



BRIEFING PAPER

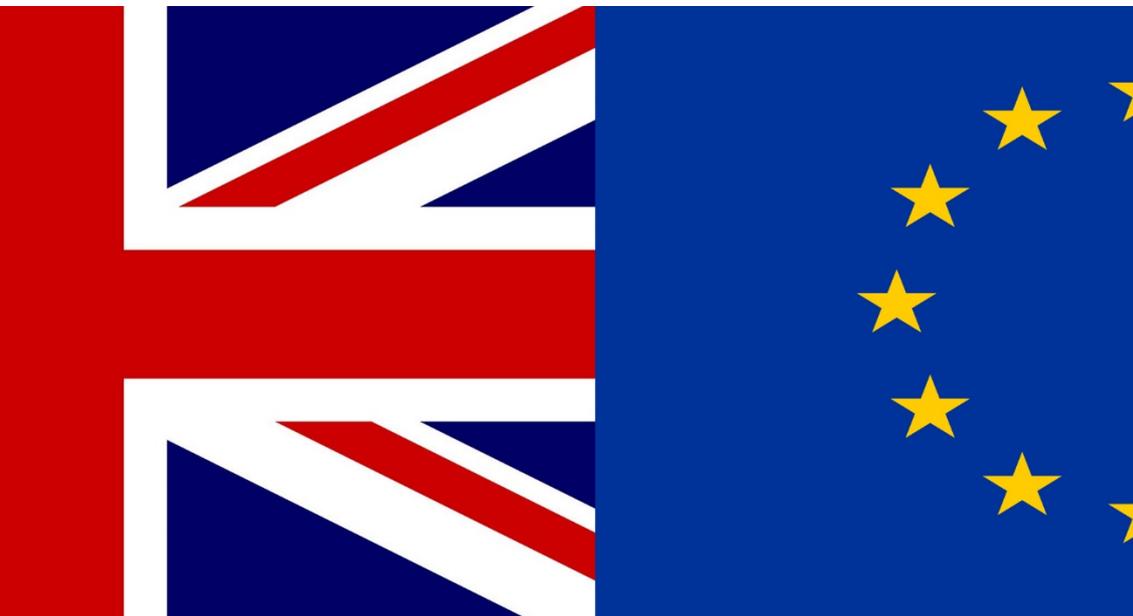
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Planning for a no-deal Brexit

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Summary

Brexit developments: The Johnson Government

After becoming Prime Minister in July 2019, Boris Johnson stepped up preparations for the UK to leave the EU without a deal on 31 October. However, he said his preference was for a deal. MPs concerned about the prospect of a no deal Brexit worked together to pass the 'Benn Act' in early September, which would prevent the Prime Minister taking the UK out of the EU without a deal on 31 October unless this had the consent of the House of Commons. Following the passage of the Act, the Government continued to insist that the UK would leave the EU on 31 October.

The UK and EU reached agreement on a revised Withdrawal Agreement and Political Declaration on the future EU-UK relationship on 17 October, but in a special sitting on 19 October the House of Commons withheld approval for the revised texts. The Prime Minister then sent a letter to the EU requesting an extension of the Article 50 period until 31 January 2020, in accordance with his obligations under the Benn Act. The Government pressed ahead with its attempts to ratify the revised Withdrawal Agreement, introducing the European Union (Withdrawal Agreement) Bill. Although MPs approved the Bill's second reading on 22 October, defeat of the Government's programme motion aimed at completing ratification by 31 October led to the legislation being paused. The Government then said it was intensifying its planning for a no deal Brexit on 31 October.

On 28 October, the EU said it had agreed to the UK's request to extend Article 50 until 31 January 2020. The Government suspended its planning for an imminent no deal Brexit.

In the absence of UK and EU ratification of a withdrawal agreement, a no deal Brexit remains the default scenario unless the UK revokes the Article 50 notice.

No deal planning under Theresa May's Government

Theresa May's Government stepped up planning for a no deal Brexit in the summer of 2018, beginning the publication of detailed no deal guidance. In December 2018, the Government said it would be implementing its no deal plans in full. By this point, 106 technical notices to help prepare citizens and businesses for a no deal Brexit had been published. The Government planning included increased funding for a no deal scenario, within the £4.2 billion allocated for planning for all Brexit scenarios. Planning also included 3,500 military service personnel being put on standby and local resilience forums established across England.

No deal planning under Boris Johnson's Government

After taking over as Prime Minister, Boris Johnson said that the Government would be turbo-charging no deal Brexit preparations. The preparations included new Government committees to oversee the process, and an additional £2.1 billion in funding to prepare for a no deal Brexit on 31 October. This included funding for additional border force officials and to address congestion around ports. Funding was also directed at improvements to customs systems. Preparations involved automatic registering of businesses for customs purposes, and adjustments to the already announced temporary tariff regime in the event of a no deal Brexit. In addition, the Government launched the 'Get Ready for Brexit' advertising campaign, providing £100 million to fund the campaign.

The Government's preparations were summarised in the No Deal Readiness report published on 8 October. This detailed the Government's preparations across a range of sectors, including on: borders; citizens; data protection; energy and environment; different industry and service sectors; public services; security; public services; Northern Ireland and devolved administrations.

In his statement on the report, Chancellor of the Duchy of Lancaster Michael Gove drew attention to 750 pieces of Government guidance setting out the steps that businesses, traders and citizens should take in order to prepare for a no deal Brexit, and 31 country guides covering EU and EFTA states setting out what UK nationals living there needed to do.

Mr Gove made another statement on Brexit preparedness on 24 October, and said that the Government's 'Operation Yellowhammer' contingency plan for a no deal scenario had been triggered. He said the Government was continuing to advise hauliers, work with local resilience forums to finalise traffic management plans and seeking to ensure the smooth flow of goods across the English channel. Contracts had also been announced with shipping operators to deliver freight capacity.

The Government was also laying the final statutory instruments to ensure all critical Brexit-legislation was in place for exit day. Mr Gove warned that there would be unique challenges in Northern Ireland, and that the restoration of direct rule would be a possibility.

Operation Yellowhammer was stood down following confirmation that the EU had agreed to extend the Article 50 period on 28 October.

EU no deal preparations

The European Commission began preparing for a possible no deal in December 2017 with most measures announced prior to the originally scheduled Brexit date of 29 March 2019.

Further contingency measures were announced at the beginning of April 2019, providing for continuation of basic air, road and rail transport connectivity between the UK and EU for a limited period of time, and a legal framework for continued reciprocal fishing access. There would also be compensation for EU27 fisherman hit by a no deal Brexit. In July 2019, the EU adopted a regulation enabling continued funding to the UK from EU programmes in 2019 provided the UK continues to contribute to the EU budget and follows EU rules. It also later proposed continuing this arrangement into 2020.

The EU has ruled out 'mini deals' with the UK in the event of no deal, instead focusing on unilateral measures to provide for continuity in some areas. The European Commission published a final preparedness checklist on 4 September, and proposed further funding for business, workers and Member States affected by a no deal Brexit.

In a no deal scenario decisions on the rights of UK citizens in EU Member States will fall to the Member States themselves. The European Commission has encouraged a generous approach. Member States have agreed to measures to continue the rights of resident UK citizens for a temporary grace period, with the opportunity of applying for permanent residence.

UK disengagement from the EU

Along with increasing its no-deal preparations, Boris Johnson's Government reduced the UK presence in EU institutions and decision-making. It announced that there would no

longer be a UK presence at some EU meetings. Since July, the UK has abstained in all but one vote in the Council of the EU.

The Government also confirmed in August that the UK would not nominate a member of the new European Commission scheduled to take office on 1 November. In agreeing to extend the Article 50 period on 28 October, the European Council however said that the UK was obliged to suggest a candidate for the new Commission.

Prior to taking office Commission nominees are subjected to European Parliament Committee hearings and then the full Commission is subject to an approval vote by the Parliament. The new Commission has been delayed in taking office following the European Parliament's rejection of candidates from three Member States. The UK could therefore nominate a candidate in time for the new Commission taking office. The outgoing European Commission, including the UK Commissioner Sir Julian King, currently remains in office in a caretaker capacity.

Recent 'no deal' analysis

Reports have been published by a range of organisations since July 2019 on the possible impact of a no deal Brexit. This also includes Government reports (some leaked to the press) and reports from other public bodies and prominent organisations.

The Government's 'Operation Yellowhammer' report, leaked to the press in August, suggested there would be significant disruption at the border, logjams disrupting the fuel supply and reductions in the supply of fresh food. Medical supplies would also be vulnerable. It also warned of the possible closure of two oil refineries, job losses, strike action and protests. There would also be long delays at the Spain-Gibraltar border. The Government published a version of the report in September after being required to do so by a Commons motion.

A National Audit Office report in October also said there were significant risks to the smooth operation of the border, with disruption likely. A HMRC report in October said additional administrative burdens for UK-EU trade would cost UK businesses £7.5 billion a year.

A report from the Institute for Fiscal Studies in October said that in a relatively "benign" no deal scenario, the UK would be 2.5% smaller in 2022 than it would be in the current base scenario of Brexit being delayed. The Office for Budget Responsibility said in July that public borrowing in a no deal scenario would be double what it would be if the UK left the EU with an agreement.

