

International Trade Committee

Oral evidence: UK Trade Remedies Authority: follow-up, HC 1897

Wednesday 16 January 2019

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Members present: Angus Brendan MacNeil (Chair); Mr Marcus Fysh; Sir Mark Hendrick; Mr Ranil Jayawardena; Mr Chris Leslie; Emma Little Pengelly; Faisal Rashid; Catherine West; Matt Western.

Questions 1-58

Witnesses

I: Claire Bassett, Chief Executive Designate, Trade Remedies Authority; Amanda Brooks, Director of Trade Remedies, Access and Controls, Department for International Trade; and Gaynor Jeffery, Deputy Director of Trade Remedies and Import Controls, Department for International Trade.

Examination of witnesses

Witnesses: Claire Bassett, Amanda Brooks and Gaynor Jeffery.

Chair: Good morning, panel, and thank you for coming. We are taking evidence from the Trade Remedies Authority this morning. Can the witnesses please introduce themselves?

Gaynor Jeffery: I am Gaynor Jeffery, and I am the deputy director for trade remedies policy in DIT.

Amanda Brooks: I am Amanda Brooks, and I am the director for trade remedies accessing controls and the departmental SRO for setting up the Trade Remedies Authority.

Claire Bassett: I am Claire Bassett and I am the chief executive designate of the shadow Trade Remedies Authority.

Q1 **Chair:** Thank you very much. We are very pleased to see you here. As you know, we have had quite an effort to get the TRA to come in front of us. It was only through LinkedIn that we found out for definite last week. Do the DIT and the TRA talk to each other very much? One is telling us one thing, and LinkedIn is telling us another.

Claire Bassett: We have certainly talked to each other an awful lot in the 11 days or so that I have been in post. I think I have had interaction with the DIT pretty much every day, which has been a really key part of it. I don't know, I'm afraid, what happened on this occasion.

Q2 **Chair:** The DIT did not seem to know that you were in post. They told us that you weren't in post.

Claire Bassett: Well, the DIT were, as a system, aware that I was in post, because they appointed me. Perhaps Amanda wants to cover that in more detail.

Amanda Brooks: I think the key point here is that the Secretary of State was keen to provide you with the best responses to your questions. He quite clearly felt that, given that I had led the programme since August 2016, I was in the best place to try to answer your questions, but he also recognised that Claire had only recently started in the role.

Q3 **Chair:** There are 72 days until Brexit. Where is your chairman, and when might we see him in place?

Amanda Brooks: As you know, we announced Sir David's appointment as the Trade Remedies Authority chair designate at the same time as we announced Claire's appointment as chief executive designate. He is currently going through the relevant and appropriate onboarding processes, including security clearances. We hope that he will be on board and operational shortly.



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Q4 **Chair:** We'll have 72 days of shortly-ness. Will he be there in the next 72 days, and when?

Amanda Brooks: I would hope so, but you would of course anticipate that we need to complete those proper processes, including safety clearances, to enable him to operate fully in the role.

Q5 **Chair:** Is the TRA ready for Brexit in 72 days' time?

Amanda Brooks: I think we are on track for delivery. Claire might want to give you her reflections on her first 10 days in the role, which you might welcome.

Q6 **Chair:** Yes, indeed. What are your priorities for the first few months and your impressions of the first 11 days?

Claire Bassett: The first thing to say is that the TRA has been in the making for over two years now, so there really has been considerable work on the things that will be needed to make it function. Perhaps if I just reflect on some of those that I have seen in place and working over the last 10 days, and on the work that we are doing going forward.

I very much see my role and my priorities for the next few months as ensuring that the TRA is operational and functioning when we need to be. I am confident that we will achieve that. We need to have practical things such as premises, which we have: we have our office in Reading and staff based there. We need staff, and we have been making good progress on recruitment. It increases every day, but I think we are at approximately 90 people in post at the moment, and some further offers are being made. We are in the third tranche of recruitment, so that number will continue to go up.

Q7 **Chair:** Will you be based in Reading? Is that where the jobs will be?

Claire Bassett: Yes, all of the staff will be based in the offices in Reading. We have also based our training there. We have had an extensive training package in place for some months, and about a third of the existing staff have been through that. A further cohort is just about to finish, and another one has started this week. That training is pretty comprehensive, covering the core things that you need to know about the trade remedies and has two detailed technical elements, which involve lots of input from experts at DIT, other jurisdictions and other trade remedies authorities. It covers all the things that we will need to have in order to carry out our investigations properly. That is ongoing, and we will have a further cohort a bit later this year as we pick up the last people who we are recruiting. As you have seen on LinkedIn, I am in post. I am really pleased to say that I have a senior team as well, who are all in post and up and running already. A number of them have already been through the training.

On what we need to function appropriately as an organisation, I think really good progress is being made. We have started building the systems that we will need for finance, IT and HR, and begun work on a communications plan and on how we ensure that we are properly accountable, particularly once we become independent. We have been



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working on that and will continue to do so, particularly on corporate governance, once Sir David starts, although we're already doing some work on that and thinking about it in the background. The third big area that you would expect to be thinking about is investigations, and how ready and prepared we are for that.

