

Getting the Best Deal for Britain: The Case and Mechanism for Extending Transition in the Time of Covid-19



New Best for Britain poll on extending transition

Majority support for UK Government to request a transition period extension.

Significant support among small 'c' conservatives

Almost half of Conservative voters and those who voted Leave support an extension.

The path to extension

Clearly mapped, there is a path to getting an extension agreed quickly.

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About the poll

The Focaldata poll of 2,032 adults was commissioned by the cross-party campaign group Best for Britain. Fieldwork was completed between 7-9 April 2020.

The data tables for the poll can be downloaded [here](#).

Our key findings

Majority support for UK government to request an extension

- **66% of the public believe the UK government ‘should focus 100% of its energy on dealing with coronavirus for the rest of the year’,** including nearly half of Conservative and Leave voters.

Indefinite extension ‘until crisis resolved’ is acceptable

- Of those who support an extension, **64% want the transition period to be extended ‘indefinitely until the crisis is resolved’,** whereas 36% wanted the transition period to be extended ‘for a maximum of a year.’

How conservatives feel

Small ‘c’ conservatives want UK Government to focus on coronavirus

Our poll data indicates the government has support for extending the transition period among small ‘c’ conservative voters.

- 48% of Conservative voters
- 45% of Brexit Party voters
- 49% of Leave voters

Of those who supported an extension there was strong support for a longer extension:

- 44% of Conservative voters
- 27% of Brexit Party voters
- 43% of Leave voters

Support is growing for extension

Business, trade and devolved governments now calling for extension

- The call for an extension to the transition period has been made by numerous bodies and pressure groups, including the [Scottish](#) and [Welsh](#) Governments.
- The UK logistics sector, including the [Freight Transport Association](#) and [Road Haulage Association](#) and the [British International Freight Association](#), have urged the Government to request an extension to the transition period so that companies are able focus on the unprecedented challenge which Covid-19 has placed on the industry.
- [The European People's Party \(EPP\)](#), a centre-right grouping of MEPs and the most powerful political group in the European Parliament, has called on Britain to request an extension to the transition period, saying the threat posed by coronavirus meant that common sense should “prevail over ideology”.
- [EU officials](#) have warned the Covid-19 outbreak means companies on both sides of the channel will have little capacity to prepare for the disruption to UK-EU trading arrangements that the end of the transition period will bring.
- There is some recent speculation that pressure to extend from the EU side will ramp up once [Germany](#) takes over the EU presidency in July.
- In an interview with the BBC, International Monetary Fund (IMF) Managing Director [Kristalina Georgieva](#) has said it would be “wise” not to add to the “unprecedented uncertainty” arising from the pandemic.

Why there should be an extension

No good deal without being at the table

There are only two rounds of talks left before the high level UK-EU meeting in June. With the deadline for requesting an extension due on the 30th June 2020, when the country is still likely to be battling coronavirus, the already tight timetable set by the UK now appears incredibly difficult to meet.

It is not reasonable to think we can strike a good deal for the UK in this timeframe. The public would clearly support the government requesting an extension so it can focus solely on fighting the virus and [restoring our economy](#), without the risk of a catastrophic no deal.

Economic impact

Government assessments show the economic impact of all forms of Brexit is likely to be negative, especially so in the case of a no-deal Brexit. The tight timetable, together with the distance between UK and EU positions on key subjects such as ‘level playing field’ commitments, means the chances of a no-deal Brexit have risen considerably since the coronavirus outbreak began.

For businesses, especially SMEs, the transition period was supposed to be used to prepare for the UK’s departure, and work through what the new custom procedures and product standards would mean for their specific circumstances. However, Covid-19 has meant the transition period is being wasted as firms are preoccupied with the unprecedented challenges caused by the pandemic.

With the economy almost certain to still be struggling to recover at the beginning of 2021,¹ the structural changes forced on business by leaving the EU without a deal could be catastrophic and undermine current attempts to save it.