1. Brexit developments: the Johnson Government

Summary

After becoming Prime Minister on 24 July 2019, Boris Johnson stepped up preparations for the UK to leave the EU without a deal on 31 October. However, he said his preference was for a deal. MPs concerned about the prospect of a no deal Brexit worked together to pass the 'Benn Act' in early September, which would prevent the Prime Minister taking the UK out of the EU without a deal on 31 October unless this had the consent of the House of Commons. Following the passage of the Act, the Government continued to insist that the UK would leave the EU on 31 October.

The UK and EU reached agreement on a revised Withdrawal Agreement Protocol on Ireland/Northern Ireland on 17 October, but the House of Commons withheld approval for the revised Agreement. The Prime Minister then sent a letter to the EU requesting an extension of the Article 50 period until 31 January 2020, in accordance with his obligations under the Benn Act. The Government pressed ahead with its attempts to ratify the revised Withdrawal Agreement, introducing the European Union (Withdrawal Agreement) Bill. Defeat of the Government's programme motion aimed at completing ratification by 31 October led to the Bill being paused.

On 28 October, the EU said it had agreed to the UK's request to extend Article 50 until 31 January 2020. The Government suspended its planning for an imminent no deal Brexit. In the absence of a UK and EU ratification of a withdrawal agreement, a no deal Brexit remains the default scenario unless the UK revokes the Article 50 notice.

1.1 The Johnson Government steps up no deal preparations

In his speech after taking office as Prime Minister on 24 July 2019, Boris Johnson said that the UK would be coming out of the EU on 31 October (the Article 50 deadline, as extended) "[no ifs or buts](#)". In his statement the next day on '[Priorities for Government](#)', the Prime Minister repeated this pledge. He said his preference was for a deal, and he would "work flat out to make it happen". However, he said that it was clear that this could not be on the basis of the November 2018 Withdrawal Agreement (WA) negotiated by Theresa May's Government which had been rejected by the House of Commons three times. Mr Johnson said that if an agreement was to be reached, it would have to involve "abolition of the backstop" (contained in the WA Protocol on Ireland/Northern Ireland).

Mr Johnson said that if the EU did not rethink its refusal to make changes to the WA "we will of course have to leave the EU without an agreement under article 50". He said that the UK was "better prepared for that situation than many believe, but we are not as ready yet as we should be".

He said that “[i]n the 98 days that remain to us, we must turbo-charge our preparations to ensure that there is as little disruption as possible to our national life”.

1.2 Initial talks with the EU

Mr Johnson reiterated his views on the need to renegotiate the WA and abolish the backstop in a [telephone call](#) with European Commission President Jean-Claude Juncker on the same day. However, Mr Juncker reiterated the EU's position that the WA was the “best and only agreement possible”. The EU's Chief Brexit negotiator Michel Barnier was reported to have told EU27 representatives that Mr Johnson's demands on the Irish ‘backstop’ were “unacceptable and not within the mandate of the European Council”. He also said: “No deal will never be the EU's choice, but we all have to be ready for all scenarios”.¹

Mr Johnson met with German Chancellor Angela Merkel on 21 August. In a joint press conference following their meeting, Mrs. Merkel said that while it had been envisaged that an alternative to the backstop could be found “in the next two years”, it might also be possible to find it “in the next 30 days to come”.² In a [telephone call](#) with President Juncker on 27 August, the Prime Minister said there was “no prospect” of a deal unless the WA was re-opened and the “backstop abolished”. President Juncker [repeated](#) his willingness to “work constructively with Mr Johnson and to look at any concrete proposals he may have, as long as they are compatible with the withdrawal agreement”. On 29 August the Prime Minister said Brexit talks between the UK and the EU would take place twice a week during September.³

On 4 September, Michel Barnier was [reported](#) to have told EU27 representatives that Brexit talks were stuck in “paralysis” as the UK had not provided any suggestions as to how the UK could replace the Irish ‘backstop’ while maintaining an open border in Ireland.

1.3 Parliament passes the ‘Benn Act’

Concerned that the Government's approach would lead to the UK leaving the EU without a deal on 31 October, the opposition parties and some Conservative MPs worked together in early September to legislate against the Government's wishes to prevent this outcome. After MPs “[took control of the order paper](#)” through an emergency debate on 3 September, Parliament then passed the [European Union](#)

¹ *Deutsche Welle*, [EU negotiator Michel Barnier calls Boris Johnson's Brexit stance 'unacceptable'](#), 25 July 2019; *Politics Home*, [Michel Barnier blasts Boris Johnson's 'unacceptable' demand to ditch Irish backstop](#), 25 July 2019; *Spectator Coffee House* blog, [Can Boris Johnson overcome Jean-Claude Juncker?](#) 25 July 2019.

² This was interpreted in the press as a 30-day deadline for the UK to find a solution, although the Chancellor later clarified that she was simply referring to the possibility of finding a solution in a short period of time. See *Politico*, [Merkel: I didn't mean 30 days as a fixed Brexit deadline](#), 22 August 2019

³ Reported as a Downing Street ‘statement’ in e.g. *Independent*, *EurActiv*, *Politico*.

[\(Withdrawal\) \(No. 2\) Act 2019](#) (also known as the *Benn-Burt Act* or the *Benn Act*). The Act received its Royal Assent on 9 September⁴.

The *Benn Act* gave the Prime Minister until Saturday 19 October 2019 to secure the approval of MPs for either (a) a withdrawal agreement or (b) leaving the European Union without a deal.

If neither of those outcomes materialised, the Prime Minister would then be required to seek an extension of Article 50 to 31 January 2020. If the European Council agreed to offer an extension to 31 January 2020 then the Prime Minister was obliged to agree to it. If the European Council responded by offering an extension of a different length, the Prime Minister would either have to accept it outright or let the House of Commons decide whether the extension should be agreed to.

The legislation appeared to make leaving the EU without an agreement on 31 October unlikely, although the Government continued to insist that the UK would leave the EU on this date. For example, a Downing Street source was [reported](#) on 6 October as saying that if EU leaders were “betting that it [the *Benn Act*] will prevent no deal, that would be a historic misunderstanding.”

The Government published a [factsheet](#) as part of its ‘Get Ready for Brexit’ campaign on 9 October. It stated that, despite the ‘*Benn Act*’, it remained the case in law that the UK was set to leave the EU on 31 October 2019, and that if a request for an Article 50 extension was made in accordance with the Act, the EU “would need to agree any request for an extension and if they did not then the exit date would not change”.

1.4 Government proposals for a revised Withdrawal Agreement

On 19 September, the Government said it had [shared confidential documents](#) (referred to as “non-papers”) with the EU reflecting its ideas on the way forward. These involved an all-Ireland agri-food zone. The proposals were [not viewed as viable by](#) the EU as they did not cover alignment on customs and industrial goods and included exemptions on agri-food, and would therefore still mean that regulatory and customs checks would be needed on the island of Ireland.

The Prime Minister set out new proposals for an amended Ireland/Northern Ireland protocol in a [letter](#) and accompanying [Explanatory Note](#) sent to Jean-Claude Juncker on 2 October. The proposal involved: i) a single regulatory zone for goods (including agri-food) on the island of Ireland; ii) a consent mechanism whereby the Northern Ireland Assembly and Executive would agree to the single regulatory zone before it comes into effect and every four years after that; and iii) the whole UK leaving the EU Customs Union. While this

⁴ See House of Commons Library Insight, [The Benn-Burt Bill: Another Article 50 extension?](#), 4 September 2019 and section 5 of Commons Library Briefing Paper 8725 [Parliament and the three extensions of Article 50](#), 31 October 2019.

would mean the Irish border becoming a customs border, customs checks would take place away from the border.

The proposals were rejected by Michel Barnier as [not providing a legally operable solution](#), as it required an untested system of dispersed checks and risked the integrity of the Single Market. The European Parliament's Brexit Steering Group also said that the EP would not give consent to such an arrangement.

Prospects for an agreement at this point looked slim. However, Mr Johnson met the Irish Taoiseach Leo Varadkar on 10 March, after which Mr Varadkar said he saw a [pathway to a deal](#). Following this meeting, the UK and the EU then [agreed to intensify discussions](#) about a [possible compromise solution](#). This would involve movement on the UK positions on both consent and customs.

1.5 Revised Withdrawal Agreement and Political Declaration agreed, 17 October

A revised Withdrawal Agreement (WA) and Political Declaration of the future relationship were published on 17 October. These texts were [endorsed](#) by the European Council on the same day.

The revised WA provided for the UK as a whole to leave the Customs Union but in practice, for Northern Ireland to continue to apply EU customs rules. This would effectively mean a customs and regulatory border between Great Britain and Northern Ireland in the Irish Sea. Consent in Northern Ireland would no longer be required on a cross-community basis but by a simple majority. The first vote would take place after four years, after the provisions had already been applied, rather than prior to their coming into force as proposed previously by the Government.

For further details on the revised texts see:

Commons Library Briefing Paper 8713, [The October 2019 EU UK Withdrawal Agreement](#)

Commons Library Briefing Paper 8714, [Revisions to the Political Declaration on the framework for future EU-UK relations](#).

1.6 Commons 'withholds' approval of WA

The Government sought approval of the revised WA and PD in an extraordinary Saturday sitting of Parliament on 19 October. However, the Government's motion was [amended](#) by MPs to read that the Commons had "considered the matter but withholds approval unless and until implementing legislation is passed"⁵.

