

# Beyond Brexit

A new chapter for EU-UK relations

By Jannike Wachowiak

## Key findings

- The first post-Brexit summit on 19 May 2025 is a key milestone. It will reveal whether the UK and EU can convert their desire for closer relations into reality. Current global uncertainty means there's a strategic need for closer ties, but fundamental red lines remain on both sides.
- The summit is the start of a gradual, politically sensitive process. While a security and defence partnership is likely, progress in other areas like agri-food trade, youth opportunities, and emission trading will take longer. Expectation management will be important. The reset can be blown off course by domestic factors or disagreements over areas like fisheries.
- Concrete next steps might include launching SPS and ETS linkage talks, agreeing a structured UK-EU security and defence partnership, and enabling UK participation in PESCO and CSDP missions. Sanctions coordination could be formalised through a dedicated memorandum of understanding, similar to what the UK has with the US. Foreign policy ties can deepen via thematic dialogues and expert secondments. On energy, both sides could enhance cooperation on the North Sea grid and renew commitments under the TCA's energy chapter.

The EU and the UK are holding their first post-Brexit summit on 19 May. Since coming to power in July 2024, the focus of Labour's much-vaunted 'reset' with the EU has been on building friendly relations with EU institutions and Member States. Whilst these overtures have been positively received, (substantive) progress has been slow. The summit will therefore be crucial in determining whether the two sides can move from ambition to action.

In the last few weeks, the implications of the second Trump presidency for Europe's security and prosperity have created some momentum. The Labour government is showing willingness to go further than initially suggested in its 2024 manifesto.

Beyond seeking technical improvements to the Trade and Cooperation Agreement (TCA) for food and drinks exporters, service professionals and touring artists, it wants to 'strengthen the strategic alliance between the UK and the EU'<sup>1</sup> from defence industrial cooperation to emissions trading. The EU equally acknowledges the need to enhance strategic cooperation and is for the first time considering joint UK-EU defence procurement under future EU programmes.

The advent of Trump has no doubt increased the urgency of the reset. But it hasn't caused either side to throw its red lines to the wind.

The UK won't agree to single market membership, a customs union or freedom of movement any time soon. And the EU remains wary of creating a partnership with the UK that could unsettle the rights and obligations agreed with other third countries.

The summit, far from a drastic overhaul of relations, should therefore be seen as part of a longer process of rapprochement.

### **What are the expectations for the summit?**

The EU and the UK have been in exploratory talks for some time now. The expectation is that the summit will be a moment to take stock and unveil some sort of 'roadmap', including next steps on trade, energy, people-to-people contacts and security. This could include a communiqué on joint priorities and/or a more detailed 'common understanding' (like the one agreed between the EU and Switzerland before EU–Swiss negotiations began in earnest) to agree the start of new negotiations in some areas.

### **Governance**

The TCA is designed as a framework agreement, which means new areas of cooperation can be added as supplementary agreements. The existing governance structures – the Partnership Council and its topic-specific committees – can therefore oversee most new areas of cooperation once they are agreed. These structures have sometimes been criticised as too technical; however, the view in the Commission is that they fulfil their function and work well.

At the political level, UK and EU parliamentarians in the Parliamentary Partnership Assembly will likely continue to exercise their right to scrutinise progress and make non-binding recommendations for closer cooperation. The one break from continuity (from a governance perspective) could be the addition of an annual political summit at leaders' level. Whilst these are not foreseen in the TCA, the UK is a bit of an outlier among key partners of the EU in not having one. Regular summits could help politicians to take stock and provide fresh impetus for officials.

### **Foreign policy, security and defence**

Security will be at the heart of the summit. It is widely expected that the EU and UK will announce a new security and defence partnership (not doing so would be seen as failure by many). Whilst cooperation on Ukraine has been close, even without an agreement, both sides have stated their ambition to go further. Most importantly, a partnership agreement would be the first step towards allowing deeper defence industrial cooperation.

Existing EU instruments, like the €8-billion European Defence Fund, are currently limited to single market members, whilst emerging ones like the SAFE programme require third countries to have a security and defence partnership and subsequent association agreement with the EU.

