Twitter Thread by Joe Marshall



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There are just 16 days to go until the end of the transition period

But how ready is the UK? (Tl,dr – it’s not and realistically can't be fully prepared)

(Long) thread, building on our @instituteforgov paper from November (most of which still stands…)

First. What does being ready look like?

Deal or no deal – huge changes are coming in Jan. With new customs and regulatory checks at the border, new red tape and rules for businesses, the end of free movement of people +less effective security cooperation https://t.co/auC1u8gK7h

In practice, the scale of these changes – and the limited time to prepare alongside covid- mean that the UK will never be fully ‘ready’. Inevitably there will be some disruption at the border, non-compliance with new rules and interrupted trade. Cannot foresee all eventualities.

What are the main stumbling blocks in preparations?
■The GB-EU border
■Business readiness
■NI protocol - last week's agreement has resolved some issues – but there is still a lot to do

GB-EU border
The gov is just about on track to deliver IT systems infrastructure and people needed to make the GB-EU border work from Jan.
But a lot of this has come late in the day-leaving little time for full end-to-end testing and for businesses to make their own preparations

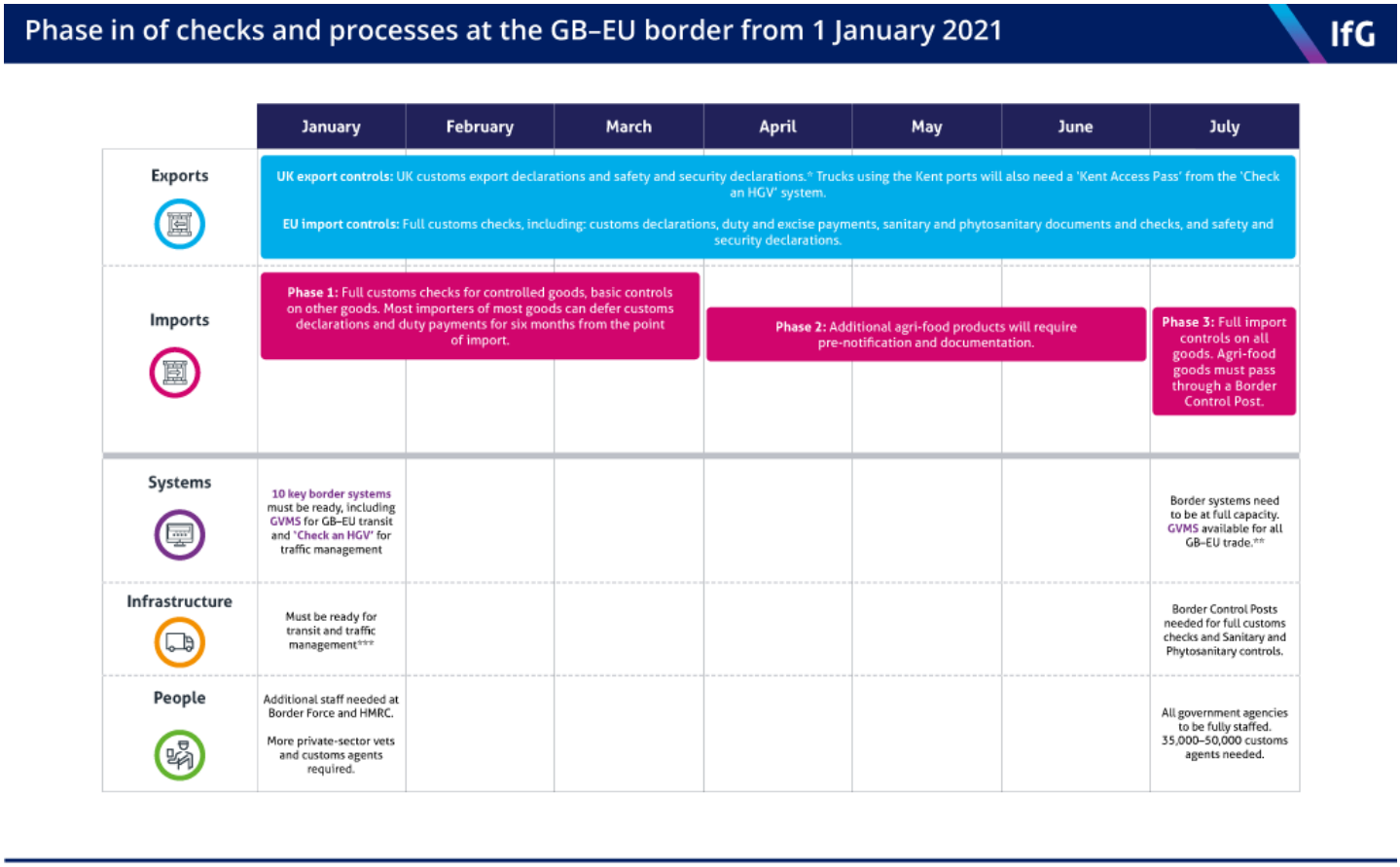
Table 3 **Actions necessary to deliver a functioning GB–EU border**