The Government did not seek a vote on a motion to leave the EU without a deal. However, the Prime Minister said the Government's policy remained unchanged "to get Brexit done on 31 October".

On 21 October the Government introduced the [European Union \(Withdrawal Agreement\) Bill](#), in order to implement the provisions of

⁵ [HC Deb 19 October 2019 Vol 666 cc649-652](#)

the WA in UK law. It presented a programme motion on 22 October with the aim of securing ratification of the legislation by 31 October in order to ensure the UK left the EU on this day. However, although the Bill was approved at Second Reading the Government's programme motion to timetable the next stages of the legislation before 31 October did not win approval by the Commons and the Government then decided to pause the Bill.⁶

1.7 Article 50 extended until 31 January 2020

In the meantime, the Prime Minister had sent a letter to the President of the European Council following the Commons debate on 19 October, in accordance with the Benn Act, requesting an extension of the Article 50 period until 31 January 2020.

The Government nevertheless said it was continuing to prepare for a no deal Brexit on 31 October. Chancellor of the Duchy of Lancaster Michael Gove made a [statement on Brexit preparedness](#) on 24 October. He said that the sending of the Article 50 letter "creates unfortunately no certainty about our exit in an orderly fashion on October 31st". He said that before the Commons vote on 19 October "European leaders including the President of the Commission, the President of France and the Taoiseach, deliberately and explicitly explained that members should not cast their vote on the assumption that the EU Council will offer an extension".

Mr Gove said therefore that, given that there was no certainty that the extension would be granted, he needed to "take the appropriate steps now to prepare for the increased possibility that the legal default position will follow, and we will leave on October 31st without a deal". Mr Gove said that the Government had agreed that Brexit preparations now needed to move into their final, most intensive phase and that 'Operation Yellowhammer' (the Government's contingency plan for a no deal Brexit) would be triggered.

On 25 October, Boris Johnson [said](#): "Of course October 31st is still possible. We could leave on October 31st, unfortunately it depends on what the EU says." The Government's "Get Ready for Brexit" adverts were [still running](#) at this point and indicating that the UK would leave the EU on 31 October.

On 28 October the European Council President Donald Tusk announced that the European Council [had agreed to the UK request](#) to extend the Brexit deadline until 31 January. The Prime Minister wrote to President Tusk on 28 October to [confirm the UK's agreement](#) to the extension, as he was obliged to do under the 'Benn Act'. This decision was formalised by a '[written procedure](#)' in the European Council. The official '[European Council Decision](#)' was [confirmed on 29 October](#).⁷

⁶ [HC Deb 22 October 2019 Vol 666 cc923-926](#)

⁷ See Commons Library Insight, [What does the latest Brexit delay mean for the UK and EU?](#), 31 October 2019.

Following the confirmation that an Article 50 extension had been agreed, the Government confirmed that Operation Yellowhammer had been [stood down](#).

1.8 No deal remains the default

The European Council Decision on 29 October to extend the Article 50 period meant that there could no longer be a no deal Brexit on 31 October, but a no deal Brexit remains the legal default if no withdrawal agreement is ratified by both the UK and EU, unless the UK revokes the Article 50 notification (and presuming the EU will not want to keep extending the Article 50 period indefinitely⁸).

On 29 October, the Government also introduced a [Bill to hold an early General Election](#) on 12 December 2019. It passed all of its House of Commons stages on 29 October. It then completed its House of Lords stages on 30 October and received Royal Assent on 31 October.

The European Council Decision also provided for the UK to leave the EU earlier than the Article 50 end-date of 31 January 2020 (as in any case is provided for in Article 50 TEU itself⁹) if the WA is ratified by both the UK and the EU (also requiring European Parliament consent). In this case the UK would leave the EU on the last day of the month in which ratification was completed and the WA would come into force on the first day of the next month. Given the dissolution of Parliament on 6 November until after the General Election on 12 December, it is unlikely that UK withdrawal from the EU – either with or without a deal - will be possible before 31 January 2020.

If the WA is ratified, it provides for a transition period until the end of December 2020 when EU rules will continue to apply to the UK. The transition period can be extended for up to two years. This is supposed to be a bridging period while the UK and EU negotiate a future relationship agreement. However, if a future relationship framework is not in place at the end of the transition period there is a possibility that this will then become a no deal 'cliff edge'. Arrangements regulating the UK-EU relationship could then cease to apply at this point and trade between the UK and EU would fall back to World Trade Organization (WTO) rules.¹⁰

⁸ Internal EU documents have advised against repeated Article 50 extensions. For example, a Council of the EU document on 15 March stated that "decisions to extend [the Article 50 period] may not be repeated in a manner that would make the duration of the withdrawal indefinite". A European Commission document circulated on 20 March 2019 advised against "a series of extensions which would keep the European Union in limbo for an extended period of time". These are discussed in section 3.5 of Commons Library Briefing Paper 8533 [Brexit delayed: the European Council Conclusions on extending Article 50](#), 22 March 2019.

⁹ [Article 50 \(3\) TEU](#) states that the EU treaties will cease to apply to the withdrawing Member State, "from the date of entry into force of the withdrawal agreement" or "failing that" the end of the Article 50 period.

¹⁰ See section 3.3 of Commons Library Briefing Paper 8713, [The October 2019 EU UK Withdrawal Agreement](#).

2. No deal preparations prior to July 2019

Summary

Theresa May's Government stepped up planning for a no deal Brexit in the summer of 2018, beginning the publication of detailed no deal guidance. In December 2018, the Government said it would be implementing its no deal plans in full. By this point, 106 technical notices to help prepare citizens and businesses for a no deal Brexit had been published. The Government planning included increased funding for a no deal scenario, within the £4.2 billion allocated for planning for all Brexit scenarios. Planning also included 3,500 military service personnel being put on standby and local resilience forums established across England.

2.1 'Technical notices' on no deal preparations

On 18 July 2018 the Prime Minister, Theresa May, [told](#) the Liaison Committee that over the course of the summer the Government would be releasing around 70 'technical notices' for British businesses and citizens - "those that need to know that information" - setting out how the public and business could prepare for the consequences of a no-deal Brexit.

The first public information alerts - or 'technical notices' or 'guidance' - were published on 23 August on the Department for Exiting the EU (DExEU) [website](#).

2.2 Funding for no deal

In mid-December 2018 the Government said it would implement its no-deal plans "in full". The Cabinet had agreed that the point had now been reached "where we need to ramp up these preparations" and the rest of the no deal plans would be set in motion. In its latest guidance notes, the Government said that for two years it had been "implementing a significant programme of work to ensure that the UK is prepared to leave the EU on March 29 2019",¹¹ adding:

It has always been the case that as we get nearer to that date, preparations for a no deal scenario would have to be accelerated. We must ensure plans are in place should they need to be relied upon.

There would be an extra £2bn of spending on planning for a no-deal Brexit.¹² On 18 December the Chief Secretary to the Treasury, Elizabeth Truss, [set out](#) funding allocated to Government Departments for financial year 2019-20. This included £480m of preparation funding for the Home Office, £410m for DEFRA, £375m for HMRC, £190m for the

¹¹ Guidance, [Producing and labelling food if there's no Brexit deal](#), updated 19 December 2018

¹² *BBC News*, [Brexit: Cabinet 'ramps up' no-deal planning](#), 18 December 2018

Department for Business, Innovation and Skills, and £128m for the Department for International Trade.

On 21 December the Government updated its overview of [government preparations for a 'no deal' scenario](#), summarising the funding as follows:

The government has taken its responsibilities to prepare the UK for all scenarios very seriously. The Budget 2018 confirmed an additional £500 million of funding for 2019/20, meaning the Government will have invested over £4 billion in preparing for EU exit since 2016.

2.3 Troops on standby

On 18 December Defence Secretary Gavin Williamson [told the Commons](#) (c 665) the Government would “ensure that 3,500 service personnel, including regulars and reserves, are held in readiness to support any Department with contingency needs” (in the event of a no-deal Brexit).

2.4 Updated preparations overview (December 2018)

The updated [preparations overview](#) (21 December 2018) summarised the Government’s actions as follows:

Over the course of August, September and October 2018, the Government published 106 technical notices to ensure that citizens and businesses have the information to prepare for Brexit. Since the publication of technical notices, we have taken further steps to ensure people and firms are ready, including:

- Publishing more than 100 pages of guidance for businesses on processes and procedures at the border in a no deal scenario.
- Contacting 145,000 businesses who trade with the EU, telling them to start getting ready for no deal customs procedures.
- Advising hundreds of ports, traders, pharmaceutical firms and other organisations that use the border about potential disruption so they can get their supply chains ready.
- Publishing a paper on citizens’ rights, giving people clarity on their future.

It also outlined other ‘no deal’ preparations, including staffing, infrastructure and policy. It said the Government had:

- Ensured there are more than 10,000 civil servants working on Brexit and a further 5,000 in the pipeline, which will allow us to accelerate our preparation as necessary
- Some departments, such as Defra, which are responsible for a sizeable proportion of the Government’s EU exit work, have rapidly increased their capacity to meet the challenge, recruiting 1300 members of staff in 2017 to 18 to work on exit. Border Force is recruiting 600 frontline officers to provide resilience and readiness ahead of EU exit and is separately recruiting up to a further 1000 staff to ensure

flexibility for all scenarios and sufficient resources for existing operations.

