Dear Chair,

I am writing, following my appearance at the hearing on the 24th October, to provide the Committee with further information; as requested. This letter encompasses material on HS2, Crossrail, and our EU Exit Contingency planning; making specific reference to Operation Brock, road haulage and trailer registration, and International Driving Permits.

Major Projects

The Committee asked for information regarding HS2 Ltd and the officials within the organisation who acted without authority, who have since left the organisation. I ask the Committee to refer back to the letter provided by Mr Thurston, dated 10th November 2017, which provided a full explanation of these circumstances.

On Crossrail, and the formal notification procedure on the delays in the delivery schedule, the Crossrail Board took the decision to delay the opening on Wednesday 29th August 2018. The Secretary of State was then informed of this decision on Thursday 30th August 2018.

On Friday 26 October 2018, the Department announced an additional £350m of short-term repayable financing for the year 2018/19 to ensure project continuity as an interim solution, whilst the discussions detailed above are ongoing. I have written to you separately on this matter in my letter dated 2nd November.

Operation Brock

The Committee requested further information regarding the costing, governance, and legislation of Operation Brock. The overall cost to utilise the M26 as a holding area for HGVs in case of severe cross-Channel disruption is £5m. This is in addition to the £30m for the infrastructure works and operational costs to establish a contraflow on the M20. All costs are being managed within Highways England’s existing budget.

All of the Kent district councils are represented as part of the Kent Resilience Forum, along with Kent County Council (KCC) and Medway Council. The Kent Resilience Forum meets on a regular basis, both at strategic and tactical level, in order to discuss these contingency arrangements. As plans for severe cases of disruption now include the M26, surrounding local resilience forums have also been invited to these specific meetings. Officials have regular contact via the meetings mentioned, or other interactions, with approximately 13 Council staff (both at district and County level).
Moving traffic enforcement in Kent is being considered, and KCC has contacted the Department seeking such powers. Some of the powers that are being considered would require a new SI, although in many cases powers could be delegated to KCC by the Chief Constable. If the Department agrees to this request, it will work with KCC to identify its specific needs and the intention is that any SI would be laid in time to allow these powers to be in place for Exit Day.

**Road Haulage and Trailer Registration**

Regarding road haulage and trailer registration, the Committee asked for a detailed response on our engagement with stakeholders ahead of EU Exit. Our approach has been to engage regularly and frequently with the road haulage industry and representative trade bodies, including ahead of and throughout the passage of the Haulage Permits and Trailer Registration Act and the consultation on ‘Provisions in the Haulage Permits and Trailer Registration Bill.’

Both the permit system and the trailer registration scheme have been developed based on insight from our stakeholder engagement work. The trailer registration scheme will be ready to enter final phase testing once the Trailer Registration Regulations come into force, which will allow the Department to accept full registrations from industry in December. The haulage permit scheme builds on the existing Vehicle Operator Licensing system which is already widely used by the industry. The Driver and Vehicle Standards Agency have undertaken extensive user engagement throughout the development to refine the processes and design of systems and the system has passed GDS assessments. Applications for annual ECMT permits will be accepted from the 26th of November to the 21st of December with results announced in early January. A further application window will open in the New Year for monthly ECMT permits.

The Department recognises the importance of offering as much clarity as possible and this has underlined the focus on communicating with industry clearly and regularly. The Department has held a number of roundtable discussions with the industry which have helped inform the development of both the services and the communications campaign. DfT will continue to maintain a dialogue with the industry, holding further roundtable events at both official and Ministerial level. In September, the Department published the consultation response following the Haulage Permits and Trailer Registration Act consultation earlier in the year, alongside the laying of the relevant regulations. The commercial road haulage technical notice was published which details the Government’s strategy for the sector in the event of a no deal.

For example, the Department worked in partnership with industry groups and trade bodies in recent weeks ahead of the commencement of the haulage permits and trailer registration campaign, which commenced on the 25th of October. This campaign will provide hauliers and trailer keepers with the information they need to prepare for EU Exit in all scenarios, and when they will need to act to ensure they are compliant with new requirements.

Information about the steps the haulage industry can take now to prepare for ECMT permit applications and to register their trailers was published on www.gov.uk/euexitdriving on the 25 October, at the same time as advertising encouraging hauliers and trailer keepers to find out more began appearing in trade media. This content signposts towards the gov.uk content and encourages hauliers to sign up to email alerts, through which the Department can provide them with guidance on additional steps they need to take to prepare. Over the course of November, the Department expects this will be displayed in strategic locations across the UK, including ports, truck stops and on ferries. Both the Road Haulage Association and Freight Transport Association have issued messages to their members encouraging them to prepare, and the Department are working with the British Vehicle Rental and Leasing Association.

**International Driving Permits (IDPs)**
The Committee requested information on the issuing of Internal Driving Permits, as well as a description regarding how the need for IDPs will be communicated. The Post Office has been appointed to administer IDPs from the 1st of February 2019 and I confirmed in my letter of 31st October that a contract variation had now been signed with the Post Office.

From 1 February 2019, the Post Office will take over the issuing of IDPs. From this date, the number of issuing Post Office branches will be expanded from 89 to 2,500 and 1968 Convention format IDPs will start to be issued alongside those in the 1926 Convention format, and the 1949 Convention format.

The Department intends to begin communicating with private drivers and holiday makers in the New Year, so they have sufficient time to prepare for, and then obtain, an IDP. If a deal has been secured by February, our communications will target those individuals requiring a 1926 and 1949 IPD to drive outside of the EU which, from the 1st of February, will no longer be issued by the AA or the RAC.

