PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

TRADE BILL

Seventh Sitting

Thursday 25 June 2020

(Morning)

CONTENTS

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor's Room, House of Commons,

not later than

Monday 29 June 2020

The Committee consisted of the following Members:

Chairs: Sir Graham Brady, † Judith Cummins

† Anderson, Fleur *(Putney)* (Lab)
† Caulfield, Maria *(Lewes)* (Con)
† Clarke, Theo *(Stafford)* (Con)
† Courts, Robert *(Witney)* (Con)
† Esterson, Bill *(Sefton Central)* (Lab)
† Fletcher, Katherine *(South Ribble)* (Con)
† Griffith, Andrew *(Arundel and South Downs)* (Con)
† Hands, Greg *(Minister for Trade Policy)*
† Hendry, Drew *(Inverness, Nairn, Badenoch and Strathspey)* (SNP)
† Higginbotham, Antony *(Burnley)* (Con)
† Hosie, Stewart *(Dundee East)* (SNP)
† Johnston, David *(Wantage)* (Con)
† Nichols, Charlotte *(Warrington North)* (Lab)
† Rowley, Lee *(North East Derbyshire)* (Con)
† Thomas, Gareth *(Harrow West)* (Lab/Co-op)
† Webb, Suzanne *(Stourbridge)* (Con)
† Western, Matt *(Warwick and Leamington)* (Lab)

Kenneth Fox, *Committee Clerk*

† attended the Committee

Public Bill Committee

Thursday 25 June 2020
(Morning)

[Judith Cummins *in the Chair*]

Trade Bill

11.30 am

The Chair: Good morning, everyone. Before we start, I remind everyone that the *Hansard* Reporters would be grateful if Members emailed electronic copies of their speaking notes to hansardnotes@parliament.uk.

I am aware that the room is very hot. Please do not hesitate to remove your jackets. We are getting somebody to come and open the windows. Please bear with us and try to make yourselves as comfortable as possible.

Clause 2

Implementation of international trade agreements

Gareth Thomas (Harrow West) (Lab/Co-op): I beg to move amendment 16, in clause 2, page 2, line 34, leave out subsections (7) and (8) and insert—

"(7) No regulations may be made under subsection (1) in relation to an agreement which meets the criteria in subsection (3) or (4) after the end of the period of five years beginning with IP completion day."

This amendment would bar any extension to the five-year window for making regulations to implement EU rollover agreements.

The Chair: With this it will be convenient to discuss the following:

Amendment 17, in clause 2, page 2, line 34, leave out subsections (7) and (8) and insert—

"(7) No regulations may be made under subsection (1) in relation to an agreement which meets the criteria in subsection (3) or (4) after the end of—

(a) the period of five years beginning with IP completion day ("the initial five year period"), or

(b) such other period as is specified in regulations made by the Secretary of State in accordance with subsection (8).

(8) Regulations under subsection (7)(b) may not extend the initial five year period or any subsequent period beyond the day which falls ten years after IP completion day."

This amendment would limit any extension of the window to a maximum of ten years.

Amendment 20, in clause 2, page 2, line 35, leave out "five" and insert "three".

Amendment 21, in clause 2, page 2, line 36, leave out "five" and insert "three".

Amendment 22, in clause 2, page 2, line 39, leave out "five" and insert "three".

Amendment 23, in clause 2, page 2, line 41, leave out "five" and insert "three".

Gareth Thomas: It is good to have you back in the Chair, Mrs Cummins. On Thursday afternoon, when you were not with us, we had one or two moments of light. The hon. Member for Stafford clearly began to feel nervous about whether the Bill was properly drafted, asking me to go into further detail about what was wrong with the Bill. The Minister helpfully confirmed that Command Papers published by his Department are not worth the paper they are written on once 12 months have passed and that there is absolutely no guarantee that the House will get either a debate or a vote on any future UK-US deal.

It is therefore a particular pleasure to have the chance to return to the subject of continuity or roll-over agreements and to speak to these amendments. As you will remember, Mrs Cummins, the Minister and his colleagues have presented the Bill as being purely about rolling over agreements already long since negotiated with the European Union. Effectively, they say, it is just a matter of changing "EU" to "UK", putting a comma in a different place, dotting the odd i or crossing the odd t, or making some other little tweak—in practice, minor changes to deals that have already been done. Indeed, so confident was the former Secretary of State for International Trade about that, that he committed to get all 40 trade agreements with the European Union rolled over into UK-specific trade deals by March last year.

Imagine our surprise on seeing in the Bill clause 2(7), which suggests that a period of five years might be needed after implementation day, with the option to extend by another five years, to conclude those roll-over agreements. Bear in mind that we were told that deals such as the South Korea, Japan and Canada deals were going to be easy to complete and should be done by Brexit day—certainly, we were led to believe, by implementation day.

Matt Western (Warwick and Leamington) (Lab): To elaborate on that very simple point, I recall very well that Lord Price even tweeted about this—it would be just a simple cut-and-paste job. We have all been misled, haven't we?

Gareth Thomas: I am relatively new to the Trade Bill and am only catching up with the discussions that my hon. Friend and others have had about these continuity agreements. Something odd certainly seems to have happened. It is true that the Minister has managed to get a deal done with the Faroe Islands.

The Minister for Trade Policy (Greg Hands): On a point of order, Mrs Cummins. I think that the hon. Member for Warwick and Leamington just accused Lord Price, a Member of the other House, of misleading people. I do not think that that is a permissible term to use in our debates. I invite the hon. Gentleman to withdraw that term.

Matt Western: I will certainly withdraw it; I recall that I used the word, now that the Minister mentions it. What I was trying to say was that Lord Price was suggesting that there was a simple procedure of cutting and pasting, and that was clearly not the case.

Gareth Thomas: It is certainly true that in exchanges at the Dispatch Box over the past two weeks, we have been led to believe that these 40-odd agreements will be very easy to complete. Yet only 20 of them have been

completed thus far. It looks, to all intents and purposes, as though a number of the agreements are not going to be completed by implementation day—and that, surely, is an extremely surprising eventuality for all of us to contemplate.

Bill Esterson (Sefton Central) (Lab): The point about Lord Price is that what he said has turned out not to be true; that is the reality. My hon. Friend mentions the agreements that have been concluded, but the one with South Korea, for example, is only a temporary agreement with notice for a renegotiation. Listening to what my hon. Friend is saying, I wonder whether the Government have reverted to the five-year period because they realise that they would quite like these provisions still to be in place for the South Korea deal when it comes back for the renegotiation.

Gareth Thomas: If my hon. Friend will forgive me, I will come to South Korea in due course.