- Confirmed that existing organisations will grow and take on new responsibilities. For instance, the Competition and Markets Authority will take on an additional role as the UK's state aid regulator and the Information Commissioner's Office will support businesses on new data sharing arrangements.
- Procured or developed a number of new systems to build everything from a new market surveillance system to improving the capabilities of our Export Health Certificates system.
- Signed international safeguards agreements with the International Atomic Energy Agency, as well as bilateral Nuclear Co-operation Agreements, and Air Services Agreements. We will continue to work with third countries and international partners to seek continuity of the effects of international agreements which the Government participates in as a result of, or relevant to, its membership of the EU
- Set out our approach to bringing EU financial services legislation into domestic law in time for exit on 29 March 2019.
- Guaranteed certain EU-funded projects in a no deal scenario, including the full 2014-20 Multiannual Financial Framework allocation for structural and investment funds; the payment of awards where UK organisations successfully bid directly to the European Commission on a competitive basis until the end of 2020; any Rural Development Programme projects contracted before the end of 2020 for their full lifetime.

2.5 Local Government

In reply to a question about local government planning for 'no deal', Secretary of State for Housing, Communities and Local Government James Brokenshire [said on 21 December 2018](#) that his Department was "working closely with the 38 Local Resilience Forums, and with councils in England to ensure they are fully prepared". He added that the EU Exit Local Government Delivery Board, which he chaired, provided "an opportunity for national and local government to discuss Brexit preparations, review transition and implementation progress, address any issues or concerns that councils may have and discuss opportunities arising from Brexit".

2.6 Further reading

The Government's previous preparations for a no deal Brexit are explained in more detail in House of Commons Library Briefing Paper 8397, [What if there's no Brexit deal?](#).

Further updates on the Government's preparations for no deal in specific sectors or policy areas can be found in separate Commons Library Briefing Papers or Insights listed in the Commons Library Briefing Paper 8682 [No-deal Brexit: A guide to Commons Library research](#).

3. The Johnson Government's no deal planning

Summary

After taking over as Prime Minister on 24 July, Boris Johnson said that the Government would be turbo-charging no deal Brexit preparations. The preparations included new Government committees to oversee the process, and an additional £2.1 billion in funding to prepare for a no deal Brexit on 31 October. This included funding for additional border force officials and to address congestion around ports. Funding was also directed at improvements to customs systems. Preparations involved automatic registering of businesses for customs purposes, and adjustments to the already announced temporary tariff regime in the event of a no deal Brexit. In addition, the Government launched the 'Get Ready for Brexit' advertising campaign.

The Government's preparations were summarised in the No Deal Readiness report published on 8 October. This was followed up by another statement on Brexit preparedness on 24 October, when the Government announced that its Operation Yellowhammer contingency plan for a no deal scenario had been triggered. This plan was stood down following confirmation that the EU had agreed to extend the Article 50 period.

3.1 'Turbo-charging' no deal planning

In his [statement on 25 July on 'Priorities for Government'](#), the new Prime Minister Boris Johnson pledged to "fulfil the repeated promises of Parliament to the people by coming out of the European Union, and by doing so on 31 October". He later spoke of his "absolute commitment" to leaving the EU by this date "whatever the circumstances", adding that "[t]o do otherwise would cause a catastrophic loss of confidence in our political system".

Mr Johnson outlined his position on leaving the EU:

I would prefer us to leave the EU with a deal; I would much prefer it. I believe that it is possible, even at this late stage, and I will work flat out to make it happen, but certain things need to be clear. The withdrawal agreement negotiated by my predecessor has been three times rejected by this House. Its terms are unacceptable to this Parliament and to this country.

No country that values its independence, and indeed its self-respect, could agree to a treaty that signed away our economic independence and self-government, as this backstop does. A time limit is not enough. If an agreement is to be reached, it must be clearly understood that the way to the deal goes by way of the abolition of the backstop.

For our part, we are ready to negotiate, in good faith, an alternative, with provisions to ensure that the Irish border issues are dealt with where they should always have been: in the negotiations on the future agreement between the UK and the EU. I do not accept the argument that says that these issues can be solved only by all or part of the UK remaining in the customs union or in the single market. The evidence is that other arrangements are perfectly possible, and are also perfectly compatible with the Belfast or Good Friday agreement, to which

we are, of course, steadfastly committed. I, my team, and my right hon. Friend the Secretary of State for Exiting the European Union are ready to meet and talk on this basis to the European Commission, or other EU colleagues, whenever and wherever they are ready to do so.

For our part, we will throw ourselves into these negotiations with the greatest energy and determination and in a spirit of friendship. I hope that the EU will be equally ready and will rethink its current refusal to make any changes to the withdrawal agreement. If it does not, we will of course have to leave the EU without an agreement under article 50. The UK is better prepared for that situation than many believe, but we are not as ready yet as we should be.

He said that “[i]n the 98 days that remain to us, we must turbo-charge our preparations to ensure that there is as little disruption as possible to our national life”. Preparing to leave the EU without a withdrawal agreement was “not just about seeking to mitigate the challenges, but about grasping the opportunities”; not just about “technical preparations, vital though they are”, but about “having a clear economic strategy for the UK in all scenarios [...] and producing policies that will boost the competitiveness and productivity of our economy when we are free of EU regulations”.

Finally, Mr Johnson promised: “Today is the first day of a new approach that will end with our exit from the EU on 31 October”. He hoped for a “friendly and constructive relationship [with the EU], as constitutional equals and as friend and partners in facing the challenges that lie ahead”.

Chief Secretary to the Treasury Rishi Sunak told *Sky News* that turbo-charging preparations for no deal was the Government’s top priority and the objective was “to force the Brussels negotiators to remove the Northern Irish backstop from the EU Withdrawal Agreement to allow the UK to leave with a deal by Oct 31”.¹³

3.2 New government structures to prepare for no deal

The Prime Minister’s plans included new Government structures dedicated to delivering Brexit by 31 October. Writing in [*The Sunday Times*](#) on 28 July, the Chancellor of the Duchy of Lancaster, Michael Gove, who had been placed in charge of no-deal planning, explained that the Government was “accelerating preparations” for no deal:

First, all the necessary funding is now being put in place. You cannot properly prepare for a change of this magnitude without the money to make it happen. And the chancellor has agreed every penny needed for no deal preparation will be made available.

Second, the government machine is being retooled for the task. I am an unabashed admirer of the many brilliant people in our civil service. I have worked with them in four departments as they have risen to huge challenges and driven change. They now

¹³ *Sky News*, [Sophie Ridge on Sunday Interview with Rishi Sunak](#), 28 July 2019

know, along with every minister in the government, that delivering Brexit on time is the most pressing task before all of us.

Third, the cabinet secretary has created a new, unified, Whitehall structure to co-ordinate action across departments and accelerate decision-making.

The new Whitehall structure involved new committees:

The EU Exit Strategy (XS) 'war cabinet'

The so-called 'war cabinet' comprised Boris Johnson, Sajid Javid (Treasury), Dominic Raab (FCO), Stephen Barclay (Department for Exiting the EU), Geoffrey Cox (Attorney General) and Michael Gove – "all of them Brexiteers who support no deal".¹⁴ Mr Johnson chaired the first Brexit strategy meeting on 1 August.

The XS committee would meet twice weekly and would be chaired by the Prime Minister. Other ministers might join on an ad hoc basis.¹⁵

Cabinet Office Briefing Rooms ('COBR' or 'Cobra') Operations Committee

This committee was chaired by Michael Gove and Chief Secretary to the Treasury Rishi Sunak. It would meet daily to monitor no-deal and escalate important issues to the PM if necessary.¹⁶

Daily Operations committee (XO)

- Meets every weekday morning in Cobr and is chaired by CDL. Responsible for overseeing all of Govt's preparation for leaving and no-deal. Will make sure all of Govt instructed.
- Live actions, deadlines and accountability to be on the screens of Cobr at every meeting and minutes will be circulated immediately after
- CDL told cabinet that there will be clear lines of accountability, that XO will agree actions, make decisions and solve problems and all with specific deadlines.
- Will kick important issues up to either PM direct or to XS where necessary
- First meeting on Tuesday with tight membership that will include CST.¹⁷

Exit Economy and Trade Committee (ETC)

This committee would be chaired by the Prime Minister. It would meet regularly and focus on the UK's future relations with other countries

¹⁴ *Sunday Times*, [Boris Johnson vows no-deal Brexit 'by any means necessary'](#), 28 July 2019

¹⁵ Source: widely reported and [tweeted by Daniel Hewitt](#).

¹⁶ *The Telegraph*, [Boris Johnson to unveil biggest ad campaign since Second World War to prepare for 'no deal'](#), 28 July 2019

¹⁷ Ibid and Daniel Hewitt Tweet.

around the world. It “will have a broad remit and will handle write rounds”.¹⁸

3.3 More no-deal money

On 31 July Chancellor Sajid Javid announced extra money for no-deal preparations (former Chancellor Philip Hammond had already earmarked £4.2 billion for any Brexit scenario).¹⁹ Mr Javid said he was allocating an additional £1.1 billion for “critical operations” before a no-deal exit on 31 October, and £1 billion to “enhance operational preparedness”.²⁰ Some of this money would go to:

- The UK Passport Office – for anticipated increase in demand
- Operation Brock - £344 million for contingency measures to deal with congestion in Kent and border pressures and improving transport infrastructure around ports.
- £300 million for Departments to bid for under the Barnett formula, to ensure the supply of critical goods for up to four years after a no-deal Brexit.
- Border and customs: 500 extra border force officials, support for customs agents to train new staff; better IT to help businesses complete customs declarations.