In a no deal scenario, the Department has plans in place to communicate with all drivers planning to drive or hire a car within the EU following the 29th of March 2019, outlining that they may require one or more IDPs. This communication with drivers will commence in the New Year. As with our Technical Notices, we will be working in partnership with a wide range of stakeholders to ensure audiences are prepared, including travel operators and consumer groups, at both the point of booking and ahead of travel. As with the haulage campaign, information will be published on gov.uk and will be advertised in key locations to ensure ample opportunity for people to see and act on the messages.

Through engagement with the haulage industry, the Department understands that larger haulage firms, and transport managers in particular, would like to know in good time about what steps they need to take to prepare for all exit scenarios. Therefore, the Department plans to update the guidance on gov.uk shortly (in November) on how hauliers and commercial drivers can begin preparing in advance for the possible need to apply for an IDP.

EU Exit Reporting and Funding

In terms of reporting, of the 28 projects listed on page 25 of the NAO report, 2 of these projects are currently rated green, 3 are rated amber/green, 18 are rated amber, 3 are rated amber/red, and 2 have since been integrated into other workstreams.

In terms of the DExEU workstreams, we now report on 17 of these workstreams rather than the 18 workstreams reported on at the time of the NAO report. One of these 18 workstreams covered the development of transport infrastructure at the border. DfT is not overseeing the development of any transport infrastructure at the border at present. DfT is leading on the development of Operation Brock, but this is reported on as a separate workstream.

For clarification of a question asked by the Committee relating to funding, the Department can confirm that funding for EU contingency does not automatically roll-over in the event of an underspend. The process for accessing the funding is annual and involves Departments agreeing their requirements with HMT. As part of this process, DfT presented to HMT where funding had moved from one financial year to another. This was a key part of the Department securing the £75.8m that it has been allocated for this financial year.

Communications with Devolved Administrations

The committee asked how the Department is engaging with Devolved Administrations during the course of EU Exit work. DfT is progressing a variety of no deal preparations which involve information sharing, regular meetings and discussions with Devolved Administrations. In particular, the Department is working closely with Devolved Administrations on our secondary legislation
programme, contingency planning to manage disruption at borders and considering wider no deal impacts. Given the unique circumstances of Northern Ireland, we have made a concerted effort to ensure DfT officials are providing Northern Ireland Civil Service with necessary support.

SI Update

The Department has a total of 66 EU Exit SIs. So far, 21 of these SIs have been laid and 47 have been drafted. Currently, 30 SIs are affirmative, although the procedures for some negative SIs may change should the sifting committees recommend that the affirmative procedure is more appropriate. The Department considers that 32 SIs in our programme are a high priority, whilst assessing that we could deprioritise up to five lower-priority SIs should we need to.

Non-Disclosure Agreements

I also enclose a copy of a Non-Disclosure Agreement, Annex A, which has been used during the course of EU Exit discussions with industry; per the request of the Committee. I would note that the Department does not have a “standard” NDA, as lawyers will tailor agreements according to the specificities of the situation.

Yours sincerely,

Bernadette Kelly CB
Permanent Secretary
Annex A:

Aviation EU Exit Select Industry Group: meetings - CONFIDENTIALITY

To ensure that information and papers are controlled and to ensure confidentiality of the meetings, the following will apply:

1. Agendas will be circulated electronically.

2. Papers and information from Government departments or agencies for use at a meeting or for agenda items will be provided in numbered hard copy in advance or at the meeting as deemed appropriate by the Aviation EU Exit Team.

3. Subject to paragraph 6 below, attendees representing XXX must undertake and agree:
   - not to divulge the contents of any meeting,
   - not to share or in any way disseminate any information provided by Government departments or agencies,
   - not to copy any papers provided for a meeting or agenda item, and
   - to return at the end of each meeting any information or material provided by Government departments or agencies.

4. Attendees representing Government departments or agencies acknowledge and accept that certain information shared by XXX may be confidential or commercially sensitive. Where XXX shares information of this nature, reciprocal obligations of confidentiality will be required.

5. Subject to paragraph 6 below, XXX undertakes and will keep confidential any information (in whatever format) provided or shared in any meeting and not to disclose that information for any reason whatsoever.

6. If information provided by Government departments or agencies needs to be discussed or shared within your body then attendees representing you will identify the information they wish to share and get agreement (via the Aviation EU Exit Team) from the Government representative to that sharing prior to sharing. Where information is shared, you undertake that all persons within your body who share information are aware of this duty of confidentiality and agree to keep confidential any such information.

7. The confidentiality obligations set out in this letter will also extend to, where agreed, any other meetings, forums or engagement with HM Government departments or agencies.
8. Both parties acknowledge that HMG is subject to the provisions of the Freedom of Information Act and the Environmental Impact Regulations and other legal and parliamentary obligations, and may be required to disclose any information in its possession, in accordance with such obligations.

If the proposals above are acceptable please arrange sign and date below to indicate that XXX agrees to keep confidential any information provided in the meetings and confirm that all attendees have seen the proposals and undertake and agree to comply with the requirements set out above.

On behalf of XXX, I confirm that the contents of the letter have been read, understood and the obligations will be complied with.

Name: ..............................................................................................................................................
Signature

Position: 

Date:

Name: ..............................................................................................................................................
Signature

Position: 

Date: