

Lord Leong CBE
Lord in Waiting (Government Whip)
Department for Business and Trade
Old Admiralty Building
Admiralty Place
Whitehall
London
SW1A 2DY

Lord Carlile of Berriew CBE KC Chair, Northern Ireland Scrutiny Committee House of Lords London SW1A 0PW

T: +44 (0) 020 4551 0011 W: <u>www.gov.uk/dbt</u>

2 April 2025

Dear Lord Carlile,

PRODUCT REGULATION AND METROLOGY BILL

Thank you for your letter of 10 March regarding the Product Regulation and Metrology Bill ("the Bill") and the Northern Ireland Scrutiny Committee's interest in its implications for Northern Ireland. I am grateful for the Committee's questions and the opportunity to provide further information on how the Bill interacts with the Windsor Framework, its expected impact on trade, and how we intend to manage regulatory divergence in a way that supports businesses and consumers across the United Kingdom.

Your letter requests responses to several questions. I have provided responses below and, in some cases, have taken questions together.

Northern Ireland and the Windsor Framework

 What will be the impact of the Bill on Northern Ireland? How will the Bill interact with the Windsor Framework?

I would like to assure the Committee that the UK Government is fully committed to meeting its obligations under the Windsor Framework and to protecting the UK's internal market. Any subsequent use of the Bill powers through secondary legislation will be consistent with those commitments.

To ensure dual access to both the UK Internal Market and the EU Single Market, Northern Ireland applies certain EU product and metrology regulation under the Windsor Framework. In other product areas, however, such as the Furniture and Furnishings (Fire) (Safety) Regulations 1988, domestic legislation applies. The Bill will not alter the operation of the Windsor Framework in this regard. The territorial extent of the Bill is UK-wide and its powers will enable effective product and metrology regulation across the UK, allowing decisions that work in the interests of UK businesses and consumers, while respecting Northern Ireland's unique position under the Windsor Framework.

Impact on Trade

 What is the basis for the Government's view that the Bill will have a positive impact on trade between Northern Ireland and the rest of the UK? What will be the impact on trade on the island of Ireland?

This Bill will provide flexibility to make sure product regulation, now and in the future, is tailored to the UK's needs. The powers in this Bill, which are conferred on a UK-wide basis, will ensure we can continue to respond to any new EU legal developments that may have internal market impacts, and facilitate the continued smooth flow of goods between Great Britain and Northern Ireland. This will give businesses certainty about product requirements and help facilitate the smooth flow of goods across all parts of the UK.

The Bill also enables the UK to continue recognition of certain EU product requirements, including the CE marking, where this is in the interests of businesses and consumers. The ability to recognise EU requirements, where appropriate, can reduce costs for businesses and provide regulatory stability. This, in turn, makes it easier for businesses to continue trading between the UK and EU. Northern Ireland's businesses in all scenarios will continue to have full unfettered access to the rest of the UK internal market in Great Britain. The Bill will not affect existing Windsor Framework arrangements that provide for Northern Ireland's access to the EU Single Market, including where that relates to trade on the island of Ireland.

Managing Regulatory Divergence

- In the context of this Bill, and more generally, will the Government work to monitor, review and carefully assess the implications of regulatory divergence for Northern Ireland?
- In considering the use of the powers contained within this Bill, by what process does the Government propose to monitor upcoming regulatory divergence between the UK and EU across the range of affected policy areas?
- Will the Government consider a central log or similar co-ordinating mechanism between departments to ensure that instances of regulatory divergence are tracked and managed?

The UK has an open economy so how our close trading partners regulate is significant for our economy and broader national interests. That is particularly true for the EU relationship because of the proximity of the UK and EU economies and our previous membership of the Single Market.

In the context of the Bill, we need to carefully manage our domestic priorities for product regulation and metrology regulation, alongside considerations for UK exporters navigating EU regulations to access the EU market, and internal market considerations linked to Northern Ireland's specific circumstances under the Windsor Framework.

In relation to how the Government assess the implications of regulatory divergence as that may affect Northern Ireland, the Safeguarding the Union command paper has set out measures to help safeguard Northern Ireland's place in the UK internal market. This includes the requirement for new primary legislation to include a statement by the Minister on whether the Bill will have an impact on trade between Great Britain and Northern Ireland, a requirement that all new regulatory measures include an Internal Market Assessment so that any adverse effect on the internal market is duly considered and statutory guidance under section 46 of the UK Internal Market Act 202 on how public authorities should have special regard to Northern Ireland's place in the UK's internal market.

More broadly, the Bill ensures we have the ability to deliver an effective regulatory regime in the UK. This will support business and economic growth, provide regulatory stability and deliver more protection for consumers. All decisions taken by the Government on regulations focus on supporting growth across the UK. We will draw on evidence gathered through our strong relationships with stakeholders, including industry, trade associations and consumer groups when considering any future changes to product safety regulation.

In order to prevent trade barriers, the UK closely reviews EU regulatory developments and engages in dialogue with EU institutions. There are also specific mechanisms through the Windsor Framework for managing the interaction between UK and EU regulation in respect of Northern Ireland. Departments monitor developments in their respective policy areas and share reporting to the Cabinet Office in a structured way.

Engagement with the Northern Ireland Executive and Legislative Consent

- What, if any, consultation has the Government carried out with the Northern Ireland Executive?
- What, if any, views were expressed by the Northern Ireland Executive on the objectives and specific provisions of the Bill?
- When was legislative consent from the Northern Ireland Assembly sought, and what was the response?

A copy of the Bill was shared with all Devolved Governments, including the Northern Ireland Executive, on 4 September 2024, seeking Legislative Consent. This followed several meetings at official level to discuss the Bill's policy content. I also met with my counterpart in the Northern Ireland Executive, Minister Murphy, on 3 October 2024. Officials have continued to work collaboratively on the Bill.

I am pleased that there is broad support for the policy intent of the Bill from the Northern Ireland Executive and other Devolved Governments. I recognise that some concerns have been expressed about the Bill in relation to the involvement of Devolved Government ministers on matters of devolved competence. The UK Government continues to engage constructively with Northern Ireland Executive and other Devolved Governments on this. To that end, my colleague, Minister Madders met with Minister Archibald on the 26 March to discuss the Bill further. We are hopeful that a mutually beneficial solution can be found.

I trust this response provides the Committee with the assurances it seeks regarding the Government's intentions around the Bill in relation to Northern Ireland.

I am copying this letter to Tonia Antoniazzi MP, Chair of the Commons Northern Ireland Affairs Committee, and Phillip Brett MLA, Chair of the Northern Ireland Assembly Committee for Economy.

Yours Sincerely,

Lord Leong CBE

Lord Leong CBE
Lord in Waiting (Government Whip)