3.4 Spending Round statement

The Chancellor gave his [spending round statement](#) on 4 September. This outlined spending for 2020-21, with a full multi-year spending round envisaged for 2020. The Treasury policy paper explained that this one year round “gives government departments and the devolved administrations the financial certainty needed to focus on delivering Brexit on 31 October”.²¹

In his statement, the Chancellor said that in addition to the £2.1 billion announced in July, the Government would also be providing a further £2 billion for Brexit delivery in 2020-21. Mr Javid said this would mean “more Border Force staff . . . better transport infrastructure at our ports, and more support for business readiness”.

The Treasury policy paper referred to the total £6.3 billion so far made available to prepare for Brexit, including £2.1 billion in August this year to increase no deal preparations in critical areas. It said that this had

allowed departments and the devolved administrations to step up vital operational preparations across the country, including for

¹⁸ Daniel Hewitt Tweet

¹⁹ See HM Treasury, European Union Finances 2018: statement on the 2018 EU Budget and measures to counter fraud and financial mismanagement [Table E.6: Departmental allocations: EU Exit funding allocations 2016-17 to 2019-20](#), p 77

²⁰ HM Treasury news story, [Chancellor announces billions to turbo-charge no deal preparations Chancellor Sajid Javid announces £2.1bn for no-deal Brexit preparation](#), 31 July 2019

²¹ HM Treasury, [Spending Round 2019](#), Policy Paper, 4 September 2019.

border and customs operations, critical medical supplies and support for UK nationals abroad.

It also said that the Spending Round confirmed that £2 billion of core funding provided to departments for Brexit in 2019-20 would be continued into 2020-21. This money would be used to “help pay for the costs of establishing a new relationship with the EU”.

The departmental settlements detailed in the policy paper included:

- £480 million for the Home Office, including continued funding for Border Force capability and delivery of the EU Settlement Scheme;
- Continuing to provide £191 million of funding to the Department for Business, Energy and Industrial Strategy (BEIS) to support delivery of Brexit-related activities, including the development of a UK Global Navigation Satellite System option and delivering business stability for company law and audit;
- £432 million of Brexit funding to the Department for the Environment, Food and Rural Affairs (Defra) to deliver a safe and ambitious departure from the European Union (EU), while setting global standards in protecting and harnessing value from the natural environment. This includes an additional £20 million to support delivery of Defra’s replacement for the EU Common Agricultural Policy (CAP) in England, which will prioritise environmental outcomes;
- £382 million for HM Revenue and Customs (HMRC), to develop and deliver improved critical internal systems, support businesses and taxpayers in all scenarios, develop long-term transit and infrastructure solutions, and make further progress on Alternative Arrangements (for Northern Ireland).

The policy paper also re-stated the government’s previous guarantee of funding for UK organisations in receipt of money from EU programmes, if the UK leaves the EU without a deal²².

In his statement, the Chancellor referred to the Treasury’s planning for Brexit outcomes and suggested that the Government was planned to diverge from the EU regulatory model post-Brexit. He said:

I’ve tasked the Treasury with preparing a comprehensive economic response to support the economy if needed. And we’ll work closely with the independent Bank of England to coordinate fiscal and monetary policy.

Sensible economic policy means we should plan for both outcomes.

And we are doing so.

But we should be careful not to let our focus on planning and preparedness distract us from the opportunities that lie ahead.

Brexit will allow us to reshape the British economy and reaffirm our place as a world-leading economic power.

²² See [HM Government's guarantee](#): Written statement by Chief Secretary to the Treasury, HCWS926, 24 July 2018 and HM Treasury Guidance, [The Government's guarantee for EU-funded programmes if there's no Brexit deal](#), updated 8 August 2019.

We'll have the opportunity to design smarter, more flexible regulation.

Or to cut red tape that stifles innovation.

We'll be able to replace inefficient EU programmes with better, homegrown alternatives.

3.5 New Border Force officers

On 7 August three Cabinet Ministers visited Dover to meet business leaders and to see how border officials are preparing for Brexit. They met representatives of the haulage, freight and port industries and border force officers.

Home Secretary Priti Patel said it was "crucial that our borders continue to flow freely and remain secure after Brexit" and that the Border Force was "recruiting up to 1,000 new officers to keep our country safe and ensure that Britain continues to be a hub for international trade". A Government [press release](#) confirmed that the 1,000 new Border Force officers would be on top of the 900 additional officers recruited in 2018/19 to prepare for Brexit; that across the Border Force more than 5,500 officers had been trained to ensure the border runs smoothly after the UK leaves the EU; that the Department for Transport had well-developed plans to make sure the area around the port of Dover keeps running effectively after 31 October; and that it was working closely with key stakeholders across Kent to make sure key routes such as the M20 continue to run smoothly. The Department was also consulting on new powers for traffic officers to reduce congestion in and around ports and had set aside £300m to ensure vital medicines continue to enter the UK after Brexit.

3.6 Chancellor accelerates preparations for business

On 21 August Sajid Javid [announced](#) that HMRC was increasing efforts to ensure businesses are ready to trade post-Brexit by automatically registering companies in the customs system, and doubling the numbers registered. More than 88,000 VAT registered companies across the UK would be allocated an Economic Operator Registration and Identification (EORI) number²³ in the coming weeks in order to keep trading with customers and suppliers in the EU after Brexit.

The press release explained that 72,000 companies had already registered for EORI numbers. Letters informing businesses of automatically allocated EORI numbers were due to start arriving on 21 August.

On 2 September, the Government announced that £16 million in funding was now available to help businesses train staff in making

²³ EORI numbers are a unique ID number allocated to businesses that enables them to be identified by Customs authorities when doing business with other traders. If businesses do not have an EORI number post-Brexit, they will be unable to continue to trade with EU Member States.

customs declarations, and to help businesses who support others to trade goods to invest in IT.

The Government [press release](#) said that more than 3,000 agents had already been trained as part of an £8 million investment earlier this year. This had also been used to develop new online learning products for customs staff such as an electronic learning package and a new UK Customs Academy, launched on 12 August.

The Government said that the second wave of government grants launched on 2 September would go further, with the additional £16 million to be invested to help ensure businesses have all the support they need to get ready for Brexit.

Businesses based in, or with a branch in, the UK would be able to apply for funding ahead of Brexit, with grants used to support:

- training costs for businesses who complete customs declarations, or who intend to in the future
- funding for IT improvement, which is available to small and medium sized employers who are currently involved in trade as an intermediary

3.7 Advertising campaign

Michael Gove [said](#) on 28 July that the Government would “shortly launch one of the biggest peacetime public information campaigns this country has seen, so that citizens, communities and businesses can prepare for what will happen if there is no deal”. The [Telegraph](#) cited Government sources saying the preparations involved “up to £100 million spent on advertising alone in the next three months”. £38 million would be given to local councils and the Foreign and Commonwealth Office for public relations exercises.²⁴

‘Get ready for Brexit’

On 1 September the Cabinet Office announced the launch of the new campaign, ‘Get Ready for Brexit’, which would run across television, social media, billboards and other platforms. It cited Government research which showed that only 50% of the population thought it likely the UK would leave the EU on 31 October, 42% of small-to-medium sized businesses were unsure of how they could get ready and just 31% of the British public had looked for information on how to prepare for Brexit. The [‘Get ready for Brexit’ checker](#) would provide help “to find out what you or your business will need to do to get ready for Brexit”.

The [Cabinet Office press notice](#) said the campaign would set out what members of the public and business owners might need to do, if anything, to get ready to leave the EU on 31 October. Target audiences for the campaign would include UK citizens intending to travel to the EU and all exporters to the EU, alongside groups requiring particular

²⁴ *Times*, [No-deal Brexit: Sajid Javid announces extra £2bn for war chest](#), 1 August 2019

information such as the equine industry and legal professions. Some of the key actions audiences needed to take included:

- Acquiring an Economic Operator Registration and Identification number to export to the EU. Businesses that are VAT registered would automatically be issued an EORI number, but micro businesses would still need to register themselves.
- Obtaining the correct documents to transport goods at the border.
- Applying for the vital support packages available for businesses, such as grants.

Michael Gove said the campaign would “encourage the country to come together to Get Ready for Brexit on 31 October” and that ensuring “an orderly Brexit is not only a matter of national importance, but a shared responsibility”.

Advertising together with targeted road shows and events directed people to the <https://www.gov.uk/brexit> web page, which had a new ‘checker’ tool so audiences could identify what they needed to do to get ready for Brexit quickly. There would also be ‘how to’ videos and step by step guides explaining actions that need to be taken.

The Government published a [fact sheet](#) on the Get Ready for Brexit campaign on 9 October. It explained that the campaign would continue after Brexit, in order to signpost essential information to businesses and members of the public, who may still need to take action. It also stated that, despite the ‘Benn Act’, it remained the case in law that the UK was set to leave the EU on 31 October 2019, and that if a request for an Article 50 extension was made in accordance with the Act, the EU “would need to agree any request for an extension and if they did not then the exit date would not change”.

