

The letter from Gavin St Pier to the UK Prime Minister

25th September 2018

Dear Prime Minister

BREXIT 'NO DEAL' CONTINGENCY PLANNING - GUERNSEY

Since I last wrote to you on Brexit matters in March 2017, before the triggering of Article 50, the government of Guernsey has further strengthened the working relationship at both official and political level with your Government, particularly over the last few months. The engagement between the Chief Ministers of the Crown Dependencies with Robin Walker MP is highly valued and provides a governance structure within which our concerns can be raised and discussed frankly. We also value the commitment from the dedicated staff of the Cabinet Office, the Ministry of Justice and the Department for Exiting the EU, in particular the Contact Group chaired by Colin Roberts.

As you would expect, we continue to plan for the prospect of a new partnership between the UK and the EU. It is vitally important that our interests continue to be taken into account in the UK-EU negotiations and to ensure that our ancient and historic constitutional relationship with the Crown is upheld and respected. We hope too that there is now an opportunity to iron out some of the anomalies that have crept up in recent years as regards the way in which British nationals resident in the Crown Dependencies are treated (and might in future be treated) and intend to discuss this further with relevant members of your Government. By way of example, Bailiwick residents are currently treated less favourably in some cases than EU nationals (for example as regards healthcare, education, and even some banking services) despite being British nationals and despite the long established constitutional relationship which exists between us.

As you know, the Bailiwick of Guernsey was not involved in the UK's referendum about leaving the EU, but we must deal with the consequences (both financial and political). It is our view that a deal which provides an orderly exit and a strong economic outlook for the UK is in Guernsey's interests. However, we are also mindful that we need to plan for all eventualities, including a 'no deal' scenario. The formation of a new UK and Crown Dependencies' customs arrangement, something that is currently under negotiation, is critical to our current planning. Tied to this is the extension of the UK's Membership of the World Trade Organisation (WTO). Whilst preparatory work has progressed well, there are still steps to be taken if this is to be achieved in the necessary timescales. A lack of access to the WTO's internationally agreed rules and principles, would create future trading uncertainty for Guernsey. We, therefore, would welcome your Government's ongoing support as we consider and seek to achieve extension of the WTO membership to Guernsey.

We are undertaking 'no deal' planning and have engaged our civil contingencies authority accordingly. Due to our geographical proximity and constitutional links, it is inevitable that

our plans will need to adapt in response to the UK's own planning assumptions and will be impacted by decisions made by the UK government. Many of our supply chains are dependent on or linked to the UK's and operate on a 'just in time' basis. The supply lines are dependent on good access to ports on the UK's south coast, reliable transport links, free-flowing borders and the relevant information we share. It will be essential to set up operational frameworks to modify or maintain these current links and practices as necessary post-Brexit.

I would welcome your continued commitment to building on the strong relationships we have and ensuring that the Bailiwick of Guernsey's interests are properly represented. It would be extremely helpful to have even greater co-operation and dialogue between our governments for all scenarios, particularly contingency planning.

I appreciate that your Government is presently subject to many competing interests and views as it faces the hugely challenging task of negotiating a deal with the remaining 27 EU Member States. However, I am cognisant that HM Government also recognises and does take seriously its responsibilities on behalf of the Crown to represent our interests, even where those differ from the UK's. Therefore I ask you to note that a no deal outcome would not be in the Bailiwick of Guernsey's interests.

In light of the public interest in this matter I intend to publish this letter for the benefit of Guernsey's community.

Yours sincerely

Deputy Gavin St Pier
Chief Minister of Guernsey/ *Le Prumier de Giernes*

cc: Robin Walker MP, Parliamentary Under Secretary of State, Department for Exiting the European Union
The Rt Hon the Lord Keen of Elie QC, Ministry of Justice
James Dent, Chairman, Policy and Finance Committee, Alderney
Conseiller Stephen Taylor, Chairman, Policy & Performance Committee, Sark

The response from The Prime Minister

22nd October 2018

Dear Chief Minister,

Thank you for your letter of 25th September and for your recognition of the strong working relationship which Ministers and officials from our respective governments have built up.

This relationship reflects the United Kingdom's commitment to engaging the Bailiwick of Guernsey and the other Crown Dependencies as we leave the EU. I and the rest of the UK Government will continue to work closely with you and the Bailiwick to ensure that we get a deal that works for the whole British family.

I acknowledge your points regarding differences in arrangements for British citizens who are Bailiwick residents when using some services in the UK, such as university education and healthcare. I want to assure you that, in the spirit of the close relationship that our governments have fostered, the UK is always ready to engage in constructive dialogue on issues which are of concern. I welcome the fact that officials have already discussed some of your concerns relating to healthcare.

I want to be clear that the long-standing constitutional relationships between the UK and the Crown Dependencies will not change as a result of the UK's decision to leave the EU. I have given assurances publically to that effect, and the Government has reiterated this in the White Paper on the UK's future relationship with the EU.

Regarding our negotiations with the EU, we do not want or expect a 'no deal' scenario. Given the significant progress made in negotiations we remain confident that we will agree a mutually advantageous deal with the EU. However, it is only right that we continue to prepare for a range of potential outcomes including the unlikely event of 'no deal'. We will ensure that you have the support and information you need to develop robust contingency plans.

Negotiations on the new customs arrangements between the UK and the Crown Dependencies, which will reaffirm our long-standing, close trading relationships, are also making good progress. We share your view on the importance of having these arrangements in place ahead of our exit from the EU to ensure goods can continue to move between the UK and Guernsey as they do now.

I have always said that our negotiations with the EU would be tough – and they were always bound to be toughest in the final straight. I share your belief that a negotiated outcome, with an implementation period following our exit, is in everyone's best interests. I am grateful for your co-operation as we work together towards a successful exit and a constructive future relationship with the European Union.

Yours Sincerely,

Theresa May.