheme (with the EU proposing a treaty, and the UK seeking a non-binding Memorandum of Understanding instead), as well as the UK’s demand for a cap on the number of beneficiaries and other conditions. Ministers have, in recent months, begun to highlight what they see as the benefits of the scheme for both young people and the UK’s economic prospects.¹⁵⁴ In December 2025, the Minister for EU Relations and the European Commission said they hope to conclude the negotiations “by the time of the next EU-UK Summit”.¹⁵⁵ This is due to take place later in 2026, although as noted no specific date has yet been announced.

92. **CONCLUSION**

There is a range of views on the Committee regarding a Youth Experience Scheme. Whilst there is an understanding that such a scheme would be a way of providing young people on both sides with new opportunities to travel and work, and strengthen cultural and personal ties between the UK and its European partners, the Committee agrees that it must be distinct from free movement of people, be visa-based and only permit stays of limited duration. It should also be subject to adequate safeguards, including limits on overall numbers. We are clear that this must not be a return to free movement and any potential costs must be clearly set out and subject to a final vote in Parliament. We heard from witnesses to our inquiry that establishing such a scheme enjoys widespread support across the country and in the EU.

Erasmus+

93. The Common Understanding foresaw talks on the UK re-joining the EU’s Erasmus+ scheme for student and teacher mobility. Alongside its youth mobility proposals, this is another EU priority to improve cross-border mobility and “people-to-people relations”. Despite this, mirroring its approach to the youth mobility issue, the Government insisted prior to the summit that it had “no plans” to rejoin the programme.¹⁵⁶ Instead, the UK

152 Financial Times, [UK looking at setting up youth mobility scheme with EU, minister says](#), 7 May 2025

153 In fact, by December 2024 anonymous [briefings to the press](#) had already indicated the Government was ready to move on the issue.

154 [Q107](#)

155 European Commission, [Joint Statement by Commissioner Maroš Šefčovič and HM Paymaster General The Rt Hon Nick Thomas-Symonds MP](#), 19 December 2025

156 [Erasmus+ Programme](#) HL3124, 19 December 2024.

had set up the Turing scheme.¹⁵⁷ The Government then agreed to enter into talks on Erasmus+ as part of broader package of commitments made at Lancaster House. In December 2025, the two sides announced that a deal had been struck on the terms of UK re-entry into Erasmus+, with Ministers securing a 30% discount on the default financial contribution for a year. Subject to a formal amendment to the Trade and Cooperation Agreement, the UK will re-join the programme from January 2027.¹⁵⁸ The Department for Education is expected to appoint the British Council as the National Agency for Erasmus+ responsible for delivering the programme for the UK. Further negotiations will need to take place next year if the UK is to remain part of Erasmus+ from 2028 onwards.

94. The cost of Erasmus+ at £570 million for 2027 is substantial, Britain paid between £200 million and £300 million annually towards Erasmus for the last five years it was a member of the scheme prior to leaving it. Any benefits of the scheme must be clearly set out in a cost benefit analysis. It would have been preferable for the Government to have negotiated a longer-term settlement.

95. **CONCLUSION**

Most Members of the Committee welcome the agreement on the UK's re-entry into the Erasmus+ programme, and hope the necessary legal amendments under the Trade and Cooperation Agreement can be made swiftly so that the necessary practical steps can be implemented without delay.

Business mobility and mutual recognition of professional qualifications

96. At the summit, the UK and the European Commission agreed to set up dedicated dialogues on the implementation of the existing Trade and Cooperation Agreement as regards “entry and temporary stay of natural persons for business purposes” and the mutual recognition of professional qualifications (MRPQ). This reflects the priority the UK Government attaches to the recognition of UK-acquired professional qualifications by EU countries on the one hand, and concerns the EU has repeatedly expressed about the impact of the UK's visa sponsorship scheme on temporary business travel on the other.¹⁵⁹ In particular, the EU has called the UK's sponsorship scheme for temporary business travel “complex, lengthy, expensive and burdensome to comply with” and argues that it “significantly restricts market access for

157 Department for Education, [Overview of the Turing scheme](#), gov.uk [accessed 17 February 2026]

158 European Commission, [Joint Statement by Commissioner Maroš Šefčovič and Minister Nick Thomas-Symonds](#), 19 December 2025

159 [Q81](#)

EU service suppliers”.¹⁶⁰ Evidence submitted to our inquiry also highlighted the importance of making progress on MRPQ for specific sectors, including financial and legal services. This would give EU-based customers better access to the UK’s world-class professionals in those sectors.¹⁶¹ There has been no public announcement of the Dialogues having been formally convened to date.¹⁶²

97. CONCLUSION

Business mobility is crucial to the UK services industry, and mutual recognition of professional qualifications is one area where the Trade and Cooperation Agreement offers a clear mechanism for progress. We hope the Government and EU will use the new Dialogue to establish no later than the next UK-EU summit a shared roadmap for formalising mutual recognition of professional qualifications for priority sectors, such as architects. We also note the EU’s well-established concerns around the UK’s visa sponsorship scheme for employers.

98. CONCLUSION

Given the EU’s parallel concerns about the restrictions of the UK’s visa sponsorship scheme, it is clear that this set of negotiations has two distinct strands. They are likely to require being treated as a package for the Government to achieve its objectives with respect to recognition of professional qualifications.

99. RECOMMENDATION

In its response to this Report, we ask the Government to provide an update on the progress made through the new Dialogues with the EU on professional qualifications and on business mobility, including ideally a shared UK-EU roadmap on establishing mutual recognition of professional qualifications for priority sectors.

160 Department for Business and Trade, [Minutes of the fourth Trade Specialised Committee on Services, Investment and Digital Trade under the EU–UK Trade and Cooperation Agreement](#), gov.uk [accessed 24 February 2026]

161 City of London Corporation ([EURO024](#)); Law Society ([EURO007](#))

162 We had understood from officials that the first meetings were intended to take place before the end of 2025 but there has been no announcement to that effect.

Touring by performing artists

- 100.** Since Brexit, industry stakeholders in the UK’s creative sector have raised numerous concerns about new barriers that hinder British performers when touring in the EU—in areas such as customs, haulage, tax and work permits—as a result of leaving the Single Market and Customs Union.¹⁶³
- 101.** Like its predecessor, this Government has made removing barriers faced by artists in the EU a priority, as per the Labour Party Manifesto. At the same time, we also heard as part of our inquiry that the selection of this particular negotiating objective was “slightly trivial” in overall economic terms.¹⁶⁴ In any event, while the Common Understanding of 19 May 2025 acknowledges the value of touring artists, it does not commit the EU to taking any specific steps to make it easier for British performers to tour in Europe now the UK is outside the Single Market. The Minister for EU Relations has indicated this remains a priority for the Government ahead of the second UK-EU summit later this year.¹⁶⁵

102. CONCLUSION

While it may not shift the dial on the UK’s economic growth prospects, addressing the barriers that make it difficult for UK performers to tour in the EU could make a significant difference to that sector, have a positive cultural impact, and provide a boost to “soft power” for the UK. We support the Government’s efforts to reduce hurdles that touring artists face in the EU and share the ambition of securing more concrete commitments to that effect at the next summit.

103. RECOMMENDATION

We ask the Government to outline the specific objectives it has put forward in talks with the EU to address the different types of barriers touring performers encounter since Brexit, and what it sees as the remaining barriers to progress ahead of the next UK-EU summit.

Irregular migration, border control and law enforcement

- 104.** Under the Common Understanding, the UK and European Commission agreed to “step up cooperation on irregular migration, including through operational cooperation”, including “to prevent irregular Channel

163 House of Commons Library, [Touring artists and the UK-EU economic partnership](#), Research Briefing 9658, 14 November 2023

164 [Q43](#)

165 [Qq90, Q95](#)

crossings”.¹⁶⁶ The Common Understanding is silent on specific intended outcomes or results when it comes to new ways of cooperation to reduce irregular migration.¹⁶⁷

105. The Common Understanding also contains a section on UK-EU law enforcement cooperation more broadly. It identifies specific areas such as exchanges of facial image data,¹⁶⁸ vehicle registration data,¹⁶⁹ and electronic evidence in criminal investigations;¹⁷⁰ and mutual legal assistance (MLA).¹⁷¹ There has been no further indication since the summit what progress has been made on these various strands.¹⁷² The Common Understanding also refers to the UK and EU exploring “opportunities to enhance the timeliness, efficiency and effectiveness” of the surrender (extradition) provisions of the TCA,¹⁷³ but the Government more recently said that, in its view, “the surrender chapter of the TCA is functioning effectively”. It is therefore unclear why further ‘opportunities’ to enhance it are needed or what practical changes might flow from this process.

106. RECOMMENDATION

We ask the Government to provide an update on the progress made in implementing the areas of cooperation agreed with the EU at the Lancaster House summit relating to irregular migration and law enforcement since May 2025. We ask it to clarify in particular what the focus has been of the discussions foreseen by the Common Understanding relating to extradition under Part 3 of the Trade and Cooperation Agreement, given that by the Government’s own assessment that element of the Agreement is functioning effectively as it is.

166 In addition, the Commission and the UK Government have said they will “explore closer cooperation to address challenges related to visa policy such as exchanging analysis on visa abuse by third country nationals”.

167 The Government did not succeed in getting the EU to commit to negotiating a readmission agreement that would allow irregular arrivals into the UK to be returned to the EU.

168 Cabinet Office, [UK-EU Summit: Common Understanding](#), gov.uk, 19 May 2025, paragraph 53

169 Cabinet Office, [UK-EU Summit: Common Understanding](#), gov.uk, 19 May 2025, paragraph 53

170 Cabinet Office, [UK-EU Summit: Common Understanding](#), gov.uk, 19 May 2025, paragraph 54

171 Cabinet Office, [UK-EU Summit: Common Understanding](#), gov.uk, 19 May 2025, paragraph 49

172 The Government is known to have submitted a “non-paper” on “Enhancing UK-EU Judicial cooperation in criminal matters” to the EU in October 2025, but it is not available publicly. See: Council of the EU, [Document WK 15594/25](#), 17 November 2025

173 Cabinet Office, [UK-EU Summit: Common Understanding](#), gov.uk, 19 May 2025, para 49

Developments in the negotiations since the Lancaster House summit

- 107.** The summit marked the starting point of real negotiations with the EU on many of the Government’s key objectives for the reset. As the SAFE negotiations demonstrated, each of the remaining strands of work with the EU has the potential to throw up its own set of difficulties.
- 108.** The Government and the EU have both indicated that the talks are being treated as a ‘package’,¹⁷⁴ meaning progress (or lack thereof) in one area can affect the speed at which another set of negotiations is conducted. On the EU side, we have also seen less urgency to make progress on the “reset”: after the summit in May 2025, it took the EU’s Member States four months to agree on a negotiating position on the SAFE defence procurement instrument; six months to do so on the SPS and ETS linkage negotiations; and it is yet to agree on its position for the electricity trading talks. We have also seen a lack of unity between the EU countries on their collective negotiating position, for example on SAFE¹⁷⁵ and on a UK financial contribution,¹⁷⁶ which complicates the Government’s ability to make rapid progress further.¹⁷⁷

109. CONCLUSION

Most Members of the Committee broadly welcome the outcome of the Lancaster House summit as a starting point for improved relations with the EU. It has substantially improved the overall political relationship and inserted positive momentum. However, the Government failed to clearly identify its strategic priorities for the summit and, overall, it appears the EU achieved more concrete progress towards their most pressing demands—in particular with respect to fish—than the UK did. Most of the Government’s known objectives for the “reset” still require substantial further negotiations and the timeline for their implementation remains uncertain. The lack of a strategic approach to the summit is also clear from the narrow EU commitment on steel tariffs, which was revealed to be inadequate within six months of the summit.

174 House of Lords European Affairs Committee, [Corrected oral evidence: The UK-EU reset](#), 1 July 2025, Q172

175 See chapter 2 of this Report.

176 See chapter 2 of this Report.

177 It is notable in this respect that the Common Understanding refers throughout to the “United Kingdom and the European Commission”, not the “European Union”.

110. CONCLUSION

The further negotiations with the EU announced at the Lancaster House summit were always going to present complexities. Compromises will need to be made on both sides. We recognise the Government's desire to make rapid progress in the on-going talks to enable the benefits of a closer relationship for citizens and businesses with the EU to materialise. We urge our EU partners to recognise the significant flexibility the UK has already shown to make the new Strategic Partnership a success, and to reciprocate in kind with a due sense of urgency and purpose in the remaining strands of work.

The Government's conduct of the negotiations since May 2025

Timings of the negotiations: expectations management

111. There is a lack of clarity about the state of the reset, in particular uncertainty around the timing of on-going negotiations with the EU and when many of the envisaged agreements might actually take effect (and therefore deliver practical change on the ground). Although Professor Anand Menon told us that before the summit that it should deliver “clear, verifiable milestones”,¹⁷⁸ there are no timelines included in any of the summit documents. Ministers have referred to the “implementation” of the Common Understanding¹⁷⁹ or even to having “secured” an SPS Agreement before the EU had even adopted its position and formal negotiations had started.¹⁸⁰ This may leave those not following the process closely, including businesses and organisations affected, with the impression that agreements are in place and, by extension, that their intended effects should either be materialising already or imminently. This is clearly not the case. We now know that the UK will re-join Erasmus+ in early 2027, and the Government has explicitly said it wants the new UK-EU Agreement SPS Agreement to take effect around the same time.¹⁸¹ While the UK and EU have confirmed their commitment to finalising negotiations on youth mobility and ETS linkage by the time of the next UK-EU summit in 2026,¹⁸² the timing of that event is not yet known and the subsequent timetable for ratification and implementation of those agreements also remains unclear.

178 [Q54](#)

179 [Q88](#)

180 [UK Relations with EU: Fisheries](#) PQ 82135, 22 October 2025

181 DEFRA, [Fruit and veg import checks scrapped ahead of UK-EU deal](#), 2 June 2025

182 European Commission, [Joint Statement by Commissioner Maroš Šefčovič and HM Paymaster General The Rt Hon Nick Thomas-Symonds MP](#), 19 December 2025

112. CONCLUSION

Despite Ministers talking about ‘implementing’ the outcomes of the first UK-EU summit, substantive and potentially difficult negotiations with the EU to translate many of them into practice are very much on-going. Significant changes in the UK’s relationship with the EU were never likely to happen quickly. Realistic expectations management by the Government is key to continued confidence in the “reset”. Ministers should avoid inadvertently creating false expectations of imminent practical benefits, in particular while negotiations are on-going.

113. RECOMMENDATION

We recommend that the Government adopt a more coherent, cross-Departmental approach to communicating progress made in the negotiations with the EU on the various agreements foreseen by the Common Understanding, and in particular refrain from referring to any of these as being ‘secured’ or ‘agreed’ at least until political agreement on a particular draft treaty has been reached and announced.

114. RECOMMENDATION

Following the deal on Erasmus+ having been finalised, and with Ministers having already expressed their ambition for the proposed UK-EU Sanitary and Phytosanitary Agreement to enter into force in 2027, we also ask the Government to outline when, following the conclusion of negotiations, it hopes to bring new formal agreements with the EU on carbon trading, electricity trading and the Youth Experience Scheme into force. We also ask it to indicate when we can expect to see concrete improvements in relation to performing artists, business mobility, mutual recognition of qualifications, and cooperation on irregular migration and border control.

Opacity of the UK negotiating position

- 115.** We have observed that there is a lack of clear information on the range of Government’s objectives for the EU relationship and their mutual coherence. We already described the root of this in Chapter 1 of this Report, and matters do not appear to have improved since the Lancaster House summit.