The Get Ready for Brexit campaign continued to run with 31 October [still indicated as the Brexit date](#) after the Prime Minister had sent a letter to the President of the European Council on 19 October requesting an Article 50 extension, as required by the Benn Act.

Following the confirmation on 28 October that an Article 50 extension had been agreed by the European Council and [accepted](#) by the UK Government, the Get Ready for Brexit campaign [was paused](#).

3.8 Duty Free to return

On 10 September, the Chancellor [announced](#) the return of duty-free shopping with EU countries if the UK leaves the EU without a deal.

The decision on duty-free shopping in UK ports, airports and international train stations would mean in a no deal scenario that:

- UK excise duty would no longer be due on alcohol and cigarettes bought when leaving the UK for EU destinations.

- At the point of leaving the EU, people could continue to purchase and bring home unlimited alcohol and cigarettes in the EU if they pay duty on it there – as is the case currently
- People would now also have the alternative option of buying limited amounts of duty-free alcohol and cigarettes at duty free shops in the EU.

The Government said that consultation would also be launched shortly on long term duty-free policy.

3.9 Changes to temporary tariff regime

The Government [announced its temporary no-deal tariff regime](#) in March 2019. This would apply for 12 months in the event of the UK leaving the EU without a deal while a full consultation and review on a permanent approach to tariffs was undertaken.

Under the temporary tariff, 87% of total imports to the UK by value would be eligible for tariff free access.

- Tariffs would still apply to 13% of goods imported into the UK, including:
 - a mixture of tariffs and quotas on beef, lamb, pork, poultry and some dairy to support farmers and producers who have historically been protected through high EU tariffs;
 - a number of tariffs on finished vehicles in order to support the automotive sector (but not on car parts imported by UK-based car makers);
 - tariffs in sectors where these provide support for UK producers against unfair global trading practices, such as dumping and state subsidies. This covers certain ceramics, fertiliser and bioethanol;
 - tariffs on certain goods allowing the UK to maintain preferential access for developing countries. These include bananas, raw cane sugar, and certain kinds of fish.

On 8 October, the Government [announced](#) that following further discussions with industry and consumer groups, it was making three specific amendments to the temporary tariff regime. These would affect heavy goods vehicles (HGVs), bioethanol and clothing. The amendments were to:

- lower tariffs on HGVs entering the UK market, striking a better balance between the needs of British producers and the SMEs that make up the UK haulage industry, ensuring that crucial fleet replacement programmes that help to lower carbon emissions can continue
- adjust tariffs on bioethanol to retain support for UK producers, as the supply of this fuel is important to critical national infrastructure
- apply tariffs to additional clothing products to ensure the preferential access to the UK market currently available to developing countries (compared to other countries) is maintained

The news story on the Department of International Trade (DIT) website explained that under the amended temporary tariff regime 88% of total imports to the UK by value would be eligible for tariff free access (an increase from 87% in March).

It said that the Government would closely monitor the effects of the temporary tariff regime on the UK economy. It said that the Government was also announcing an “exceptional review process” coming into force on exit day “to make changes to the temporary tariff regime if necessary”. Businesses and consumers would be able to provide feedback on the impact of the temporary tariff regime to the Government through an online feedback form. The Government would then review the evidence and consider whether any changes need to be made.

It said the tariff regime would mean “lower prices in shops for consumers and the opportunity to source the best goods from around the world”. It gave the examples of honey from New Zealand which will see its tariff fall from 17% to zero, and grapes from Brazil which will reduce from around 15% to zero. Other products, such as tennis rackets and wines would no longer face a tariff.

Trade Policy Minister Conor Burns said that the temporary tariff regime “will support the UK economy as a whole, helping British businesses to trade and opening up opportunities for business to import the best goods from around the world at the best prices for British consumers”.

He added that “British business is in a strong position to compete in an open, free-trading environment”.

Comments from National Farmers Union

Following the announcement, the National Farmers Union (NFU) [repeated](#) its earlier criticisms of the temporary tariff regime. It said that the Government had severely undermined the British farming industry by confirming it will remove the tariff safeguards for a number of key agricultural sectors in the event of a no-deal Brexit. It warned of “significant additional financial pressure on farmers” given that at the same time high tariffs would be placed on exports to the EU in the event of a no deal Brexit.

NFU President Minette Batters said she had written to the Prime Minister a few weeks before to express NFU concerns with the approach the government took back in March to import tariffs in a no-deal scenario. She said that “the Prime Minister has missed a real opportunity to back British farmers”.

3.10 No Deal Readiness Report

Michael Gove made a statement in the House of Commons on 8 October, announcing the publication of the Government’s [No Deal Readiness Report](#). He described the 155-page document as a comprehensive summary of the UK’s preparedness for leaving the EU without a deal.

The report details the Government's preparations across a range of sectors, including on: borders; citizens; data protection; energy and environment; different industry and service sectors; public services; security; public services; Northern Ireland and devolved administrations.

The executive summary highlighted the following:

- £4 billion for Brexit planning announced before 24 July 2019, with an additional £2.1 billion in funding announced by the Chancellor in August 2019, and a further £2 billion for delivering Brexit in 2020;
- Signed or secured continuity Trade Agreements with non-EU countries, as well as continuity agreements across key sectors, including aviation, civil nuclear power and trade²⁵;
- 1,000 new staff recruited to help maintain security and support flows at the border;
- Almost 1.5 million EU citizens had already been granted a status under the EU Settlement Scheme and 1.7 million had applied by the end of September;
- Taken "the necessary steps to ensure the statute book is ready for Brexit by working to deliver an unprecedented programme of legislation";
- Continued to work with the Scottish and Welsh Governments and, in the absence of an Executive in Northern Ireland, the Northern Ireland Civil Service, to make preparations for leaving without a deal;
- Released more than 750 pieces of guidance outlining the potential impacts of leaving without a deal, and how businesses and traders should prepare;
- Ensured "that we have more than 15,000 of the best and brightest civil servants working on Brexit".

The report referred to the intensification of no deal preparations since 24 July 2019, including the additional funding allocated by the Chancellor of the Exchequer, as well as the following:

- The launch of the Government 'Get Ready for Brexit' public information campaign to advise people of actions to be taken to prepare for no-deal;
- The Government commitment to uprating the UK state pensions of those eligible recipients that live in EU Member States for a further three years beyond the Government's initial one year commitment for each year up until March 2023 while the

²⁵ Progress made by the Government in securing continuity agreements to replace international agreements it is party to as a Member State of the EU is discussed in Commons Library Briefing Paper 8370 [UK replacement of the EU's external agreements after Brexit](#). See appendix A for an overview of progress made (last updated 19 September 2019). As of 31 October 2019, 18 trade continuity agreements had been agreed covering 46 countries. The agreements so far concluded are listed on the Department for International Trade website [here](#) (the total number of EU trade agreements identified by the Government as requiring replacement was 39, covering 73 countries).

Government seeks to negotiate a new arrangement with the EU so that uprating continues;

- The launch of a £10 million Brexit readiness fund for business organisations and trade associations to support businesses to prepare for no-deal;
- The setting up of “face-to-face Brexit Readiness Roadshows” across the UK to provide businesses with information and advice as to what actions they should take;
- The launch of a new checker tool on GOV.UK so audiences can identify what they need to do to get ready for Brexit;
- Further continuity Trade Agreements with South Korea, Lebanon, SACU+M (South African Customs Union and Mozambique) and Tunisia;
- The Government had put in place a framework agreement with eight operators creating a list of approved operators to provide freight capacity for Category 1 goods;
- The Government had automatically allocated an Economic Operator Registration and Identification (EORI) number to 88,000 VAT registered companies across the UK that HMRC know trade with the EU, to help businesses continue trading with customers and suppliers in the EU;
- The Government was developing an improved infrastructure solution for transit movements in the event that the UK left without a deal on 31 October 2019 through securing six alternative government offices of destination or departure in Kent and Essex;
- The Government had set up two Cabinet Committees to oversee the strategy and operations of Brexit.

In his [statement](#), Mr Gove drew attention to various aspects of the Government’s no deal planning. These included: the doubling of funding from £4 billion to £8 billion; the 750 pieces of guidance setting out the steps that businesses, traders and citizens should take in order to prepare; and 31 country guides for all EU/EFTA states setting out what UK nationals living there need to do in order to get ready for Brexit.

Mr Gove stressed the importance of business and citizens taking steps to prepare for Brexit. For these reasons, he said the Government was investing £100 million in “one of the largest Public Information Campaigns in peacetime”. He also referred to a further £108 million to support businesses in accessing the information and advice they need. In addition, he said that HMRC would be writing to 180,000 businesses that week setting out the full range of steps they need to take in order to import and export with the EU after the UK leaves.

Mr Gove also explained that the Home Secretary had written to the European Commission Vice President Frans Timmermans to ensure effective arrangements are in place on the exchange of Passenger Name Record data, disconnection from SIS II (the Schengen information system), and working arrangements with Europol, as well as the transfer

of law enforcement data. He expressed the hope that “the EU will respond positively, in the interests of the shared security of us all”.

In addition, he said that the UK Government had unilaterally ensured that personal data can continue to flow freely – and legally – from the UK to the EU and the EEA. He said that “a swift adequacy decision from the EU would reciprocate this arrangement, providing legal certainty to EU entities and companies”.

