Dear Chair,

Response to PAC Report on DfT’s implementation of EU Exit

I am writing as requested in your Committee’s report of 21 November, responding to three of the Committee’s recommendations where you asked for an update before Christmas 2018.

Progress and areas of risk

We have made significant progress on our EU Exit planning. For instance, the Road Haulage Permit application process was launched on 26 November. A private beta version of the trailer registration scheme went live on 17 December, and this will be made public in January. We have signed Air Services Agreements with the USA and Canada, guaranteeing the continuation of the vital transatlantic routes used by tens of millions of passengers a year. We have also signed a contract with the Post Office for them to issue International Driving Permits from 1 February, which has brought this workstream back on track.

The projects where we judge most risks remain are the delivery of the legislative programme as a whole and Operation Brock, though in both areas we have thorough plans and mitigation in place. On legislation, we have made good progress on key areas and the secondary regulations of the Haulage Permits and Trailer Registration Act are now in force. We have 65 Statutory Instruments (SIs) to deliver by 29 March 2019 and have delivered over half of these – 39 – to date. However, the delivery of the entire legislative programme remains high risk due to various factors, including pressures on the parliamentary timetable from the volume of SIs across Government, resourcing pressures on the Devolved Administrations, and dependencies on other government departments. Whilst we are working proactively to manage these factors, there is a limit to what the Department can do to mitigate legislative risks. One thing we have done to mitigate this risk is to identify five SIs which can be laid after Exit Day.
without any significant impact on the operability of UK law and have agreed post-exit laying dates for these lower-priority SIs.

**Operation Brock and engagement with ports**

Since my appearance before your Committee, significant progress has been made on Operation Brock. The key infrastructure elements with the M20 contraflow and use of the M26 as holding areas are on track. New governance arrangements have been established to join up interested parties across Whitehall. The overall approach to the system is in the final stages of being agreed by the key partners of the Kent Resilience Forum. In addition, funding has been secured for Kent County Council and for the projects of other partners, with proactive work on detailed resourcing and staffing plans underway. However, risks remain, including the short timescales involved, the further work that needs to be done on prioritisation and capacity, and the need to test the system, including for compliance and enforcement. These are being actively progressed by all partners, with draft plans being made available to stakeholders from the end of December. A live test of the route from Manston airfield to the Port of Dover is being planned for early January, followed shortly thereafter by a table-top exercise to test the entire traffic management system.

The Department is continuing to work on contingency arrangements to ensure the continued flow of priority goods through ports in the event of the UK leaving the EU without a deal. We are working closely with relevant ports and their local Resilience Forums, and are supporting them in their contingency planning to prepare for and manage the effects of any disruption.

We have been looking at a range of options and are exploring the procurement of maritime-based freight capacity to best support demand. This work involves commercially-sensitive discussions. Alongside this, we are working with other Government departments to see how we can support businesses to ensure that critical goods (those where disruption in supply would present an immediate risk to welfare or safety) can enter and leave the UK.

**Communication with the public and businesses**

We began working closely with business and other transport stakeholders in advance of the publication of the Department’s Technical Notices in August, ensuring that they and their customers are prepared for the UK’s exit from the EU.

During December alone we held four industry roundtables and have met with or spoken to around 200 transport stakeholders. Most of these conversations were not covered under non-disclosure agreements. We have additionally worked with over 24 industry partners to deliver our Road Haulage and Commercial Drivers Communications Campaign and, with their support, provided hauliers with the information that they need.

There has been extensive ministerial engagement throughout these communications. The Maritime Minister, alongside Ministers from DExEU and DIT, met senior leaders
from the shipping and ports sectors on 4 December, the Secretary of State for Transport and Aviation Minister met aviation CEOs on 5 December, the Secretary of State for Transport and Roads Minister hosted senior sector leaders at a haulage and logistics roundtable on 6 December, and the Rail Minister attended a Transport for the North event.

Further communication campaigns are planned for January to help businesses and citizens continue to prepare for the UK’s exit from the EU, with industry playing a key role in the delivery of these campaigns.

I am copying this letter to the Comptroller and Auditor General and the Treasury Officer of Accounts.

Regards,

Bernadette Kelly CB
Permanent Secretary