The digital platform has been in development for about a year—

Amanda Brooks: Longer.

Claire Bassett: Longer than that. I have been involved in seeing what the team doing that work has done. I have been impressed by the user testing that is taking place both externally and internally with different users. GDS involvement in that is ensuring that it meets the right standards, and that is ongoing. As I said, I attended the deep dive into thinking about that yesterday, and we are confident about that.

The other part of investigations is the guidance, and I will let Amanda talk to you about the work the Department is doing on secondary legislation. You had the letter yesterday or the day before, and we are also thinking about desktop instructions and starting to do that. We are starting to improve and grow our staff's understanding of the different sectors and countries through the learning and development programmes they will be working on. That is well developed, and thinking about that will be my priority.

Chair: If you ever get stuck for office space or sick of the sight of Reading, we can find you some place in Scotland.

Q8 **Mr Jayawardena:** Brexit is now less than three months away. How confident are you about the need still to recruit people? Perhaps you can expand on the sorts of people you need to recruit. Given that there is no legislative framework for the TRA to come out of shadow form, how confident are you that you will be ready and able to do your job?

Amanda Brooks: Shall I start on the legislation?

Claire Bassett: We will do a double act.

Amanda Brooks: I think that may be the case many times during this session.

From a legislative perspective, you are all aware that the Trade Bill will go back to Lords Committee next week. That remains our priority, and we must support our Ministers as they take the Bill through its final stages and enable us to deliver secondary legislation on time, and allow Claire and the team to be fully operational. Of course we are every bit as alive as you and the rest of the Committee are to the clock that is ticking. We have been talking to Ministers about contingency options, and we will be ready to implement those should we need to.

Q9 **Mr Jayawardena:** On the legislative point, before we move on to people, what do you make of the amendment that would stop the TRA being set up in the event of a no deal?



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Amanda Brooks: I think the Government's view on that is clear. We believe that an independent arm's-length body is the best way for evidence-driven investigations to be completed, but clearly that is subject to the will of Parliament.

Claire Bassett: On people, we have still got some vacancies and, as I said, we are recruiting our third cohort. As you identified, we are getting close to that point. I am confident the teams we have put in place and trained have that basic core skill and ability, and will be ready. We have also thought about contingency plans, and we have vacancies that we might need to fill by recruiting people more quickly, for example by seconding people in. There is a real opportunity to bring in people with different backgrounds and skills. Those vacancies are pretty much spread across the organisation. We have got a few among the corporate staff, and we will be more flexible in filling those because obviously they are generic. We will be working on that. We then have a similar number across the legal, economist and investigator sectors. For example, at the end of last week we were recruiting investigators, and there have been ongoing interviews this week.

Q10 **Mr Jayawardena:** On seconding, how many are we talking about?

Claire Bassett: We have 90 staff and the objective is to have about 129.

Q11 **Mr Jayawardena:** That is the third wave.

Claire Bassett: Yes. In an ideal world we would have 129 people at the end of March. At the moment we are confident about 90. There are a further nine or 10 in the pipeline, and we have further recruitment beyond that. It is obviously not an exact numbers game, but I am pretty confident that we will have the right people in the right place with the right experience to do the work.

Q12 **Mr Jayawardena:** What are your biggest challenges in finding these right people? Is it that people do not have the right skills to date, which is why you have to train them up? Is it people not wanting to work for a body that is not yet legally sound?

Claire Bassett: It varies, to be honest. We have to recognise that this country hasn't had a trade remedies authority for decades, so you can't go to the specialist recruiter and fill them. It is really sensible to have the in-depth training programme that we have got, even where people have got that experience, because it means that everyone will be trained to the same standard. They are trained in the same processes and systems, and really have that in-depth understanding. In terms of funding, we are recruiting quite high numbers in quite a short period of time in one area, so the reasons why we haven't filled them earlier are varied, to be honest.

Q13 **Mr Jayawardena:** Have you been recruiting people from abroad?

Claire Bassett: We have some. We have obviously done that within the recruitment rules, and it has been quite useful to gain people with trade remedies experience from elsewhere. For example, we have got some people with Canadian experience, a lawyer from India, and someone at a

senior level who has come over from Australia and brings some really strong, robust experience of leading investigations over there. We had experts from the EU feeding into the training, and feeding into DIT and the development of that side.

- Q14 **Catherine West:** Is there any scope within the authority for developing relationships with civil society groups such as trade unions, or any of the other wider consultation piece? That is something that the Committee has done a lot of work on—in essence, talking to society about what this new status means. Obviously, the trade unions play a key role in that.

The second question is on fair trade. A lot of people we have heard evidence from are keen, if there is a new arrangement, to talk about fair trade, helping certain countries and tying up with the DFID work.

Amanda Brooks: Let me start on both those questions. The engagement with the wider stakeholder community has very much been driven from my team to date. We have engaged very broadly with a wide range of stakeholders. Of course, we have spoken to the producer community, but we have worked very hard to reach out to consumer and retail organisations, downstream users and civil society.

It is worth reflecting, as the previous conversation has demonstrated, that interest in this area is still growing, given that it is a relatively new area for the UK to be building such expertise in. We have an open door, and we are continuing to seek to engage people as best we can.

In the letter the Secretary of State sent to the Committee earlier this week, he also flagged that there is a key role for those who have an interest in the investigation process to contribute to it through a particular set of mechanisms, so they would also have that formal opportunity as Claire and the team roll it out.

On your point about fair trade, for me personally trade remedies are a really important part of ensuring fair trade. That is the reality. They are there as a safety net for businesses to ensure that, under free trade, rules are followed and enforced. Trade remedies are very much there to ensure that there is free and fair trade. I take your wider point about the relationship with DFID and the work they do on fair trade in developing countries. That is a bit more complex, given the rules that govern remedies investigations for us to encompass in the work, but at the heart of what trade remedies investigations are there for is ensuring that trade is fair as well as free.

- Q15 **Chair:** Before I go to Faisal Rashid, is there much interaction with the European Union's trade remedies authority for baton-passing, so there is nothing slipping between the two? The industry is currently covered by that, and it will be looking to you.

Amanda Brooks: Of course, we continue to be a full member of the trade defence committee, in line with our membership of the European Union. We are an active member of that committee and will continue to be so.

- Q16 **Chair:** As the TRA, are you interacting with them?

Amanda Brooks: The Department is currently interacting with the European Union—with my colleagues in DG Trade—about transition, and they are talking about issues such as data. They are very aware of the process that we have been following to set up the Trade Remedies Authority.

- Q17 **Chair:** And if there is no transition period—there won't be one now, because we are looking at either a hard Brexit or an eradication or extension of article 50, so there will be no transition—have you got any liaison for 29 March? Are we ready to go?

Amanda Brooks: We will be ready to go. Obviously, we have collected data through our call for evidence.

Chair: I will hand over to Faisal Rashid.

- Q18 **Faisal Rashid:** The permanent secretary secured £8.9 million for expenditure last April, mainly to establish the TRA. Has all the money been used?

Amanda Brooks: No, it hasn't. As at the end of November, the Department has spent £3.5 million, approximately, in the setup of the Trade Remedies Authority to date. Unsurprisingly, given what Claire said, the bulk of that expenditure has, in practice, been on staff and learning and developing costs. Of course, there has also been the cost of developing the digital platform and the building in Reading.

- Q19 **Faisal Rashid:** You might have some information about the specific areas where it is to be used or has already been spent. It was going to be board appointments, staff, estates, infrastructure, IT training, digital and legal industry experts. Do you know how much is being spent on those individual areas?

Amanda Brooks: I do. At the end of November, there were three biggest spends. First, on staff salaries and recruitment and learning and development, we have spent just over £1.9 million. On the digital platform, we have spent £1.2 million. These are all approximate; I do have the precise figures, should you want them. On estates, it is £280,000.

- Q20 **Matt Western:** One of the primary initial tasks for the TRA will be looking at existing defence measures that are important to us in the UK, and whether they need some form of adjustment. How long do you expect that is going to take? How complex do you see that as being? That question is to both of you.

Amanda Brooks: As the Committee is fully aware, we launched a call for evidence on the existing EU trade defence measures back in November 2017. We ran an extensive period of consultation to ensure that we were getting as much input from the business community as we could possibly get.

We were trying to do our very best to ensure that all businesses that might have an interest in those measures were aware and took the



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opportunity to provide the data that we were seeking, to enable us to make the judgment as to which measures should be transitioned and which should be terminated.

As the Committee is aware, in July we published our initial findings on that, saying that we anticipated transitioning 42 with the existing measures, and therefore terminating the remainder. It is worth making the point that that is a significant benefit to the UK economy. Businesses will not face those additional duties on those measures where there has been no UK production.

We ran a further period of consultation on those initial findings and we are currently in discussion with Ministers on the finalisation of those measures. We hope to be able to publish that final list soon.

Q21 Matt Western: Obviously, last night's vote throws everything up in the air. Assuming that there is a transition period, what do you see as the core task for the TRA during that transition period?

Claire Bassett: It would be those transition reviews. That would be the main part there, and obviously continuing that learning and growth, and developing that part of the organisation. The basic core investigatory casework load would be those transition reviews.

Q22 Matt Western: It sounds like you have done quite a lot already. Is that fair to say?

Claire Bassett: There has been work looking at which ones to do. Work has not started on the reviews.

Q23 Matt Western: In terms of resource and capacity, do you think you may be overstaffed or understaffed to achieve that—you described 129 posts—during the next two years, 18 months or whatever the period is?

Amanda Brooks: In determining originally the staffing levels for the Trade Remedies Authority, we looked very carefully at practice in other jurisdictions, on caseloads and size of case teams. Of course, we have had to reflect that, unlike those other jurisdictions, we are doing this from scratch, so we don't have an existing body of staff who know how to do these.

Therefore, as Claire has said several times, we need to allow for that growth in capability over time. We have made a judgment, recognising the caseload that we anticipated and learning from the experience of other jurisdictions. As the work begins to be undertaken and Claire faces resourcing challenges, that will be something she will need to discuss with the Departments.

Q24 Catherine West: In a letter earlier this month, the Secretary of State told us that testing had been undertaken for the new digital platform. Could you give us dates for when that will be live and tell us how critical it will be for the operation of the TRA?



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Claire Bassett: As I said, we have been undergoing testing for the last few months, looking at both internal and external users and making sure that that interface is developed in a way that really supports applications and the casework of investigators, to make sure that we carry that through. In terms of the future timescales—

Amanda Brooks: We are on track for that to be ready for the TRA staff—Claire's team—to be able to use from before Brexit day. That was one purpose of the session she and I had with the digital teams earlier this week. However, we need to complete the GDS assurance processes to ensure that that is ready to be rolled out—not just for internal use, but for external users.

As Claire has said, we have been incredibly grateful to stakeholders for participating in that user testing. We have completed more than 110 user testing sessions over the past few months, both at the alpha and beta stage of digital development. I never miss the opportunity to say that, if you are aware of other businesses that might be interested in being a user tester, please let the Department know. We would be very keen to engage them. Opportunities for ongoing user testing still remain.

Q25 **Mr Leslie:** Just a couple of technical questions about the complexity of what you will need available in the organisation. On the training of your staff, the Government have said that they have secured a preferred training supplier. Who has been providing that training, and what expertise have they brought in?

Claire Bassett: Deloitte has been providing that training. It has brought in considerable expertise, from the Department, from Brussels and other trade remedies providers and also from different stakeholders, feeding in their perspectives. As I said, it is an impressive set of training. It is about eight weeks long and involves different elements. It goes into considerable detail where the people being trained will need it, such as in managing and developing spreadsheets, right through to the very technical areas of trade remedies that will need to be covered.

My initial impression is that it has been well delivered. Feedback from staff has been positive. They certainly feel involved and engaged in it, and it is feeding into further development that takes place back in the office when they conclude it. My impression is that it is good training that is working well.

Q26 **Mr Leslie:** Have you been through that training?

Claire Bassett: Not yet. It is such early days—I only started a week and a half ago—but I plan to. There is a deliberate, modular approach to it, and part of it will be for corporate staff, which will cover the key bits but will not go into, for example, the specialist spreadsheet building and things like that.

Q27 **Mr Leslie:** What do you know about trade?

Claire Bassett: My background is as an arm's-length-body specialist. That is what I have expertise in. I am very keen to learn about trade, but I



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think it is important that we set up an organisation that is well run, transparent, independent and able to deliver what is needed of it. I am really lucky in that I am supported by a team of people who have that expertise in trade.

Q28 Mr Leslie: Why do we have tariffs currently, through the European Union? What is the average EU tariff currently levied on MFN goods?

Claire Bassett: Obviously we have tariffs in order to protect our industry. That is a fundamental part of what the TRA will be doing. I think that is really worthwhile and it is something I want to do. I do not pretend to have a technical or numbers background, so I am afraid that I cannot answer the second part of your question. I can answer very detailed questions about how to run a complex, independent organisation well, about how to make sure that it is accountable, manages money well, has the right staff in the right place and who are well managed and has robust and good casework processes. I think that is really important.

Q29 Mr Leslie: The purpose of the TRA is to defend, in many ways, a lot of British businesses and industries from unfair subsidies from abroad or from other countries dumping goods in the UK. The current average MFN tariff on goods levied externally by the EU is about 5.3%, but you know that there is quite a range of different tariffs, for example on cars.

Claire Bassett: As I have just explained to you, I am not sitting here pretending to be a subject matter expert on tariffs.

Q30 Mr Leslie: It is 10% on cars.

Claire Bassett: I would say that at day 10, I am really keen to learn as much as I can about this. I think there is a really good opportunity for me to go and meet key stakeholders and those who are in this, and learn that way.

Q31 Mr Leslie: And dairy? Do you know what dairy is, relative to cars?

Claire Bassett: I have just explained the answer to those questions.

Q32 Mr Leslie: Do you know what dairy is relative to cars?

Amanda Brooks: No, I don't, but I think—

Q33 Mr Leslie: You don't know either, Amanda?

Amanda Brooks: The point I would like to make is that the tariff rate and the duty rate that come from trade remedies measures are different; in many sectors, for example on many steel lines, the tariffs are currently zero for imports into the UK—obviously between the UK and the EU, but also from outside.

The key is that that is still one of the areas where we have the most significant level of measures, and those duties are added to the tariff level. I think that it is extremely important to recognise that tariffs are not there to protect from unfair trade. Trade remedies are there to protect from unfair trade and one of the outcomes—the most usual—that comes from a



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trade remedies investigation is an increase in the duty that is paid to offset the injury that comes from unfair trade.

- Q34 **Mr Leslie:** That could effectively be a tariff. So if we need to protect ourselves from a product line coming in that would kill off British steel or agriculture, we would potentially have to consider a tariff on dairy, for instance. It is 36% across the EU as a whole, but that might vary in the UK. But essentially, we would want a Trade Remedies Authority that would have an awareness of what sort of tools might be available and how much higher a tariff might need to go in order to protect our industries, for instance.

