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Lord Callanan
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17 November 2020

Dear Lord Purvis

United Kingdom Internal Market Bill – House of Lords Committee Stage

Thank you again for your contributions to the Committee stage discussions.

During Committee proceedings you asked about the governance of the UK internal market and the interaction with the ongoing Review of Intergovernmental Relations. Through the Review, the UK Government is making positive progress with the devolved administrations exploring ways to practically improve intergovernmental relations, including how our joint forums operate in order to build long term trust between the governments and provide clear escalation routes for disputes.

The aim is to establish an adaptable and effective system of governance that secures strategic cooperation on areas of shared interest, recognising the absence of EU-wide structures. Whilst reforms to the Joint Ministerial Committee structures are to be finalised between administrations, we anticipate intergovernmental machinery to facilitate oversight of cross-cutting areas of mutual interest, including matters relating to the UK internal market.

I should be clear that given the technical nature of policy discussions with a bearing on the UK internal market, the governance of the UK internal market largely sits at the departmental-level and is therefore not dependent on the conclusion of the IGR Review. The review aims to provide a framework for regular engagement across all policy areas, so we can share more evidence and design better solutions to the issues that most affect our citizens, but this does impact the continuation of many existing structures in place to facilitate discussion in the domestic space.

Ministers from all administrations are committed to concluding the review of intergovernmental relations and implementing its recommendations at the earliest opportunity, as was agreed at quadrilateral ministerial meetings between the Minister for the Constitution and Devolution and her counterparts in the devolved administrations in August and September.

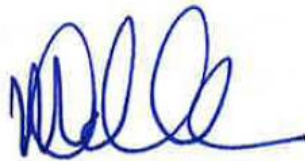
As previously stated, ultimately the OIM only supports the resolution of disputes among the administrations politically, it does not adjudicate. However, it will provide expertise in

scenarios in which the economic impacts of particular regulations lead to a disagreement between one or more administrations. An assessment of economic impacts will ensure a technical underpinning to otherwise political discussion.

Finally, with regard to whether the scope of the Government's consultation which ran between 16 July – 13 August included direct reference to the Competition and Market Authority (CMA). I can clarify that the White Paper set out proposals for functions delivered at arms-length to the UK Government. It invited views on how these should be implemented, as well as whether an existing arms-length body should deliver these functions or whether bespoke arrangements should be established specific to the internal market. The Government recognised explicitly that there were a range of potential delivery vehicles for the independent functions set out but did not pre-empt responses.

You also enquired about the release of responses to the consultation. We believe that publishing only a subsection of responses would not offer the public an accurate reflection of the overall reaction to the consultation. The details of our summary response analysis and policy response can be found in the Government's full consultation response which is available on GOV.UK: <https://www.gov.uk/government/consultations/uk-internal-market-policy-option-proposals>. In conformity with the Data Protection Act 2018, as not all respondents consented to the sharing of both their views and identifying information, it would not be appropriate to publish individual responses.

I thank you again for your contributions to the debate. A copy of this letter will be placed in the Library.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Lord Callanan