UK–EU defence industrial cooperation should be seen as the litmus test for a meaningful security 'reset', as it is difficult to see how Europeans can otherwise create the capabilities to defend themselves should US security guarantees weaken or disappear.

The UK could also opt into other parts of the EU's Common Security and Defence Policy (CSDP) to help build trust and coordination. This might include UK collaboration in Permanent Structured Cooperation (PESCO) projects to deepen defence cooperation. The UK has already applied for the PESCO military mobility project, but disagreements with Spain over Gibraltar have been holding up its full participation.

Other mobility-related projects with third country participation (like the Network of Logistic Hubs in Europe and Support to Operations project, which includes Canada) could be in scope next. Another possibility would be the negotiation of a framework agreement for UK participation in CSDP military and civilian missions. This would require the UK to accept the EU's terms and conditions – for example, only limited influence in the planning and execution of missions.

At the informal European Council in February 2025, Starmer confirmed the UK's interest in these areas by suggesting the two sides should focus on 'improved military mobility across Europe, greater cooperation on operations and missions, and building on [UK–EU] industrial cooperation'.<sup>2</sup> However, there are further options the EU and UK could consider.

The Political Declaration<sup>3</sup> offers a useful blueprint as to what might be possible. The document (agreed by both sides in 2019) envisages structured consultation, regular thematic dialogues and, where appropriate, UK attendance at informal meetings of EU Foreign Affairs ministers. It proposes consultation and cooperation in areas such as consular services, exchanges of intelligence and secondments of experts. It also envisages collaboration in European Defence Agency projects via an Administrative Agreement.

Whilst the EU and UK have coordinated effectively on sanctions against Russia (also in the context of the G7), this could be formalised to ensure close cooperation beyond this phase of the war in Ukraine. The House of Lords European Affairs Committee has recommended<sup>4</sup> that the two sides should agree a Memorandum of Understanding, similar to the enhanced partnership between the UK's Office of Financial Sanctions and the US Department of the Treasury's Office of Foreign Assets Control.

On foreign affairs, the UK and EU have already agreed to establish a six-monthly Foreign Policy Dialogue between the Foreign Secretary and the EU High Representative for Foreign Affairs. There will also be regular strategic consultations at official levels on Russia/Ukraine, the Indo-Pacific, the Western Balkans and hybrid threats.





This will be in addition to existing security dialogues under the TCA on cyber security and counterterrorism. And, of course, the two sides could decide to use the summit to add more thematic dialogues in areas of mutual interest.

### **Trade**

On trade, the summit won't be a gamechanger. The EU is content with the way the trading relationship works. And of the proposals made by the UK – an agreement on animal and plant health standards (also known as SPS), help for touring artists and an agreement on the mutual recognition of professional qualifications – only the SPS deal appears to have gained real traction within the EU.

It is expected that the two sides will agree to start negotiations on SPS later this year. This will be welcomed by UK supermarkets and food and drink exporters. For the past four and a half years, businesses that move agricultural and agri-food goods from Great Britain to the EU and, to a lesser extent, from Great Britain to Northern Ireland have had to demonstrate compliance with EU SPS rules. This can include certifications, checks and prohibitions, which are designed to ensure food safety for EU consumers and prevent the spread of pests or diseases. Given the delays to introducing UK border controls, EU businesses are just starting to experience similar border friction (but unlike UK firms they have access to the much bigger single market and can decide to divert business activity away from the UK).

An SPS deal is therefore seen primarily as a UK ask. And the UK government is under pressure from industry to deliver. According to the Food and Drink Federation, export volumes of food to the EU have declined by 34.1% since 2019 – a trend which isn't global but 'unique to the UK's post-Brexit circumstances'.<sup>5</sup> A deal with the EU is therefore crucial for the sector. The impact on growth, however, would be negligible. On rough estimates, a deal could add 0.1% to UK GDP.<sup>6</sup>

Given the proximity of the UK and high volumes of trade, the EU will ask for dynamic alignment with its SPS rules (i.e. formal adoption of EU rules, even as they change over time) and a role for the European Court of Justice.

In a shift from previous UK governments, Labour appears willing to trade off autonomy over SPS rules for improved market access. The significance of a deal might therefore lie in the breaking of previous taboos around alignment and court oversight rather than the impact on growth.