Amanda Brooks: Totally correct. That is the purpose of running a complete investigation: first to determine where the dumping or subsidisation has occurred, and secondly, whether that has actually led to injury in domestic protection, whether in the UK or indeed if it were an authority doing that elsewhere. As I have just said, a duty is the outcome of a number of those investigations. There are other forms of outcome. In the calculation process, one of the factors that the TRA would need to look at in determining what would be an appropriate duty is of course the existing tariff levels.

- Q35 **Mr Leslie:** I don't want to be unfair and ask a pop quiz; I don't think that would necessarily be right. But regarding the attitude of the chief executive of the Trade Remedies Authority going forward—obviously, it is going to be an independent body—is your intention to be outside policy and not to comment or take a view on relative tariffs or relative remedies, or will you be somebody who takes an opinion on whether more or less protection has to be taken as policy recommendations? What I am trying to gauge is how aware you are going to be of the risks to British industries or the benefits to British industries, and how activist are you going to be as a chief executive.

Claire Bassett: I think there are two parts to that. There is an awareness, and there is making sure that we are engaged with stakeholders, that we understand what is happening in our industry, and that we are aware of that. Indeed, I have asked for that to be built into the corporate training so that I am able to gain that.

I have already spoken to Deloitte about how I can access that for me and other members of the team. I think that is really important. I have a track record of going into other sectors where I don't have huge knowledge—elections, for example. Believe me, Select Committees where everyone is an expert on that are equally hard. I think that I can demonstrate through my track record there that I got to grips with that very quickly and was able to do that.

In terms of becoming involved in policy, I think that it is very important for an arm's-length body to clearly understand what its remit is—obviously that will be in the legislation—and to focus on that, because that is the important bit about being independent. You need to have a voice within that, but I also think that you have to be careful about not stepping too far



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outside of that remit. That will be something that we will have to be aware of and think about as we develop.

Chair: Two short questions from Catherine West and then Matt Western, before we move to Faisal.

- Q36 **Catherine West:** Quick question: let us say that in May, the dispute with China comes up again. You said that you had met several organisations, but could you name the main trade union involved in the steel industry?

Amanda Brooks: In the Manufacturing Trade Remedies Alliance, a number of unions are involved. GMB are part of that. I am just going to check the other names.

Gaynor Jeffery: The TUC.

Amanda Brooks: And the TUC. They are the two unions that have been predominantly part of our stakeholder engagements.

- Q37 **Catherine West:** What I think you are learning quickly with this Committee is that, despite being very professional and arm's length, part of the Brexit story is that this becomes much more political. At the moment, personally, as a member of the Committee, I do not feel we would be ready to take on China, given that the EU has had some difficulties over the past few years. Others may disagree with me, but I feel that perhaps we would be at a bit of a competitive disadvantage at the moment. I don't know whether you would like to say where you think some of the gaps might be.

Amanda Brooks: I am not sure I would agree with your assessment. As we have said already, we will be ready to take investigations from day one, should we need to do so, so businesses would be able to approach us. As you appreciate, these are very detailed technical investigations.

The businesses that have come to us seeking help from unfair trade, regardless of what country that comes from, need to provide a considerable amount of evidence to enable the TRA to make those decisions about whether they are suffering from dumping and injury as a result of that, and to then make recommendations on that. We are well set up for that. If you are thinking of other types of disputes that the EU and other countries such as the US have, that is outside the TRA's remit, as opposed to the investigation process, which is very different and which is what we will be set up for.

- Q38 **Matt Western:** Following on from that, on your appointment, Claire Bassett, would you have expected to be appointed much earlier in the process to give you a longer run-up to 29 March? Secondly, do you agree with the notion that, in any trade remedies negotiation, scale does matter? Do you think it would be easier to be within a group of countries like the EU negotiating on TRA, or do you think Britain will be able to out-punch its weight?

Claire Bassett: To take your second question, that is a political question that I am not really in a position to answer here as a civil servant. In



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terms of the timing of my appointment, honestly, you would always like more time.

The first comment I made was that this has been in the offing for two years; nothing has been waiting for me. There has been some really good, progressive work done, and my joining now, with three months to go, means that I can bring a real focus on organisational readiness and ensuring that we have all the key bits in place in the right way. I have brought in a fresh set of eyes.

Last week, my team and I went through all the plans that are in place, to ensure that we had looked at whether there were any gaps in what was sitting there. I brought in that challenge. So yes, in a perfect world, if I could have spent a few months learning a lot more before now, that would have been great, but there are also some benefits to starting now.

- Q39 **Chair:** I wonder whether there was an assumption that the transition was going to happen, and whether last night's vote might have sent a shock or a tremor through the TRA.

Claire Bassett: I am not there at the moment, so to be honest I am not sure. On a more general point, I have been really impressed by the resilience, commitment and excitement about the role that the staff have been showing, and I think that will continue.