The five-year point, perhaps, is understandable in the context of South Korea, but it is slightly odd that Ministers think they might not be able to get the South Korea deal done even in five years, and might need another five. One has to ask why we would need 10 years to put together a roll-over agreement that is simply, as my hon. Friend the Member for Warwick and Leamington said, a cut-and-paste job—a matter of just switching "UK" for "the European Union".

The hon. Member for South Ribble helped throw a little light on the issue during her questions to Mr Richard Warren, the head of policy for UK Steel, in our second sitting. In Question 59, she asked:

"Mr Warren, if there were continuity trade agreements that did not roll over, what would be the consequences for the steel industry?".

Mr Warren talked initially about the continuity trade agreements with north African nations such as Morocco and South Africa. He then cut to the chase on one of the biggest markets for UK steel exports: Turkey. Talking about the so-called continuity trade agreement, he said:

"Turkey…probably will not be carried over, regardless of the Bill."

He went on to say that the Bill would allow the continuity and trade agreement to happen,

"but with politics and the complexities of negotiations, I fear, that agreement will not be in place by the end of the year, which would result in 15% tariffs, on average, on UK steel going to Turkey—8% of our exports. It is an extremely competitive market already; a 15% tariff would pretty much knock that on the head."

He went on to underline a similarly important point:

"At the same time, because the UK has no tariffs on steel, we would still have up to half a million tonnes of steel coming in from Turkey".—[*Official Report, Trade Public Bill Committee,* 16 June 2020; c. 42 to 43, Q59.]

We would not only have an uneven trading relationship when it came to steel exports, given the huge tariffs; suddenly, imports of Turkish steel into the UK would have no tariffs at all, creating even more competition for UK steel to face in the domestic market. That is a profoundly disturbing and worrying situation, and it would be helpful to have a little more clarity from the Minister, when he gets to his feet, about what is going on in those negotiations. As I understand it, negotiations have not even begun between the UK and Turkey, never mind being close to reaching any sort of conclusion.

Let us take the UK-Japan continuity agreement. Again, we are led to believe that this is simply a matter of two very close allies sitting down together briefly and changing the words "EU-Japan" to "UK-Japan", as well as perhaps changing the odd comma here or there, and dotting the odd i and crossing the odd t. In practice, however, something very different appears to be taking place. Just on Tuesday, the *Financial Times* carried a story saying that Japanese negotiators have given Britain an ultimatum: "Do the deal with us in six weeks, or we will not be able to get it through our Parliament and there will be no continuity trade agreement in place by 31 December."

Bear in mind that Professor Winters, in his evidence to the Committee on Tuesday 16 June, at Question 31, said in response to the probing of my hon. Friend the Member for Sefton Central that

"with Japan, we do not really know what the Government intend to discuss with the Japanese Government, but the analysis that we got last month was—what shall we say?—studiously unspecific."—[*Official Report, Trade Public Bill Committee,* 16 June 2020; c. 26, Q31.]

Again, when the Minister gets to his feet, it would be helpful if he gave us a little more detail on the substance of what is going on in those negotiations. I thought we were told that when we left the European Union, we would stop being a rule taker any longer, and here it appears that Japanese negotiators are telling us: "Do a deal or you don't get your trade agreement in time."

Matt Western: My hon. Friend is making an extremely important point. Hiroshi Matsuura, the Japanese lead negotiator, is saying that their only focus for the next six weeks is the UK, whereas the UK is trying to negotiate with the US, the EU, Australia, New Zealand and so on. Yet we do not even have the full complement of Department for International Trade trade negotiators in the policy group: we are about 10% down on where we should be.

Gareth Thomas: My hon. Friend is right. Let us bear in mind another point before I come on to Canada. Negotiations are going on not only with the US in relation to the transatlantic partnership with the EU, but we still have not concluded a continuity trade agreement with Andorra, as I understand it. Presumably, one of the Minister's civil servants is sitting in a room somewhere, worrying about what will be in the UK-Andorra agreement, when they could be properly deployed to trying to sort out whatever the problems are in the UK-Japan agreement. Again, I remind the Committee that we were told that that agreement would be incredibly simple to sort out. I think the Minister said it was just a continuity trade agreement or just a roll-over agreement.

Let us come to the UK-Canada talks—one of the great favourites of the Minister. He had a little fun with us, it would be fair to say, on Tuesday afternoon. Again, however, there does not seem to be any sign of the UK-Canada talks being completed by 31 December. The Minister has been at pains to sell us the great virtues of the EU-Canada deal, and presumably—I would ask him this—there will be similar virtues from a UK-Canada deal, but why is there no obvious sign of any progress towards a signing ceremony for a UK-Canada deal?

[Gareth Thomas]

In the quote from the Canadian Government regarding why negotiations have not advanced at a more rapid pace, they made it very clear that they were waiting to see how EU-UK talks got on. One got the strong sense that Canadian negotiators are sitting out in the garden smoking a cigar and planning their holidays. They are in no rush whatever to complete a trade deal with the UK, notwithstanding the studiously unspecific comments the Secretary of State gave us at questions last Thursday about how good natured the conversations had been with whoever she had spoken to in the Canadian Government.

11.45 am

Bill Esterson: My hon. Friend is developing his point extremely well. I think it is fair to remind him that it is not just Canada that puts our deal with the EU ahead of its deal with us; Japan and Turkey want us to do a deal with the EU so that they can base their deal with us on the terms of trade that we have with the EU. That is a whole other set of complexities that go way beyond this being a simple matter of continuity and of changing the letters "EU" to the letters "UK".

Gareth Thomas: Let me chide my hon. Friend for his negativity. We were told at the last general election that an oven-ready Brexit deal would come before us, with a wonderful new free trade agreement, easy to sign, with the European Union. Presumably the scepticism that I have allowed to creep into my remarks about whether the roll-over agreements will be signed by 31 December are entirely unreasonable, and the Minister will say that all the other 20, even the one with Andorra, will be done by 31 December.

I know that the South Koreans want to start completely fresh talks in about 18 months' time, but surely that will not take five years, or 10 years to complete—or will it? I am an optimist. I take the Minister at his word. He has repeatedly said that roll-over agreements will be simply a matter of rolling over the EU agreements into UK agreements, changing some tiny details, and that they will all be done on time. One wonders, then, why we need the flexibility set out in subsection (7).

Let us remember when the previous Trade Bill was prepared and developed. It probably happened at around the time the right hon. Member for Maidenhead (Mrs May) took over as Prime Minister. Members of the Committee will remember that she decided to sack George Osborne, the then Chancellor of the Exchequer, for gross incompetence. One can imagine that the Cabinet Secretary got on the phone to the permanent secretary at the Department for International Trade and said, "There's good news and there's bad news. The good news is that the man who introduced austerity, destroyed our economy and damaged public services has finally left the Government. The bad news is that one of his chief cheerleaders is moving into your Department. Whatever you do, given the way in which they have messed up the economy, don't let them mess up trade agreements. Write into the Bill a bit of extra time—five or 10 years, or perhaps even longer—so that we can get these trade agreements done." The Minister may not share my assessment of how this provision got written into the Bill.

Bill Esterson: I have to take the opportunity to congratulate my hon. Friend on the moment in our deliberations. The lines he just delivered cannot be improved on, and I would not wish to do so. Does he remember Nick Ashton-Hart, in giving evidence to us this time, reminding us of his evidence to us last time that trade agreements inevitably take a lot longer than expected, and that trade agreements between parties fall in favour of the bigger party? We are now a smaller party than when, as part of the EU, we made agreements with all the countries he mentions. That is one reason why these things will take a lot longer—those countries want to renegotiate a better deal, which they think they can get because of the power they have.

Gareth Thomas: My hon. Friend has always grounded his remarks in reality. Let us remember that Conservative Ministers and Members have always wanted to present trade negotiations as a Christmas sale, where one just turns up and gets a shedload of lovely bargains. They have not, as yet, been open and honest with the British people about the trade-offs that trade negotiations inevitably bring, on which—I suspect this afternoon—more anon.

I gently suggest to my hon. Friend that we are likely to hear the Minister, in his wind-up speech, chastising us again for our lack of belief in the calibre of the Secretary of State himself and the Department to complete these UK-specific trade agreements. If the Committee remembers when the last Trade Bill was discussed, so confident were the previous ministerial team that this power was actually not quite as necessary as first appeared, they agreed to reduce the sunset period from five years to three years. One can only assume that the Cabinet Secretary got back on the phone after the current Prime Minister was selected and said, "I'm really sorry to bring you bad news, but one of the chief acolytes of the little-lamented George Osborne is back in your Department—"

Maria Caulfield (Lewes) (Con): On a point of order, Mrs Cummins. While this is very entertaining, I am quite conscious that we are still not even past considering clause 2. We must get through the whole of the rest of the Bill this afternoon—there are 12 more clauses. May I ask your advice, Mrs Cummins, on how we can get through that when speeches are not necessarily referring to the Bill itself?

The Chair: I hear that point of order, and I am sure that Mr Thomas also heard it. I encourage him to perhaps drift closer towards the subject of the amendment.

Gareth Thomas: As ever, Mrs Cummins, I am grateful for your guidance. It will come as no surprise to you or the Committee that Labour Members are disappointed that the Minister has not at least stuck to the terms of the deal that he and the then Minister of State made with the hon. Member for Huntingdon (Mr Djanogly) to reduce the sunset clause from five years to three years, which is specifically relevant to amendments 20 to 23—just to help the Government Whip.

Again, one wonders if, by that point, there was growing fear in the Department that, despite the rhetoric of the Minister, there would be a series of challenges in completing these roll-over agreements. It is a surprise to us to see

that sunset provision not included. What my hon. Friends and I have done—in a very generous way, I think—is provide a menu of options to the Minister to demonstrate his and his Department's faith in their ability to complete these roll-over agreements. Surely, if it is that easy to get the roll-over agreements completed, they will not need to go beyond five years, which is the purpose of amendment 16. Perhaps, if they are feeling a little nervous, they might want to go for amendment 17 and have a limit of 10 years on the face of the Bill. If they are feeling very nervous that they will not get negotiations done with South Korea, Canada, Andorra, Japan or Turkey by the end of the implementation period on 31 December, perhaps they would want to put back into the Bill their own amendments, as encapsulated in amendments 20 to 23.

In our generosity, we have retabled the amendments 16 and 17 that were tabled to the previous Trade Bill in the names of my hon. Friend the Member for Brent North (Barry Gardiner) and my hon. Friend the Member for Sefton Central and others. We did that to help the Minister demonstrate his confidence in his ability to get all the trade agreements done, with his own wording on a three-year as opposed to a five-year sunset clause.

It might be worth, particularly for the Government Whip's benefit—thinking about rebellions—to remember what the hon. Member for Huntingdon said. He pushed Ministers to go further to limit the powers in the Bill. He pushed them hard on Second Reading and, clearly, in private negotiations, to table their own amendments on Report, to limit the amount of overreach and potential abuse of the current weak scrutiny arrangements for trade agreements. On Report two years ago the hon. Gentleman advanced an entirely plausible argument, and talked about the possibility of a country where there is an EU trade agreement saying to us:

> "'Yes, we agree that you can roll over, but let's face it, you are a market of only 50 million people rather than 500 million, so we'll agree to roll over, but only on condition that we also get 50,000 visas a year.'" —[*Official Report*, 17 July 2018; Vol. 645, c. 274.]

Under the present Bill, that trade agreement could be pushed through the House of Commons with only a 17-member Committee talking for 90 minutes. That is hardly the sort of robust parliamentary scrutiny that such a trade agreement would deserve. On Second Reading of the present Bill on 20 May the hon. Member for Huntingdon repeated his criticism at column 621 and noted that not only might visas be an issue with respect to trade agreements; the country that wanted to roll over an agreement with us might also want military or intelligence provisions to be added in as part of a package.

Similarly, any slightly amended deals in five or three years' time could also be covered, and could be used to implement such trade agreements with other wide-ranging implications and with minimal levels of scrutiny. So surely it is a sensible step to limit the Bill's ability to help Ministers to bypass parliamentary scrutiny of the trade agreements they conclude, even in the small way that Ministers have previously advanced themselves of reducing the sunset period from five years to three years. If they cannot face the embarrassment of backing an amendment that was first tabled by my hon. Friend the Member for Brent North, perhaps they will show a little courage and back the amendments that they brought forward as a result of a deal with Tory Back-Benchers. If they do not vote for amendments 20 to 23, it will be further evidence that when Tory MPs do a deal with Ministers they cannot rely on it until it is written on the face of legislation.

The further we get from the point when the EU signed a deal with a third country, the more likely, surely, a UK-specific deal is to be significantly different from the deal that the EU negotiated. It is true, as my hon. Friend the Member for Sefton Central said, that South Korea has agreed a continuity deal, but only on the proviso that a new deal would be properly negotiated in 18 months' time. The further away from the signing of the EU-South Korea deal and the UK-South Korea continuity deal, the more likely it is that the new deal will be very different. Therefore, more parliamentary scrutiny—even the limited parliamentary scrutiny that the Constitutional Reform and Governance Act 2010 provides—will be merited. Limiting the length of time that the Bill can be used to push that deal through with the minimal levels of scrutiny as it allows is even more necessary.

12 noon

I gently remind the Committee of the significance of what we are discussing. Trade agreements last longer than a Parliament. They outlive Ministers, even those who keep coming back to the trade Department—like a bad penny, some would say, but that would be unfair. I do not know why I was tempted to say that, looking at my hon. Friend the Member for Sefton Central. I will move on.