Area	Key Actions	RAG rating
IT systems	Existing IT systems need to be upgraded and new ones built. Most are ready but GVMS, critical for facilitating customs checks at the main Channel ports, is still being tested and has not yet been formally launched.	
Infrastructure	New infrastructure for basic customs checks and to manage traffic disruption from January is still being built. The government has provided funding and streamlined planning rules to help ports prepare. It is building its own sites inland where space is not available at ports. Construction has not yet started on several key 'border control posts' to handle full customs compliance checks and physical inspections on agri-food goods which must be ready by July 2021.	
People	Progress has been made in recruiting new staff to operate new border systems. There are still vacancies in HMRC and Border Force and not yet enough private sector vets to complete export health certificates for agri-food exports, although most are on track to be filled by January.	
Private sector customs capacity	There are still not enough customs agents to complete customs forms on behalf of businesses. The government has provided £84m in funding to help the sector prepare, much of which has yet to be spent. Although the government believes there will be sufficient capacity for January, many business voices disagree and argue that even if new staff can be recruited in time, they may be inexperienced.	
Managing disruption	The government is developing a new 'Check an HGV is Ready to Cross the Border' tool to ensure lorry drivers are ready for customs checks and avoid unprepared lorries causing disruption – but is only just making it available to traders. In Kent, this system will form part of Operation Brock, the government's plan to handle Brexit-related traffic disruption. This plan includes a contraflow system on the M20 and new holding sites for lorries.	
Trader readiness	Traders' readiness for new GB–EU customs checks is poor and remains one the government's key concerns. It plans to open 45 new advice centres in November and is stepping up its wider Brexit communications campaign. But even if the majority of traders are prepared, the government's *Reasonable Worst Case Scenario* suggests flow through the border could still be reduced to between 60–80% of normal levels.	

Much also rests on the private sector being ready. Most traders will rely on customs agents to complete paperwork on their behalf, and private sector vets to sign export health certificates. But capacity has been slow to rise to meet demand.

And all of this is after the UK government delayed introducing full import checks for 6 months.

Much more work is needed before these take effect in July.



Note: This diagram shows a simplified version of the UK government's approach to phasing in checks at the GB–EU border and key deadlines for new systems, infrastructure and people to facilitate them. Full details can be found in the government's Border Operating Model. *Some controlled goods will need additional paperwork. **GVMS may not be used by all British ports that handle GB–EU trade. ***Infrastructure also required for ATA carnet processes and CITES endangered species checks.

BY-NC

Source: Institute for Government analysis.

Some government preparations have also been thrown off course. Flooding has delayed construction of one of the key ‘lorry parks’ in Kent, needed help manage new border processes – forcing the gov to rely on contingency plans https://t.co/dRuh3pNNV8

In contrast, EU member states are far more confident in their border infrastructure and processes – having been ready longer and subject to more testing. But risks remain on day one. https://t.co/FvfqWNX48H

It seems inevitable that there will be disruption at the border in Jan (even if it doesn’t all hit on 1 Jan).

A lot of the gov’s prep is about handling this – through lorry parks, contraflow systems and a new app to try and keep unprepared lorries away from the border.

Businesses have been preparing for the risk of delays too, by stockpiling and seeking alternative routes. But there are concerns that EU hauliers (~85% of the haulage market) could choose to avoid GB if there are delays – which could exacerbate problems.

Business readiness remains the biggest concern for January.

A punishing mix of covid, uncertainty over the outcome of negotiations and a lack of detailed guidance has hindered preparations and means many firms will not be ready for new rules.

But biz readiness is not uniform. High regulated services tends to be better prepared. Small biz tend to be less prepared. But readiness can vary between firms.