Amanda Brooks: Sorry, may I make an additional point? From my perspective, the Secretary of State has been very consistently clear with me and with the team that the TRA would need to be ready for 29 March. We have always worked on the basis that we may need to be ready to accept new investigations from 29 March. He has been very clear.

Chair: You have just generated a further question here. Chris Leslie, do you have a quick question, before I get to Faisal?

- Q40 **Mr Leslie:** If the public decide not to proceed with Brexit, how much will have been spent on your appointments and the cost of the TRA arrangement?

Claire Bassett: That would be the £8.9 million—well, it has not all been spent yet.

Amanda Brooks: As I answered earlier to Mr Rashid, at the end of November we had spent £3.45 million. How much of that would not be reused is hard to make a judgment on at this point. It would very much depend on the scenario.

- Q41 **Mr Leslie:** On your contract, Ms Bassett, presumably you have a clause that if Brexit does not proceed, you would continue to be paid or you would have a pay-off period? If this organisation is not coming into effect, what is the duration—

Claire Bassett: I am a civil servant, essentially. Until the organisation comes into effect, I will be a civil servant. When it comes into effect, I will be a public servant and I will transfer by TUPE into the new organisation,



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as will the other staff. My position is the same as the other staff; we are on civil service contracts. That would mean that, should we be in that position, we would be open to look at other opportunities in the civil service.

Chair: Thank you. Marcus Fysh has a question.

- Q42 **Mr Fysh:** Sorry if this was covered earlier, but I just wondered, in a scenario in which we remained in a customs union with the EU, even if we were leaving the EU, what would your role be in trade remedies?

Amanda Brooks: It is not an easy question to answer, and I cannot answer it very far. It would very much depend on the terms of that customs union. For example, as you will all be very well aware, Turkey has a partial customs union with the EU, but Turkey does run its own independent trade remedies regime and, indeed, the EU applies trade remedies measures to Turkey at the moment. So it would very much depend on the terms of that customs union.

- Q43 **Mr Fysh:** As a supplementary question, have you been doing any analysis? You said that you have been collecting evidence on existing products, on the difference between what happens in Northern Ireland and in the rest of the UK, in terms of administering the border down the Irish sea as is proposed in the backstop. How does that affect the trade remedies for any of those products?

Amanda Brooks: It is hard for me to get into that in any detail. Inevitably, depending on decisions about the Northern Ireland border, we would then need to look at what the implications are. It would depend on the terms of the border arrangement how we operated the remedies in it and, if I may make one other comment, at the moment no trade remedies that we propose to transition have a particular impact in Northern Ireland.

- Q44 **Faisal Rashid:** In our report on the TRA, we concluded that the independence of the authority is paramount. To what extent do you feel that it will be able to operate independently from the Department?

Claire Bassett: I am confident that it will. My background is in running independent arm's-length bodies. Independence is crucial if you are to run an arm's-length body well and if it is to do its work well. It was one of the key things that I was challenging—and interested to see—in my process of being appointed.

The conversations I have had and what I have seen around how we will establish that independence have been extremely positive. I think that there is a commitment really to having an independent body doing this work, but it is really important that it is done independently. It has been designed by Amanda and her team all the way through in that process.

- Q45 **Faisal Rashid:** What measures will be or are in place to ensure that that is going to happen?

Claire Bassett: As you will be aware, there is obviously the chair and the board. For example, the chair is able to stipulate the roles of that board,



which is really important. I then think, in terms of the recommendations to the Secretary of State, and how those decisions are made, that all carries that through as well. I will let Amanda cover the detail.

Amanda Brooks: As you will know already, and have seen from the Secretary of State's further letter this week, the limits on the Secretary of State's ability to engage are really quite tight. He or she will receive the recommendation from the TRA, and cannot make a different decision in terms of changing the duty level—either they accept the recommendation or reject it.

The Secretary of State will take in wider considerations of public interest, which Claire and the team would not necessarily be party to, in reaching that decision to accept or reject it. Of course, in a scenario in which they reject the recommendation of the Trade Remedies Authority, as you know, a statement would need to be made to Parliament to explain that.

- Q46 **Mr Jayawardena:** Ms Bassett, you said that you are an expert in running arm's-length bodies. Given that experience, how will you measure the success of this one, the TRA? Do you have any particular metrics in mind, or any indicators that might guide your work, such as investigation times or the number of appeals?

Claire Bassett: That is a really good question. You have to have a range of metrics. You need to start with the overall outcomes that you are aiming for, such as the completion of investigations and the quality of that work. Because in the scheme of things there are not that many of those to measure, you then need other measures that sit below that, around different outputs, which are if you like proxies for that longer point.

You are absolutely right: there will be things around timescales. I think we will need to break that down and think about that. Some of that we will have to learn as we develop the processes. As we start that work, there are obviously the WTO rules around the 12 months and 18 months, and we will be needing to think about how that fits; but there are obviously different stages within that, and the digital platform, I think, will support us well in that side of things.

