

We will leave the EU in March 2019

The Prime Minister made some good things clear. We will leave the EU in March 2019. We will not stay in the single market or customs union. We do not want to be in the EEA. We do need to be free to pass our own laws and to negotiate our own trade deals.

She also made a very generous offer to the rest of the EU. The UK will stay engaged and helpful to EU on security and defence matters come what may. The UK will happily allow continued tariff free access to the UK market on similar terms to today if the EU reciprocates. The UK may stay in various spending programmes and make a continued financial contribution to them if that makes sense to both sides and if the UK will continue to benefit. Programmes like Erasmus and the work of the EIB may be what she has in mind.

More nuanced language was used for the passage on an implementation period. She rightly said this should be as short as possible and must have a final date. It remains difficult to know if we need such a thing, as that will depend on whether there is an Agreement to implement. The issue of money remains sensitive on both sides. The PM made no express offer of cash, and stressed that budgets have to be talked about alongside trade and the future relationship.

I remain of the view that we owe them nothing and we do not have to pay for a free trade deal. That is so much in their interests that there is still the chance they will come round to wanting it. We have always accepted we owe them contributions up to the date of leaving, which will deliver them an additional £30 billion (rough estimate) between June 24 2016 and March 29 2019.

In the meantime the most important thing the PM said was Whitehall is charged with the task of getting everything ready to leave without a deal. There can be no successful negotiation without the EU understanding no deal is a feasible option. What matters now is the response of the EU. The UK needs to stop negotiating with itself and concentrate on selling a good deal to the other side, as the PM sought to do today.