116. For example, the Department for Business and Trade now routinely publishes the Government’s “strategic approach” to trade negotiations with partners¹⁸³ (and has done so for the Gulf Cooperation Council,¹⁸⁴ Turkey¹⁸⁵ and Switzerland).¹⁸⁶ It has declined to do so for any of the trade-related negotiations with the EU agreed in the Common Understanding. While we accept the talks with Brussels are of a sectoral nature, to supplement an existing Free Trade Agreement, the Government’s own estimate of the combined economic impact of the envisaged SPS and ETS linkage agreements with the EU is larger than that of any fully-fledged Free Trade Agreement (FTA) struck by the UK since Brexit other than the TCA with the EU itself:

Trade agreement	Trade agreement	Government estimate of long-term economic impact
UK-EU Sanitary and Phytosanitary Agreement	Under negotiation	Increase in UK GDP of £5.1 billion per year ¹⁸⁷
UK-India Free Trade Agreement	Awaiting ratification	Increase in UK GDP £4.8 billion per year ¹⁸⁸
UK-EU Emissions Trading Systems Agreement	Under negotiation	Increase in UK GDP of £2.7 billion per year ¹⁸⁹
UK-Australia Free Trade Agreement	In effect	Increase in UK GDP £2.3 billion per year ¹⁹⁰
UK accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	In effect	Increase in UK GDP of £2 billion per year ¹⁹¹

183 House of Commons Library, [Treaty-making and parliamentary scrutiny: recent developments](#), Research Briefing 10116, 23 October 2024, p 25

184 Department for International Trade, [UK-Gulf Cooperation Council Free Trade Agreement: The UK’s Strategic Approach](#), gov.uk [accessed 2 December 2025]

185 Department for Business and Trade, [UK’s approach to negotiating an enhanced free trade agreement with Turkey](#), gov.uk, 14 March 2024

186 Department for Business and Trade, [UK-Switzerland Enhanced FTA Strategic Approach](#), gov.uk, 15 May 2023

187 DEFRA, [British businesses cheer UK-EU deal to support food trade and profits](#), gov.uk, 29 August 2025

188 Department for Business and Trade, [Impact assessment of the Free Trade Agreement between the UK and India: executive summary](#), gov.uk, July 2025

189 HM Treasury, [Methodology note: assessing the preliminary economic impacts of linking the UK-EU Emission Trading Schemes](#), gov.uk, 19 May 2025

190 Department for Business and Trade, [UK-Australia FTA: impact assessment](#), gov.uk, 16 December 2021

191 Department for Business and Trade, [CPTPP: impact assessment](#), gov.uk, 17 July 2023

Trade agreement	Trade agreement	Government estimate of long-term economic impact
UK-Japan Comprehensive Economic Partnership Agreement	In effect	Increase in UK GDP of £1.5 billion per year ¹⁹²
UK-New Zealand Free Trade Agreement	In effect	Increase in UK GDP of £0.8 billion per year ¹⁹³
UK-US Economic Prosperity Deal	No formal agreement	The Government has not published an Impact Assessment ¹⁹⁴

- 117.** The Government’s approach to public consultation and outreach has been inconsistent as well. There have been no formal Calls for Evidence to inform the UK negotiating position on any of the major elements of negotiation set out in the Common Understanding. This again contrasts with the Government’s approach to Free Trade Agreement talks, where it has committed to issuing such Calls prior to starting negotiations, as well as to publishing updates after each negotiating round.¹⁹⁵
- 118.** It also appears that the Government’s broader position on relations with the EU, particularly on economic matters, is shifting constantly. In particular, in January 2026 the Prime Minister explicitly said the Government is considering further alignment with the EU in other sectors, beyond those identified in the Common Understanding, without specifying any detail or indeed the sectors he has in mind.¹⁹⁶

¹⁹² Department for Business and Trade, [UK-Japan CEPA: final impact assessment](#), gov.uk, 23 October 2020

¹⁹³ Department for International Trade, [Impact assessment of the Free Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and New Zealand](#), gov.uk, 28 February 2022

¹⁹⁴ Business and Trade Committee, Tenth Report of Session 2024–26, [US Economic Prosperity Deal](#), HC 1306, para 92

¹⁹⁵ House of Commons Library, [Treaty-making and parliamentary scrutiny: recent developments](#), Research Briefing 10116, 23 October 2024, p 25

¹⁹⁶ BBC News, [Sturmer ready for closer EU alignment ‘in the national interest’](#), 4 January 2026

119. CONCLUSION

While we recognise that not all things can be negotiated in the open, there is a tension between exposing one’s hand and the transparency necessary for good parliamentary scrutiny. The Government will be better equipped to conduct the negotiations with the EU if it is well-informed through consultation and engagement, both with Parliament and with other stakeholders. Its approach to transparency of, and consultation on, the UK’s objectives for the sector-specific negotiations foreseen by the Common Understanding has been haphazard. More systematic outreach as the negotiations progress, or new negotiating strands are added, will also aid in the implementation of new arrangements with the EU in due course, as those affected will be prepared for them. By extension, this should help the benefits Government expects to accrue from these new agreements to materialise more rapidly.

120. RECOMMENDATION

Given the claimed economic impact of the sectoral agreements envisaged in the Common Understanding is larger than that of most Free Trade Agreements (FTAs), we recommend that the Government mirror the Department for Business and Trade’s commitments on transparency of FTA negotiations in current (and future) negotiations with the EU. This means it would publish, at a minimum, “Strategic Approaches” for the Sanitary and Phytosanitary Agreement, emissions trading systems linkage, electricity trading and youth mobility negotiations with the EU; conduct a Call for Evidence on each of these; as well as commit to publishing updates after each formal negotiating round with the EU. This would improve transparency of the negotiations, without providing a running commentary, and should enable key stakeholders to help inform the UK negotiating position in the current phase of the talks, and spot potential problems before the agreements are finalised.

Inter-Departmental coordination of EU policy

- 121.** The UK-EU Strategic Partnership cuts across most if not all Whitehall Departments, affecting foreign and domestic policy alike. To reflect this, after the General Election, the Prime Minister transferred ministerial responsibility for the “reset” from the Foreign, Commonwealth and Development Office to the Cabinet Office in the centre of Government.¹⁹⁷ The Partnership also presents complex questions on trade-offs between policy areas, as we saw in the Government’s decision to offer a 12-year

197 [Machinery of Government](#) HCWS19, 24 July 2024

extension of fisheries arrangements to unlock EU commitments on energy cooperation and agri-food trade. A successful EU policy therefore also requires effective cross-Whitehall coordination of the UK position.

- 122.** We have seen some evidence that inter-departmental cooperation between the Cabinet Office and other Departments is not always working as it should. For example, the month before the Lancaster House summit the then-Food Security Minister in the Department for Environment, Food and Rural Affairs (DEFRA) (Daniel Zeichner MP) appeared to reject a suggestion by the Minister for EU Relations (Nick Thomas-Symonds) that the UK would seek a multi-annual arrangement on EU access to fishing waters (which, as we discussed earlier in this Report, the Government did then agree to the following month).¹⁹⁸ More recently, in December 2025, the Minister for Biosecurity told the Environment, Food and Rural Affairs Select Committee that she had not received a promised “detailed [...] briefing” by the Cabinet Office on the SPS negotiations, which DEFRA will be responsible for implementing, ahead of that Committee’s hearing on that subject.¹⁹⁹ The Law Society in its evidence to the inquiry also alluded to difficulties between the Home Office and other Departments in talks with the EU on short-term business mobility, which it said should not be “hampered by ministerial efforts to control and limit net migration”.²⁰⁰

123. CONCLUSION

We are concerned about the evidence we have seen of potential shortcomings in the internal cross-Departmental coordination of the UK negotiating position with the EU, in particular between the Cabinet Office and Departments that hold responsibility for specific policy areas affected by the negotiations.

198 Oral evidence taken by the Environment, Food and Rural Affairs Committee on 1 April 2025, [Q21](#)

199 Letter from the EFRA Committee to the Public Administration and Constitutional Affairs Committee, [13 January 2026](#)

200 The Law Society ([EU0007](#))

124. RECOMMENDATION

We recommend that the Cabinet Office takes steps to strengthen inter-departmental flows of information on EU negotiations with other Departments, to ensure sectoral expertise is efficiently incorporated into the UK negotiating position; that Departments are able to communicate on the state of negotiations in their policy areas to the relevant Select Committees and other interested parties; and so that they can prepare fully for the requirements that implementation of the envisaged agreements with the EU will place on them and their stakeholders. Once agreed it should be set out clearly how they plan to work together across departments and reviewed regularly to ensure that genuine cross-department collaboration and input occurs.

Possible UK financial contribution to the EU

- 125.** As the SAFE negotiations demonstrated vividly, money remains a perennial thorn in the side of the UK-EU relationship. In November 2025, it emerged that the EU’s Council of Ministers had also proposed to ask for a formal commitment by the UK Government to a financial contribution towards the economic development of lower-income EU Member States, as part of the future negotiations on UK’s partial participation in the EU’s Single Market.²⁰¹ Such a precondition was not explicitly included in the Common Understanding on the parameters of those negotiations, although the EU has existing precedents for financial contributions of this kind with the European Free Trade Association (EFTA) countries (Switzerland, Norway, Iceland and Liechtenstein) that participate to some extent in the EU Single Market.²⁰² One witness to our inquiry, Professor Paton, also raised the possibility of such a financial demand by the EU prior to the summit.²⁰³
- 126.** The UK Government’s position on this issue is not entirely clear. The Minister for EU Relations has repeatedly said that the UK “will not be contributing to the general EU budget” as a result of the negotiations.²⁰⁴ However, the EFTA countries do not pay their financial contribution into the general EU budget. Instead, they reach an overarching multiannual agreement with the EU on the size of their payment, and then work directly with the beneficiary countries in the EU to disburse the money.²⁰⁵ As such, the Minister’s statement does *not* rule out the possibility of a tailored UK-EU financial mechanism along similar lines.

201 Financial Times, [Von der Leyen dodged Starmer request for meeting on EU money demands](#), 10 November 2025. This demand was subsequently formalised by the European Commission as part of a [draft negotiating mandate](#) for talks with the UK.

202 See: [www.eegrants.org](#) and [Swiss contribution to selected EU member states](#).

203 [Q15](#)

204 See for example [HC Deb 22 May 2025, vol 767, col 455W](#)

205 EEA Grants, [Legal Framework](#) [accessed 17 February 2026]

127. The European Commission published the EU’s draft negotiating position on the financial contribution in December 2025, which suggests it will seek a stand-alone agreement with the UK on a financial mechanism alongside the other agreements envisaged by the Common Understanding in areas such as SPS matters and electricity trading.²⁰⁶ The timetable for any formal negotiations is unclear at this stage, as the EU’s Council of Ministers has not yet approved the bloc’s position.

128. CONCLUSION

It is disappointing that the EU has recently and unilaterally introduced a significant new element into the “reset” negotiations by asking the UK to make a financial contribution to economic development of lower-income EU countries. Such a demand was not included in the Common Understanding. Introducing it in this way risks undermining confidence in the UK that the delicate balance of interests reflected in the Common Understanding is being respected and remains the basis for further negotiations in good faith.

129. CONCLUSION

As for the UK Government position, we note that Ministers have not explicitly ruled out making a financial contribution to the economic development of the EU’s lower-income Member States in a manner similar to Norway and Switzerland. Irrespective of the arguments around the principle of such a contribution’ to the EU, it is essential that Ministers conduct these negotiations transparently.

130. RECOMMENDATION

We ask the Government to state clearly whether it is prepared to agree to make a financial contribution to the economic development of lower-income EU countries that does not require payments into the general EU budget (for example in a manner similar to the EU-Switzerland financial mechanism), and, if so, what limits, conditions and safeguards it will seek to ensure value for money for the UK taxpayer. Any financial contribution of this kind ought to be subject to proper parliamentary scrutiny.

206 European Commission, [Recommendation for a COUNCIL DECISION authorising the opening of negotiations between the European Union and the United Kingdom on the participation of the United Kingdom in the internal electricity market of the Union and on the financial contribution of the United Kingdom towards reducing economic and social disparities between the regions of the Union](#), 22 December 2025








3 Measuring progress in the UK-EU “reset”









131. Based on our analysis of the Government’s initial priorities for the EU reset (chapter 1 of this Report) and developments since then (chapter 2), we have put together a ‘Score Card’ marking the Government’s progress on achieving its objectives to date in six areas: climate and energy; foreign affairs, security and defence; health; irregular migration; law enforcement cooperation; and trade. This includes all the key commitments agreed with the EU at the Lancaster House summit, as well as high-profile UK Government negotiating objectives which it has explicitly identified but which were not referenced in the summit documents.²⁰⁷

The Score Card

132. We use the following Red-Amber-Green classification system to indicate what progress has been made on the various work-streams and negotiating strands with the EU, drawing on the evidence received by the Committee and information provided by the Government since the summit:
- Red: No or limited progress, or no information on progress available
 - Amber: Negotiations on-going
 - Green: Agreement reached
133. **The ratings in the Score Card relate solely to the observable progress that has been made in the various strands of discussion with the EU, and should not be interpreted as an indication of whether or not the Committee or its Members support a particular negotiating objective. Where we have drawn conclusions on specific elements of the EU reset, these are included elsewhere in the relevant sections of this Report.**









207 As we considered in an earlier chapter, there are significant gaps in the information provided by the Government on the progress made on many of the commitments. We consider potential new additional areas of negotiations between the UK and EU further in the next chapter.

UK-EU work streams and negotiating strands	Status	Score
Climate and energy		
ETS Linkage agreement	The EU agreed its negotiating position on 13 November 2025 and formal negotiations are on-going with the aim of concluding talks by the time of the 2026 UK-EU summit	 Amber
Electricity Trading Agreement	No formal negotiations on-going. The European Commission published a draft EU negotiating position in December 2025 which awaits the approval of the Member States	 Amber
Foreign affairs, security and defence		
Security and Defence Partnership	The UK and EU signed a wide-ranging Security and Defence Partnership at the Lancaster House summit on 19 May 2025	 Green
UK participation in the EU “SAFE” defence procurement scheme	Negotiations began in September 2025 but broke down in November over the EU’s financial demands	 Red
Agreement on Gibraltar	The UK, EU, Spain and Gibraltar announced agreement on the “core aspects” of the new treaty in June 2025 and confirmed the legal text had been finalised in December 2025. It now awaits publication for ratification and implementation	 Amber
UK-EU Foreign and Security Policy dialogue	The first Dialogue took place with Secretaries of State and the EU High Representative on 22 October 2025, and they are expected to take place every 6 months as announced	 Green
Dialogues on Development Cooperation and Disaster Response	The European Commission and the FCDO are drawing up Terms of Reference for this Dialogue ²⁰⁸	 Amber

UK-EU work streams and negotiating strands	Status	Score
Co-operation to tackle illicit finance and corruption in third countries	There is no further information on progress in this workstream	 Red
Cooperation to counter information manipulation and interference	There is no further information on progress in this workstream	 Red
UK participation in the EU’s “Military Mobility” project	While the UK can attend project meetings as an informal observer, the formal Administrative Arrangement is still being blocked by Spain	 Amber
Dialogue on external aspects of economic security	There is no indication this Dialogue has taken place	 Red
UK participation in the Galileo satellite navigation programme	There is no further information on progress in this workstream	 Red
Health		
Health security cooperation	The European Commission has indicated it is preparing for further negotiations with the UK in this area ²⁰⁹	 Amber
Irregular migration		
Cooperation on the external dimension of migration across key geographies	There is no further information on progress in this workstream	 Red
UK participation in the EU’s Khartoum and Rabat Processes for dialogues on migration and mobility ²¹⁰	There is no further information on progress in this workstream	 Red

209 Council of the EU, [Document WK 14132/25](#), 22 October 2025






210 The EU’s [Khartoum Process](#) is with countries along migration routes to Europe from the Horn of Africa, and the [Rabat Process](#) involves 57 State parties, mostly in Africa.

UK-EU work streams and negotiating strands	Status	Score
Reducing irregular migration, including returns and irregular Channel crossings	There is no further information on progress in this workstream	 Red
Addressing challenges and abuses of visa policy	There is no further information on progress in this workstream	 Red
UK-EU Readmission Agreement	The EU has rejected the possibility of a Readmission Agreement with the UK at this stage ²¹¹	 Red
Law enforcement cooperation		
Extension of “data adequacy” for law enforcement exchanges	The EU Member States in December 2025 voted to extend the EU’s data adequacy decision for the UK under the Law Enforcement Directive until 2031	 Green
Exchange of electronic communications as evidence in criminal investigations	The UK Government is known to have submitted a non-paper to the EU on improved law enforcement cooperation, but its contents are not public ²¹²	 Amber
Exchange of vehicle registration data and facial data relevant to criminal investigations	The UK Government is known to have submitted a non-paper to the EU on improved law enforcement cooperation, but its contents are not public ²¹³	 Amber
UK-EU extradition arrangements	The UK Government is known to have submitted a non-paper to the EU on improved law enforcement cooperation, but its contents are not public	 Amber
Exchanges of data on fingerprints, DNA, and criminal records of third country nationals	The UK Government is known to have submitted a non-paper to the EU on improved law enforcement cooperation, but its contents are not public	 Amber

211 Council of the EU, [Document 16518/24](#), 3 December 2024, para. 32







212 Council of the EU, [Document WK 1559/25](#), 17 November 2025

213 Council of the EU, [Document WK 1559/25](#), 17 November 2025

UK-EU work streams and negotiating strands	Status	Score
Improving cooperation on mutual legal assistance (MLA) ²¹⁴	The UK Government is known to have submitted a non-paper to the EU on improved law enforcement cooperation, but its contents are not public	 Amber
UK accession to the Hague Convention on Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters	The UK formally became party to the Hague Convention on 1 July 2025 ²¹⁵	 Green
Mobility of people		
Youth Experience Scheme	The EU agreed its negotiating position in June 2025 and the Government has confirmed negotiations are on-going with a view to being finalised by the time of the next UK-EU summit in 2026	 Amber
UK participation in Erasmus+	Negotiations on the UK's re-entry into Erasmus+ were completed in December 2025 and the UK is due to re-join the scheme in early 2027	 Green
Removing barriers for UK touring artists	While the Common Understanding underlines the “value of travel and cultural and artistic exchanges, including the activities of touring artists”, there are no specific commitments to remove existing barriers for British artists wanting to tour in the EU	 Red







214 MLA refers to international cooperation for obtaining assistance in criminal investigations that cannot be obtained on a police cooperation basis, particularly enquiries that require coercive means.

215 Ministry of Justice, [Statement on the entry into force of the 2019 Hague Convention](#), gov. uk, 2 July 2025

UK-EU work streams and negotiating strands	Status	Score
Use of e-Gates by UK nationals at EU ports and airports	The Government has announced new availability of e-gate use by UK nationals at various EU airports, and talks are on-going to expand this list further. ²¹⁶ E-gates that could be used by UK passport holders were already in operation in a number of European countries prior to the reset.	 Amber
Dialogues on professional qualifications and the UK visa sponsorship scheme	There is no indication this Dialogue has taken place	 Red
Trade and investment		
Sanitary and Phytosanitary Agreement	The EU agreed its negotiating position in November 2025 and formal negotiations are on-going with a view to being finalised by the time of the next UK-EU summit in 2026	 Amber
Veterinary medicines	The UK wants to pursue an agreement on trade in veterinary medicines as these are not included in the SPS negotiations but it has not yet secured an EU commitment to that effect	 Red
Competition Cooperation Agreement	The UK and EU have finalised negotiations. The EU Council of Ministers on 4 November 2025 authorised the European Commission to formally sign the agreement ²¹⁷	 Green
Extension of UK-EU data adequacy arrangements	The EU Member States in December 2025 voted to extend the EU's data adequacy decision for the UK under GDPR until 2031	 Green

216 See for example: Cabinet Office, [Boost for travelers and businesses as Germany opens up eGates](#), 18 July 2025

217 Council of the EU, [Document 14602/25](#), 3 November 2025, para 10

UK-EU work streams and negotiating strands	Status	Score
EU tariffs on UK steel	The EU is still considering the shape of its new steel tariff regime and the Government has said it is engaging with the EU institutions on the issue	 Amber
UK accession to the PEM Convention	The Government has launched a call for evidence but press reports suggest the EU has ruled out UK accession to the PEM Convention at this stage ²¹⁸	 Red
Chemicals: removing trade barriers	There is no further information on progress in this workstream. It may be included in the Prime Minister's remarks about further sectoral alignment with the EU Single Market	 Red
Pharmaceuticals: removing trade barriers	There is no further information on progress in this workstream. It may be included in the Prime Minister's remarks about further sectoral alignment with the EU Single Market	 Red
Mutual Recognition Agreement on conformity assessment	The EU reportedly rejected the UK's proposal for a Mutual Recognition Agreement ahead of the Lancaster House summit; the Government has suggested it will raise the matter again this year ²¹⁹	 Red
Maritime security and safety cooperation	The European Commission has indicated it wants to negotiate a Memorandum of Understanding with the UK on this topic ²²⁰	 Amber

218 Financial Times, [EU blocks Britain's attempts to join pan-European trading bloc](#), 2 July 2025

219 [Q129](#)

220 Council of the EU, Document WK 13844/25, 21 October 2025

4 Developing the UK-EU Strategic Partnership further

134. The delivery of the commitments made at the Lancaster House summit is a work in progress. Even so, the current suite of negotiations, while ambitious and wide in scope, are only a starting point. Both the Government and the EU have already indicated they are considering proposing additional negotiating strands, in both the areas of security and trade. In particular, Ministers have confirmed that they still want to pursue several measures to facilitate trade which did not make progress at the first bilateral summit, including a Mutual Recognition Agreement on conformity assessment,²²¹ making it easier for British artists to tour in Europe,²²² and considering UK accession to the EU-led PEM Convention on Rules of Origin.²²³ More recently, the Prime Minister has also begun to say explicitly that the Government may seek further sectoral agreements with the EU to align with Single Market rules in return for removal of trade barriers.²²⁴

135. CONCLUSION

The outcome of the Lancaster House summit was a major step change in the UK's relationship with the EU after Brexit, but it has, naturally, not been able to resolve all outstanding issues. Further pressure for negotiations will remain. We are supportive of the Government's efforts to pursue additional priorities for improvement to the UK-EU economic relationship that were not agreed at the Lancaster House summit, in particular on mutual recognition of conformity assessments, accession to the Pan-Euro-Mediterranean Convention and removing difficulties faced by UK touring artists. We hope to see more progress on these at the next UK-EU summit later this year.

136. There is clear merit in further work to improve specific areas of the partnership with the EU, particularly to remove unnecessary trade barriers. But such pragmatic improvements are part of the bigger picture. The UK and EU are both facing unprecedented global geopolitical headwinds. A range

221 [Q129](#)

222 [Q90](#)

223 Department for Business and Trade, [Pan-Euro Mediterranean Convention on Rules of Origin \(PEM\): call for evidence](#), gov.uk, 17 November 2025

224 BBC News, [Starmer ready for closer EU alignment 'in the national interest'](#), 4 January 2026

of recent Government publications underline the strategic importance of the UK-EU relationship, including the Trade Strategy,²²⁵ Industrial Strategy,²²⁶ National Security Strategy²²⁷ and the Critical Raw Materials Strategy.²²⁸ But in terms of an overarching vision, we have already noted the absence of a White Paper. Many of our witnesses also highlighted a lack of strategic vision for EU relations on the Government’s part. For example, Professor Richard Whitman said:

“Strategic vision” would imply a real sense of what the end point might be, and therefore that would inform the ambition and what might tuck in behind it in terms of different policy areas. The security and defence policy area is indicative. It is surprising on both sides, but particularly the UK side, that the ask has been very modest and unambitious. It has not really pushed the EU particularly hard, or pushed in some capitals, to come up with anything interesting.²²⁹

- 137.** The closest we have come to a central tenet by the Government is encapsulated in the remarks by the Minister for EU Relations that “ruthless pragmatism”²³⁰ serves as the guiding principle in the approach to the EU, with the aim of delivering benefits related to “jobs, bills and borders”.²³¹ He also told us in September last year:

It is now about building that new strategic partnership [with the EU] that is rooted in a realistic, hard-headed assessment of international politics and our national interest in the mid-2020s – not going back to the battles of the past, but looking forward to what is in our shared interest.²³²

- 138.** These ambitions are to be welcomed, but it is far from clear how they are reflected in what the Lancaster House summit delivered or the Government’s actions since then. The geopolitical and economic challenges the UK and EU face from many different directions are intensifying, and this needs to be reflected in the Government’s engagement with the EU. Naomi Smith of Best for Britain told us to be “mindful of the proximity, the growth on offer and the reliability of a closer trading relationship with our reliable partners

225 Department for Business and Trade, [UK Trade Strategy](#), gov.uk, 26 June 2025

226 Department for Business and Trade, [Industrial Strategy](#), gov.uk, 23 June 2025

227 Cabinet Office, [National Security Strategy 2025: Security for the British People in a Dangerous World](#), gov.uk, 24 June 2025

228 Department for Business and Trade, [Vision 2035: Critical Minerals Strategy](#), gov.uk, 22 November 2025

229 [Q58](#)

230 [Q110](#)

231 [Q88](#)

232 [Q88](#)

in Europe”.²³³ More broadly, we heard from many of the witnesses to our inquiry that the Government could and should go further, in scope and ambition, to make the Strategic Partnership a success.²³⁴

Security and geopolitical challenges

139. We heard that the UK-EU relationship must adapt more effectively to the security and geopolitical shifts that are occurring all around us, and ensure collaboration is happening at the right level and in the right places. This was a recurring theme in the evidence we received as part of our inquiry. Many witnesses highlighted the most pressing challenges the UK and EU both need to address: the uncertainty and impact of the political shifts in the US and President Trump’s “mercurial” governing style;²³⁵ growing Chinese influence on, and disruption of, the global order;²³⁶ the profound implications of Russia’s continued assault on Ukraine;²³⁷ and the conflict in the Middle East.²³⁸

140. Charles Grant of the Centre for European Reform summarised it succinctly:

Given the very important geostrategic challenges that both face, with Trump’s America, Putin’s Russia, a difficult and rising China, insecurity in the Middle East and so on, we need to work closely together because we have so much in common in terms of our fundamental values and fundamental interests—not everything, but most things are in common.²³⁹

141. In terms of shared objectives, we heard in particular about the area where many of these challenges intersect for the UK and the EU: Ukraine’s defence and European security.²⁴⁰ While many witnesses, including the Foreign Policy Centre, emphasised the key role that NATO and the UK’s alliance with the US should continue to play in that regard,²⁴¹ the Centre for European Reform cautioned that the profound changes in US policy necessitated a re-think of how the UK and EU work together on security matters in particular.²⁴² Sophia Gaston also said: “The re-election of Donald Trump has enhanced and intensified the urgency around this [EU] reset”.²⁴³

233 [Q2](#)

234 [Qq6, 22](#); [Qq59, 61–62, 71, 78](#); Centre for European Reform ([EUR0014](#))

235 [Q26](#); Centre for European Reform ([EUR0014](#))

236 [Q56](#); Centre for European Reform ([EUR0014](#))

237 Dr Thibaud Harrois ([EUR0016](#))

238 Dr Thibaud Harrois ([EUR0016](#)); The Politics Lab at Edge Hill University ([EUR0006](#))

239 [Q56](#)

240 [Q31](#); [Qq56–57, 61, 78](#)

241 Foreign Policy Centre ([EUR0022](#)); [Qq67, 71, 89](#)

242 Centre for European Reform ([EUR0014](#))

243 [Q56](#)

- 142.** We heard that there are specific areas where the EU can make contributions to the security debate that are complementary to NATO’s role. Professor Whitman told us the EU is of “crucial importance in terms of Europe’s economic security and European societal security”.²⁴⁴ As an organisation it has financial, regulatory and diplomatic levers that it can use for defence and security objectives.²⁴⁵ Many of our witnesses also highlighted in particular the opportunities, and strategic imperative, for closer UK-EU defence industrial cooperation;²⁴⁶ the need to cooperate closely to provide Ukraine with the economic, financial, material, political and diplomatic support it needs;²⁴⁷ and technical support to facilitate Ukraine’s entry into the European Union as a way of anchoring it in the Western alliance.²⁴⁸
- 143.** Of course, the Government and the EU have made progress on some of these issues. The Joint Statement of 19 May 2025 and the Security and Defence Partnership explicitly identified many of the geopolitical challenges the UK and EU share, in particular Russia’s war on Ukraine. There are new mechanisms for dialogue, which have already been put to good use. But it is clear there is more work to be done and a structural political dialogue is missing.
- 144.** There was a widespread view among our witnesses that the Government’s initial offer on security cooperation had been, in the words of Professor Richard Whitman, “modest and unambitious”.²⁴⁹ Charles Grant of the Centre for European Reform told us this would make it easier for EU to stick to its “dogmatic and doctrinaire” approach of limited cooperation with the UK as a “third country” (for example on defence industrial matters).²⁵⁰ This was subsequently borne out by the failed negotiations on SAFE, as well as the live risk of “devastating” EU tariffs on UK steel exports. These are clear examples of a relationship where strategic cooperation is not properly embedded. In its recent Report on the UK’s contribution to European Security, the Defence Committee also called the Security and Defence Partnership a “welcome recognition of the importance of both parties to the defence of Europe”, but described it as “somewhat aspirational”. It also said it was “vital that British defence industry is not sidelined or excluded from working with their European counterparts”.²⁵¹

244 [Q60](#)

245 Dr Thibaud Harrois ([EUR0016](#)); Centre for European Reform ([EUR0014](#))

246 [Q77](#); techUK ([EUR0004](#)); Foreign Policy Centre ([EUR0022](#))

247 [Q78](#)

248 [Q79](#)

249 [Q58](#)

250 [Q64](#)

251 Defence Committee, [The UK contribution to European Security](#), Sixth Report of Session 2024–26, HC 520, paras. 61 and 62

- 145.** Finding common ground between the UK and EU on identifying and operationalising areas for joint action to address geopolitical challenges, where there is a shared interest, will require well-functioning mechanisms for political dialogue. The Joint Statement provides a starting point: it foresees “high-level meetings [to] take place regularly to consider our joint strategic interests across the core aspects of our relationship, in particular in the areas of economy and trade, and justice and home affairs”. But, to our knowledge, no such meetings have yet taken place.
- 146.** Beyond the wider strategic challenges on which the UK and EU need to cooperate more closely, the Security and Defence Partnership signed at the Lancaster House summit also explicitly mentions existing options to reinforce operational cooperation on foreign policy, defence and security matters. They include the possibility of a working arrangement with the European Defence Agency that would enable the UK to contribute voluntarily to its activities;²⁵² a Framework Participation Agreement to enable the UK to contribute, again voluntarily, to EU military operations; and finalising UK participation in the EU’s “Military Mobility” project that aims to make it easier for troops and equipment to be transported across Europe.²⁵³
- 147.** Ministers also said in 2024 they were “actively exploring” re-joining the EU’s Galileo satellite navigation scheme,²⁵⁴ which includes a ‘Public Regulated Service’ that provides highly secure positioning “to provide service continuity in national emergencies and crisis situations, such as terrorist attacks”.²⁵⁵ This issue is not referred to in the Common Understanding. It is not clear if the Government has made proposals to the EU on this matter.

148. CONCLUSION

To enable the Strategic Partnership to deliver to its full potential, Ministers will need to produce a clearer and more coherent vision about the EU relationship for the next phase of negotiations. The UK and EU both face far-reaching national and economic security challenges from an increasingly multipolar global order and a more transactional ally in the US. While the Government has told us that it has undertaken a “realistic, hard-headed assessment of international politics and our national interest”, we do not believe this extremely unstable geopolitical context is adequately reflected in the outcome of the Lancaster House summit.

252 European Defence Agency, [Third parties](#) [accessed 2 December 2025]

253 Europa.EU, [Military Mobility \(MM\)](#), accessed 3 December 2025

254 Daily Express, [Labour ‘actively exploring’ rejoining £9bn EU scheme, Secretary of State reveals](#), 14 August 2024

255 EU Agency for the Space Programme, [Public Regulated Service](#) [accessed 2 December 2025]

149. CONCLUSION

In many ways, UK and EU security interests intersect and overlap, and actions taken separately may be less effective than shared action. Worse, as the EU's steel tariffs show, unilateral action by one party to the Strategic Partnership risks damaging the other. Yet even after the Lancaster House summit with the EU, we do not have the structures needed to coordinate policies of strategic significance and to enhance the UK and EU's collective agency in the face of these challenges. This needs to be fixed, urgently.

150. RECOMMENDATION

We ask the Government to provide further information on the implementation of the commitment in the Joint Statement to hold high-level meetings with the EU on "joint strategic interests" in key areas such as trade and migration. We urge the UK and EU to begin convening such meetings regularly without delay, whenever possible at Ministerial level. They should be used as a forum to identify opportunities for joint action on strategic priorities, not only as a reactive mechanism for moments of crisis. In pursuing its interests since the "reset" was initiated, the EU has been a tough negotiator. The UK must be prepared to respond in kind, drawing on its strengths to identify and pursue its strategic political and economic interests with a clearer sense of purpose.

151. CONCLUSION

The UK-EU Security and Defence Partnership could be used as a springboard to further operational cooperation on security and defence matters where this is in the UK interest. It is unclear which specific options, such as a Framework Participation Agreement or an Administrative Arrangement with the European Defence Agency, the Government intends to pursue further, especially following the failure of the negotiations on UK involvement in the EU Security Action for Europe programme. While the EU is not a traditional military actor, we have heard how it has some strengths that are complementary to NATO when it comes to security and resilience, in particular its financial and regulatory levers. The UK should seek to engage with these, in particular through the "high level meetings" foreseen by the UK-EU Joint Statement of 19 May 2025.

152. RECOMMENDATION

We ask the Government to set out which of the possible areas of closer cooperation referenced in the Security and Defence Partnership it intends to pursue further, and to provide an update on its work to "explore" UK re-entry into the EU's Galileo satellite navigation project.

Economic growth and trade barriers

- 153.** There are also additional areas of economic and trade cooperation to explore with the EU. We heard from our witnesses that the Government’s initial objectives in terms of reducing trade barriers to drive economic growth, some now reflected in the Common Understanding, were not particularly ambitious. For example, Professor Anand Menon told us before the Lancaster House summit that it was “clear from the terms of the reset that it is not seen as central to the strategy for economic growth” and that the Government was “committing to changing remarkably little of the extant economic relationship”.²⁵⁶ Similarly, Sophia Gaston described the UK’s approach as “careful incrementalism”, adding that the red lines coupled with “perceived areas of potential political sensitivity [...] had quite a coercive and depressive effect on the [Government’s] ambition”.²⁵⁷
- 154.** Indeed, in some ways the Government’s vision for the economic relationship with the EU has been clearer with respect to what it emphatically does *not* want. The red lines against the Single Market, Customs Union and free movement of people express a fundamental political choice about the UK-EU relationship in a way that Ministers’ somewhat disparate collection of other negotiating priorities does not.
- 155.** More recently however, the Government has begun to emphasise more strongly the evidence they see that the current trade relationship with the EU is acting as a significant drag on the UK’s economic growth. In the run-up to the Autumn Budget in November 2025, the Chancellor of the Exchequer repeatedly referred to the “long-term damage done to the UK economy by the 2020 Brexit deal”.²⁵⁸ The Prime Minister called it a “botched Brexit deal” that same month²⁵⁹ and in December told the country:
- “We must all now confront the reality that the Brexit deal we have significantly hurt our economy. And so for economic renewal, we have to keep reducing frictions. We have to keep moving towards a closer relationship with the EU. We will have to be grown-up about that. To accept that this will require trade-offs.”²⁶⁰
- 156.** It has also become clear that the Government is of the view that the crop of trade-related negotiating strands agreed with the EU at Lancaster House is not sufficient to mitigate the economic impact. We have already referred to

256 [Q55](#)

257 [Qq61, 80](#)

258 BBC News, [Chancellor says Brexit deal caused long-term damage to economy](#), 20 October 2025

259 [HC Deb 19 November 2025, vol 775, col 767](#)

260 Prime Minister’s Office, [Prime Minister’s speech on Britain built for all: 1 December 2025](#), 1 December 2025

the Prime Minister’s explicit shift in January 2026 towards further alignment with the EU Single Market in additional sectors to remove barriers to trade and boost growth.²⁶¹ This was preceded by a statement to the House of Commons that the Government has “clear red lines on the single market and the customs union [and] within those constraints, we will move closer” to the EU.²⁶² On a podcast released the same day, the Justice Secretary (Rt Hon David Lammy MP) said that countries that form a customs union “tended to see stronger economic growth” but that such a step in UK-EU relations is “not *currently* where we are” (emphasis added).²⁶³

157. However, no further detail has been forthcoming from the Government on what such alignment would look like in practice; what sectors are being prioritised in that regard; or indeed what the EU’s views are (and what it would demand in return). There has been no formal statement or document outlining Government policy on alignment. It would require clear UK proposals as well as further complex negotiations with the EU.

158. We note in this regard that in September 2024 Mr Lammy, as Foreign Secretary, commissioned an “Economic Diplomacy Review” by Sir Martin Donnelly to “identify ways to ensure that UK jobs and growth are at the heart of our foreign policy”.²⁶⁴ This Review was completed by the end of 2024 but its headline findings have not yet been published, despite a Government commitment to that effect.²⁶⁵ In a public piece dated June 2025, Sir Martin called for a far-reaching range of steps to be taken to improve trade relations with the EU, including extension of dynamic alignment to the pharmaceutical and chemical sectors, as well as an “assessment of the costs and benefits [...] from a potential UK return to a shared VAT regime and customs union”.²⁶⁶ It is unclear if this was also the thrust of his private recommendations to the Foreign Secretary. When we pressed Ministers on the outcome of the Review, they did not provide a clear answer.²⁶⁷

159. As part of our inquiry, we also took our own evidence on what the UK’s level of ambition should be for improving trade relations with the EU. Regulatory alignment, now also clearly on the Prime Minister’s mind, was a recurring topic, including for sectors not covered by the Common Understanding of 19 May. For example, Naomi Smith of Best for Britain, advocated for an

261 Earlier, in October 2025, unnamed Government sources [told the press](#) that Ministers were mulling steps to “take the UK much closer to the EU”, including the possibility of a “customs union”.

262 [HC Deb 3 December 2025, vol. 776, col 984](#)

263 Financial Times, [David Lammy talks up customs union amid efforts to rebuild UK-EU ties](#), 5 December 2025

264 Foreign, Commonwealth and Development Office, [Foreign Secretary launches expert reviews to strengthen UK’s global impact and expertise](#), 9 September 2024

265 [Foreign, Commonwealth and Development Office: Policy](#) PQ HL5651, 26 March 2025

266 Centre for European Reform, [The next steps for the UK-EU reset](#), 19 June 2025

267 [Q91](#)

overall policy of selective “beneficial alignment” with EU rules for both goods and services as a way of significantly increasing the contribution of UK-EU trade to overall economic growth.²⁶⁸ The Institute for European Environmental Policy also called for the UK to “adopt a default position that it will generally align with EU environmental regulation [...] unless there are strong reasons not to”.²⁶⁹ The British Standards Institute (BSI) emphasised the increasing strategic importance of technical standards for trade, particularly for new and emerging technologies, and urged the Government to pursue closer engagement with the EU through a new Regulatory Cooperation Council.²⁷⁰

160. By contrast, Professor Paton cautioned that “there is an important balancing act in improving our EU relationship where we can, but also not risking other relationships and other potential relationships in some of the faster growing parts of the world”. Many of our witnesses also highlighted the difficult balancing act between pursuing closer regulatory ties with the EU and the UK’s relationship with the US.²⁷¹ techUK, for example, urged the UK to strike a middle way:

The UK should resist pressure to gravitate entirely to the US regulatory model or to mirror the EU’s in every detail, instead, it can chart a third way that meets high standards and business-friendly practices.²⁷²

161. **CONCLUSION**

On the balance of the evidence available, we can see that trade barriers with the EU continue to be a major issue for many sectors. We support Government efforts to explore what further opportunities exist for reducing them jointly with the EU. It is unfortunate that statements made in recent months by different Ministers about both the “damage” done by the Trade and Cooperation Agreement, and their ambitions for the future of the economic relationship with the EU through further alignment lack any detail. If the Government is considering making proposals to dynamically align with the EU in further areas or form a new customs partnership with the EU as longer-term objective, it should be clear about this and there must be the opportunity for appropriate scrutiny of such proposals in Parliament.

268 [Qq16, 55](#)

269 [The Institute for European Environmental Policy UK \(EURO003\)](#)

270 [British Standards Institution \(BSI\) \(EURO021\)](#)

271 [Dr Maria Garcia \(EURO010\)](#)

272 [techUK \(EURO004\)](#)

162. RECOMMENDATION

With both the Chancellor and the Prime Minister now referring consistently to the economic “damage” resulting from the nature of the UK-EU Trade and Cooperation Agreement (TCA), we ask the Government to set out its views on which elements of the existing TCA are the source of such “damage”; confirm, as Ministerial statements suggest, that it is of the view that the current set of negotiating priorities with the EU are not sufficient to address them; and, if this is so, set out what further proposals it intends to make to improve trade relations with the EU and commit to time given in Parliament for scrutiny of these issues.

163. RECOMMENDATION

In particular, in light of recent comments by Ministers, we also ask the Government to clarify if it is reconsidering its “red lines” for the EU negotiations, particularly on the Single Market and customs matters, or if it can envisage any circumstances in which it would be prudent to do so.

164. RECOMMENDATION

We recommend in particular that the Government provide further details at the earliest opportunity, and in any event in its response to this Report, about its proposals for sectoral alignment with the EU Single Market in additional areas as suggested by the Prime Minister. This should make clear in particular the sectors it has prioritised in that regard, and how it intends to take that forward with the EU in the run-up to the next UK-EU summit. The Government should also use existing avenues for consultation to give the sectors affected the opportunity to provide views on the Government’s intentions, before any further formal negotiations based around alignment with EU rules are initiated.

165. RECOMMENDATION

We request the Government to publish, as promised, the headline findings of the Economic Diplomacy Review conducted for the Foreign, Commonwealth and Development Office in 2024, and to clarify in its Response to this Report what EU-related recommendations Sir Martin Donnelly made and which of these the Government has accepted.

Potential areas for further sectoral negotiations

- 166.** Alongside the need for clarity about the Government’s overall economic agenda with the EU, including on the extent of regulatory alignment, our inquiry also heard a range of proposals for the removal of trade barriers

in many individual sectors. Indeed, most of those who provided written evidence described particular challenges affecting their specific area of activity, and ways to address them.²⁷³

- 167.** We have summarised the key suggestions to improve remaining trade barriers highlighted to us below, as we believe they merit further consideration ahead of, and at, the next UK-EU summit. This is not intended to be an exhaustive list, and we are mindful of the fact that, outside the Customs Union and Single Market, some barriers to trade will inevitably remain. The Committee has not carried out any detailed research into these potential areas, so they are included for consideration but without an assessment of the potential impacts – positive or negative.
- 168.** For those readers with a specific interest in post-Brexit trade barriers, we would highlight the May 2025 Report by the Business and Trade Committee, in which it made range of detailed recommendations for improvements to UK-EU trade relations.²⁷⁴

Trade in goods

- 169.** Many witnesses to our inquiry raised particular barriers to trade in goods with the EU, which would also reduce barriers to the movement of goods between Great Britain and Northern Ireland. While successive Governments have decided to pursue voluntary alignment with the EU for many manufacturing sectors,²⁷⁵ we heard significant barriers to smooth cross-border trade with Europe remain.
- 170.** One area highlighted was the pharmaceutical and medical goods sector, for example the “complexities in the import and export of medicines between the UK and the EU” that have “contributed to delays and increased costs, further impacting medicine availability”.²⁷⁶ In response to a question from our Chair, the Prime Minister told the Liaison Committee in July 2025 that in the UK’s relationship with the EU he would “like to do more and more on medicines”. However, the Government has not publicly made any concrete proposals to that effect.²⁷⁷

273 All written evidence submitted to the Committee as part of its inquiry is [available on the Committee website](#).

274 Business and Trade Committee, 6th Report of Session 2024–26, [How to strengthen UK-EU relations: Policy Priorities for the Summit](#), HC 908

275 UK in a Changing Europe, [UK-EU Divergence Tracker Q4 2024 – Q2 2025](#), 16 July 2025

276 University College London Hospitals ([EURO023](#))

277 The Government has sent the EU proposals for a new “working arrangement” on “medical countermeasures: Council of the EU document [WK 15606 2025](#), 17 November 2025.

- 171.** Many stakeholders have also stressed the negative impacts of the EU and Great Britain²⁷⁸ operating their own separate regulatory regimes for chemicals.²⁷⁹ Although the Chancellor suggested prior to the General Election that this was an area where the UK might seek dynamic re-alignment with EU law,²⁸⁰ there have been no UK proposals since and chemicals are not mentioned in the Lancaster House summit documents. In November 2025, the Government did say that it intends to reform UK chemicals laws “in a way that is more aligned with our closest trading partners, especially the EU, by December 2028”.²⁸¹
- 172.** It is unclear if the Prime Minister’s suggestion of extending alignment with EU Single Market rules to new sectors would extend to pharmaceuticals and chemicals.
- 173.** Witnesses also spoke of the significance of mutual recognition of conformity assessment for goods, which Naomi Smith described as “extremely important”.²⁸² Professor Anand Menon described how such recognition could be applied on a sectoral basis, with medical equipment and drugs manufacturing identified as an example where there is mutual interest amongst the UK and EU to ensure products are recognised to the same standards.²⁸³
- 174.** We also heard about the costs and delays associated with post-Brexit customs and VAT formalities, including the need for some UK exporters to pay for tax representatives in the EU.²⁸⁴ Evidence submitted to the inquiry suggested further cooperation could be sought to increase interoperability between UK and EU customs systems, and to agree a common approach to so-called “safety and security” certificates for cargo.²⁸⁵

Cross-border commercial litigation

- 175.** The Law Society told us the Government should continue to push the EU to agree to UK accession to the Lugano Convention. This is an international agreement between the EU and several other European countries “which provides for the recognition and enforcement of a wide range of civil and commercial judgments between its signatory states”.²⁸⁶ The European Commission declined to accept the UK’s request, arguing that the

278 EU chemicals legislation continues to apply in Northern Ireland under the Windsor Framework.

279 Veolia Environmental Services ([EUR0012](#))

280 Financial Times, [Rachel Reeves to seek ‘improved’ UK-EU trade terms if Labour wins election](#), 16 June 2024

281 DEFRA, [Environmental Improvement Plan \(EIP\) 2025](#), 1 December 2025

282 [Q9](#)

283 [Q13](#)

284 University College London Hospitals, NHS ([EUR0023](#))

285 UK Transport in Europe (UKTiE) ([EUR0017](#))

286 Written evidence received for the House of Lords European Affairs Committee’s inquiry into the UK-EU reset, the Law Society ([RES0013](#)) para 5.17, March 2025

Convention should be limited to those non-EU countries that closely integrated into the Single Market, but it is possible that it could revisit that decision in the future in light of closer economic ties with the UK.²⁸⁷

Business and research mobility

- 176.** The implications of the limited options under the Trade and Cooperation Agreement for short-term business travel by services providers were also highlighted to us. As we have noted, the UK and EU have already agreed to establish formal “dialogues” on mutual recognition of professional qualifications and on business travel, but they have not yet led to any concrete improvements. We received evidence, for example from the Law Society, that the UK and EU could use a planned review of the provisions of the Trade and Cooperation Agreement on short-term business visitors to improve such cross-border mobility further,²⁸⁸ while the City of London Corporation proposed further commitments on visa processing times and costs.²⁸⁹ The Society of Spanish Researchers in the UK called for, among other things, a specific “UK–EU Research Mobility Agreement”.²⁹⁰
- 177.** The recent draft publication of the EU’s Multiannual Financial Framework²⁹¹ also offers a chance to build a long-term association with the Horizon Europe research community. The Government should give due consideration to UK universities’ views about influencing this programme’s development from the outset.

Financial services

- 178.** Although it is a major sector of the UK economy, there was no reference to trade in financial services in the Lancaster House documents. Nevertheless, we heard that there are improvements the UK could seek to make cross-border flows of finance with the EU easier while remaining a separate regulatory jurisdiction. The City of London Corporation highlighted a number of ways of deepening cooperation, as well as pin-pointing specific areas of EU regulation that it considered the Government should target in its engagement, including through the UK-EU Financial Regulatory Forum. It also highlighted the benefits of better integration of EU and UK capital markets to fund increased defence spending. It asked for issue-specific Memoranda of Understanding between the UK and EU on financial services matters and a “task and finish working group” looking at the current barriers to investment in defence.²⁹²

287 The Law Society ([EUR0007](#))

288 The Law Society ([EUR0007](#))

289 City of London Corporation, Office of the City Remembrancer ([EUR0024](#))

290 Society of Spanish Researchers in the UK (SRUK/CERU) ([EUR0001](#))

291 European Commission, [The 2028–2034 EU budget for a stronger Europe](#), July 2025

292 City of London Corporation, Office of the City Remembrancer ([EUR0024](#))

179. CONCLUSION

The evidence submitted to this inquiry shows there are a range of further pragmatic steps that the UK and EU can explore together with the aim of improving their trading relationship, strengthening their combined resilience in the face of global economic shocks and also further reducing barriers to intra-UK trade as a result of the Windsor Framework.

180. RECOMMENDATION

We ask the Government to set out, in its reply to this Report, what options it has raised, or intends to raise, with the European Union to further reduce barriers to trade and investment in the following areas:

- Regulatory non-tariff barriers to trade in goods, in particular for chemicals and pharmaceuticals, as well as measures to reduce the impact of VAT and customs formalities for trade with the EU and on mutual recognition of conformity assessment;
- UK accession to the Lugano Convention to improve cross-border recognition of commercial judgements;
- Steps to improve short-term mobility between the UK and EU for services providers and closer cooperation on financial services matters.

The review of the implementation of the Trade and Cooperation Agreement

- 181.** Article 776 of the Trade and Cooperation Agreement (TCA) mandates that, in 2026, the UK and EU should undertake a formal “review” of the implementation of that Agreement. The timing and scope of that process were not publicly agreed by the two sides in advance, although it was clearly not intended to be a fundamental renegotiation of the TCA. Even so, while a review itself may not necessarily lead to changes to the Agreement, it could highlight technical areas where it could be improved.²⁹³ The Minister for EU Relations said in July 2025 that the review has been “overtaken” by the commitment to hold annual UK-EU summits,²⁹⁴ through which both sides can make proposals for changes to the relationship (including to the TCA). The review process to date has been conducted entirely behind closed doors, and the Government did not issue a general Call for Evidence in advance.

²⁹³ The UK-EU Parliamentary Partnership Assembly, at its meeting in November 2025, discussed the desirability of a technical mapping exercise of the full Trade and Cooperation Agreement in parallel to the annual summit process.

²⁹⁴ Evidence taken by the House of Lords European Affairs Committee on 1 July 2025, Corrected oral evidence: The UK-EU reset, [Q189](#)

182. In February 2026, the UK and EU announced at their annual Partnership Council meeting that an “evaluation of implementation” of the TCA had “already [been] undertaken by both sides”.²⁹⁵ It is unclear if this means the UK and EU jointly or separately undertook a comprehensive mapping of the implementation of the TCA. If so, the outcome of that process has not been published and we do not know what, if any, proposals the Government intends to make at the next UK-EU summit to address any issues with, or gaps in, the TCA that it identified. The Partnership Council did not identify any further follow-up as part of the Review process, but nor did it explicitly indicate that process has been completed.

183. CONCLUSION

There has been considerable uncertainty about the scope and function of the review of the implementation of the UK-EU Trade and Cooperation Agreement (TCA) which is required to take place this year. Although the political summit process initiated in May 2025 has, in the Minister’s words, “overtaken” the review, we believe the latter can still play a valuable role as a technical process to help the UK and EU identify how the Agreement is being implemented in practice and where there is untapped potential within its existing provisions to improve trade and cooperation. In that way, the TCA review and the annual summits of the Strategic Partnership are complementary to one another.

184. RECOMMENDATION

It is disappointing that the recent meeting of the Partnership Council did not provide more clarity about the process or intended outcome of the Review. We ask the Government to clarify the outcome of the “evaluation of implementation” of the Trade and Cooperation Agreement (TCA) that it has apparently undertaken; whether it was conducted unilaterally or jointly with the EU, and what stakeholder feedback was sought as part of it; to what extent the evaluation comprehensively mapped the implementation of the Agreement, particularly to identify underused or unimplemented provisions; and, in detail, what the outcome of the evaluation was. We also ask it to make clear whether the UK and EU now consider the Review mandated by Article 776 of the TCA to be completed, or, if not, what further work is planned and on what timescale.

295 Cabinet Office, [Joint statement on the Withdrawal Agreement Joint Committee and Trade and Cooperation Agreement Partnership Council meetings, 2 February 2026](#), gov.uk, 2 February 2026

Trade between the British Overseas Territories and the EU

- 185.** Prior to Brexit, the EU Treaties gave the British Overseas Territories (BOTs) preferential access to the EU market for their exports because of their relationship with the UK. As a result of Brexit, their exports to the EU have been subject to tariffs since January 2021 (as the BOTs are not within the scope of the Trade and Cooperation Agreement negotiated under the previous Government). The Falkland Island Government (FIG) highlighted the continued impact of these tariffs. In its written evidence, it said:

Goods imported into the EU from the Falklands are now subject to the EU's Common External Tariff. This means tariffs of between six and 18% for our fisheries exports and an average tariff of 42% for our lamb exports. [...] The fishing industry is of critical importance to the economy and government of the Falkland Islands, contributing roughly 60% of our GDP and 40% of total government revenue. [...] FIG has therefore concluded that the only long-term solution is to work with the UK to persuade the EU to lift the tariffs.²⁹⁶

- 186.** There is no reference to the BOTs in any of the documents agreed at Lancaster House. It is unclear if the Government raised this with the European Commission prior to the summit.

187. CONCLUSION

The Falkland Island Government has eloquently made the case for a new chapter on trade relations between the British Overseas Territories (BOTs) and the EU (alongside the separate arrangements for Gibraltar given its unique geographical situation). Given these territories' small size, the lifting of the tariffs suggested by the Falklands would not distort the EU market but have a significant beneficial economic impact on the BOTs.

188. RECOMMENDATION

We urge the Government to continue to make the case with the EU for a better deal for the British Overseas Territories (BOTs). We ask the Government to clarify what proposals it has made to the European Commission in respect of the trade relations between the BOTs as part of the "reset", what barriers have prevented progress on this to date, and what its ambitions on this matter are for the next UK-EU summit later this year.

296 Falkland Islands Government ([EURO013](#))

Next steps: An EU White Paper and the 2026 UK-EU summit

- 189.** As we have already noted, the Government has declined to date to publish a White Paper on our relationship with the EU. This has severely hampered transparency of the reset process and of the full range of negotiating objectives the Government is pursuing, especially in light of recent Ministerial comments about the “damage” done by the 2020 Trade and Cooperation Agreement.²⁹⁷
- 190.** Earlier in this Report we already highlighted a number of developments that, in our view, demonstrate a lack of a coherent, cross-cutting Government position on EU affairs. The talks that led to the first UK-EU summit in May 2025 were conducted almost entirely in secret. The outcome of the summit was an incoherent mix of UK and EU priorities. While we welcome many aspects, the summit produced commitments on issues that the Government had not even publicly stated were under consideration. For example, the Government’s deal with the EU to extend access to British waters for EU fishing vessels by 12 years was unwelcome and unexpected for many in the industry. Other aspects were plainly inadequate for the sectors they were intended to support (touring artists, steel tariffs). Since then, it has remained unclear what Ministers’ strategic priorities are, how individual Departments are being involved in setting them, and how they intersect with its red lines. Important aspects of the Government’s EU agenda appear constantly in flux, notably the recent, ambiguous suggestions around further regulatory alignment.
- 191.** This is not a sustainable or effective way for the Government to deliver its EU policy. To right the course, we believe the best way for the Government to equip itself for the task of addressing both the economic and security challenges that underlie the UK’s relationship with the EU is to issue a comprehensive White Paper on that subject. Such an exercise would push the Government to consider in the round what it believes its strategic objectives for the EU “reset” are, and consequently what the relationship with the EU needs to look like to achieve those. It would also, crucially, enable Parliament and stakeholders to understand, and provide feedback on, Ministers’ objectives, proposals and red lines.

²⁹⁷ Professor Paton told us: “There should be something like a White Paper, setting out very clearly what the Government want to get out of negotiations, what their red lines are, and what they think there is scope for. [...] It is about setting those out, letting those be scrutinised, letting people such as this Committee work on flaws in that White Paper”. [Q27](#)

- 192.** Ministers would be following established precedent by publishing a White Paper. Previous Governments, both before and after the 2016 Brexit referendum, did so in acknowledgement of the significant strategic importance of having a clear approach to the UK’s partnership with the European Union.²⁹⁸
- 193.** Establishing a coherent narrative and vision for Britain’s relationship with the EU is also key to the FCDO’s role in supporting the Strategic Partnership and the on-going negotiations under the Common Understanding. The UK’s bilateral relationships with EU countries are crucial to make progress on the ‘reset’ in Brussels, as is the role of Embassies. In its evidence, the Foreign Policy Centre told us the Government should:

Develop and deliver a communications strategy with a clear narrative about why the UK is pursuing a reset with the EU to build public support and trust in establishing closer ties with the EU.²⁹⁹

- 194.** The Committee received evidence in particular on the lack of effective UK public diplomacy in support of its ‘asks’ of the EU in national capitals of the EU-27, also tied to the lack of an overall vision.³⁰⁰ This could also address the potential disconnect between the Commission and the EU’s national capitals on shared commitments and ambitions set out in the Common Understanding (see paragraph 52 in chapter 2).
- 195.** A White Paper can also form the basis and structure for the political and public debate about the future of our relationship with the EU, which has and will continue to take place regardless of whether the Government tries to formulate its EU policy and conduct its engagement with Brussels mostly in secret. We heard about the EU’s reluctance to go further in the negotiations because of the lack of a consensus in UK politics on relations with the EU. For example, Professor Menon said:

If you talk to the French or German Governments or the Commission about what kind of deal they might offer the British [...] they say things like, ‘Maybe we could do that, but if there is another Government in the UK in four years’ time that is very Eurosceptic and committed to tearing up these deals, what is the point?’ The fact that

298 For example, the previous Government - responsible for negotiating our current Trade and Cooperation Agreement with the EU in 2020 - published for scrutiny the main elements of a new trade agreement with the EU, as well as an accompanying policy paper, at the start of the formal negotiating process.

299 Foreign Policy Centre ([EURO022](#))

300 [Qq83-84](#)

the British political system is very seriously divided on the European question is a factor that matters for the ability of the UK to get an ambitious deal with the EU.³⁰¹

196. With that in mind, a White Paper could form the foundation of the Government's talks with the EU ahead of the second annual UK-EU summit and, crucially, beyond to frame the terms of engagement for the rest of this Parliament. Similarly, while our witnesses emphasised the importance of milestones and deadlines in the Government's negotiations with the EU to provide momentum and focus minds,³⁰² no date for the next UK-EU summit has been announced yet.

197. CONCLUSION

While the best moment for an EU White Paper would have been in advance of the first UK-EU summit, we do not believe it is too late given that the Government's own position on this matter is clearly in flux; there remains a need for a stable, long-term approach to the UK's relationship with the EU; and the significant challenges in that relationship that remain which the Lancaster House summit did not address. A White Paper could serve in particular to elucidate the Government's apparent shift in recent months towards considering a closer economic, and therefore political, relationship with the EU.

198. RECOMMENDATION

To ensure the Strategic Partnership with the EU can deliver on its full potential, we recommend that the Government, with a view to informing its objectives for the next bilateral summit and beyond, publish a White Paper on the future of the UK-EU relationship. This should clearly articulate the overall vision for the relationship; the strategic challenges that the Partnership must equip the UK and EU to address; and the specific proposals the Government has made, or is intending to make, to achieve this, including around further regulatory alignment.

301 [Q80](#). Charles Grant made a similar point: "You will hear from some capitals in the EU that, "We're not going to go too far in this reset, because what if you have an election and a fundamentally Eurosceptic Government comes in and unpicks it all?" In a sense, the idea that, "We're not going to commit ourselves to too much until there's a degree of predictability about the medium-term political future of the UK." [Q26](#)

302 [Q62](#)

199.

RECOMMENDATION

We recommend the Government and the EU should publicly announce the date for the next UK-EU summit as soon as possible, to create momentum in the on-going negotiations and concentrate minds on finding common ground on other outstanding issues to help the Strategic Partnership deliver on its full potential.

5 Parliamentary scrutiny of EU matters

200. Parliamentary scrutiny, where properly facilitated by Ministers, fulfils an important “quality control” function for Government policies and legislation. As such, Parliament should also play an important role in scrutinising the UK’s relationship with the EU, including the new Strategic Partnership and the outcomes of the commitments made at the Lancaster House summit. Making sure that the Government’s EU policy objectives are scrutinised, tested and improved (where necessary) in Parliament can only serve to enhance the democratic legitimacy of the outcome of the “reset”, as well as its durability.

Facilitating parliamentary scrutiny through transparency

201. We have already highlighted the lack of transparency from the Government about its approach to EU affairs throughout this Report. The Minister for EU Relations has repeatedly said the Government will not offer a “running commentary”.³⁰³ That, however, leaves a wide range of possibilities for improved transparency that do not require constant updates but enable Parliament to scrutinise progress in the negotiations (in particular as draft agreements take shape). For example, while the Cabinet Office already publishes an Annual Report on the implementation of the Trade and Cooperation Agreement³⁰⁴ and (jointly with the European Commission) on the Brexit Withdrawal Agreement,³⁰⁵ it has not committed to do so for the new Strategic Partnership and its underlying negotiating strands.

303 For example: [HC Deb 13 May 2025, vol 767, col 233](#); [Universities: Fees and Charges PQ 83799, 30 October 2025](#); [UK Trade with EU PQ 90861, 19 November 2025](#)

304 Cabinet Office, [Trade & Cooperation Agreement implementation report, 2023–2024](#), gov.uk, 2 September 2025

305 Cabinet Office, [Withdrawal Agreement Joint Committee annual report 2024](#), gov.uk, 13 May 2025

202. CONCLUSION

To date, the Government has been reluctant to be transparent with Parliament about the substance of its position in talks with the EU and progress in those negotiations. We are not asking for Ministers to give, in their words, a “running commentary”, but there is significant scope for improvement in the flow of information.

203. RECOMMENDATION

We have already made recommendations on extending the Government’s commitments to transparency of Free Trade Agreement negotiations to the negotiations with the EU. Given the cross-cutting nature and complexity of the EU relationship, we also recommend that the Government publish an Annual Report on the implementation of the Strategic Partnership ahead of each subsequent UK-EU summit and enable a debate on this document in the House of Commons. This should cover progress made in the previous year on commitments made in the Common Understanding, as well as the implementation of new mechanisms for cooperation established under the Security and Defence Partnership.

Quality control of new UK-EU Agreements before ratification

204. The Government is conducting a series of parallel negotiations with the EU where the aim is to strike new agreements (treaties) that will be binding on both sides. Recent history shows how essential it is not to neglect Parliament’s role in scrutinising these agreements before they are ratified and take effect. Both the 2019 Withdrawal Agreement—in particular its contested “Northern Ireland Protocol”—and the 2020 Trade and Cooperation Agreement were ratified without adequate opportunity for scrutiny.³⁰⁶ Neither was subject to the normal treaty scrutiny procedures set out in the Constitutional Reform and Governance Act 2010 which, while far from ideal, are better than nothing. Both agreements had significant flaws that became evident only after they took effect, and these are still not fully fixed: the Windsor Framework, with its modified arrangements for Northern Ireland, and more recently the Government’s “EU reset” agenda itself show how this is still a work in progress.

306 For example, the 1246-page Trade and Cooperation Agreement was [published](#) on 24 December 2020 and Parliament rushed the Bill to implement through [in a single day](#) six days later to avoid a “no deal” Brexit with destructive economic effects.

205. Engaging Parliament only at the point when legislation, in some form, may be required to implement agreements already finalised is not an adequate substitute for treaty scrutiny.³⁰⁷ It is imperative that the Government avoids attempts to rush or by-pass parliamentary scrutiny of future agreements with the EU before they are ratified. Professor Paton told us:

There is a danger of that happening if the Government come back and say, “This is the agreement: take it or leave it.” The political scrutiny then starts, and there may be political noise, but there may also be genuine issues that come up that perhaps have not been thought of by negotiators—unintended consequences, particular trade groups, and so on. So that process of scrutiny probably outweighs the need for secrecy.³⁰⁸

206. We note in this context that the Government has already committed to providing Parliament with the text of new Free Trade Agreements earlier than required under the Constitutional Reform and Governance (CRAG) Act 2010. This is a useful precedent for new agreements with the EU as well, given the level of political and public interest. Unfortunately, when we asked the Minister for EU Relations to commit to making the text of new agreements with the EU available in good time to enable parliamentary scrutiny, he did not answer the question directly. He told us that “where that process is appropriately engaged, we will follow it”.³⁰⁹ He also did not rule out the Government relying on the process in section 22 of the CRAG Act 2010, which enables the Government in exceptional circumstances to ratify treaties without even laying them before Parliament for the usual 21 sitting days prior to ratification.³¹⁰

207. More recently, the Minister appeared to suggest again to the Public Administration and Constitutional Affairs Committee that as far as the Government is concerned, Parliament’s role in approving any new agreements with the EU would be limited to passing “the Bill” required to implement dynamic alignment.³¹¹ However, as we consider further below, it appears possible that this Bill will commence its legislative journey before Parliament has had sight of the relevant treaties the Government has negotiated with Brussels. It is also unclear if this Bill would be the legislative vehicle to implement any agreements with the EU that are not based on dynamic alignment, for example on youth mobility or defence industrial cooperation.

307 House of Lords Common International Agreements Committee, Tenth Report of Session 2024–26, [Treaty Scrutiny in Westminster: Addressing the Accountability Gap](#), HL paper 168, para 68

308 [Q27](#)

309 [Q119](#)

310 [Q123](#)

311 Oral evidence taken by the Public Administration and Constitutional Affairs Committee on 28 January 2026, [The work of the Cabinet Office](#), Q433

208. With respect to the legislative implementation of new agreements with the EU, we note that the Government has indicated primary legislation will be required to give effect to new requirements around dynamic alignment with EU law in particular. However, the significant constitutional and legal implications of creating a new statutory mechanism for alignment with EU law when we are no longer a Member State, the Minister was unable to provide details of the draft Bill to that effect when we asked him in September 2025.³¹² When asked about the UK’s ability to influence EU rules with which the UK will need to align, the Minister told us:

We will sign up to align on those standards, and it is our sovereign choice to do so. You asked me specifically about rule shaping. As I say, it is participatory. You will have access to things like data, and be able to participate in discussions around the development of the rules. I am not being defensive about this. We are taking a decision as a Government to align with another high-standards jurisdiction. It is our sovereign choice to do so. That does not undermine our sovereign ability to strike other free trade deals if we want to.³¹³

209. We consider it highly likely that the Government will propose to confer extensive powers to Ministers to implement alignment with new EU rules on an on-going basis via legislative means subject to little parliamentary scrutiny, for example via statutory instruments.

210. In January 2026, the Government briefed the press that the Dynamic Alignment Bill was likely to be introduced in Parliament before the summer recess³¹⁴ and the Minister for EU Relations has since confirmed that it “may” be introduced before Parliament is prorogued ahead of the King’s Speech on 12 or 13 May.³¹⁵ Despite the Bill’s constitutional and legal significance, the Minister has ruled out submitting it for pre-legislative scrutiny by Parliament before it is formally introduced in order to ensure it receives Royal Assent “by the end of the year”.³¹⁶ This means Parliament could be asked to begin considering the legislation, and potentially pass it, before the negotiations with the EU which it will implement have been completed. It is unclear at which point in the legislative process Parliament will actually have sight of the text of the treaties which the Bill intends to implement, despite the fact

312 [Q128](#)

313 [Q126](#)

314 The Guardian, [Starmer prepares for parliamentary battles over imminent EU ‘reset’ bill](#), 6 January 2026

315 Oral evidence taken by the Public Administration and Constitutional Affairs Committee on 28 January 2026, [The work of the Cabinet Office](#), Q432

316 Oral evidence taken by the Public Administration and Constitutional Affairs Committee on 28 January 2026, [The work of the Cabinet Office](#), Q432

that the Government has not committed to making time for a debate and vote on the ratification of those agreements as separate from the process of passing the Bill.

211. CONCLUSION

Parliament's ability to effectively scrutinise any new agreements negotiated with the EU before they enter into force is a key test of the Government's commitment to democratic legitimacy and accountability. It would be a concrete demonstration that lessons have been learned from the inadequate scrutiny processes for the Northern Ireland Protocol and the Trade and Cooperation Agreement, which had significant flaws that could have been 'caught' had Parliament been given the tools and time for thorough scrutiny. Parliamentary scrutiny should not be limited to any domestic legislation that may be required to give all or parts of any new agreements with the EU legal effect in the UK.

212. RECOMMENDATION

We ask the Government to commit to making time for a debate and vote in the House of Commons for each new formal treaty with the EU that is subject to the process in section 20 of the Constitutional Reform and Governance Act 2010 prior to its ratification. Currently there are at least four such treaties expected. When doing so, the Government should commit to extend the scrutiny period Parliament has to consider these new Agreements prior to ratification, as it has already done for Free Trade Agreements.

213. RECOMMENDATION

It would have been preferable for the Government to publish its Dynamic Alignment Bill for implementation of the relevant new EU agreements in draft for pre-legislative scrutiny at an earlier opportunity so that the detail of this proposed mechanism could have been scrutinised before Parliament is asked to outsource part of its legislative authority to the EU. To ensure the fullest possible scrutiny despite these constraints, we ask the Government to confirm that Parliament will not be asked to consider the substance of the Bill unless and until the finalised legal texts of the agreements with the EU that it will implement have been published.

