



# Treasury Committee

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HM Revenue & Customs  
100 Parliament Street  
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30 March 2017

*Dear Nick,*

## **Customs Declaration Service (CDS)**

I have been informed by Jim Harra that the status of the CDS project as of 31 January 2017 was Amber/Red.

This is concerning. Now that the Government has made a decision to leave the EU customs union, it is critically important that this project is delivered successfully and on time. If there are even modest delays, there is potential for major disruption to trade and economic activity. For this reason, I have written to the Infrastructure and Projects Authority to ask them to provide a delivery confidence assessment of the project at the earliest opportunity.

I would be grateful for a full account of the reasons for the Amber/Red assessment, including:

- a description of the risks to the project being delivered on time
- the reasons for the change in RAG status from Green, on 25 November 2016,<sup>1</sup> to Amber/Red on 31 January 2017
- a copy of the most recent Gateway Review of the project

I would also be grateful for a full description of the contingency plans in place in the event that the CDS project is not ready at the point that the UK leaves the EU, and no transitional arrangements or other agreements are in place. In particular:

- Mr Harra noted in his letter to me that a “technical upgrade” to the CHIEF service is planned. Will this enable the CHIEF system to process the additional customs declarations that will be made in the event that the UK leaves the EU in early 2019 with no arrangements in place? If not, in what sense does the upgrade provide any contingency in the event that the CDS project is delayed?

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<sup>1</sup> As recorded in the minutes of the Joint Customs Consultative Committee meeting of 25 November 2016

- Mr Harra also wrote that the contingency planning involved building on existing “manual fall-back procedures”. What do these involve, and what additional delay would be expected to the customs clearance process if they were to be invoked?

Finally, I would be grateful if you could let me know:

- if any Minister or official has intervened to change the CDS project in a way that has implications for its cost or timeline of implementation.
- the nature of the changes requested
- the advice that you gave in response to those interventions

I will be placing this letter, and your response, into the public domain.



**PP** RT HON ANDREW TYRIE MP  
CHAIRMAN OF THE TREASURY COMMITTEE