

Ref: 031MISC20

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David Rees MS

Chair of the External Affairs and Additional Legislation Committee
Welsh Parliament
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20th July 2020

Dear Simon.

I am writing to you following my appearance before your Committee on 30 June. It was a pleasure engaging with you and your fellow Committee members on what I am sure you will agree are some very critical issues, and I hope you found it to be a productive session.

You will recall that during that session I committed to writing to you to provide further detail on some of the topics that we discussed. Firstly, you asked about preparedness. The UK Government's preparedness continues to be coordinated through the Cabinet Office, specifically Transition Task Force. Planning for the end of the transition period is well underway, and this planning is coordinated by the EU Exit Operations (XO) Cabinet Committee.

Secondly, we touched on the UK Government's Transition Period Readiness Portfolio Board which – as you will be aware – is an official-level forum. It is chaired by the Director General of the Transition Taskforce and was established on 25 February 2020. It meets fortnightly and maintains oversight of project-level performance, providing an essential route to escalate cross-cutting delivery issues that need to be resolved. From 3 June 2020, officials from the Devolved Administrations were invited to attend the Board on a monthly basis. The Board will escalate issues to the Cabinet Committees overseeing transition as appropriate, while ensuring that ministerial time is focused effectively on the most relevant issues.

Next, on the issue of up-to-date import and export guidance, there is existing guidance on GOV.UK (Imports: www.gov.uk/starting-to-import, Exports: www.gov.uk/starting-to-export) which includes content on trading with the EU from 1 January 2021. HMRC is working with key external stakeholders to understand how the guidance can best help businesses to prepare for the end of the transition period, and we will be releasing further guidance and communications on the Northern Ireland Protocol in due course.

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The Committee also asked about the numbers required for post-Brexit customs procedures, referring to the industry calculation of 50,000 customs agents that will be required. The UK already has a well-established industry of customs intermediaries which serve British businesses trading outside the EU. The sector is made up of many different business models including specific customs brokers, freight forwarders and fast parcel operators – all of which will have specific staffing requirements. We are confident that the sector will respond to the staged introduction of customs processes and react to the increased demand from traders. We will continue to monitor industry preparations closely.

A UK Government support package of £34 million has also been designed to meet flexibly the needs of the customs intermediary sector to build capacity by covering training and IT innovation, as well as recruitment. This support has funded approximately 20,000 training courses in customs processes and procedures and the creation of a new UK Customs Academy, which has delivered 870 courses so far. Over 14,500 pieces of IT kit have also been applied for.

Furthermore, we have announced an additional £50 million of funding to support customs intermediaries to boost capacity, providing businesses with further support ahead of the new processes. In total, the UK Government has made £84 million available to support the customs intermediary sector at the end of the transition period.

Finally, I would like to draw your attention to a new public information campaign – *The UK's new start: let's get going* – launched by the UK Government on 13 July 2020. This campaign clearly sets out the actions that businesses and individuals need to take to prepare for the end of the transition period on 31 December 2020, and ensure they are ready to seize the opportunities that it will bring. This campaign will run alongside the UK's continued negotiations with the EU.

I hope that this letter is useful to you and your Committee, and I very much look forward to having further engagement with you all in the future.



Rt Hon Simon Hart MP
Secretary of State for Wales
Ysgrifennydd Gwladol Cymru