Parliamentary scrutiny of EU affairs in the House of Commons

- 214.** The UK’s relationship with the European Union remains a high-profile political issue and is undergoing significant change. As part of our inquiry, we have reflected on the best manner of ensuring substantive parliamentary scrutiny of the UK-EU relationship, including present and future negotiations with the EU (and the agreements that might result), as well as the continued significance of new EU laws and policies on the UK (which is set to increase if the Government formally commits to dynamic alignment with the EU in specific sectors).
- 215.** In previous Parliaments, the House of Commons had a dedicated European Scrutiny Committee. Its formal role was to assess the “legal and political importance” of EU documents, in particular draft EU legislation, and it also undertook a range of inquiries and scrutiny work on UK-EU relations more generally.³¹⁷ (Individual departmental Select Committees were, of course, also free to consider EU-related matters of relevance to their area.) The European Scrutiny Committee was abolished by the House in July 2024,³¹⁸ after which responsibility for scrutinising the Government’s EU policy has now been fully ‘dispersed’ to departmental Select Committees. We have already referred elsewhere, for example, to the work of the Committees on Business and Trade; Defence; Environment, Food and Rural Affairs; and Northern Ireland Affairs within their respective areas of interest. The Public Administration and Constitutional Affairs Committee (PACAC) also has a role in scrutinising the work of the Paymaster-General, including his responsibilities relating to the EU, as a Cabinet Office Minister.³¹⁹ At present, the Foreign Affairs Committee is the only Select Committee in the House of Commons that is actively scrutinising Government EU policy and the UK’s relationship with the EU from a holistic perspective.
- 216.** However, on top of scrutiny of general political developments in the UK-EU relationship, the issue of regulatory alignment is also becoming more pressing. When the European Scrutiny Committee was abolished, the then-Leader of the House of Commons (Rt Hon Lucy Powell MP) said there was no longer a need for it because the UK no longer needed to “automatically take [EU legislation] on board” after Brexit.³²⁰ As we have already noted, a large body of EU law has continued to apply in Northern Ireland ever

317 It conducted [inquiries](#), for example, on matters outside the formal document scrutiny arrangements such as UK-EU defence cooperation, Gibraltar, retained EU law and ‘regulating after Brexit’.

318 HC Deb, 30 July 2024, vol. 752, [col 1272](#)

319 PACAC has discussed the Government’s EU reset agenda with the Minister as part of its overarching scrutiny of his responsibilities.

320 [HC Deb 30 July 2024, vol 752, col 1272](#)

since Brexit. Driven in part by a desire to avoid trade barriers between Northern Ireland and the rest of the UK as a result, successive Governments have also pursued voluntarily alignment with EU rules in certain sectors of the economy, particularly those affecting trade in goods.³²¹ The Product Regulation and Metrology Act 2025 provides an explicit legal basis for such alignment with certain EU rules, and the upcoming Dynamic Alignment Bill is expected to expand this further.³²² If the Government is successful in reaching new agreements with the EU on dynamic alignment, as set out in the Common Understanding of 19 May 2025, this would only serve to make developments in EU law and policy *more* relevant to the UK.

- 217.** But the UK’s influence over the substance of new EU laws with which it is aligning, or will align in the future, is extremely limited. Under the agreements based on dynamic alignment which the Government is currently negotiating, the UK will only have a consultative “decision-shaping” role allowing it to formally provide technical feedback to the European Commission on draft EU legislation that the UK will be expected to implement in its domestic law.³²³ The Common Understanding does state that dynamic alignment must take place with “due regard to the United Kingdom’s constitutional and parliamentary procedures”.³²⁴ We note in this regard that under the Windsor Framework, the UK can under certain conditions reject the implementation of new EU legislation in Northern Ireland that would otherwise be automatically applicable there using a mechanism known as the “Stormont Brake”, which can only be triggered at the request of the Northern Ireland Assembly.³²⁵ The Government in January 2026 told the House of Lords that “No new [EU] rules will apply in the UK without the UK first agreeing to this”. It is unclear if this was intended to mean that the Government wants to be able to veto the UK having to apply new EU rules, for example relating to SPS matters, on a case-by-case basis.³²⁶
- 218.** Given that the UK will be asked to apply EU laws that it had no substantive influence over, we are mindful of the need for scrutiny in the House of Commons of new EU laws relevant to dynamic alignment to avoid exacerbating the democratic legitimacy and accountability gap. It is not

321 UK in a Changing Europe, [UK-EU Divergence Tracker Q4 2024 – Q2 2025](#), 16 July 2025

322 The Government’s [Explanatory Notes](#) to the Act state: “The Act provides the necessary powers to update the legislative framework, supporting economic growth, providing regulatory stability and delivering more protection for consumers by [...] ensuring that the law can be updated to allow a means of recognising new or updated EU product requirements”.

323 European Commission, [UK-EU Common Understanding of 19 May 2025](#), 19 May 2025, paras 21, 30 and 44

324 European Commission, [UK-EU Common Understanding of 19 May 2025](#), paras 21, 27 and 40

325 House of Commons Library, [The Stormont Brake in action](#), Insight, 28 January 2025

326 House of Lords European Affairs Committee, [Government Response to the European Affairs Committee Report Unfinished Business: Resetting the UK-EU relationship](#), 27 January 2026, para 81

effective for Parliament only to look at the substance of EU legislation with which the UK is aligning only at the point, for example, where Ministers lay a Statutory Instrument before the House to give effect to laws already agreed in Brussels.

- 219.** It is clearly outside the remit of the Foreign Affairs Committee to look at the technical detail of new EU legislation in specific areas like food safety, animal welfare or electricity trading. It is also unlikely that Departmental Select Committees have the time or resources to take on a systematic new legislative scrutiny function in relation to EU laws with which the UK is aligning in their areas. We have already alluded to the difficulties that departmental select committees have had scrutinising their area of the EU reset because of an apparent disconnect between the centre of Government and policy departments.³²⁷ Dr Davor Jancic of Queen Mary University of London, in his evidence to the inquiry, emphasised the centralised approach to EU policy within Government itself, where negotiations across all areas are coordinated and led by the Cabinet Office.³²⁸
- 220.** Unlike the House of Commons, the House of Lords has retained a European Affairs Committee to consider the UK-EU relationship, as well as a Northern Ireland Scrutiny Committee that looks at the implementation of the Windsor Framework. However, while the work of these Committees is valuable, they do not have the democratic legitimacy of the Select Committees of the House of Commons. Their priorities and views, for example on the costs and benefits of dynamic alignment, may also differ, and their work is not integrated into the wider work of this House of Commons. We note that the Lords’ European Affairs Committee has itself signalled the need for further engagement with the Government on the implications of regulatory alignment for Parliament, asking it to “set out how it envisages that a scrutiny system for dynamic alignment would work and how it plans to ensure that Parliament can play a full scrutiny role in this new area of activity”.³²⁹

221. CONCLUSION

Given the impact, complexity and cross-cutting nature of the UK’s relationship with the EU, continued parliamentary scrutiny of the UK-EU relationship is vital.

327 See chapter 2 of this Report.

328 Dr Davor Jancic ([EURO020](#))

329 House of Lords European Affairs Committee, First Report of Session 2024–26, [Unfinished Business: Resetting the UK-EU relationship](#), HL Paper 202, 12 November 2025

222. CONCLUSION

The EU is a key international partner for the UK. As such, the Foreign Affairs Committee should continue carrying out the scrutiny function for the foreign policy dimension of the new relationship, including the Security and Defence Partnership, as well as relevant elements of the new Strategic Partnership and the annual summit process, as part of our broader programme of work and our scrutiny of the Foreign, Commonwealth and Development Office. This would of course not preclude other Committees from considering EU-related matters as they see fit.

223. CONCLUSION

The closer relationship with the EU and the accelerating trend towards UK regulatory alignment with the EU does, however, raise important questions about the need for parliamentary scrutiny of EU matters within the House of Commons. In particular, under the envisaged agreements based on dynamic alignment the UK Parliament will, in effect, be asked to outsource more of its legislative autonomy to another jurisdiction while such treaties are in place (on top of the requirement to align with EU rules already required by the Windsor Framework for Northern Ireland). As long as alignment is taking place, EU laws will inevitably constrain UK Government policy and Parliament's legislative functions, as well as having potentially significant impacts on businesses and citizens.

224. CONCLUSION

Even so, the UK has only limited scope to influence new EU laws with which it is or will be aligning. To ensure a degree of democratic legitimacy and accountability in relation to regulatory alignment with the European Union, it is necessary that the House of Commons should have appropriate mechanisms in place to scrutinise EU laws of relevance to the UK. These should also enable the House to act on any concerns with the relevant Government Department and coordinate input, as required, into the UK's future formal "decision-shaping" arrangements with the European Commission on draft EU laws where alignment takes place pursuant to a binding agreement.

225. CONCLUSION

It is not clear to us that expecting Departmental Select Committees to fulfil this task would be workable, and nor can they provide the House with a cross-cutting overview of how alignment with EU rules, and limitations on the UK's regulatory autonomy, are developing across different areas of policy. We do not consider that the scrutiny mechanisms that exist in the House of Lords, valuable as they are, can substitute for scrutiny of EU matters, and Ministers' decisions on alignment, by the democratically elected House of Commons. It is also clear that any scrutiny mechanism for EU matters, however operationalised, will require the Government's cooperation to be effective.

226. CONCLUSION

We agree with the House of Lords European Affairs Committee that Parliament must "play a full scrutiny role" when it comes to matters of alignment with the EU. Given the continued impact of the EU decisions on the UK and the much closer relationship being pursued by the Government, we believe that the House of Commons should establish a dedicated new Committee on EU affairs, to consider and scrutinise matters relating to the UK's closer new relationship with the European Union in the round, including matters pertaining to regulatory alignment.

227. CONCLUSION

We intend to consider the matter further, engaging with other interested parties within the House of Commons. It would be preferable for there to be broad agreement on the appropriate EU scrutiny mechanisms before any new treaties with the EU requiring dynamic alignment are brought into force.

228. RECOMMENDATION

While the House of Commons approach to scrutiny of EU matters is ultimately a matter for the House itself, the establishment of a new Committee requires the Government's support and its effectiveness will also depend on the flow of information from relevant Ministers and Departments. We therefore ask the Government to make clear if it supports the establishment of a Committee for scrutiny of EU Affairs in the House of Commons.

229. RECOMMENDATION

We also ask the Government to explain if it intends to make sure that the new agreements with the EU based on dynamic alignment will include a mechanism, for example modelled on the Stormont Brake, that would enable the UK to reject having to implement a new piece of EU legislation that would otherwise be subject to the requirement to align; and what role it envisages for Parliament, and the House of Commons in particular, in the triggering of such a mechanism.

230. RECOMMENDATION

Similarly, we ask it to clarify if its recent assertion that “no new [EU] rules will apply in the UK without the UK first agreeing to this” means that the Government will have to consent to the UK aligning with relevant new EU laws under these future agreements on a case-by-case basis; or whether ‘agreeing’ in this context was intended as a reference to the UK ratifying treaties with the EU requiring it to align automatically with all its rules on an on-going basis unless an exemption applies.

Conclusions and recommendations

Pressing the “reset” button

1. The EU is a key partner for the UK. The relationship is more stable now than it has been for some time, but significant challenges remain and there are ample opportunities to improve it further. We are supportive of Government efforts to address these challenges, rebuilding trust and improving the relationship in the UK and EU’s shared interest. (Conclusion, Paragraph 19)
2. We agree that faithful implementation of the existing agreements with the EU is key to the stability of the overall UK-EU relationship, as well as to the prospects of any substantive improvements to it. Regrettably, Brexit itself and the subsequent Windsor Framework arrangements for Northern Ireland have repeatedly been a source of friction. We understand the need for the Government to implement the Windsor Framework in good faith, while also working closely with the Executive, Assembly and stakeholders in Northern Ireland to mitigate negative impacts on trade between there and the rest of the UK. We welcome the Government’s clear intent to address some of those impacts through overall improvements to the UK-EU relationship as part of the “reset”. (Conclusion, Paragraph 20)
3. We welcome the continued efforts being made by all parties to reach a new Agreement on Gibraltar. This should bring an end to nearly 10 years of uncertainty and ensure the continued fluidity of the border with Spain, without diminishing UK sovereignty. We hope that a treaty that safeguards UK and Gibraltar interests can be brought into effect without delay. (Conclusion, Paragraph 23)
4. We ask the Government to provide an update on its envisaged timetable for publication and ratification of the draft UK-EU Agreement on Gibraltar. Given its constitutional and political importance, we also request that the Government makes time in the House of Commons for a debate on the Agreement, prior to its ratification, during the scrutiny period provided for under Part 2 of the Constitutional Reform and Governance Act 2010. (Recommendation, Paragraph 24)

The Lancaster House summit and the new UK-EU Strategic Partnership

5. The Government's deal with the EU to extend access to British waters for EU fishing vessels by 12 years came as a surprise for many in the industry. Irrespective of the merits of the agreement, the Government should have consulted and managed expectations accordingly with the affected sectors ahead of the summit. (Conclusion, Paragraph 32)
6. While the fisheries deal represents an extension of the status quo, the Government also had the option of using the end of the adjustment period to reduce access to its waters for EU vessels from 2026, or to offer an extension of existing levels of access for a lesser period than 12 years. The Government should provide regular updates to Parliament on the operation of the 12-year deal as overseen by the UK-EU Specialised Committee on Fisheries. (Recommendation, Paragraph 33)
7. We welcome the Government's success in securing a time-limited commitment from the EU to restore tariff-free exports for certain steel products at the Lancaster House summit. (Conclusion, Paragraph 38)
8. With the UK now outside the Customs Union, the risk of future EU tariffs on British steel remains. The Government did not identify the issue of steel tariffs as a priority in its public communications on the "reset", and it is not at all clear what, if anything, it proposed to the EU to address this matter comprehensively as part of the first UK-EU summit. Nonetheless, it is disappointing that, despite the positive momentum in the relationship, and the importance of a thriving metals sector to Europe's shared defence industrial base, the European Commission has not proposed to exclude the UK from its proposals for the EU's post-2026 steel tariff regime. We regret that the Lancaster House summit did not produce a long-term deal on steel tariffs. These developments point to the lack of adequate UK-EU political structures to address shared strategic challenges, in this case unfair Chinese industrial practices, collaboratively. (Conclusion, Paragraph 39)
9. We ask the Government to confirm if the European Commission's commitment to 'duly reflect' historic UK export volumes of Category 17 steel in its new steel tariff regime means that historic UK volumes of such exports will still be able to enter the EU tariff-free from June. We also ask the Government to clarify if it sought a more durable arrangement with the EU on steel tariffs in the run-up to the May 2025 summit; provide an update on its engagement with the Commission more generally to avoid the imposition of tariffs on exports of British steel in other categories from summer 2026;

and set out to what extent the UK’s “red lines” for negotiations with the EU, particularly on customs matters and the Single Market, affect its ability to do so. (Recommendation, Paragraph 40)

- 10.** We welcome the UK-EU Security and Defence Partnership. It is a useful tool for structured dialogue and cooperation in a key area of mutual interest, without constraining the UK’s ability to conduct its foreign, defence and security policies as it sees fit. We urge the UK, EU and EU Member States to go further and faster in strengthening defence cooperation and coordination in coalition structures like the Joint Expeditionary Force and Coalition of the Willing. Russia’s illegal war in Ukraine and US equivocation on NATO have made this more important than ever. (Conclusion, Paragraph 47)
- 11.** We hope the Security and Defence Partnership will, in particular, facilitate sustained UK-EU cooperation in support of Ukraine’s defence and, by extension, European security. In that context, it is extremely regrettable that the EU Member States in December 2025 were unable to find a united EU position on the use of immobilised Russian Sovereign assets to provide Ukraine with the financial support it needs. The UK is unwilling to seize the Russian Sovereign assets in its jurisdiction in the absence of a coordinated move with Europe. It will be European taxpayers that shoulder more of the burden, rather than utilising the significant assets of the aggressor that are at the UK and EU’s disposal to utilise in line with international law. Ultimately, for a just and lasting peace, Russia will need to pay reparations to account for the damage it has inflicted. It remains imperative that a way is found to deploy the Kremlin’s Sovereign assets in support of Ukraine. (Conclusion, Paragraph 48)
- 12.** We urge the Government to continue discussions with the EU and its Member States with respect to the coordinated use of immobilised Russian Sovereign assets to provide financial support to Kyiv, to ensure that Russia pays for the damage it has caused. (Recommendation, Paragraph 49)
- 13.** European security is facing its greatest threat since the end of the Cold War. Russia continues its illegal war on Ukraine and poses an acute threat to the security of the entire European continent. It has intensified its hybrid operations in the UK and across the EU. This threat makes industrial cooperation between the UK and EU, to support Europe’s collective military capabilities and resilience to hybrid threats, an indispensable, strategic imperative. (Conclusion, Paragraph 54)
- 14.** The UK is a key player in continued efforts to repel Russia’s invasion of Ukraine and to protect Europe’s security more broadly. Security Action for Europe, as a key EU programme aimed at improving the defence of the European continent, would clearly be more effective with greater involvement of Britain’s large and sophisticated defence industrial base.

