#### Thames Valley police funding

Today we heard of the police financial settlement for 2018-19. The Thames Valley force will receive an extra £12.7m in cash for next year, which is needed to help maintain services.

The government also announced a £50m increase in national money for counter terrorism and a general strengthening of budgets to tackle cyber crime.

## European Council: The Article 50 meeting — Guidelines

There has been some confusion created by this slim document that came from the EU after the recent Council meeting. Some seem to think it was an agreed document with the UK, and that we should therefore take its positions as the likely outcome of the negotiations between the UK and the EU. It is, of course, just a statement of a bargaining position by the EU preparatory to the talks on transition and a future relationship. The UK's opening position will I assume be rather different!

That became clear in the Prime Minister's response to questions on her Statement yesterday following the EU Council meeting. She confirmed that

- 1. Nothing is agreed until everything is agreed
- 2. The UK will not make a formal offer of money unless and until there is an Agreement on everything else which the UK Parliament approves
- 3. There will need to be UK legislation to provide the powers to pay the money and to implement any Agreement
- 4. The UK is seeking a wide ranging partnership based on good access to the EU single market.

The EU document wants the UK to convert the draft partial Agreement so far into legally binding promises. It says if there is to be a 2 year transition the UK will have to obey all legal and financial commitments of a member of the EU. It is coy over what it might offer on trade and access to the single market over and above the access we will have anyway as a WTO partner. It suggests no deal on trade before we have left. It imagines we will spend two years accepting all EU law and decisions, without the benefit any more of a veto over some items and a vote in Council on others.

There would clearly need to be changes to this approach if there is to be any

deal the UK could expect Parliament to accept. It remains the case that a zero for zero tariff deal on goods is greatly in the EU's interest, as is continued similar service access.

Any potential Agreement will be subject to ratification by both sides. This rightly includes the UK Parliament, as well as the Council and the EU Parliament. The EU will need to understand that a Deal does indeed have to be better than No Deal. No Deal gives us freedom to make our own laws, settle our own borders, sign our own trade deals and spend our own money. A wide ranging partnership could add to that, but only if the price of it does not damage the changes No Deal offers too much.

### A vision for an independent democratic UK

The Cabinet this week debates what kind of a country we wish to be, and how we should be governed once we leave the EU.

The vision of Leave was uplifting. We want to belong to an independent democratic country.

We want to take back control of our laws, our borders and our money.

The people reasserted their sovereignty. They now wish their Parliament to act in their interests. They want the UK Parliament to spend the taxes raised on our priorities. They want the UK Parliament to pass wise and humane laws. They want the UK government to have a confident global vision, acting in the best interests of our country and acting for the wider good.

We did not vote to be some minor state following meekly the EU's laws and policies. We voted for our country to regain its vote and voice in global bodies. We voted to be friends and trading partners with the EU, but not to be part of its legal system and budgets.

This vision means, as the PM says, leaving the EU and its single market and customs union on 29 March 2019 in accordance with the Treaty.

It means from that date being able to pursue our own agenda in world councils, and to negotiate our own trade deals and partnerships.

It means seeking the best possible access to the EU's single market, knowing we can have general access through our membership of the World Trade Organisation, where the EU also is a member and accepts its rules .

It means being able to amend and improve our laws whether the EU is doing so or not.

It means welcoming EU students, tourists, investors, people coming to jobs with permits, people wishing to live here on their own resources.

It means having our own fair policy for the whole world on access to benefits and work.

It means having our own fishing and farming policies, seeking to rebuild home output for the home market.

It means spending our money on priorities at home, and on helping those most in need elsewhere in the world.

It means being a force for the good in the world, using our soft power and military capability to promote peace, free trade, democracy and greater prosperity.

#### Leaving the EU and transition

I am pleased to see the government does intend to put the departure date into the Withdrawal Bill. It needs to be there to ensure continuity of law on the day we leave, which will be 29 March 2019 according to the Treaty procedure. I accept the addition of the proviso that were the UK to request to stay in for longer and were all 27 to agree Parliament would need to change the date. Parliament could do that anyway. That seems very unlikely.

The next issue is so called Transition, or Implementation. The Prime Minister has always been very clear. She has said we will need an Implementation period, assuming we have an Agreement to implement. She rightly says it would not make a lot of sense of exit on 29 March 2019 going over the WTO arrangements for trade and making other arrangements for issues not covered elsewhere, only to switch systems again a year or two later when the new Agreement with the EU comes into effect. She has also rightly said this Implementation period should not be longer than needed, and could be of variable time depending on the issues concerned and the complexity of completing the arrangements for the new Agreement.