I think it is also going to be really important that we have some softer measures, if you like, because I would not just measure the success of the organisation in that way: so, for example, how we engage with different stakeholders, thinking about perhaps seeking some feedback from stakeholders and using different ways you can do that, to make sure that we are getting the whole breadth of stakeholder that we would like to be engaged with; and then, obviously, there are other what I would call corporate metrics around staff engagement, sickness—all those sorts of things, which, again, it would be important to measure.

- Q47 **Mr Jayawardena:** So no metrics in your mind, as yet, I am gauging, from that answer. If not, when do you think you might be able to perhaps write to us with some of those metrics that will guide you?

Claire Bassett: I think some of that will depend on the secondary legislation and then our development of the desk instructions that sit beneath that, because until we have that process and instruction in detail it is quite hard to come up with those metrics; so I am very happy to commit to doing that, but perhaps not with a specific time on it now.

Q48 Catherine West: Apart from this Committee, what other sorts of transparency exercises are there within your work?

Amanda Brooks: As I have referred to already, we have had extensive engagement with stakeholders over the full two years-plus that we have been engaged in this programme. I am extremely grateful to all of them for how they have engaged in that process. It definitively improves our policy making when we are able to have good, constructive challenge from stakeholders about our approach, to enable us to make sure that we are making good evidence-based decisions in the recommendations that we are making to Ministers.

I also referred in response to Mr Western's questions earlier to the call for evidence that we ran very specifically on the transition of measures. Of course separately—we have not referred to it other than implicitly to date—we have been engaging with our international counterparts to learn from their experience. They have been very generous with their time and with information to help us gain the insights from that, but of course some of them have also got a very particular interest in the measures that we may well be transitioning.

Q49 Catherine West: What are the reporting cycles? Obviously, you report back to Parliament.

Claire Bassett: We will have an annual report and the usual—as the TRA, once we are established, there will be that normal involvement of annual accounts and reports, and that side of it.

Amanda Brooks: And of course, again, referring to the call for evidence, we have not only written—or Ministers have written—to all MPs inviting them to ensure that we have captured people in their constituency who had an interest in those measures, but of course we have laid documentations and written ministerial statements in the House to keep Parliament up to date with those, and we will continue to do so, just as the Secretary of State wrote to you.

Q50 Catherine West: Are they sector-specific? I am thinking that steel is one example, for a lot of Labour MPs—they are very concerned—and particular parts of the country, or perhaps agriculture, or other sectors. You could be engaging people.

Amanda Brooks: UK steel is a really good example. They regularly ask both Gaynor and myself to attend their board meetings, for us to be able to talk not just to the individuals in the organisation that we speak to regularly, but also to have a wider debate with their members. The team has visited ceramics businesses, chemicals businesses, to see some of that first hand; so we have continued to do that, but we are always open to



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suggestion if certain organisations or sectors would like to see us do something more, or something different.

- Q51 **Sir Mark Hendrick:** Following on from a previous question about the metrics, the way you describe them they are more a quantitative measurement of how well you think the organisation is doing. What are your thoughts on qualitative assessments, and would you be looking to benchmark—this is to Claire—the performance of the TRA against similar organisations elsewhere in the world?

Claire Bassett: Yes, one of the people we have working with us is somebody from Australia who has really extensive experience around running investigations. He actually set up the quality assurance processes in Australia. We are going to use him relentlessly to get as much of that built into our systems and processes as we can.

I agree with you: the measure of a good casework process is one where you can check quality all the way through, and you build in the quality gateways to that—so we will be doing that. Obviously we can learn a lot from Australia, but there will be others. As I mentioned earlier, we have people from different places and the people contributing to the training, who may have already had an input.

Amanda Brooks: I want to pick up the point on international comparators. I think we need to be very clear that each jurisdiction has a system that works for their jurisdiction, therefore they are very different, as the Committee is only too well aware.

The US and Canada have bifurcated systems, which will operate very differently from our system. Having them as comparators on case times or approaches would not really give us many valuable insights. While I take the point on international comparisons—I am sure Claire does likewise—we would have to approach those very carefully due to the significant differences between different jurisdictions' approaches and structures.

- Q52 **Sir Mark Hendrick:** Yes, I accept that you would not be comparing like with like, but you could look at the better points and best examples of certain jurisdictions, compare them with others and pick and mix, depending on our circumstances. I hope that you would look at effective scrutiny, particularly our ability to scrutinise your work.

Claire, you have done work with the Electoral Commission and, I think, the parole board previously, and you have been before Select Committees quite often in the past. What is your attitude towards it? You seem fairly engaging today, although in response to Mr Leslie's questions I would have had figures on certain tariff levels floating around in my head. What is your attitude towards this Committee? I know the Department, particularly the Secretary of State, has not been too keen in the past to be as co-operative as we would like.

Claire Bassett: You referenced my previous roles. I was just telling Amanda that I did 12 Select Committees in three years at the Electoral Commission.



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Chair: We intend to see quite of lot of you.

Claire Bassett: I welcome scrutiny and being held to account. It can be useful for the organisation to be clear on its priorities and to be ready to be challenged on what it does. It is a really important part of transparency. I am here today on day 10 or 11 as an indicator of that, and I think Sir David will be once he has started.