This was highlighted explicitly as a priority in the new Security and Defence Partnership, and agreeing on greater UK involvement would send a clear sign of close UK-EU security cooperation in response to the Russian threat. (Conclusion, Paragraph 55)

15. It is therefore extremely disappointing that these negotiations have been a failure so far. This is the direct result of EU demands for a UK financial contribution to Security Action for Europe that was, we agree with the Government, beyond the bounds of the reasonable. As a result, cooperation in an area as crucial as defence collaboration, needed urgently to support Ukraine, has been derailed. This is a worrying sign that the UK and EU are far from ready to think strategically about their shared interests and act accordingly. (Conclusion, Paragraph 56)
16. The EU's regrettable approach to the Security Action for Europe (SAFE) negotiations does not negate the need for improved UK-EU cooperation on defence industrial matters as a matter of strategic urgency. We therefore recommend the Government continue to seek a deal on cooperation under SAFE, provided the EU is willing to reconsider its financial demands. Given the strategic priority of closer UK cooperation with the EU on defence industrial matters, it should be clear with the public as to the reasons why the negotiations failed, and raise the importance of avoiding the same mistakes occurring again at all levels with the EU and bilaterally with Member States. (Recommendation, Paragraph 57)
17. We also recommend the Government continues to monitor other EU defence initiatives closely, including the security component of its proposed new Competitiveness Fund, and report back to Parliament in due course on whether it believes it worth exploring options to secure closer UK involvement in those EU initiatives in addition to Security Action for Europe. (Recommendation, Paragraph 58)
18. The Common Understanding agreed with the EU is one of the key outcomes of the Government's "reset" efforts to date. As and when delivered fully, it should significantly reduce barriers to trade for some sectors, albeit resulting in reduced UK regulatory autonomy due to the commitment to dynamic alignment with EU law. It should also improve cooperation in areas like irregular migration, although it is vague on specific outcomes in that area making scrutiny of progress difficult. (Conclusion, Paragraph 63)
19. Reflecting the Government's approach to setting its EU negotiating objectives, we found there is little in the Common Understanding by way of a connecting thread between its different elements. Some of the Government's known objectives for the "reset", as well as numerous proposals made by stakeholders for improvements to the relationship, are missing. Conversely, some elements that are included in the Common Understanding, such as electricity trading and steel tariffs, were not articulated as UK priorities

before the summit at all. There is no sense of urgency within the Common Understanding to establish better ways of working together on other strategic challenges, notably economic security risks and coordination of the UK and EU's respective policy response to them (such as the EU Industrial Accelerator Act). The overall impression is that the Government failed to present and secure a coherent roadmap for the future of the UK-EU relationship. (Conclusion, Paragraph 64)

- 20.** British companies lead the world in their work in editing crop genes to prevent disease, eradicate pests and enable crops to survive drought or flooding. Furthermore, the UK maintains some of the highest animal welfare standards in the world. Since Brexit, the UK has had the power to set animal welfare standards, such as banning the live export of livestock for slaughter. However, the Government must remain conscious of the risk that the UK's ability to set its own standards could be compromised by conditions set in trade deals with major partners. (Conclusion, Paragraph 71)
- 21.** The Government has made the Sanitary and Phytosanitary Agreement with the EU a political priority and convincingly demonstrated its potential economic benefits if properly negotiated. However, important questions remain about the scope of the Agreement and of any exemptions from the UK's obligation to align with EU rules. (Conclusion, Paragraph 72)
- 22.** In particular, we ask the Government to provide further clarity regarding the specific exemptions it will demand with respect to animal welfare, genomic techniques and pesticides at the earliest opportunity, recognising the significant benefits of UK regulatory autonomy in these areas. (Recommendation, Paragraph 73)
- 23.** We are also concerned about reports of a termination clause requiring potentially significant financial compensation to the EU if the UK were to exit the Sanitary and Phytosanitary Agreement in the future. (Conclusion, Paragraph 74)
- 24.** We ask the Government to provide examples of other agreements entered into by the UK or EU where termination by one party would require the payment of compensation to the other. This will ensure that Parliament has the proper context when considering the relevant provision of the Sanitary and Phytosanitary Agreement and the legislation necessary to implement it in due course. (Recommendation, Paragraph 75)
- 25.** We support the Government's intention to act on the commitment made by its predecessor within the Trade and Cooperation Agreement to "seriously consider" linking the UK and EU emissions trading systems. An agreement to that effect would be of benefit to both sides' climate ambitions. An agreement on Emissions Trading Systems linkage would also allow for mutual exemption from carbon border taxes that might otherwise hinder

UK-EU trade when they are fully in effect. However, we are concerned by the lack of communication about the timing and detail of any temporary arrangement to exempt UK exports from EU Carbon Border Adjustment Mechanism in the meantime. (Conclusion, Paragraph 80)

- 26.** We ask the Government to provide clarity at the earliest opportunity about the state of play of its engagement, if any, with the EU to agree an interim arrangement for British exports under the EU's Carbon Border Adjustment Mechanism, while negotiations on a formal agreement to achieve linkage between the UK and EU Emissions Trading Systems are on-going. (Recommendation, Paragraph 81)
- 27.** Citizens of both the UK and EU face a sustained cost of living crisis, and the Committee supports the Government's efforts to bring down energy bills by making electricity trading with the EU more efficient. However, we note there is no detail yet about the Government's position for the talks or the expected timing of any agreement. Consequently, we do not know when these benefits are likely to materialise or what the extent of dynamic alignment in this area might be. (Conclusion, Paragraph 85)
- 28.** More broadly, the Government has now entered into negotiations with the EU on several agreements on the basis of dynamic alignment with relevant EU laws, subject to some exceptions yet to be negotiated. The Committee notes that this will, necessarily, reduce regulatory autonomy in Great Britain, beyond the constraints that apply already in Northern Ireland under the Windsor Framework, as the price for improved terms of trade with the EU. We consider the democratic legitimacy and parliamentary implications of this further in chapter 5 of this Report. (Conclusion, Paragraph 86)
- 29.** There is a lack of clarity about the extent to which relevant case law of the Court of Justice of the European Union will be binding on the UK under any new Agreements based on dynamic alignment. (Conclusion, Paragraph 87)
- 30.** Beyond the Court of Justice of the European Union's (CJEU) limited role in dispute resolution where there is a referral of a specific question relating to EU law to that Court, we ask the Government to clarify if these Agreements are also likely to follow the precedent of the EU's recent treaties with Switzerland, requiring the UK to interpret and apply EU law referred to in the Agreements in conformity with CJEU case law, outside the context of a UK-EU dispute. (Recommendation, Paragraph 88)
- 31.** There is a range of views on the Committee regarding a Youth Experience Scheme. Whilst there is an understanding that such a scheme would be a way of providing young people on both sides with new opportunities to travel and work, and strengthen cultural and personal ties between the UK and its European partners, the Committee agrees that it must be distinct from free movement of people, be visa-based and only permit stays of

limited duration. It should also be subject to adequate safeguards, including limits on overall numbers. We are clear that this must not be a return to free movement and any potential costs must be clearly set out and subject to a final vote in Parliament. We heard from witnesses to our inquiry that establishing such a scheme enjoys widespread support across the country and in the EU. (Conclusion, Paragraph 92)

- 32.** Most Members of the Committee welcome the agreement on the UK's re-entry into the Erasmus+ programme, and hope the necessary legal amendments under the Trade and Cooperation Agreement can be made swiftly so that the necessary practical steps can be implemented without delay. (Conclusion, Paragraph 95)
- 33.** Business mobility is crucial to the UK services industry, and mutual recognition of professional qualifications is one area where the Trade and Cooperation Agreement offers a clear mechanism for progress. We hope the Government and EU will use the new Dialogue to establish no later than the next UK-EU summit a shared roadmap for formalising mutual recognition of professional qualifications for priority sectors, such as architects. We also note the EU's well-established concerns around the UK's visa sponsorship scheme for employers. (Conclusion, Paragraph 97)
- 34.** Given the EU's parallel concerns about the restrictions of the UK's visa sponsorship scheme, it is clear that this set of negotiations has two distinct strands. They are likely to require being treated as a package for the Government to achieve its objectives with respect to recognition of professional qualifications. (Conclusion, Paragraph 98)
- 35.** In its response to this Report, we ask the Government to provide an update on the progress made through the new Dialogues with the EU on professional qualifications and on business mobility, including ideally a shared UK-EU roadmap on establishing mutual recognition of professional qualifications for priority sectors. (Recommendation, Paragraph 99)
- 36.** While it may not shift the dial on the UK's economic growth prospects, addressing the barriers that make it difficult for UK performers to tour in the EU could make a significant difference to that sector, have a positive cultural impact, and provide a boost to "soft power" for the UK. We support the Government's efforts to reduce hurdles that touring artists face in the EU and share the ambition of securing more concrete commitments to that effect at the next summit. (Conclusion, Paragraph 102)
- 37.** We ask the Government to outline the specific objectives it has put forward in talks with the EU to address the different types of barriers touring performers encounter since Brexit, and what it sees as the remaining barriers to progress ahead of the next UK-EU summit. (Recommendation, Paragraph 103)

- 38.** We ask the Government to provide an update on the progress made in implementing the areas of cooperation agreed with the EU at the Lancaster House summit relating to irregular migration and law enforcement since May 2025. We ask it to clarify in particular what the focus has been of the discussions foreseen by the Common Understanding relating to extradition under Part 3 of the Trade and Cooperation Agreement, given that by the Government’s own assessment that element of the Agreement is functioning effectively as it is. (Recommendation, Paragraph 106)
- 39.** Most Members of the Committee broadly welcome the outcome of the Lancaster House summit as a starting point for improved relations with the EU. It has substantially improved the overall political relationship and inserted positive momentum. However, the Government failed to clearly identify its strategic priorities for the summit and, overall, it appears the EU achieved more concrete progress towards their most pressing demands—in particular with respect to fish—than the UK did. Most of the Government’s known objectives for the “reset” still require substantial further negotiations and the timeline for their implementation remains uncertain. The lack of a strategic approach to the summit is also clear from the narrow EU commitment on steel tariffs, which was revealed to be inadequate within six months of the summit. (Conclusion, Paragraph 109)
- 40.** The further negotiations with the EU announced at the Lancaster House summit were always going to present complexities. Compromises will need to be made on both sides. We recognise the Government’s desire to make rapid progress in the on-going talks to enable the benefits of a closer relationship for citizens and businesses with the EU to materialise. We urge our EU partners to recognise the significant flexibility the UK has already shown to make the new Strategic Partnership a success, and to reciprocate in kind with a due sense of urgency and purpose in the remaining strands of work. (Conclusion, Paragraph 110)
- 41.** Despite Ministers talking about ‘implementing’ the outcomes of the first UK-EU summit, substantive and potentially difficult negotiations with the EU to translate many of them into practice are very much on-going. Significant changes in the UK’s relationship with the EU were never likely to happen quickly. Realistic expectations management by the Government is key to continued confidence in the “reset”. Ministers should avoid inadvertently creating false expectations of imminent practical benefits, in particular while negotiations are on-going. (Conclusion, Paragraph 112)
- 42.** We recommend that the Government adopt a more coherent, cross-Departmental approach to communicating progress made in the negotiations with the EU on the various agreements foreseen by the Common Understanding, and in particular refrain from referring to any

of these as being ‘secured’ or ‘agreed’ at least until political agreement on a particular draft treaty has been reached and announced.
(Recommendation, Paragraph 113)

43. Following the deal on Erasmus+ having been finalised, and with Ministers having already expressed their ambition for the proposed UK-EU Sanitary and Phytosanitary Agreement to enter into force in 2027, we also ask the Government to outline when, following the conclusion of negotiations, it hopes to bring new formal agreements with the EU on carbon trading, electricity trading and the Youth Experience Scheme into force. We also ask it to indicate when we can expect to see concrete improvements in relation to performing artists, business mobility, mutual recognition of qualifications, and cooperation on irregular migration and border control.
(Recommendation, Paragraph 114)
44. While we recognise that not all things can be negotiated in the open, there is a tension between exposing one’s hand and the transparency necessary for good parliamentary scrutiny. The Government will be better equipped to conduct the negotiations with the EU if it is well-informed through consultation and engagement, both with Parliament and with other stakeholders. Its approach to transparency of, and consultation on, the UK’s objectives for the sector-specific negotiations foreseen by the Common Understanding has been haphazard. More systematic outreach as the negotiations progress, or new negotiating strands are added, will also aid in the implementation of new arrangements with the EU in due course, as those affected will be prepared for them. By extension, this should help the benefits Government expects to accrue from these new agreements to materialise more rapidly. (Conclusion, Paragraph 119)
45. Given the claimed economic impact of the sectoral agreements envisaged in the Common Understanding is larger than that of most Free Trade Agreements (FTAs), we recommend that the Government mirror the Department for Business and Trade’s commitments on transparency of FTA negotiations in current (and future) negotiations with the EU. This means it would publish, at a minimum, “Strategic Approaches” for the Sanitary and Phytosanitary Agreement, emissions trading systems linkage, electricity trading and youth mobility negotiations with the EU; conduct a Call for Evidence on each of these; as well as commit to publishing updates after each formal negotiating round with the EU. This would improve transparency of the negotiations, without providing a running commentary, and should enable key stakeholders to help inform the UK negotiating position in the current phase of the talks, and spot potential problems before the agreements are finalised. (Recommendation, Paragraph 120)

46. We are concerned about the evidence we have seen of potential shortcomings in the internal cross-Departmental coordination of the UK negotiating position with the EU, in particular between the Cabinet Office and Departments that hold responsibility for specific policy areas affected by the negotiations. (Conclusion, Paragraph 123)
47. We recommend that the Cabinet Office takes steps to strengthen inter-departmental flows of information on EU negotiations with other Departments, to ensure sectoral expertise is efficiently incorporated into the UK negotiating position; that Departments are able to communicate on the state of negotiations in their policy areas to the relevant Select Committees and other interested parties; and so that they can prepare fully for the requirements that implementation of the envisaged agreements with the EU will place on them and their stakeholders. Once agreed it should be set out clearly how they plan to work together across departments and reviewed regularly to ensure that genuine cross-department collaboration and input occurs. (Recommendation, Paragraph 124)
48. It is disappointing that the EU has recently and unilaterally introduced a significant new element into the “reset” negotiations by asking the UK to make a financial contribution to economic development of lower-income EU countries. Such a demand was not included in the Common Understanding. Introducing it in this way risks undermining confidence in the UK that the delicate balance of interests reflected in the Common Understanding is being respected and remains the basis for further negotiations in good faith. (Conclusion, Paragraph 128)
49. As for the UK Government position, we note that Ministers have not explicitly ruled out making a financial contribution to the economic development of the EU’s lower-income Member States in a manner similar to Norway and Switzerland. Irrespective of the arguments around the principle of such a contribution’ to the EU, it is essential that Ministers conduct these negotiations transparently. (Conclusion, Paragraph 129)
50. We ask the Government to state clearly whether it is prepared to agree to make a financial contribution to the economic development of lower-income EU countries that does not require payments into the general EU budget (for example in a manner similar to the EU-Switzerland financial mechanism), and, if so, what limits, conditions and safeguards it will seek to ensure value for money for the UK taxpayer. Any financial contribution of this kind ought to be subject to proper parliamentary scrutiny. (Recommendation, Paragraph 130)

Developing the UK-EU Strategic Partnership further

- 51.** The outcome of the Lancaster House summit was a major step change in the UK’s relationship with the EU after Brexit, but it has, naturally, not been able to resolve all outstanding issues. Further pressure for negotiations will remain. We are supportive of the Government’s efforts to pursue additional priorities for improvement to the UK-EU economic relationship that were not agreed at the Lancaster House summit, in particular on mutual recognition of conformity assessments, accession to the Pan-Euro-Mediterranean Convention and removing difficulties faced by UK touring artists. We hope to see more progress on these at the next UK-EU summit later this year. (Conclusion, Paragraph 135)
- 52.** To enable the Strategic Partnership to deliver to its full potential, Ministers will need to produce a clearer and more coherent vision about the EU relationship for the next phase of negotiations. The UK and EU both face far-reaching national and economic security challenges from an increasingly multipolar global order and a more transactional ally in the US. While the Government has told us that it has undertaken a “realistic, hard-headed assessment of international politics and our national interest”, we do not believe this extremely unstable geopolitical context is adequately reflected in the outcome of the Lancaster House summit. (Conclusion, Paragraph 148)
- 53.** In many ways, UK and EU security interests intersect and overlap, and actions taken separately may be less effective than shared action. Worse, as the EU’s steel tariffs show, unilateral action by one party to the Strategic Partnership risks damaging the other. Yet even after the Lancaster House summit with the EU, we do not have the structures needed to coordinate policies of strategic significance and to enhance the UK and EU’s collective agency in the face of these challenges. This needs to be fixed, urgently. (Conclusion, Paragraph 149)
- 54.** We ask the Government to provide further information on the implementation of the commitment in the Joint Statement to hold high-level meetings with the EU on “joint strategic interests” in key areas such as trade and migration. We urge the UK and EU to begin convening such meetings regularly without delay, whenever possible at Ministerial level. They should be used as a forum to identify opportunities for joint action on strategic priorities, not only as a reactive mechanism for moments of crisis. In pursuing its interests since the “reset” was initiated, the EU has been a tough negotiator. The UK must be prepared to respond in kind, drawing on its strengths to identify and pursue its strategic political and economic interests with a clearer sense of purpose. (Recommendation, Paragraph 150)