Mistakes can be made, and in order to prevent them it is important that we have proper scrutiny. Therefore, if we limit the provisions of the Bill purely to its original claimed purpose—just to do the continuity work that is necessary to maintain existing relationships—we should limit the time that is required. It is in that spirit that I offer to the Committee this menu of sensible options to limit the power in the Bill.

Greg Hands: It is a pleasure to welcome you to the Chair, Ms Cummins. I did not get the chance on Tuesday because the supergroup carried on for the entirety of the morning.

Amendment 16 seeks to remove the power to renew the sunset clause after five years, and I am afraid I cannot support it. It would undermine our ability to implement our obligations from trade agreements beyond the first five years, which risks putting us in breach of the agreements and could open us up to legal challenge. I am sure that is not what the Opposition are seeking to achieve.

Bill Esterson: If the Minister cannot support a change to the five-year sunset period, why did he support it in the previous Parliament, when it was three years?

Greg Hands: I think the hon. Gentleman's timeline—or the timeline of the hon. Member for Harrow West—may be a little incorrect. As it happens, I left the Department on 21 June 2018, which predated that amendment being made. In any case, the context then, which I will explain, was rather different from the context now, and I think it is very desirable that it be five years, not three years, for the reasons that I am about to explain.

[Greg Hands]

There is a fundamental misunderstanding in everything that the hon. Member for Harrow West just said. The power is in large part needed to make technical changes that ensure that the agreements remain operable. The fundamental misunderstanding on his part is that it is not five years extra to complete the negotiations, sign the deals or finish the negotiations—no. It is five years that is needed to make sure the agreements remain operable once they have been signed.

Before I come to the real detail, let me give the hon. Gentleman an update on some of the agreements he asked about. It was interesting to hear him focus on Andorra and San Marino. Those countries are, of course, in a customs union with the European Union.

We are in discussions with both countries, but in our view, they are largely dependent on what the future relationship between the UK and the European Union looks like, for those two countries are in a complete customs union with the European Union.

The hon. Gentleman asked for clarity about Turkey. I was surprised by that question, because I checked his Twitter feed, and he does actually follow me on Twitter, which I do not take as a compliment ordinarily. He must have seen what we put out three hours ago from my right hon. Friend the Secretary of State for International Trade:

"Great to see"—

UK and Turkey—

"trade talks progress today. Let's build on our already strong trading relationship worth £19bn. We are working hard to ensure we can reach a UK-Turkey trade deal at the end of the transition period."

He has it right in front of him on his own Twitter feed; I urge him to read it. People mock social media—I might have been critical of social media in my time—but they occasionally perform a useful function. Helping us to keep up to date with what is going on in the world is one of the most useful aspects. So there he has it from just three hours ago.

The hon. Gentleman asked about the so-called temporary agreement with South Korea. It is not a temporary agreement. The agreement includes a review clause after two years, which is a standard feature of many international trade agreements. The review clause states—I am paraphrasing slightly—that if the two parties do not believe it is mutually advantageous to continue the agreement, there is the option not to. That does not mean to say that it is a temporary agreement. All international agreements can be cancelled by one party or the other, if they feel the agreement is no longer mutually advantageous. Of course it leaves open the possibility of doing a more extensive agreement in the future, but that is the case with all trade agreements.

When a country signs an agreement, no one is saying that it will stay in place forever. There may be opportunities in future to extend it into areas of trade that had not been thought of when the original agreement was signed. That is an entirely normal phenomenon. For example, the EU and Mexico have done an enhanced agreement based on their original agreement, which dated from about 2000 or 2002, to bring it up to date. New things come along, such as e-commerce and so on, so of course trade agreements are updated, but it is wrong to describe that trade agreement as temporary.

We are in discussions with Canada, but I return to the points that the hon. Gentleman made on Tuesday. He is so against the Canada agreement that, if there were any delay in the discussions with Canada, he should be cheering that not condemning it, because he is opposed to the agreement in the first place. I thought that would update him on where we are with the agreement.

Let me describe what it is all about. In the case of a transition mutual recognition agreement, we may need to change secondary legislation after the point of signing, and after 1 January 2021, to update the names of awarding bodies and third countries so that UK businesses can continue to use such bodies legally. It is not extra negotiating time. It is extra time to ensure that the agreement remains operable.

Alternatively, where our trade agreements reference international standards, such as environmental protection, we may need to update references in domestic legislation to ensure that we remain in compliance with our international agreements. Equally, a potential use of the power could be to upgrade the list of entities subject to procurement obligations to reflect machinery of government changes.

I used the example last week of DCMS changing its name from the Department for Culture, Media and Sport to the Department for Digital, Culture, Media and Sport. That name change might need to be reflected to keep one of those agreements operable, so a change in domestic legislation would ensure that the procurement obligations in the agreement are kept operable. It is not extra negotiating time. The power could also be used to update the list of entities subject to procurement obligations, as I have said.

I think there is a misunderstanding of the nature of the power. If Opposition Members had expressed concerns about the breadth of the power—in other words, the ability to carry on amending legislation for many years afterwards—that would be a much more legitimate concern than the professed concern about extra negotiating time. The Bill has been scrutinised by the Delegated Powers and Regulatory Reform Committee. Its 33rd report on the 2017-19 Bill raised no concerns about the delegated powers in the Bill, including the sunset clause, and welcomed our move to introduce the affirmative procedure for any regulations made. I see no reason why it should reach a different conclusion on this Bill.

Matt Western: I just want to understand the point the Minister is making. I understand the importance of it, but does it not suggest that the three-year clause in the previous Bill showed a degree of naivety on the part of Government—that they would have sufficient time on the other side to negotiate further agreements with these countries?

Greg Hands: No, I do not accept that. It has nothing to do with the negotiations; it is all about keeping the agreements operable. It is a matter of judgment, and our judgment is that five years is a reasonable time. It is renewable by the affirmative assent of both Houses. We think that that is a reasonable time to keep these powers in place, so that we can then make further changes as needed to keep those agreements operable, and it is renewable by both Houses.

Gareth Thomas: Will the Minister support our amendment to reduce the sunset period from five years to three years, as his own Government did in the previous Bill, or is he determined to reject that suggestion?

Greg Hands: I have just explained that we think that five years, not three, is the appropriate time, so we will vote against the hon. Member's amendment if he has the audacity to push it. Given that the fundamental premise is incorrect, I would be surprised if he were to push it to a vote, because it is based on a misunderstanding of what the power is all about.