Nearly 2/3 of @The_IoD members say they are not fully prepared + @EY_UKI say 80% global biz not aware of all risks

Many are calling for a generous approach to enforcement on day one. Businesses do not want to break the rules–but may struggle to prepare and may find themselves acting unlawfully in Jan...
As @SamuelMarcLowe explores https://t.co/MiASdgBrFs

Delays in reaching a Brexit agreement mean that time may now have run out for businesses to enjoy all the benefits on 1 Jan, even if one is agreed.

For example, to benefit from zero tariffs, firms would have to comply with complex rules of origin requirements showing where their goods come from. But firms now say they won't have time to do this without a grace period.
https://t.co/kFNgasDIAo

> Just as a reminder - without a freeze/ implementation period or some sort of derogation - no business on either side will be able to use the UK-EU FTA to avoid paying tariffs on 1 Jan even if we get one tomorrow.
>
> It's already too late.
>
> /1
>
> — Dr Anna Jerzewska (@AnnaJerzewska) December 13, 2020

Plus many regulatory changes don't bite on 1 Jan. The UK government is phasing in many new rules and registration requirements over time. So businesses will have to keep preparing for Brexit changes well into 2021 and beyond.
https://t.co/qnzprl9KkU

> There is talk of this being *the* crunch week in Brexit negotiations
>
> But, I'm sorry to say, the end of negotiations won't mean the end of Brexit.
>
> Many consequences of Brexit will play out well into 2021+ beyond - demanding gov and business attention
>
> Just a few examples...
> \U0001f9f5
>
> — Joe Marshall (@Joe_Marshall0) November 30, 2020

Take a look at our @instituteforgov (and @sageuk) event from last week on business readiness for more detail on how businesses are preparing https://t.co/wKPR51T39U

NI protocol

Last week's agreement on NI resolves many of the issues that risked most disruption at the GB-NI border on 1 Jan. But

more detail is needed to understand how the various mitigations will work in practice.

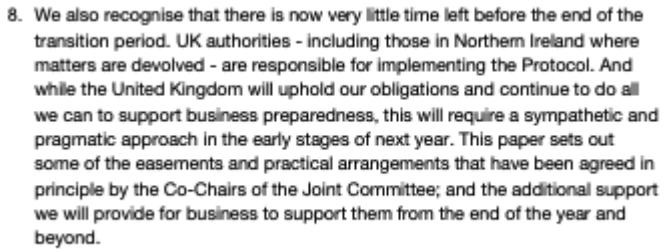
See @Jess_Sargeant's piece for more https://t.co/C5QpdIdSGn

> The Joint Committee decisions earlier this week signal a more constructive approach to the Northern Ireland Protocol. But the hard work isn't over yet! The UK and EU must commit to make it work in the long term, from 1 January and beyond. https://t.co/lZa46sXfr3
>
> — Jess Sargeant (@Jess_Sargeant) December 10, 2020

Many of these rely on the gov setting up new services or schemes for businesses- the trader support service for customs, movement support service for EHCs and the trusted trader scheme to avoid tariffs and rules of origin. With just days to go – the pressure is on gov IT teams

Many measures are also temporary – meaning firms, gov and NI executive must continue preparing for big changes next year.

And the gov seems to accept that January could still be bumpy – calling for pragmatism and sympathy next year…



8. We also recognise that there is now very little time left before the end of the transition period. UK authorities - including those in Northern Ireland where matters are devolved - are responsible for implementing the Protocol. And while the United Kingdom will uphold our obligations and continue to do all we can to support business preparedness, this will require a sympathetic and pragmatic approach in the early stages of next year. This paper sets out some of the easements and practical arrangements that have been agreed in principle by the Co-Chairs of the Joint Committee; and the additional support we will provide for business to support them from the end of the year and beyond.

Dealing with huge Brexit changes plus Covid and winter pressures will be a huge task for gov. It's good to see 'Operation Capstone' contingency plans being tested this week. But as @FT reports, some parts of gov are stretched. Civil servants are fatigued https://t.co/W6SHQHv56x

The gov still needs to outline what Brexit economic support – if any - it will provide to biz. Reports suggest £8-10 billion to support hard hit sectors in a no deal. https://t.co/a1lZ83mNVv

But even with a deal, some could struggle with short term disruption to supply chains or adapt to new rules...

And targeting economic support will be incredibly difficult, given the ongoing impact of the Covid crisis complicating the task...

Ultimately, the UK is not ready for Brexit. To some extent, it can never be fully prepared. But more can be done in the weeks ahead.

But short timelines, Covid and deal uncertainty have not helped matters.

■■■■