Q53 **Mr Leslie:** Can you just explain to us how you will execute a trade remedy and how it will roll out? Where will it start and how will it be enacted?

Claire Bassett: The new application process that the Trade Remedy Authority will handle?

Mr Leslie: When you see the need for a trade remedy after you are set up in March—

Chair: Or continue with the EU remedies.

Q54 **Mr Leslie:** If there is a policy change, how will you execute that policy?

Claire Bassett: There will be transition reviews, which will be existing reviews. We won't need to go and seek those. There will be others once we have exited the EU. There will be a process whereby people can make applications for us to investigate a trade remedy. We will have the different processes—

Q55 **Mr Leslie:** You will only be reactive to an external application?

Claire Bassett: I am really uncomfortable with this. I have been utterly honest with you that I am not an expert in trade remedies. My focus for the last 10 days has been making sure that I understand what I need to immediately to ensure that the Trade Remedy Authority is there and ready to go. I feel like you are trying to expose something that I have been absolutely open about.

Q56 **Mr Leslie:** I genuinely don't want to make you uncomfortable in any way, but you will understand that sectors and industries across the country might need a trade remedy put in place, potentially in a matter of weeks. I don't want to personalise it in any way; I want to ensure that the Trade Remedy Authority is capable of executing a necessary remedy should that come along—whether it is a threat from China or whatever it happens to be. I want to know that the TRA will be capable of implementing a policy. You said initially, "We will respond to requests", which gives me a sense that the TRA may be a more reactive organisation. I want to judge how proactive you will be to protect British industry.

Claire Bassett: At the moment, we are preparing and looking at that. We have a structure in place already. Within my immediate team I have two chief investigators who are leading that and developing expertise, and I have the teams there. I also have an extensive legal team, led by a legal director, and I have a team of economists, led by a chief economist. I have the expertise there to rely on.



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I am on a learning curve—I am learning that from them. From what I have said and the conversations I have had with them, I am confident that they have the expertise and skills, and are continuing to develop that. Once I have had the training, I will be in a much better position to answer that.

- Q57 **Mr Leslie:** Let me just follow the way it will execute a policy. Those officials will recommend to you, initially, that a remedy may be required. Then what happens?

Claire Bassett: We are still developing the corporate governance around how that decision-making process will work. The Act reserves that for the board and then it will be for the board to decide to delegate that.

Mr Leslie: So a recommendation will go from the officials, including yourself, to the TRA board.

Claire Bassett: We need to decide. This is part of the corporate governance that we need to finalise, as I referred to earlier. The board can choose to delegate that to an executive committee, but we obviously need to work that out with the new chairman.

Amanda Brooks: Can I expand on this from a secondary legislation perspective and drawing on what is happening globally at the moment? From a legislative perspective, the TRA will be able to both receive applications and initiate cases in its own right, if—to the point you were making, it can see a particular market situation developing that requires it to act.

Globally, at the moment, all the emphasis is—as it has been for a very long time—reacting to submissions received, rather than generating ex officio submissions. One reason for that—not the only reason—is that an investigation will only succeed if the business community that is affected is sufficiently engaged. Otherwise, the trade remedies investigation teams will not be able to get the evidence to be able to assess at each of the different decision points, of which there is not one but many, as to what is an appropriate bit of the process. Claire and the team will have to test that the applicants for a remedy meet standing—that there is sufficient market share represented in those being brought forward.

Mr Leslie: That makes sense, actually.

Amanda Brooks: And then it rolls on. Has dumping been found? Has injury been found? There are multiple decision points.

- Q58 **Mr Leslie:** That assessment process makes sense. My final question is about the execution of the policy. You get that recommendation and it goes to your board, presumably. Does it then go to the Minister, to Parliament, to a regulation or to a statutory instrument? Tell me how the policy is executed.

Amanda Brooks: Let me take this through, because this is what is being set out in legislation, both primary and secondary legislation. At the point at which the Trade Remedies Authority has been through all those stages



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and is actively recommending a measure, it will then—whatever corporate governance Claire and the board agree on—submit that recommendation for a measure, only for a measure, to the Secretary of State. He or she will then need to make an assessment of whether there are any wider public interest issues, before agreeing or rejecting that recommendation. As I said earlier, if it is rejected there will be a statement to the House.

However, there is a requirement for the TRA and the Secretary of State to be transparent about the decisions that have been made, both positively and negatively. Of course, both importers and exporters would need to know if a measure was going to be imposed, so that they can prepare for that. That includes instructing our colleagues at HMRC, who would be the people to levy the duty at the border.

Chair: Thank you. It all seems rosy; there do not seem to be many difficulties at all. We look forward to seeing you in the future. Doubtless, we will be hearing from industry. If there are frustrations from industry, they will probably come to you first, and if the frustrations continue, they will probably come members of the Committee, and then we will come back to you. We will check the roses in the garden at that point again.

I thank you all for coming this morning. I wish you luck and best wishes from the Committee in your new role. This is obviously very challenging and new. We will overlook the difficulties we had in getting you here and hope that the next time we need to speak to you, it will be easy, smooth and the garden's roses will smell sweet.