That is not to say negotiations will be easy. SPS agreements are long and technical, and the UK is likely to have a long list of derogations, which might be difficult to get as the EU will not offer arrangements that are more favourable than what its own members must accept.

Beyond this, the EU will reportedly propose legislation to make it easier to recognise qualifications from third country professionals. Whilst this would help British professionals to provide their services in the EU, it won't solve visa issues or, indeed, be a quick fix, as it requires approval by the European Parliament and a qualified majority of Member States, which could change the proposal in the process.

### **People-to-people contacts**

The EU sees a future youth mobility scheme as an 'indispensable element' of any new agreement with the UK. Whilst the UK government has repeated *ad nauseum* that there are 'no plans' for such a scheme, there has been an opening recently, with Chancellor Rachel Reeves linking youth mobility to economic growth in Britain. This is despite scepticism in the Home Office about a scheme driving up migration numbers (which would be the case if young Europeans stayed in the UK for more than 365 days).

An agreement to negotiate could well feature in the summit conclusions, possibly reframed as 'youth opportunities' to avoid the term mobility, which, in the UK debate, has often been linked to freedom of movement. In subsequent negotiations, the UK would likely ask to restrict numbers through time-limited stays, age limits and annual quotas of visas issued. However, the possibly biggest point of contention for the UK will be the ask to treat EU students equally with UK students in terms of tuition fees.

Whilst the UK government has softened its stance on 'youth opportunities', it remains sceptical about joining the Erasmus scheme. One reason for this is Labour's focus on retaining and winning back working-class voters who it feels are less likely to benefit from a university scheme.

### Energy

UK–EU energy cooperation has been a somewhat underdiscussed aspect of the reset. It is not mentioned in the Labour manifesto. And Ed Miliband's descriptions of his mission to make Britain a clean energy power have conspicuously failed to mention the EU, even though working with the EU to upscale shared electricity interconnectors in the North Sea will be integral to making this plan work.<sup>7</sup> Recently, however, the government appears to have woken up to some of the risks and opportunities in this area.

The two sides are likely to announce their intention to negotiate the linking of emission trading schemes (ETS) at the summit. This is explicitly encouraged in the TCA and could lower the cost of decarbonising both economies by increasing the pool of buyers and sellers of emission allowances. Perhaps more crucially, it would avoid future levies on carbon heavy exports to the EU once the EU's Carbon Border Adjustment Mechanism (CBAM) enters into force in 2026.

Linking the ETS schemes would exempt EU imports of UK cement, iron and steel, aluminium, fertilisers, electricity, and hydrogen from having to make up for the (lower) UK carbon price, and burdensome reporting requirements. Linking will require UK compatibility with the EU system, including some (potentially difficult) adjustments.

For example, at the time of writing, there is a different carbon price of about £37 a tonne in the UK compared to £58 a tonne in the EU. For the UK, this means linkage will drive up the cost of credits.

The two sides are also expected to consider the overall functioning and ambition of the TCA's energy chapter, which expires in June 2026. The chapter provides the basis for UK–EU energy trading, cooperation on security of supply and the UK's participation in the North Seas Energy Cooperation group. It cannot be renewed at the summit, as this requires a meeting of the Partnership Council.

However, both sides have an interest in continuing their cooperation and could agree political language to this effect. They might also address the – as yet unfulfilled – commitment in the TCA to find a means of improving the efficiency of energy trading to bring down costs for both sides.

### What are possible obstacles?

There could be various obstacles in the lead up to the summit and afterwards.

1. **The EU has linked the consolidation of existing issues to the negotiation of new areas of cooperation.** Perhaps the biggest obstacle is the expiry of the TCA's fisheries chapter in June 2026. The EU would like to roll-over existing arrangements indefinitely. The UK has not made its position public, but accepting the EU's ask would rob the UK of future leverage (in one the few areas where it has got some).

2. **The EU prefers a package approach.** That means not only does it want to resolve existing issues first, but it might also time-limit new agreements, for example on SPS, and reserve the right to end these in case of future disruption in areas of EU interest (such as fisheries). This 'nothing is agreed until everything is agreed' approach could make for quite a volatile reset.