The DPRRC report did not indicate any concerns about the Government retaining the power to renew this clause. Amendment 17 proposes to render the clause renewable only once and for not more than a period of 10 years after the end of the transition period, but that is unnecessary. The clause can be extended only with agreement from both Houses of Parliament and only for a period of up to five years at a time. If Parliament judges that our use of the sunset clause has not been appropriate, it has the power to vote against renewal. As I have stressed before, without the ability to renew the clause, we will not have the power to ensure that signed continuity agreements remain operable, which risks the UK's ability to fulfil its international obligations. If we do not have this power, we will need to put in place other powers. We should not do tomorrow what we can do today.

Amendments 20 to 23 propose to shorten the sunset period from five to three years. I have already explained why we need the power and the changes the power would make. We believe that a five-year period strikes the right balance between flexibility of negotiations and constraints placed on the power. Our signed continuity agreements are evidence that this is a limited, technical exercise to replicate the effects of existing obligations. Seeking parliamentary permission to renew this capability every three years, rather than five, would be disproportionate and places an unnecessary burden on parliamentary time.

I repeat that the amendments, or at least the description of them, are based on a fundamental misunderstanding. The five years are not extra negotiating time. They allow technical changes to regulations on an ongoing basis, to keep operable agreements that have already been signed. I hope that that reassures the Committee, and I ask the hon. Member for Harrow West to withdraw the amendment.

Gareth Thomas: I enjoyed very much the answer that the Minister provided. In particular, it is a relief to hear that the Secretary of State has finally got round to launching negotiations with Turkey. I hope that those negotiations will be completed by 31 December, given the huge and dramatic impact that it could have on jobs and steel businesses in the UK. I gently remind the Minister of the considerable scepticism we heard from representatives of UK Steel that that would be achieved. It would be interesting to hear later in our proceedings whether Ministers have any sort of contingency plan for the steel industry, if negotiations cannot be completed in time to get a UK-Turkey deal through.

12.15 pm

On the substance of the Minister's argument, I draw to his attention the section in the House of Commons Library briefing on the sunset clause. It explains that subsections (7)(b) and (8) allow the period in which regulations can be renewed to be extended by up to five years at a time, with the approval of both Houses of Parliament. Ministers have put a never-ending power into the Bill.

The delegated powers memorandum goes on to say:

"the Department is conscious of the breadth of the power in Clause 2 and is of the view that it should not remain in place beyond the point at which it is needed."

I can accept that it may be necessary to make some technical changes over a period of one, two or three years, but it is difficult to imagine why the power would be needed beyond five years, without giving the House of Commons and the other place scope to review whether the changes Ministers want under the provision are necessary as a result. Furthermore, the Minister did not really give a clear explanation as to why the three years—a deal his colleagues had done with the hon. Member for Huntingdon and others on the Tory Back Benches—was switched back to the original five years. I therefore intend to press these amendments to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 8]

AYES

Anderson, Fleur	Nichols, Charlotte
Esterson, Bill	Thomas, Gareth
Hosie, Stewart	Western, Matt

NOES

Caulfield, Maria	Hands, rh Greg
Clarke, Theo	Higginbotham, Antony
Courts, Robert	Johnston, David
Fletcher, Katherine	Rowley, Lee
Griffith, Andrew	Webb, Suzanne

Question accordingly negatived.

Amendment proposed: 17, in clause 2, page 2, line 34, leave out subsections (7) and (8) and insert—

"(7) No regulations may be made under subsection (1) in relation to an agreement which meets the criteria in subsection (3) or (4) after the end of—

(a) the period of five years beginning with IP completion day ("the initial five year period"), or

(b) such other period as is specified in regulations made by the Secretary of State in accordance with subsection (8).

(8) Regulations under subsection (7)(b) may not extend the initial five year period or any subsequent period beyond the day which falls ten years after IP completion day."—*(Gareth Thomas.)*

This amendment would limit any extension of the window to a maximum of ten years.

The Committee divided: Ayes 6, Noes 10.

Division No. 9]

AYES

Anderson, Fleur	Nichols, Charlotte
Esterson, Bill	Thomas, Gareth
Hosie, Stewart	Western, Matt

NOES

Caulfield, Maria	Hands, rh Greg
Clarke, Theo	Higginbotham, Antony
Courts, Robert	Johnston, David
Fletcher, Katherine	Rowley, Lee
Griffith, Andrew	Webb, Suzanne

Question accordingly negatived.

Amendment proposed: 20, in clause 2, page 2, line 35, leave out "five" and insert "three"—*(Gareth Thomas.)*

The Committee divided: Ayes 6, Noes 10.

Division No. 10]

AYES

Anderson, Fleur	Nichols, Charlotte
Esterson, Bill	Thomas, Gareth
Hosie, Stewart	Western, Matt

NOES

Caulfield, Maria	Hands, rh Greg
Clarke, Theo	Higginbotham, Antony
Courts, Robert	Johnston, David
Fletcher, Katherine	Rowley, Lee
Griffith, Andrew	Webb, Suzanne

Question accordingly negatived.

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss the following:

New clause 18—*Statement on equalities legislation*—

'(1) This section applies where a Minister of the Crown proposes to make regulations under section 2(1).

(2) Before a draft of the statutory instrument containing the regulations is laid before either House of Parliament, the Minister must make a statement as to whether the statutory instrument would, if made, modify any provision of equalities legislation.

(3) If a Minister expresses a view in a statement under subsection (2) that the draft statutory instrument would, if made, modify any provision of equalities legislation, the Minister must explain in the statement what the effect of each such modification would be.

(4) If the Minister fails to make a statement as required by subsection (2), the Minister must make a statement explaining why.

(5) A statement under this section must be made in writing and published in such manner as the Minister making it considers appropriate.

(6) In this section, "equalities legislation" means the Equality Act 2006, the Equality Act 2010 and any subordinate legislation made under either of those Acts.'

New clause 22—*Trade agreements: approval*—

'A Minister of the Crown must not make regulations to implement an international trade agreement unless—

(a) a statement on the terms of the agreement has been approved by the House of Commons on a motion moved by a Minister of the Crown,

(b) a motion for the House of Lords to take note of that statement has been moved in that House by a Minister of the Crown,

(c) a motion relating to that statement has been approved by a resolution of the Senedd Cymru,

(d) a motion relating to that statement has been approved by a resolution of the Scottish Parliament, and

(e) a motion relating to that statement has been approved by a resolution of the Northern Ireland Assembly.'

This new clause would require the UK Government to secure the approval of both Houses of Parliament and the devolved Parliaments of Scotland and Wales, and the Northern Ireland Assembly before implementing any international trade agreement agreed after the passing of the Bill.

Gareth Thomas: I rise to move new clause 18 in my name and that of my hon. Friends, and I hope to say a few words about new clause 22. Clause 2 gives Ministers the authority to make any regulations they consider appropriate for the purpose of implementing an international trade agreement, including regulations that make provision for

"modifying…primary legislation that is retained EU law".

