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Baroness Verma
Chair, Lords EU Goods Sub-Committee
House of Lords
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29 January 2021

Dear Baroness Verma,

Thank you for your letters of 30 September to me and of 10 December to the Chancellor of the Duchy of Lancaster, regarding border readiness.

This letter takes in turn the issues that you raised. Since you wrote, the Transition Period has ended. Our preparations were executed successfully and the necessary IT systems, infrastructure and staffing were in place on 1 January 2021, together with the arrangements for managing and mitigating disruption.

Many traders were also ready, and we saw a steady increase in awareness and action in the run up to 1 January. The Government ran a public information campaign, with a clear message: 'Time is running out'. HMRC also called the very largest traders in the run up to the end of the year. Departments delivered numerous webinars, sent direct mail to businesses, ran roundtables, generated press and social media activity, created easy to use guidance and films, and used weekly bulletins to key sectors to share guidance. On readiness of EU traders, DIT ran the EU Business campaign - this used marketing in key countries, and 150 business readiness events to increase awareness among EU traders.

You asked about GB-NI trade. The UK Government's Command Paper, 'The Northern Ireland Protocol', laid in Parliament on 10 December, provides details on the range of issues covered by the UK-EU agreement on the implementation of the Northern Ireland Protocol. Alongside the Command Paper, we have also published the Decisions and unilateral declarations in the Joint Committee that form the package of measures agreed. The Decisions and corresponding Explanatory Memoranda have also all been (or are due to be) issued in Parliament.

Regarding a pragmatic approach to inspection controls, the Government has set out a three staged approach to import controls. Under this approach, checks for live animals will continue to be primarily carried out at destination until July 2021, and documentary checks on products of animal origin will be carried out remotely from April until July 2021. We have also applied published guidance on prioritisation of goods. In relation to the UK proposals for tackling barriers to trade, I am pleased to confirm that the data sharing arrangements for chemicals you refer to are part of these.

The Goods Vehicle Movement Service (GVMS) IT delivery for December 2020 requirements and the internal testing routines were completed. Technical specifications were available to hauliers and carriers from July and HMRC co-developed delivery plans with its external partners since then. HMRC opened the GVMS on 8 December 2020 for registrations with 3,944 successful registrations as of 22 January 2021. The functionality to create a Goods Movement Reference Number (GMR) went ahead as planned on 23 December 2020, and 46,976 have been created as of 22 January 2021.

On Check an HGV service, the service has been live throughout January. The Statutory Instrument allows for us to lift the requirement to use the service. In those circumstances, industry would be notified and manual border readiness checks would take place.

You asked about Customs Handling of Import and Export Freight (CHIEF) and contingency plans. HMRC prioritised Customs Declaration System (CDS) for Northern Ireland and CHIEF for Great Britain. HMRC continues to ensure both systems are able to run in parallel. HMRC is on track to scale CHIEF to handle 400 million declarations per year, and CDS has been scaled to handle an additional 20 million declarations. For Northern Ireland, the Government has launched the Trader Support Service (TSS), which provides an end to end customs declaration service for businesses. There are 30,713 companies registered with TSS (as of 22 January 2021).

For January 2021, HMRC provided inland border facilities at Ebbsfleet, North Weald, Birmingham, Warrington and Ashford Waterbrook as well as providing spaces at Dover Western Docks and Stop 24. DfT developed a site at Ashford Sevington, where HMRC will carry out some customs processes, as well as a site at Manston which will be used when Operation Brock is in place. The facility at Roadking in Holyhead will remain for drivers seeking to complete ATA Carnet paperwork and we are providing a limited transit service there. Details of inland border facilities can be found on [GOV.UK](https://www.gov.uk).

Regarding funding for infrastructure, it is a commercial decision for ports as to whether to provide these facilities. However - in recognition of the unique circumstances of EU Exit, and the tight timescales for putting infrastructure in place - the Government has made funding available to support border readiness. Port Infrastructure Fund (PIF) bids included some good examples of best practice approaches such as modular construction which will help meet these challenging deadlines. Ports were informed of the outcome of their applications on 15 December 2020.

HMRC is interested in ways to enhance the Authorised Economic Operator (AEO) scheme and would be happy to consider proposals that smaller businesses put forward. Please note that businesses of any size can apply for AEO status as can businesses that are new to customs, provided they meet the criteria. Where a business does not have a history of customs compliance, HMRC will review the business' tax compliance history. They will also review the procedures the business has put in place to deal with customs formalities. Further information on the UK AEO scheme can be found at:

<https://www.gov.uk/guidance/authorised-economic-operator-certification>

When thinking about readiness and customs agents' capacity, it is more appropriate to focus on the capacity to make declarations, instead of numbers of staff employed. The sector is varied

and made up of a number of different business models including specific customs brokers, freight forwarders and fast parcel operators.

The Kent Resilience Forum is responsible for Operation Stack and other traffic management measures in Kent. Operation Brock involves the deployment of a moveable barrier on the M20. The suddenness of the border closure on 20 December meant that the Kent Resilience Forum initially deployed Operation Stack. A decision was rapidly made to engage Operation Brock and the moveable barrier was deployed overnight on the night of 21 December. The moveable barrier is part of the resources DfT has provided to the Kent Resilience Forum. It allows HGVs to be held on the M20 while other traffic continues to flow. We have also provided HGV holding sites at Manston and Sevington. There is strong communication between the Kent Resilience Forum and the Government plus the Border Operations Centre has been established to inform government-wide decision making. Ministers have a full view of any emerging problems.

Regarding road closures, the Kent Resilience Forum has developed plans to manage disruption. The proposal to divert Dover-bound traffic to Manston is a contingency which the Kent Resilience Forum deploys if pressures on the M20 becomes too great. Operational decisions are taken by Kent Police which will take into account changing circumstances including accidents and other incidents. Road safety for drivers is the top priority for Kent Resilience Forum's traffic management plans. They have been developed to ensure that road safety for drivers is considered in all its aspects. Assessment of traffic management plans has been carried out by the KRF, this allows the forum to put any necessary measures to mitigate road safety and driver welfare risks identified. Where necessary, the Kent Resilience Forum can provide food, water and sanitation to drivers.

A handwritten signature in black ink, appearing to read 'P Mordaunt', with a stylized flourish at the end.

Rt Hon Penny Mordaunt MP
PAYMASTER GENERAL