3. **The UK's attempt to straddle the line between the US and the EU.** Whilst Keir Starmer, understandably, wants to avoid making a choice between the US and the EU, he might be pressed to do so in specific areas. For example, if the UK were to succumb to pressure to open its market to US agricultural products, this would make an agreement with the EU on agricultural standards very difficult. The UK's ambition to link its ETS scheme with the EU could also be thrown off course if the EU's CBAM provokes retaliation from Trump, who might see this as further EU protectionism.

4. **The success of Nigel Farage's Reform party in the local elections.** This will have confirmed Starmer's cautious instincts on the EU, which are unlikely to change as Reform is seen as the main opposition in leave-voting Labour constituencies in the Midlands and the north of England.

### What comes after the summit?

If the summit produces a clear roadmap, including agreement to start negotiations in certain areas, the next step would be for the European Commission to propose a negotiating mandate to EU Member States. The mandate must be approved by all Member States before official negotiations can begin. This is likely to take some time, which means that UK–EU negotiations are unlikely to start until the autumn.

Negotiations on technical matters like SPS and ETS linkage can take years to conclude. However, given the similarity of, for example, the EU and UK ETS schemes, this could also be done on a quicker timescale – that is, as long as external factors from Trump to fisheries do not interfere. Future summits (which are desired by the UK) could be used to take stock of progress and define further ambition.

And both sides will have to consider how to communicate the benefits of closer cooperation at home. The UK government, in particular, will have to develop a narrative to counter the inevitable accusations of 'Brexit betrayal'.

It is clear that the summit won't shift the dial in terms of the economic barriers erected by Brexit. But it signals a mutual desire to come together as partners and allies in a way that would have been inconceivable under previous governments. On the UK side, in particular, there seems to be an openness to pushing previous boundaries on dynamic alignment with EU rules. Whether this can lead to more fundamental change further down the line also depends on the EU's willingness to rethink some of its rules for third-country participation, which would enable it to engage in new ways with a UK government that's more ambitious than it was previously but does not want to join the single market.

<sup>1</sup> <https://www.gov.uk/government/speeches/minister-thomas-symonds-speech-at-the-uk-eu-parliamentary-partnership-assembly>

<sup>2</sup> Idem

<sup>3</sup> <https://www.gov.uk/government/publications/new-withdrawal-agreement-and-political-declaration>

<sup>4</sup> <https://committees.parliament.uk/publications/39346/documents/193260/default/>

<sup>5</sup> <https://www.fdf.org.uk/globalassets/resources/publications/reports/trade-reports/fdf-2024-trade-snapshot.pdf>

<sup>6</sup> [https://www.cer.eu/sites/default/files/insight\\_JS\\_Brexit\\_reset\\_9.12.24.pdf](https://www.cer.eu/sites/default/files/insight_JS_Brexit_reset_9.12.24.pdf)

<sup>7</sup> <https://eu.boell.org/en/factsheet-north-sea-renewables>

Author: Jannike Wachowiak, Research Associate, UK in a Changing Europe.

*The views and opinions in this brief do not necessarily reflect those of the Heinrich-Böll-Stiftung European Union.*

Publication date: May 2025

Contact: Zora Siebert, Head of Programme - EU Democracy and Digital Policy, Heinrich-Böll-Stiftung EU

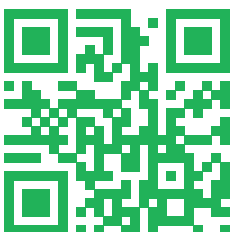
Proofreading: Chris Meikle

Edition and layout: Joan Lanfranco, Head of Communications and Outreach, Heinrich-Böll-Stiftung EU

Creative Commons Licence: CC BY-SA 4.0.

Photo credits: Baloncini | Shutterstock, All rights reserved; Number 10 | Flickr, CC BY-NC-ND 2.0.

UK IN A  
CHANGING  
EUROPE



Find all Böll EU Briefs on  
[eu.boell.org](https://eu.boell.org)

HEINRICH  
BÖLL  
STIFTUNG  
BRUSSELS