3.11 Statement on Brexit preparedness, 24 October 2019

Mr Gove made another [statement on Brexit preparedness](#) on 24 October. This followed the vote on the motion on the revised WA on 19 October, the introduction of the WAB on 21 October and the Government decision to pause the WAB on 22 October after its programme motion for the Bill was defeated.

Mr Gove expressed disappointment that the Commons had not approved the WA on 19 October, and that this had led to the Prime Minister’s letter being sent to the European Council requesting an Article 50 extension in accordance with the Benn Act.

He said that the sending of this letter “creates unfortunately no certainty about our exit in an orderly fashion on October 31st” and that before the Commons vote on 19 October “European leaders including the President of the Commission, the President of France and the Taoiseach, deliberately and explicitly explained that members should not cast their vote on the assumption that the EU Council will offer an extension”.

Mr Gove said therefore that with no certainty that the extension would be granted he needed to “take the appropriate steps now to prepare for the increased possibility that the legal default position will follow, and we will leave on October 31st without a deal”.

He said that given this the Cabinet’s XO Committee had met the day before to agree that Government’s Brexit preparations now move into their final, most intensive phase, “and Operation Yellowhammer is triggered”.

Operation Yellowhammer triggered

Mr Gove said that preparations for the risk of no deal had to be intensified, and that the Government would be accelerating efforts to help businesses and individuals mitigate any dislocation and disruption that may ensue. The Government’s XO Committee would meet seven days a week to provide strong ministerial focus across government. Mr Gove explained further:

Hundreds of public servants across the UK will have to be redeployed. They will transfer to work in operations centres, ready to identify challenges, work together to resolve problems swiftly, and implement contingency plans. Government, local resilience bodies and operational partners will be working together, ready to respond 24 hours a day according to need.

We are also finalising the latest update of our reasonable worst-case planning assumptions and we will share these with the House very shortly.

And of course we must maintain our public information campaign. From tomorrow, this will reflect the renewed urgency of preparation.

The advice will help businesses and individuals appreciate what they must do to prepare, given the uncertainty which still unfortunately prevails.

I would again urge everyone to check the information relevant to their situation on Gov.uk, and also the comprehensive summary of actions to take which are contained in the Government's No Deal Readiness Report which was published on the 8th October.

We are complementing this information campaign with hands-on advice and assistance.

Mr Gove also outlined the following preparations being undertaken by Government departments:

- The Department for Transport was continuing to give personal advice to hauliers at sites across the UK and the EU, working with local resilience forums to finalise traffic management plans, and "particularly making sure that we have a smooth flow of people and goods across the Short Straits";
- On 11 October 2019, it was announced 4 operators: Brittany Ferries, DFDS, P&O Ferries and Stena Line had been successful in their bids to deliver freight capacity for a six month period from 31 October to 30 April. They will operate over 13 routes and from 8 ports in England: Teesport, Hull, Killingholme, Felixstowe, Harwich, Tilbury, Poole and Portsmouth;
- HMRC was stepping up work to deliver its export webinar programme to thousands of firms;
- DEFRA was distributing a Farming Brexit advice guide to agriculture businesses.
- BEIS was "reaching hundreds of companies at readiness roadshows".
- All key departments had helpdesk capacity in place with advisers ready to give the direct support required. This would build on the estimated 850 recorded engagements with business by DExEU, and other government departments.

Mr Gove said that the Government was also taking note of all of the comments and feedback left on Gov.uk by people who were seeking advice, "and we are passing on details of these specific issues and concerns to the relevant government departments".

He said the Government was also accelerating "our programmes of key policy and legislative decisions to ensure full readiness, including making and laying secondary legislation". This included laying the final statutory instruments (Sis) to ensure that all critical Brexit-related legislation "necessary for day one" was in force by 31 October.

This included legislation for the new temporary tariff regime for customs, and also for avoiding a hard border in Northern Ireland.

Mr Gove said that Northern Ireland would face “unique challenges” in a no deal Brexit, requiring steps to ensure effective governance and give direction to the Northern Ireland Civil Service.

Mr Gove made reference to the arrangements for governance in Northern Ireland made in the absence of the devolved government. Legislation and guidance had been introduced to empower Northern Ireland civil servants “to continue to take decisions that are in the public interest”.

Mr Gove said that while this arrangement had been sustainable to date, leaving without a deal would represent a formidable challenge to the current position. In this scenario, the Government would need to start formal engagement with the Irish Government about further arrangements to provide strengthened decision-making. He explained further:

That would include the real possibility of restoring a form of direct rule. We would of course do everything to ensure that the interests of all communities across Ireland were safeguarded in any arrangements. But we all must recognise that this would be a grave step from which, experience shows us, it would be hard to return, particularly in the context of leaving without a deal.

3.12 Operation Yellowhammer stood down

On 28 October, following confirmation from the EU that an Article 50 extension had been agreed, the Government confirmed that Operation Yellowhammer had been [stood down](#).

Operation Brock – which set out approved routes for HGVs in Kent – was [stood down](#) on 29 October, after coming into force on 28 October.

3.13 Further reading

More detailed updates on the Government’s preparations for no deal in specific sectors or policy areas can be found in separate Commons Library Briefing Papers or Insights listed in the Commons Library Briefing Paper 8682 [No-deal Brexit: A guide to Commons Library research](#).

4. EU no deal preparations

Summary

The European Commission began preparing for a possible no deal in December 2017 with most measures announced prior to the originally scheduled Brexit date of 29 March 2019.

Further contingency measures were announced at the beginning of April 2019, providing for continuation of basic air, road and rail transport connectivity between the UK and EU for a limited period of time, and a legal framework for continued reciprocal fishing access. There would also be compensation for EU27 fishermen hit by a no deal Brexit. In July 2019, the EU adopted a regulation enabling continued funding to the UK from EU programmes in 2019 provided the UK continues to contribute to the EU budget and follows EU rules. It also later proposed continuing this arrangement into 2020. The EU has ruled out 'mini deals' with the UK in the event of no deal, instead focusing on unilateral measures to provide for continuity in some areas. The European Commission published a final preparedness checklist on 4 September, and proposed further funding for business, workers and Member States affected by a no deal Brexit.

On the rights of UK citizens in EU Member States, the European Commission has encouraged a generous approach. EU27 Member States have agreed to measures to continue the rights of resident UK citizens for a temporary period.

4.1 Commission preparedness programme and legislation

The European Commission started preparing for a possible no-deal outcome in December 2017. The EU has ruled out last-minute 'mini-deals' with the UK to ease a no-deal exit, but several EU legislative proposals and a 'coordinated approach' are aimed to mitigate the potentially damaging impact of 'no deal' on the EU27. They include measures on the financial sector, transport and travel, customs and the export of goods, climate policy, fisheries, social security coordination, the ERASMUS and PEACE programmes, cooperation in the export of dual-use items, the listing of the UK in statistics on the balance of payments, international trade in services and foreign direct investment.

EU measures will facilitate visa-free travel, road haulage, rail and aviation continuity, and compensate fishermen for Brexit-related losses. Many of the measures are temporary (e.g. for around 9-12 months). A future EU-UK agreement is expected to provide long-term arrangements.

Most measures were announced ahead of the originally scheduled Brexit date of 29 March, with further measures announced prior to the second possible Brexit date of 12 April (following the first Article 50 extension).

On 25 March 2019 the EU institutions agreed no-deal Brexit laws on road haulage, aviation and rail, and the Commission declared that its no-deal 'Brexit preparedness' programme was complete.²⁶

Business and Customs

On 3 April 2019, the Commission [announced](#) that its business and customs preparations were ready for 'no deal'. On the same day the European Securities and Markets Authority (ESMA) confirmed that it had updated its recognition of UK clearing and settlement houses to ensure EU firms could trade in London if there was a no deal by 12 April.²⁷

Transport

On 4 April Transport Commissioner Violeta Bulc presented the EU's contingency and preparedness measures in [air](#), [road](#) and [rail transport](#). These allowed for the continuation of safe basic connectivity between the EU and the UK for a limited period of time, provided that the UK maintains an adequate level of safety standards and gives reciprocal treatment to EU companies and operators.

On 5 April Commissioner Karmenu Vella presented contingency measures on fisheries. One [measure](#) amends the EU Regulation on the Sustainable Management of the External Fleets to create a legal framework for continued reciprocal fishing access by EU and UK vessels to each other's waters in 2019. The other [measure](#) allowed EU27 fishermen and operators to receive compensation for the temporary cessation of fishing activities because of Brexit under the European Maritime and Fisheries Fund.²⁸

Agriculture, animal and plant health

On 8 April the Agriculture Commissioner Phil Hogan [announced](#) "early intervention" for agriculture in a no-deal scenario. On 9 April the EU's Standing Committee on Plants, Animals, Food and Feed (SCoPAFF) approved the UK's 'listed status' application, meaning the EU will recognise UK standards on animal health and biosecurity. But there will still be sanitary checks at the border and trade tariffs.

4.2 Budget measures

On 9 July the Council of the EU adopted [Council regulation 6823/1/19 on measures concerning the implementation and financing of the 2019 EU budget in relation to the UK's withdrawal from the EU](#).

The [Council press release](#) explained that this would enable the EU to continue making payments to UK beneficiaries for contracts signed and

²⁶ European Commission press release, [Brexit preparedness: EU completes preparations for possible "no-deal" scenario on 12 April](#), 25 March 2019

²⁷ See ESMA press release, [ESMA has adopted new recognition decisions for the three UK CCPs and the UK CSD in the event of a no-deal Brexit on 12 April](#), 5 April 2019.

