## Brexit: Nicola Sturgeon urges Theresa May to set out 'Plan B'

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Prime Minister Theresa May (left) meets with Scotland's First Minister Nicola Sturgeon at Bute House in Edinburgh.

Theresa May will be urged to set out a "Plan B" for Brexit during crunch talks with Nicola Sturgeon in Edinburgh today amid growing fears that the UK will leave the EU without a deal.

The Prime Minister has said ahead of the meeting that the Brexit aftermath can lead to the spread of "economic prosperity across the country."

The whole of the UK deserves answers from the Prime Minister and we cannot continue without a back up plan

## NICOLA STURGEON

But it comes as a stark survey of businesses north of the Border warns of a negative economic impact of life outside the EU for Scotland with "uncertainty in the UK government's negotiating position" criticised.

The leaders meet with relations between Westminster and Holyrood at an all-time low as both governments are locked in an unprecedented constitutional battle at the UK Supreme Court over claims of a power grab on the Scottish Parliament.

Mrs May will sign off £600 million of city deal funding for Edinburgh as she visits the capital and agree millions more in further investment north of the Border.

The trip will be dominated by ongoing concerns over Brexit, though, with Ms Sturgeon poised to step up the pressure on the Prime Minister as negotiations in Brussels show little sign of breakthrough with just seven months until the UK's departure.

UK Trade Secretary Liam Fox warned at the weekend the prospect of a "no deal" Brexit now looks the most likely scenario. It would mean hefty tariffs for firms exporting into Europe and questions over the future of EU nationals living here.

But Mrs May said ahead of today's visit: "As we leave the EU, the UK Government

is working in partnership with business, academia and the devolved administrations to create more good jobs and spread economic prosperity across the country.

"By making the most of our country's assets and the talents of all of our people, we can build a brighter future for the whole UK."

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The UK government has been touting its plans for Brexit agreed at Chequers – including plans for a common rulebook on all goods – to the EU and its leaders. But the EU chief negotiator Michel Barnier already appears to have rejected the plan, prompting widespread concern that a "no deal" scenario seems inevitable.

The First Minister will today call on Mrs May to set out a "Plan B" to secure agreement on withdrawal and also lay the groundwork for the UK's post-Brexit future.

"A no deal Brexit would be utterly unacceptable and deeply damaging, but by talking it up as a negotiating tactic there is a very real danger it becomes a reality," Ms Sturgeon said ahead of the meeting.

"With the Chequers proposals falling flat, even if a withdrawal agreement can be secured, there is a very real risk that we end up with a blind Brexit - which will see the UK step off the cliff edge next March without knowing what landing place will be.

"That would do as much harm to jobs, investment and the economy as a no deal Brexit and would leave the country directionless through the transition period.

"Given this lack of clarity and real concerns of no agreement, it is time the Prime Minister told us what her Plan B is. We cannot have no deal and we cannot have a blind Brexit.

"The whole of the UK deserves answers from the Prime Minister and we cannot continue without a back up plan."

A new survey of 350 firms north of the border conducted out by the respect Fraser of Allander Institute think tank paints an increasingly gloomy picture of the post-Brexit economic landscape in Scotland.

Only 6 per cent said the Brexit decision had a positive impact on their business, with 44 per cent saying it had been damaging. It also found three-quarters of firms said they had not received enough information about leaving the European Union to allow them to plan for the different possible outcomes of Brexit – with 59 per cent blaming "uncertainty in the UK's government's objectives" in the negotiations as the key factor in this.

An agreed settlement still remains the probable result of the ongoing Brexit talks, a spokesman for the Prime Minister said yesterday, but there is a risk negotiations may fail.

"We continue to believe that a deal is the most likely outcome, because reaching a good deal is not only in the interests of the UK, it is in the interests of the EU and its 27 members," he added.

"But the Trade Secretary is right to say there is a risk of the negotiations not succeeding and the government has to prepare for all eventualities."

The spokesman said the Brexit White Paper published last month following the Cabinet summit at Chequers was recognised by Brussels as "a significant move."

"Following the publication of the White Paper, we are now in a serious conversation across a broad range of issues with the EU," he said.

"They recognise that the White Paper represents a significant move by the UK and now they need to respond."

Former Brexit secretary David Davis has warned that the EU will be making a "massive miscalculation" if it thinks the UK is not ready to walk away from talks without a deal.

"This has great scope for being a massive miscalculation on the part of the EU that could end up with no deal by accident," Mr Davis said

"It's certainly not the intention of the EU to have a no-deal Brexit but they are misjudging us at the moment. The UK Parliament does not want no deal but it's certainly not going to be pushed around by the European Parliament."

Chancellor Philip Hammond has also privately warned City bankers to seek non-European business in preparation for possible restrictions on access to EU markets, it was reported yesterday.

Ms Sturgeon has already indicated that she plans to a second independence referendum after Brexit once the terms of the UK's departure from the EU become clear, but that is unlikely to be the focus of today's talks.

The UK Supreme Court is currently considering an unprecedented constitutional clash between Westminster and Holyrood. It comes after the Scottish Government passed its own post-Brexit legal framework for Scotland, after claiming that the UK's Government's EU Withdrawal Bill was a "power grab" on the Scottish Parliament in key areas like agriculture and fishing.

Although a political agreement on that now seems unlikely, Ms Sturgeon [will call on the Prime Minister to engage in discussions about how to give Scotland a role in future negotiations following a recent House of Commons Public Administration [and Constitutional Affairs committee report highlighting the lack of proper engagement with devolved governments.

"The UK government has launched a power grab on the Scottish Parliament and now even a House of Commons committee says Whitehall takes little account of the realities of devolution in the UK," the SNP leader added.

"It cannot carry on like this and the UK government needs to start listening to the views of the people of Scotland."

Westminster has said it must hold on to some powers being repatriated from the EU for a limited period to protect the integrity of the UK market.

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