Were there against her aim and wish to be no deal because the EU was unreasonable in its approach, there would be no need for an Implementation period. It would be best to pass straight to the new arrangements for out without a special partnership on 29 March 2019. The government assures us they are planning for just such a contingency, whilst stressing it is not what they want to happen.

During transition it would be best if the UK were not subject to the ECJ, the freedom of movement provisions and the restrictions on negotiating trade deals. Because we are assured we are leaving on 29 March 2019 none of these will apply unless the UK enacts them into UK law for a period in furtherance

of an Agreement with the EU.

The opponents of the government include numerous opposition MPs and lobbyists who want to slow down or delay Brexit. They see Transition as effectively another two years in the EU, paying our contributions and accepting all old and new laws as if we were still full members, without any voice or vote over what the EU does. This they see as a period for further negotiations over what might happen next. Some of the government's opponents want to use the next year and the Transition to effectively mirror everything the EU currently requires of us into UK law and into an Agreement which is membership in all but name. This is clearly not the Prime Minister's view. She repeatedly argues we are leaving the EU, the customs union and the single market. We will take back control of our laws, our borders and our money. Leave voters knew exactly what they were voting for and expect no less.

The issue is now one of timing. Many Leave voters feel they have waited too long already. They can accept waiting until March 2019, but do not want another two years in the EU thereafter. As the government sits down to talk about Implementation it needs to stress three things. One, the issues that do need settling even without a wider deal can be settled prior to March 2019. We have unilateral fixes, but agreements would be better. Two, the UK does need to be free to negotiate its own trade deals with others, to put in its own migration policy, and to get on with reforms of fishing, agriculture and the rest from March 2019. Three, nothing is agreed until everything is agreed. The UK cannot legislate for the draft Agreement so far without having agreement on the wider partnership. The public are not in favour of making large payments to the EU without good reason, or even at all in many cases. The government will need to show a good wide ranging Agreement to persuade people to accept a generous settlement.

# What forces do we need to pursue our foreign policy?

Home defence requires the UK to have sufficient mastery of the Channel and neighbouring seas, and of our airspace, to make invasion impossible or unacceptably costly to any potential enemy. We would normally expect NATO support, but having our own forces in place for any sudden initial attack remains vital.

The UK successfully prevented invasion by the Spanish in 1588, and by the French in the Napoleonic wars. These were achieved by sea power. The resistance to German invasion in the last century required air power and sea power, which were deployed successfully. We nonetheless experienced some shelling and bombing at home in the first world war, and major bomb attacks in the Second World War. The airforce had to deal with fighter and bomber

incursions on a grand scale, and to combat the development of missile technology with German flying bombs and rockets at the end of the conflict.

Today we therefore need sufficient sea and air power to act as a deterrent to any potential aggressor. We also need the industrial capability to scale up weapons and ship production were we to find ourselves in a larger conflict. In 1939 the UK was ill prepared for what it had to do, but did manage an impressive scale up of its ships and aircraft production to replace heavy losses and expand the fleets and squadrons. Training enough pilots was a bigger issue than building enough aircraft during the height of the battle of Britain.

Offering assistance to NATO requires the ability to project force away from our home base. This in turn necessitates taskforce capabilities, with air heavy lift and sea delivery to transfer personnel and weapons to the battlefield. The UK in 1914 and in 1939 on both occasions got a small professional army exposed on the continent against superior forces. The death rate in 1914 was very high and led to the need to recruit a massively larger citizens army. In 1940 the retreat from Dunkirk rescued most of our stranded army in uncomfortable surroundings with the loss of large quantities of equipment. The lesson from this is to commit in conjunction with allies in ways which improve the odds of success and reduce the likelihood of disaster from exposing too few people to too large an opposing force.

Being able to help our associated territories and countries needs that same ability to project force at a distance and to marshal sufficient force to resist an invasion or to evict an invader as we did in the Falklands. There is a similar requirement to help the UN.

As an island nation the UK will tend to have more continuous need of maritime and airpower. This can be well used in support of others when we need to intervene overseas. The UK has not tended to have a large army in peacetime, but does have a very professional and effective smaller army. We need a credible professional army for all the roles identified. This has been massively expanded during global conflicts, especially to intervene on the continent where opposing armies were large and well equipped. Now European countries are democracies and part of NATO the world has changed for the better