We have had representations suggesting that "retained EU law" appears to include a very wide range of primary legislation that has an impact, potentially, on measures to improve equality in this country, not least the Equality Act 2010 and the Modern Slavery Act 2015. At the moment, there do not appear to be safeguards on the face of the Bill to prevent Ministers from using the power in clause 2 to erode previous rights on equalities granted by Parliament.

That excellent organisation Liberty has provided an example to the Committee, to give a little colour to this justified concern. The Government could in theory

"reach an agreement with a foreign state on the provision of services, such as transport, and"

make

"changes to the Equality Act".

That

"could include removing the duty on service providers to make reasonable adjustments for people with disabilities, making access to transport more difficult for 1 in 5 of the UK's population."

If such a power were necessary at all, it is surely vital that safeguards are introduced in the Bill to ensure that human rights and equality laws passed by Parliament cannot be amended by Ministers whose key priority is to get a series of trade agreements signed off and locked into law. The way in which the Bill has been drafted does not include any restrictions on the use of delegated powers, as we touched on in a previous discussion.

As a result of those concerns, Members of the other place in particular, as well as a number of Members in this House, raised those points with Ministers. That led to what we Opposition Members thought was a very sensible amendment, tabled by the noble Baroness Fairhead, then a Minister of State in the Department, for the Government on Report in the House of Lords. I assume that she no longer fits the ideological bent of the current Government, and she is no longer there, which may explain why the amendment is no longer in the Bill. It seems to me that that is one further example of how this Bill is even worse in terms of parliamentary scrutiny than the Bill that had completed all its initial Commons and Lords stages in the last Parliament, only to be ditched by the Government.

According to the official record, the Government apparently worked very closely with the Equality and Human Rights Commission to produce the amendment that the Government originally tabled and that we are re-tabling, acknowledging that although they were not anticipating any need to amend equalities legislation, there was a possibility of the type of example that Liberty has advanced to us, and which I have given to the Committee: that trade agreements could potentially weaken protection against unlawful discrimination or lead to the diminution of equality rights.

The new clause provides for a ministerial statement to be made before any regulations are laid to implement a continuity trade agreement. The statement would outline whether those regulations modifying the provisions

of the Equality Act 2006 and the Equality Act 2010 are set to happen. That provision was supposed to be in addition to the reports that Parliament would receive setting out the significant differences between continuity agreements and the original agreements. Given that those reports are also no longer guaranteed, it is a further indication that scrutiny—already poor of these trade agreements in a number of ways—is set to get even worse, unless Ministers are willing to put this sensible new clause into the Bill.

When she moved her amendment, which I read it again for the benefit of Members, Baroness Fairhead said:

"I trust that this House will accept this as further evidence that the Government have a strong desire to be transparent with Parliament, businesses and the general public about their continuity programme."—[*Official Report, House of Lords,* 13 March 2019; Vol. 796, c. 1060.]

What are we to believe now that it is not in the Bill? Inevitably, it is difficult not to feel that the Government do not want to be quite as transparent as they once claimed with Parliament, businesses and the general public about the so-called continuity trade programme. It is therefore not surprising that one comes back to the words of Professor Winters talking about the feedback he had had on how UK-Japan negotiations were going. He was very clear that they were being "studiously" vague. I once again urge Ministers, even at this late stage, to accept new clause 18.

New clause 22 would lock in the need for the consent of both Houses of Parliament, the Welsh Assembly, the Scottish Parliament and the Northern Ireland Assembly before any trade agreement could be agreed. We on this side of the House have considerable sympathy with the idea that both Houses of Parliament should be required to approve any trade treaty before it takes legal effect. We think that the people of Wales, Scotland and Northern Ireland have as much right as the people of England to expect a say through their representatives in this House on whether trade agreements should be signed into law. We are clear, too, that the devolved Administrations must be properly consulted. Indeed, with new clause 16, which we will no doubt come to vote on this afternoon, we want to lock into law the guaranteed rights of the devolved Administrations to consultation.

Given the significance of trade agreements to the people of Wales, Scotland and Northern Ireland, I can well understand that the Senedd, the Scottish Parliament and the Northern Ireland Executive will at times want to comment on trade matters. One can understand why those who tabled new clause 22 decided to do so in the light of the fact that Ministers have decided to vote down every attempt to improve the scrutiny arrangements for future trade agreements and the so-called continuity trade agreements—many of which, as we know only too well, are not actually set to be continuity trade agreements at all.

Let me give just one example where the Senedd in particular might have concerns about trade agreements, which might have provoked the tabling of new clause 22. The Senedd, like the Welsh Government, will probably understandably have been very concerned about the future of the Port Talbot steelworks. If we had been given more detail about the nature of the UK-Turkey negotiations, rather than the studiously vague description that the Minister read out from the Secretary of State's Twitter feed, there might not be the concern about the future of steel in Port Talbot and elsewhere in the UK that there understandably will be following Mr Warren's evidence to the Committee.

12.30 pm

Let us take cars. Again, the automotive parts manufacturing industry is particularly strong in Wales. As a result, the need to conclude a UK-Japan deal is particularly important to the automotive industry, as the Society of Motor Manufacturers and Traders has set out in some detail in its evidence to Ministers. It is particularly concerned about the future of rules of origin. The Minister said at the outset that he may need to revert back to give us detail about how rules of origin are changing as a result of continuity trade agreements. I respect and understand why that might be necessary, but he will know that with trade agreements, the devil is in the detail, and nowhere is that more true than rules of origin.

Many of the rules of origin that the UK car industry benefits from involve both horizontal and diagonal cumulation at the moment, in the sense that countries other than the UK where parts of cars are made often count towards the value of that car as a product and therefore whether it benefits from preferential trade terms with a third country. The issue is how that will be replicated in one country-specific deal—a UK-Japan deal. One can understand why the Senedd, the Scottish Parliament and the Northern Ireland Executive might have concerns about that.

Again, it would be good to hear from the Minister at some point today, or by letter, how the debate about rules of origin with Japan, Turkey, Canada and South Korea has been taken forward. I understand that with South Korea, a deal has been done for the time being to allow EU parts to continue to be counted towards the value of a UK car. Will that be the case in a UK-Japan agreement, bearing in mind that we apparently have only six weeks for those negotiations to be done?

As I say, one can understand the concerns of the Senedd, the Scottish Parliament and the Northern Ireland Executive and their wanting to have a say in trade negotiations. We think the solution is to add new clause 16 to the Bill, but I hope that I have nevertheless done some justice to the understandable concerns of those in Wales, Scotland and Northern Ireland who are worried about how trade agreements might affect them.