Protecting our public services

It is unwise to expect that our public services can handle two economic shocks of this scale at the same time. Best for Britain FOIs of local authority risk registers last year suggested they were in a place to deal with one external shock, but could not weather two. A recent example was the need to release all stockpiled Protective Personal Equipment (PPE) to deal with coronavirus, despite it having been earmarked for a no-deal Brexit.² Given the strain that will be put on these services over the next year to deal with coronavirus, it would be irresponsible to leave the UK open to an avoidable shock.

¹A new report in April 2020 predicted it will take 3 years to get back to 2019 levels of GDP as a consequence of coronavirus, with a fall of 13% predicted for the second half of this year as the UK would be leaving the transition period.

²At the Health & Social Care Committee on the 17th March 2020, the COO of NHS England confirmed that PPE supplies earmarked for a no-deal Brexit had been released to provide additional supplies for NHS frontline workers to deal with the coronavirus pandemic; <https://www.youtube.com/watch?v=ytnWsp4-gHE>

The cost of extension?

Current Withdrawal Agreement transition period means we keep paying the same as we did as a member up to 31st December

Under the terms of the current Withdrawal Agreement (WA) transition period until the end of December 2020, the UK continues to contribute to the EU budget as if it was a Member State in line with the previously agreed UK budget contributions for the EU Multiannual Financial Framework (MFF) for 2014-2020.

However, UK contributions will not continue to be calculated in the same way if the transition period is extended.

In extension discussions, the matter of future budget contributions would be calculated and negotiated separately

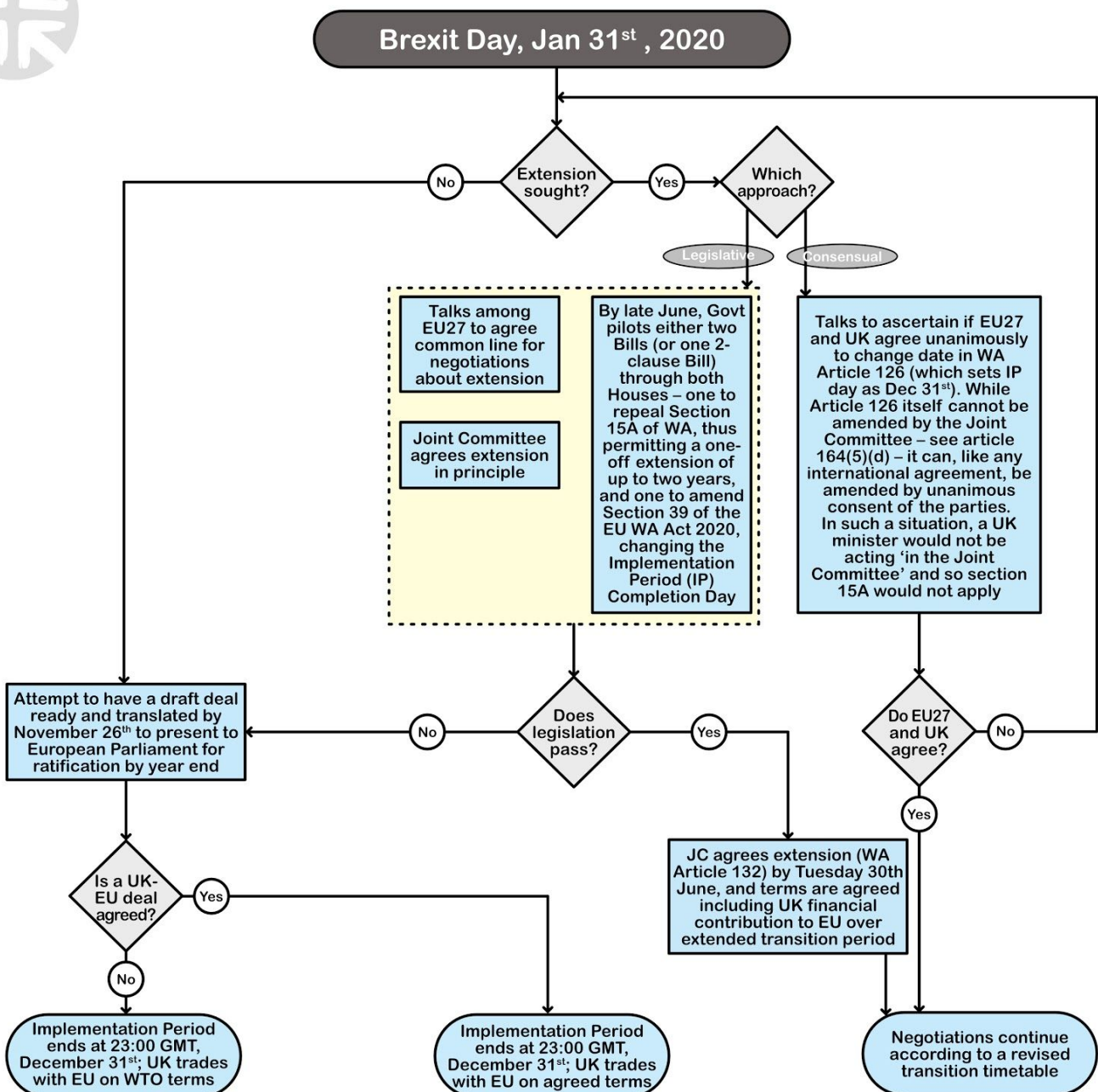
Should the transition period be extended beyond the end of December 2020 (and the end of the current EU MFF period), the WA envisages that the UK contribution to the EU budget would be agreed by the UK and EU in the Joint Committee set up to oversee the implementation of the WA, and that it would be calculated separately to the formulation used to calculate the contribution of the remaining Member States.³