- 55.** The UK-EU Security and Defence Partnership could be used as a springboard to further operational cooperation on security and defence matters where this is in the UK interest. It is unclear which specific options, such as a Framework Participation Agreement or an Administrative Arrangement with the European Defence Agency, the Government intends to pursue further, especially following the failure of the negotiations on UK involvement in the EU Security Action for Europe programme. While the EU is not a traditional military actor, we have heard how it has some strengths that are complementary to NATO when it comes to security and resilience, in particular its financial and regulatory levers. The UK should seek to engage with these, in particular through the “high level meetings” foreseen by the UK-EU Joint Statement of 19 May 2025. (Conclusion, Paragraph 151)
- 56.** We ask the Government to set out which of the possible areas of closer cooperation referenced in the Security and Defence Partnership it intends to pursue further, and to provide an update on its work to “explore” UK re-entry into the EU’s Galileo satellite navigation project. (Recommendation, Paragraph 152)
- 57.** On the balance of the evidence available, we can see that trade barriers with the EU continue to be a major issue for many sectors. We support Government efforts to explore what further opportunities exist for reducing them jointly with the EU. It is unfortunate that statements made in recent months by different Ministers about both the “damage” done by the Trade and Cooperation Agreement, and their ambitions for the future of the economic relationship with the EU through further alignment lack any detail. If the Government is considering making proposals to dynamically align with the EU in further areas or form a new customs partnership with the EU as longer-term objective, it should be clear about this and there must be the opportunity for appropriate scrutiny of such proposals in Parliament. (Conclusion, Paragraph 161)
- 58.** With both the Chancellor and the Prime Minister now referring consistently to the economic “damage” resulting from the nature of the UK-EU Trade and Cooperation Agreement (TCA), we ask the Government to set out its views on which elements of the existing TCA are the source of such “damage”; confirm, as Ministerial statements suggest, that it is of the view that the current set of negotiating priorities with the EU are not sufficient to address them; and, if this is so, set out what further proposals it intends to make to improve trade relations with the EU and commit to time given in Parliament for scrutiny of these issues. (Recommendation, Paragraph 162)

- 59.** In particular, in light of recent comments by Ministers, we also ask the Government to clarify if it is reconsidering its “red lines” for the EU negotiations, particularly on the Single Market and customs matters, or if it can envisage any circumstances in which it would be prudent to do so. (Recommendation, Paragraph 163)
- 60.** We recommend in particular that the Government provide further details at the earliest opportunity, and in any event in its response to this Report, about its proposals for sectoral alignment with the EU Single Market in additional areas as suggested by the Prime Minister. This should make clear in particular the sectors it has prioritised in that regard, and how it intends to take that forward with the EU in the run-up to the next UK-EU summit. The Government should also use existing avenues for consultation to give the sectors affected the opportunity to provide views on the Government’s intentions, before any further formal negotiations based around alignment with EU rules are initiated. (Recommendation, Paragraph 164)
- 61.** We request the Government to publish, as promised, the headline findings of the Economic Diplomacy Review conducted for the Foreign, Commonwealth and Development Office in 2024, and to clarify in its Response to this Report what EU-related recommendations Sir Martin Donnelly made and which of these the Government has accepted. (Recommendation, Paragraph 165)
- 62.** The evidence submitted to this inquiry shows there are a range of further pragmatic steps that the UK and EU can explore together with the aim of improving their trading relationship, strengthening their combined resilience in the face of global economic shocks and also further reducing barriers to intra-UK trade as a result of the Windsor Framework. (Conclusion, Paragraph 179)
- 63.** We ask the Government to set out, in its reply to this Report, what options it has raised, or intends to raise, with the European Union to further reduce barriers to trade and investment in the following areas:
- Regulatory non-tariff barriers to trade in goods, in particular for chemicals and pharmaceuticals, as well as measures to reduce the impact of VAT and customs formalities for trade with the EU;
 - UK accession to the Lugano Convention to improve cross-border recognition of commercial judgements;
 - Steps to improve short-term mobility between the UK and EU for services providers and closer cooperation on financial services matters. (Recommendation, Paragraph 180)
- 64.** There has been considerable uncertainty about the scope and function of the review of the implementation of the UK-EU Trade and Cooperation Agreement (TCA) which is required to take place this year. Although the

political summit process initiated in May 2025 has, in the Minister’s words, “overtaken” the review, we believe the latter can still play a valuable role as a technical process to help the UK and EU identify how the Agreement is being implemented in practice and where there is untapped potential within its existing provisions to improve trade and cooperation. In that way, the TCA review and the annual summits of the Strategic Partnership are complementary to one another. (Conclusion, Paragraph 183)

- 65.** It is disappointing that the recent meeting of the Partnership Council did not provide more clarity about the process or intended outcome of the Review. We ask the Government to clarify the outcome of the “evaluation of implementation” of the Trade and Cooperation Agreement (TCA) that it has apparently undertaken; whether it was conducted unilaterally or jointly with the EU, and what stakeholder feedback was sought as part of it; to what extent the evaluation comprehensively mapped the implementation of the Agreement, particularly to identify underused or unimplemented provisions; and, in detail, what the outcome of the evaluation was. We also ask it to make clear whether the UK and EU now consider the Review mandated by Article 776 of the TCA to be completed, or, if not, what further work is planned and on what timescale. (Recommendation, Paragraph 184)
- 66.** The Falkland Island Government has eloquently made the case for a new chapter on trade relations between the British Overseas Territories (BOTs) and the EU (alongside the separate arrangements for Gibraltar given its unique geographical situation). Given these territories’ small size, the lifting of the tariffs suggested by the Falklands would not distort the EU market but have a significant beneficial economic impact on the BOTs. (Conclusion, Paragraph 187)
- 67.** We urge the Government to continue to make the case with the EU for a better deal for the British Overseas Territories (BOTs). We ask the Government to clarify what proposals it has made to the European Commission in respect of the trade relations between the BOTs as part of the “reset”, what barriers have prevented progress on this to date, and what its ambitions on this matter are for the next UK-EU summit later this year. (Recommendation, Paragraph 188)
- 68.** While the best moment for an EU White Paper would have been in advance of the first UK-EU summit, we do not believe it is too late given that the Government’s own position on this matter is clearly in flux; there remains a need for a stable, long-term approach to the UK’s relationship with the EU; and the significant challenges in that relationship that remain which the Lancaster House summit did not address. A White Paper could serve in particular to elucidate the Government’s apparent shift in recent months towards considering a closer economic, and therefore political, relationship with the EU. (Conclusion, Paragraph 197)

- 69.** To ensure the Strategic Partnership with the EU can deliver on its full potential, we recommend that the Government, with a view to informing its objectives for the next bilateral summit and beyond, publish a White Paper on the future of the UK-EU relationship. This should clearly articulate the overall vision for the relationship; the strategic challenges that the Partnership must equip the UK and EU to address; and the specific proposals the Government has made, or is intending to make, to achieve this, including around further regulatory alignment. (Recommendation, Paragraph 198)
- 70.** We recommend the Government and the EU should publicly announce the date for the next UK-EU summit as soon as possible, to create momentum in the on-going negotiations and concentrate minds on finding common ground on other outstanding issues to help the Strategic Partnership deliver on its full potential. (Recommendation, Paragraph 199)

Parliamentary scrutiny of EU matters

- 71.** To date, the Government has been reluctant to be transparent with Parliament about the substance of its position in talks with the EU and progress in those negotiations. We are not asking for Ministers to give, in their words, a “running commentary”, but there is significant scope for improvement in the flow of information. (Conclusion, Paragraph 202)
- 72.** We have already made recommendations on extending the Government’s commitments to transparency of Free Trade Agreement negotiations to the negotiations with the EU. Given the cross-cutting nature and complexity of the EU relationship, we also recommend that the Government publish an Annual Report on the implementation of the Strategic Partnership ahead of each subsequent UK-EU summit and enable a debate on this document in the House of Commons. This should cover progress made in the previous year on commitments made in the Common Understanding, as well as the implementation of new mechanisms for cooperation established under the Security and Defence Partnership. (Recommendation, Paragraph 203)
- 73.** Parliament’s ability to effectively scrutinise any new agreements negotiated with the EU before they enter into force is a key test of the Government’s commitment to democratic legitimacy and accountability. It would be a concrete demonstration that lessons have been learned from the inadequate scrutiny processes for the Northern Ireland Protocol and the Trade and Cooperation Agreement, which had significant flaws that could have been ‘caught’ had Parliament been given the tools and time for thorough scrutiny. Parliamentary scrutiny should not be limited to any domestic legislation that may be required to give all or parts of any new agreements with the EU legal effect in the UK. (Conclusion, Paragraph 211)

- 74.** We ask the Government to commit to making time for a debate and vote in the House of Commons for each new formal treaty with the EU that is subject to the process in section 20 of the Constitutional Reform and Governance Act 2010 prior to its ratification. Currently there are at least four such treaties expected. When doing so, the Government should commit to extend the scrutiny period Parliament has to consider these new Agreements prior to ratification, as it has already done for Free Trade Agreements. (Recommendation, Paragraph 212)
- 75.** It would have been preferable for the Government to publish its Dynamic Alignment Bill for implementation of the relevant new EU agreements in draft for pre-legislative scrutiny at an earlier opportunity so that the detail of this proposed mechanism could have been scrutinised before Parliament is asked to outsource part of its legislative authority to the EU. To ensure the fullest possible scrutiny despite these constraints, we ask the Government to confirm that Parliament will not be asked to consider the substance of the Bill unless and until the finalised legal texts of the agreements with the EU that it will implement have been published. (Recommendation, Paragraph 213)
- 76.** Given the impact, complexity and cross-cutting nature of the UK's relationship with the EU, continued parliamentary scrutiny of the UK-EU relationship is vital. (Conclusion, Paragraph 221)
- 77.** The EU is a key international partner for the UK. As such, the Foreign Affairs Committee should continue carrying out the scrutiny function for the foreign policy dimension of the new relationship, including the Security and Defence Partnership, as well as relevant elements of the new Strategic Partnership and the annual summit process, as part of our broader programme of work and our scrutiny of the Foreign, Commonwealth and Development Office. This would of course not preclude other Committees from considering EU-related matters as they see fit. (Conclusion, Paragraph 222)
- 78.** The closer relationship with the EU and the accelerating trend towards UK regulatory alignment with the EU does, however, raise important questions about the need for parliamentary scrutiny of EU matters within the House of Commons. In particular, under the envisaged agreements based on dynamic alignment the UK Parliament will, in effect, be asked to outsource more of its legislative autonomy to another jurisdiction while such treaties are in place (on top of the requirement to align with EU rules already required by the Windsor Framework for Northern Ireland). As long as alignment is taking place, EU laws will inevitably constrain UK Government policy and Parliament's legislative functions, as well as having potentially significant impacts on businesses and citizens. (Conclusion, Paragraph 223)

- 79.** Even so, the UK has only limited scope to influence new EU laws with which it is or will be aligning. To ensure a degree of democratic legitimacy and accountability in relation to regulatory alignment with the European Union, it is necessary that the House of Commons should have appropriate mechanisms in place to scrutinise EU laws of relevance to the UK. These should also enable the House to act on any concerns with the relevant Government Department and coordinate input, as required, into the UK's future formal "decision-shaping" arrangements with the European Commission on draft EU laws where alignment takes place pursuant to a binding agreement. (Conclusion, Paragraph 224)
- 80.** It is not clear to us that expecting Departmental Select Committees to fulfil this task would be workable, and nor can they provide the House with a cross-cutting overview of how alignment with EU rules, and limitations on the UK's regulatory autonomy, are developing across different areas of policy. We do not consider that the scrutiny mechanisms that exist in the House of Lords, valuable as they are, can substitute for scrutiny of EU matters, and Ministers' decisions on alignment, by the democratically elected House of Commons. It is also clear that any scrutiny mechanism for EU matters, however operationalised, will require the Government's cooperation to be effective. (Conclusion, Paragraph 225)
- 81.** We agree with the House of Lords European Affairs Committee that Parliament must "play a full scrutiny role" when it comes to matters of alignment with the EU. Given the continued impact of the EU decisions on the UK and the much closer relationship being pursued by the Government, we believe that the House of Commons should establish a dedicated new Committee on EU affairs, to consider and scrutinise matters relating to the UK's closer new relationship with the European Union in the round, including matters pertaining to regulatory alignment. (Conclusion, Paragraph 226)
- 82.** We intend to consider the matter further, engaging with other interested parties within the House of Commons. It would be preferable for there to be broad agreement on the appropriate EU scrutiny mechanisms before any new treaties with the EU requiring dynamic alignment are brought into force. (Conclusion, Paragraph 227)
- 83.** While the House of Commons approach to scrutiny of EU matters is ultimately a matter for the House itself, the establishment of a new Committee requires the Government's support and its effectiveness will also depend on the flow of information from relevant Ministers and Departments. We therefore ask the Government to make clear if it supports the establishment of a Committee for scrutiny of EU Affairs in the House of Commons. (Recommendation, Paragraph 228)

- 84.** We also ask the Government to explain if it intends to make sure that the new agreements with the EU based on dynamic alignment will include a mechanism, for example modelled on the Stormont Brake, that would enable the UK to reject having to implement a new piece of EU legislation that would otherwise be subject to the requirement to align; and what role it envisages for Parliament, and the House of Commons in particular, in the triggering of such a mechanism. (Recommendation, Paragraph 229)
- 85.** Similarly, we ask it to clarify if its recent assertion that “no new [EU] rules will apply in the UK without the UK first agreeing to this” means that the Government will have to consent to the UK aligning with relevant new EU laws under these future agreements on a case-by-case basis; or whether ‘agreeing’ in this context was intended as a reference to the UK ratifying treaties with the EU requiring it to align automatically with all its rules on an on-going basis unless an exemption applies. (Recommendation, Paragraph 230)

Formal minutes

Tuesday 24 February 2026

Members present

Dame Emily Thornberry (Chair)

Fleur Anderson

Alex Ballinger

Aphra Brandreth

Dan Carden

Richard Foord

Uma Kumaran

Abtisam Mohamed

Edward Morello

Sir John Whittingdale

The UK-EU reset: rebuilding a strategic partnership in uncertain times

Draft Report (*From a Common Understanding to Common Ground: Building a UK-EU Strategic Partnership fit for the future*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 230 read and agreed to.

Introduction agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

Adjournment

Adjourned till Tuesday 10 March at 10:00 am.

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 29 April 2025

Naomi Smith, Chief Executive Officer, Best for Britain; **Professor Anand Menon**, Director, UK in a Changing Europe; **Professor David Paton**, Professor of Industrial Economics, Nottingham University Business School

[Q1–55](#)

Tuesday 6 May 2025

Professor Richard Whitman, Professor of Politics and International Relations, University of Kent; **Charles Grant**, Director, Centre for European Reform; **Sophia Gaston**, Visiting fellow, Kings College London

[Q56–86](#)

Monday 8 September 2025

Rt Hon Nick Thomas-Symonds MP, Paymaster General and Minister for the Cabinet Office (Minister for the Constitution and European Union Relations), Cabinet Office; **Stephen Doughty MP**, Minister of State for Europe, North America and Overseas Territories, Foreign, Commonwealth & Development Office (FCDO); **Hermione Gough**, Director, EU Relations, Cabinet Office; **Nick Heath**, Deputy Director, EU Department, Foreign, Commonwealth & Development Office

[Q87–129](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

EUR numbers are generated by the evidence processing system and so may not be complete.

1	Best for Britain	EUR0009
2	British Standards Institution	EUR0021
3	Centre for Inclusive Trade Policy (CITP); and UK Trade Policy Observatory (UKTPO)	EUR0008
4	City of London Corporation	EUR0024
5	Department of Science, Technology, Engineering and Public Policy (STeAPP) at University College London (UCL)	EUR0015
6	Falkland Islands Government	EUR0013
7	Farrand Carrapico, Professor Helena (Professor in International Relations and European Politics, Northumbria University); and Ms Gemma Davies (Associate Professor in Law, Durham University)	EUR0019
8	Garcia, Dr Maria	EUR0010
9	Harrois, Thibaud (Senior Lecturer, Université Sorbonne Nouvelle)	EUR0016
10	Higginson, Dr Roger (Research Associate, Sussex University)	EUR0002
11	Institute for European Environmental Policy (IEEP UK)	EUR0003
12	Jancic, Dr Davor (Senior Lecturer in Law, Queen Mary University of London)	EUR0020
13	Society of Spanish Researchers in the United Kingdom (SRUK/CERU)	EUR0001
14	Solanke, Professor Iyiola (Jacques Delors Professor of European Law, University of Oxford)	EUR0005
15	The Centre for European Reform	EUR0014
16	The Foreign Policy Centre	EUR0022
17	The Law Society	EUR0007
18	UK Government	EUR0011

19	UK Transport in Europe (UKTiE)	<u>EUR0017</u>
20	University College London Hospitals, NHS	<u>EUR0023</u>
21	Veolia Environmental Services	<u>EUR0012</u>
22	Wilson, Mr Eliot	<u>EUR0018</u>
23	techUK	<u>EUR0004</u>
24	Tinkler, Max (University Student, Edge Hill University); James McConnell; Caileigh Russell; Ella Weatherburn; and Samuel White	<u>EUR0006</u>

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2024–26

Number	Title	Reference
2nd	The write to protect: Britain's pen on the world stage	HC 930
1st	Israel-Palestine conflict	HC 488
2nd Special	The write to protect: Britain's pen on the world stage: Government Response	HC 1530
1st Special	Israel-Palestine conflict: Government Response	HC 1374