The Chair: Thank you, Mr Thomas. I remind you that the debate is on clause 2 stand part. You can speak to new clause 18, but you are not moving it at this stage.

Stewart Hosie (Dundee East) (SNP): I start by addressing new clause 22 in the name of my friends from Plaid Cymru. In one regard, it seeks to do something similar to our amendment 8, which the Committee has already debated: to lay down in statute respect for devolution. We witness that in (c), (d) and (e), which would require motions relating to a ministerial statement to be approved by the Senedd, the Scottish Parliament and the Northern Ireland Assembly prior to regulations being made to implement an international trade agreement. New clause 22 would also, at (a) and (b), empower Parliament by requiring a statement on the terms of such an agreement to be approved in the House of Commons and a take-note motion passed in the other place.

[Stewart Hosie]

That is eminently sensible. However, I suspect that the Minister will say it is not necessary. He may suggest that it is not necessary because international agreements, including trade agreements, and the decisions to implement them are reserved matters. There is some merit in that. He may also make the case, as he did on Tuesday, that it is better if the UK speaks with a single, if not a united, voice in order to give our negotiating and trading partners certainty about what a deal may or may not deliver.

That, however, is rather to miss the point, as the hon. Member for Harrow West said. We know that some sectors or industries are disproportionately important to the economies of Northern Ireland, Scotland and Wales, compared with their importance to the UK economy as a whole. I cannot remember the precise numbers, but it has been suggested on multiple occasions that the white fish industry is 10 times more important to the Scottish economy than it is to the UK economy as a whole. There are clearly sectors that are vital.

It is equally the case—this is probably accepted now—that modern trade agreements are by and large not about quotas and tariffs; they are about regulation, conformance and product safety. They have the ability to impinge directly on the reserved competencies in Scotland, Wales and Northern Ireland. It is, therefore, sensible that we understand and respect why my friends from Plaid Cymru and others seek not just to empower both Houses of Parliament in the decision-making process on implementing an international trade agreement, but to give statutory voice to the devolved nations to ensure their legitimate interests are properly protected.

I turn to clause 2 stand part. I accept what the Minister said about the Bill being primarily about rolling over the pre-existing trade agreements that we had by dint of our very successful membership of the European Union, but I also take on board the serious point made by the hon. Member for Harrow West. He said that the Queen's Speech described a Bill to facilitate trade, not just roll-over agreements. He also talked about the long title, which says that the Bill will

"Make provision about the implementation of international trade agreements".

That is rather wider than negotiating and implementing roll-over arrangements only.

In the previous debate, we began to touch on some of the key flaws in clause 2 that run to the heart of this legislation. As I said on Second Reading and in my introductory remarks last week, clause 2(6)(a) allows for the Government to make provision

"modifying retained direct principal EU legislation or primary legislation that is retained EU law",

which runs to the heart of people's concerns. Even if I accept—and, by and large, I do—that the provision is designed to roll over our current deals, the ability to modify in that way may well mean that we end up with an agreement that is substantially different from the one we started with.

That is a concern to me. Although the Minister has said there are restrictions on how the modification process can be used, subsection (6)(a), (b), (c) and (d) allows for the modification of retained EU legislation or primary law. It confers functions on the Secretary of State or any other person, including conferring discretion. It allows for the delegation of function, and for civil penalties to be introduced for failing to comply with regulations. The only restriction in subsection (6) is the restriction on the power to make subordinate legislation. I will have to check *Hansard* carefully, because I think the Minister spoke about amending secondary legislation in the previous debate. That would not be possible under this restriction, but it is the only restriction in terms of the ability to modify.

That brings us to the other flaw in clause 2—namely, the five-year or 10-year limit. Subsection (7) says:

"No regulations may be made under subsection (1) after the end of…the period of five years"—

so far, so good—

"or…such other period or periods as are specified in regulations made…in accordance with subsection (8)."

Subsection (8) states:

"Regulations under subsection (7)(b) may not extend the initial five year period…by more than five years."

This is not simply, as the Minister suggests, to ensure that regulations are up to date. This five-year period and the five-year extension—this 10-year period—actually allows for the modification of principal EU legislation or EU laws under subsection (6), with the exception of the power to make subordinate legislation. That is an extraordinarily wide power that the Government have given themselves—a 10-year period. While I accept that the Bill is principally about rolling over existing deals, the ability to modify in a fundamentally unrestricted way for a period of more than two full Parliaments is an extraordinary power for the UK Government to seek to give themselves.

On that basis, if there is a vote on clause 2 stand part, I will certainly vote against the extension of these discretionary powers to the Government.

Bill Esterson: It is a pleasure to see you back in the Chair, Mrs Cummins, and we shall continue to enjoy serving under your chairmanship for another 19 minutes. I thank you for your contribution as joint Chair of the Committee.

I rise to speak to new clause 16. I remind the Minister of the point touched on by my hon. Friend the Member for Harrow West on 13 March 2019, when the Minister's then ministerial colleague—

The Chair: Order. I remind Mr Esterson that we are not debating new clause 16 yet.

Bill Esterson: Sorry, it is new clause 18 that I rise to speak to. I am grateful for the correction.

On 13 March 2019, an identical amendment was tabled by Baroness Fairhead in the House of Lords. I will just remind the Minister of what she said in her brief contribution:

"I trust that this House will accept this as further evidence that the Government have a strong desire to be transparent with Parliament, businesses and the general public about their continuity programme."—[*Official Report, House of Lords,* 13 March 2019; Vol. 796, c. 1060.]

She said that in good faith, because she wanted the amendment to be accepted. It was accepted by the House of Lords and became a substantive part of the Bill,

and the Commons would have considered it had the Government brought it back in the time available. There was plenty of time to discuss it then. The Government Whip made a point of order earlier. If the Government have a real problem with timing today, they should think about the problem that was caused by their not bringing back the Bill at any time during the period after March 2019, when an identical amendment, tabled by the Government, was agreed. The Minister has to answer the question why, if this measure was good enough for the Government on 13 March last year, it is not good enough now.

Greg Hands: Over the past few days, I have outlined the Government's position on our approach to clause 2 and I will not repeat that to the Committee. The general point about the continuity powers has been frequently made. I will focus my remarks on the Opposition amendments.

First, I must inform the Committee that the letter I promised the hon. Member for Harrow West on the position of Kenya and Ghana has gone out to all members of the Committee. I pledged that on Tuesday, so I think that is pretty swift. It should be in everyone's inboxes.

12.45 pm

New clause 18 seeks to oblige the Government to publish a statement outlining whether any equalities legislation is affected by our continuity agreements before any regulations are made. As has been rightly pointed out, and as I was aware, a Government amendment to that effect was successfully made to the 2017-19 Trade Bill. The amendment was tabled when there was uncertainty among parliamentarians over the purpose of the Government's continuity programme, in particular its potential impact on equalities legislation.