- ❑ [Article 132 \(2\)](#) of the WA states that for the extended transition period the EU law relating to the EU's own resources (i.e. the formulation for deciding Member State financial contributions) will not apply to the UK after 31 December 2020.
- ❑ [Article 132 \(2\)](#) also indicates that the UK will not automatically be part of EU programmes. It provides that in an extended transition period the UK would be considered as a third country for EU programmes and for funding under the next budget plan (the MFF for 2021-27). The UK could potentially participate in such programmes but would do so according to the EU's rules for third countries.
- ❑ [Article 132 \(3\)](#) of the WA states that the Joint Committee would agree the amount of the UK financial contribution during the extended period, taking into account the UK's status during the period. It would also agree the schedule for making payments.

³ According to research seen by Best for Britain, from the House of Commons Library (20th April 2020)

The mechanism for requesting an extension

This diagram shows the route from the date the UK left the EU in January 2020 to the end of this year and the choices the UK government must make regarding the UK's future relationship with the EU. There is a clear path to extending transition easily and quickly, should we choose to take it.



References

The diagram on the previous page contains references to specific articles contained in the Withdrawal Agreement between the UK and EU and in UK domestic law which deal in some way with extending the transition period.

Links to the specific articles and clauses mentioned can be found below.

You may also wish to review the recent House of Commons Library Briefing:
[Coronavirus: Is it possible to extend the Brexit transition period?](#)

- ❑ [Section 15A, European Union \(Withdrawal\) Act 2018](#) (as amended by [Section 34, European Union \(Withdrawal\) Act 2020](#))
- ❑ [Section 39, European Union \(Withdrawal\) Act 2020](#)
- ❑ [Article 126, Withdrawal Agreement](#)
- ❑ [Article 164\(5\)\(d\), Withdrawal Agreement](#)
- ❑ [EU process for ratification of international treaties](#)
- ❑ [Article 132, Withdrawal Agreement](#)

About Best for Britain

Best for Britain is a cross-party internationalist campaign group.

Now that we have left the EU, we seek to maintain a close relationship with Europe, ensuring long-term economic prosperity and preventing hard-won rights and protections being watered down.

Best for Britain is known for its data driven, constituency-level analysis. We frequently commission polling on a range of issues - from attitudes towards free movement to trade-offs in the UK-EU trade negotiations - to give legislators an in-depth, granular understanding of specific voting behaviours both at a national and seat level.

We work with MPs from all parties and people across politics who share our belief that British jobs, investment and businesses all benefit from the UK having strong internationalist links and cooperation, and the ability for free trade and goods, services, people and ideas to move in a frictionless way across borders.