Time has moved on, however, and I ask colleagues to consider the significant progress we have made since then—specifically, the fact that we have now signed 20 continuity agreements with 48 countries. As can be seen from the parliamentary reports that we have published alongside each of those signed agreements, none of them has impacted on equalities or required us to amend equalities legislation.

To turn to a few points made in the debate, the hon. Member for Harrow West called into question Baroness Fairhead from the other House. I think the accusation was that she left the Government after some kind of disagreement. I confirm that Baroness Fairhead left of her own accord, unrelated to any political disagreement with the Government. I put on the record my thanks to her for her excellent service to the Department for more than two years on export promotion. UK exports did extremely well under her stewardship.

Opposition Members asked about rules of origin in relation to Japan, Turkey and Canada. Those are all live situations. I am not here to comment on live situations, discussions or negotiations, but clearly we seek to get as favourable rules of origin as possible for UK industry.

Gareth Thomas: One thing the Minister can confirm, surely, is whether parts produced in other European Union countries will still count towards the value of the car or other parts that are being manufactured. That diagonal and horizontal cumulation is a standard feature of the rules of origin, and it might help to give some certainty to British car and car parts manufacturers that that flexibility in rules of origin will not be lost.

Greg Hands: I thank the hon. Gentleman for that; he makes a good point. I refer him to the deal that we have negotiated with South Korea and how it reflects on those rules. That negotiation has been completed. However, here, today, it is not my job to comment on live negotiations or discussions with our counterparts.

The hon. Member for Dundee East talked rightly about sectors that are important in different parts of the UK. He made a very fair point. He talked about the white fish sector being 10 times as important to the Scottish economy overall as it is to the UK. That makes me wonder why—if I understood him correctly—his party's policy is to rejoin the European Union, where presumably the status of the white fish sector is even smaller than the one tenth it represents in the UK. That baffled me.

It is strongly in the UK Government interest to have good relationships with the devolved authorities on trade, which is a reserved matter, a prerogative matter. None the less, regulations interact with areas that are matters of devolved competence.

It is therefore perfectly proper both for the UK Government to have good relations and discussions with the devolved authorities, and for the UK Government to interact with sectors that are larger—I do not mean to say that they are disproportionately important—for certain devolved Administrations than others. That is one reason why I have gone out of my way since rejoining the Department to have meetings—I am checking my list of engagements—about Scottish smoked salmon, and with the Scotch Whisky Association, the Scottish Beef Association and other bodies in Wales and Northern Ireland, as well as in the English regions.

Hon. Members talked about the unrestricted nature of the power, but it is not quite right to say that this is unrestricted. Any changes made are subject to the affirmative procedure, and the power is only to amend secondary legislation that is direct retained EU law, again subject to the affirmative procedure. It is not as if that is an unrestricted power.

Returning to equalities legislation, I remind colleagues of constraints in the Bill, including the fact that the affirmative procedure is required for any statutory instruments made under the power in the clause. Parliament will rightly make its voice heard on regulations made, but as the Prime Minister outlined in his Greenwich speech, the UK will always be an open, equal and fundamentally fair country. That will remain true regardless of EU membership or any other international agreement. We have not needed the EU to tell us what is appropriate in the field of equalities. For example, the EU provides a minimum of 14 weeks' paid maternity leave, whereas Britain offers up to a year's maternity leave, 39 weeks of which are paid, and the option to convert it to shared parental leave. Moreover, UK workers can get statutory sick pay for up to 28 weeks, whereas the EU has no minimum sick leave or sick pay legislation.

Promoting respect for British values, including equality, the rule of law and human rights, is and will remain a core part of our international diplomacy. That is what

[Greg Hands]

our continuity programme provides, alongside certainty to business and consumers. It is not, and never will be, about undermining equalities legislation.

I turn to new clause 22, tabled by Plaid Cymru Members. For the benefit of Members who have not sat on a Bill Committee before, it is entirely possible for those who are not members of the Committee to table an amendment—I would not recommend that course of action for Government Members—as we see the hon. Member for Arfon (Hywel Williams) and his colleagues have done. On Tuesday, in a debate on similar issues, I set out that it is an essential principle of the UK constitution that the negotiation of international trade agreements is a prerogative power of the UK Government. The prerogative power serves a crucial role in ensuring that the UK Government can speak with a single voice under international law, providing certainty to our negotiating partners.

Of course, international negotiations are a reserved matter under the devolution settlements—an area in which the UK acts on behalf of all the nations of the UK. These important principles are complemented by the UK's dualist approach to international law, which provides that international treaties cannot of themselves make changes to domestic law—I think we will return to that this afternoon. This approach ensures that where our agreements require changes to UK domestic law, the UK Parliament will scrutinise and pass that legislation in the normal way. Where that legislation is made by the devolved Governments, the devolved legislatures fulfil that role. It is right that Parliament and the devolved legislatures should have that role, which is why we have provided that regulations made under clause 2 will be subject to the affirmative procedure.

We have also committed ourselves to not normally using the clause 2 power to legislate in devolved areas without the consent of the relevant devolved Administration, and never without consulting them. Combined with the scrutiny mechanisms in the Constitutional Reform and Governance Act 2010, which the hon. Member for Harrow West was so enthusiastic about 10 years ago, those procedures will ensure that the UK Parliament can see exactly what we have negotiated, and if it does not agree with it, can take steps to prevent the Government from implementing and ratifying the deal. There are therefore already rigorous checks and balances on the Government's power to negotiate and ratify a new agreement.

By giving Parliament an automatic veto over trade agreements, the new clause would cut across those procedures and undermine the important constitutional principle that it is for the Executive to negotiate and enter into deals, and for Parliament to scrutinise them. The new clause would also give the devolved legislatures an automatic veto over our agreement, which would be wholly inappropriate given that this is a reserved matter. On a practical level, a veto for the devolved legislatures would also lead to a situation in which one part of the UK could prevent the rest from benefiting from an agreement.

The Government recognise the important role that the devolved Administrations and the UK Parliament can and should play in our trade agreements, and I welcome the opportunity to put that on the record again. My Department works closely, as I have outlined, with the devolved Administrations and Parliament to deliver trade policy and trade agreements that reflect the interests of the UK as a whole, but we should do so in accordance with the long-standing principles enshrined in our constitution, rather than seeking to undermine them. I hope that reassures the Committee. I ask hon. Members not to press their new clauses, and to agree to clause 2 standing part of the Bill.

Question put and agreed to.

Clause 2 accordingly ordered to stand part of the Bill.

Ordered, That further consideration be now adjourned.—*(Maria Caulfield.)*

12.54 pm

Adjourned till this day at Two o'clock.