²⁸ [Commission press release, 5 April 2019](#)

decisions made before the withdrawal date, as long as the UK continues paying its contribution agreed in the EU budget for 2019.

The UK would need to confirm in writing that it would contribute to the financing of the 2019 EU budget as adopted, and it would have to accept the necessary controls and audits for the EU programmes and actions. If it did so, eligibility for financing by the EU budget in 2019 of the UK and UK-entities would be maintained. The UK and UK entities would also be eligible in any calls, tenders, contests or other procedures which may lead to financing from the EU budget, except in specific cases related to security and to the loss of the UK's membership of the European Investment Bank.

This contingency framework would cease to apply if the UK discontinues the payments or where significant deficiencies have been observed in the execution of the controls and audits.

This would be without prejudice to an agreement to be negotiated in a no-deal scenario on a financial settlement between the EU and the UK "which would have to cover the entirety of mutual obligations resulting from the UK's EU membership".

4.3 Final preparedness checklist

On 4 September the European Commission published a no-deal [Brexit preparedness checklist for companies doing business in the EU](#). This was a final call to EU citizens and businesses to prepare for the UK's withdrawal on 31 October 2019. It elaborated the EU's [Brexit preparedness notices](#) and Communications.

The Commission [press release](#) stressed that in a 'no-deal' scenario, the UK will become a third country without any transitional arrangements. It said that since December 2017, the European Commission had been preparing for a 'no-deal' scenario. To date, the Commission has tabled 19 legislative proposals, all of which have now been adopted by the European Parliament and Council. The Commission has also adopted 63 non-legislative acts and published 100 preparedness notices. It said that the Commission does not plan any new measures ahead of 31 October.

The Commission said that it had screened all the EU's preparedness and contingency measures to ensure that they are still fit for purpose. It had concluded that there was no need to amend any of them on substance.

Technical adjustments to previous measures

The Commission did set out, on 4 September, proposed technical adjustments in light of the extension to the Article 50 period until the end of 31 October. This included extending the duration of the EU's 'no-deal' contingency measures for transport and mirroring for 2020 the existing 2019 contingency arrangements for the fisheries sector and for the UK's potential participation in the EU budget for 2020. These adjustments would need to be agreed by the Council of the EU and European Parliament.

In transport, this involved extending the duration of the Regulation ensuring basic road freight and road passenger connectivity (Regulation (EU) 2019/501) until 31 July 2020, and the Regulation on Basic air connectivity (Regulation (EU) 2019/502) until 24 October 2020. In fishing, the framework adopted for EU and UK fishermen to maintain access to each other's waters for 2019 would be extended into 2020.

For the EU Budget the approach of the contingency Budget Regulation for 2019 would be followed by a similar measure for 2020, enabling UK and UK beneficiaries to remain eligible to participate in programmes under the EU budget and to receive financing until the end of 2020 if the UK accepts and fulfils the conditions already set out in the 2019 contingency Regulation, pays its budget contributions for 2020 and allows the required audits and controls to take place.

Access to funding to mitigate no deal impact

The European Commission also proposed allowing access to the European Solidarity Fund and the European Globalisation Adjustment Fund to support businesses, workers and Member States most affected by a 'no-deal' scenario. In a Communication ([COM\(2019\) 394 final](#)) the Commission said the EU would "extend the scope of the European Solidarity Fund (ESF) to cover serious financial burden inflicted on Member States directly imputable to a withdrawal without an agreement and that could not be avoided by preparing in advance". The ESF help would include "support to state aid schemes for businesses, measures to preserve existing employment and ensure the functioning of border, customs and sanitary and phytosanitary controls". It would also ensure that the Fund is available "to support workers made redundant as a consequence of a withdrawal without an agreement, subject to certain conditions". The Commission suggested a swift response would be made if Member States find themselves in difficulties: "In addition to the two legislative measures above, other interventions can be put in place without the need to amend legislation".

Conditions for future relationship discussions in no deal scenario

The Commission press release also referred back to [President Juncker's](#) statement in the European Parliament on 3 April 2019, that should a 'no-deal' scenario occur, the UK would be expected to address three main separation issues as a precondition before the EU would consider embarking on discussions about the future relationship. These are:

- 1) protecting and upholding the rights of citizens who have used their right to free movement before Brexit;
- 2) honouring the financial obligations the UK has made as a Member State;
- 3) preserving the letter and spirit of the Good Friday Agreement and peace on the island of Ireland, as well as the integrity of the internal market.

4.4 Commission notices and further information

The Commission's preparedness notices are published [here](#), and its no-deal measures and legislative proposals are listed [here](#).

The Commission has published several Brexit [Factsheets and Questions and Answers](#) and [Information on National Brexit information in Member States](#).

For businesses, the EU has published [material](#) to help prepare for a no-deal Brexit, including a [5-step checklist](#) and a [guide to customs](#).²⁹

Staff are also being trained at a [call centre](#) dealing with enquiries about the EU from the public in the 24 official EU languages, which will be a hotline for questions about a no-deal Brexit.

Information on EU preparedness is also provided in the [Commission press release](#), 4 September 2019.

4.5 Rights of UK citizens in EU

In December 2018 the European Commission called on each Member State to "take a generous approach" to the rights of UK nationals in the event of a no deal. It said that "Member States should take measures to ensure that UK citizens legally residing in the EU on the date of withdrawal will continue to be considered legal residents" and that "Member States should adopt a pragmatic approach to granting temporary residence status".

The remaining 27 EU Member States (EU27) have in principle agreed to temporarily continue the current rights of UK citizens living in their territories if the UK reciprocates. Most have now legislated for this. The general approach is to allow UK nationals to continue to reside with existing rights for a grace period, with the opportunity of applying for permanent residence.

The European Commission has published an [overview of the measures](#) taken by individual EU Member States to protect the residence rights of UK nationals in the EU27 in the case of a no-deal scenario. It has also published a [Q&A](#) on what UK residents' rights will be in each of the Member States.

Brexit no-deal planning by the EU and individual EU27 Member States, including their planning in relation to the rights of UK citizens resident in the EU, is discussed in more detail in Commons Library Briefing Paper 8547, [EU preparations for a no-deal Brexit](#).

4.6 'Mini-deals' if there's no withdrawal agreement?

The EU has adopted a range of measures and legislation to mitigate the impact of a no-deal Brexit for the remaining EU27 States. The European

²⁹ The state-of-play regarding UK Brexit no-deal measures was summarised by then DExEU Minister Chris Heaton-Harris in a [debate on 20 March](#) 2019 cc1073-4.

Commission insists these are not side- or mini-deals, but unilateral, non-negotiable EU measures that have not been discussed with the UK Government. The UK Government was [reported](#) at the end of July to be hoping to “be able to strike a series of quick side deals to keep vital trade flowing in the event of a no-deal Brexit once EU countries feel the disruption”.³⁰ The *Huffington Post* suggested the Government might be relying on individual EU27 States asking the EU to “[strike] agreements with the UK to protect businesses in their own countries which will be worst-hit by no deal”. There is little evidence of this, but there have been some bilateral agreements - on citizens’ voting rights, for example.

On 10 September *Politico* [reported](#) that, according to two diplomats, many EU27 capitals had been approached by the UK Government with offers of deals or bilateral arrangements that would ameliorate the impact of a no-deal Brexit on both sides. One of the diplomats said that at a meeting of EU27 officials the previous week almost “all delegations mentioned that they were being approached by the UK on several issues”. These included topics such as data protection, and social security benefits and health entitlements of British citizens living in other parts of the EU. The Luxembourg Prime Minister Xavier Bettel told *Politico* that Luxembourg had already come to an agreement with the UK that would come into effect if there is no deal. He said this was not a secret mini deal but “an agreement with the UK about voting rights, so Luxembourgers can vote for local elections in Great Britain”.

Politico also reported that at a separate meeting of EU ambassadors the previous week, Michel Barnier had said that putting in place contingency measures for no deal should not lead “to a slew of uncoordinated mini deals that could end up being more advantageous to the UK than the Withdrawal Agreement”.

A spokesperson for the Department for Exiting the European Union told *Politico* that the story was “untrue and seems to conflate two separate strands of work” referring to talks in which the UK was seeking changes to the WA and secondly to UK talks with Member States “about key bilateral arrangements in areas such as Citizens Rights to ensure we are ready to leave on 31 October, whatever the circumstances”.

Exchange of letters between Steve Barclay and Michel Barnier

The Brexit Secretary Steve Barclay [wrote](#) to Michel Barnier on 25 September 2019 proposing UK-EU discussions on no deal planning. Mr Barclay suggested that “there are many areas where we need either to improve our mutual readiness or put in place practical mitigations that work for us both”. He went on:

I hope that EU and UK officials can now exchange information, and discuss and understand our respective plans to ensure we meet our objectives, because there will be insufficient time to complete such work if left until the last days of October.

³⁰ *Huffington Post*, [Boris Johnson Eyes Side Deals With EU To Keep Trade Flowing In No-Deal Brexit](#), 31 July 2019

Mr Barclay said that there were a number of areas that would benefit from structured engagements and exchange of information. These included for example:

how we maintain the flow of trade in goods and passengers at points of entry/exit (in the interests of EU exporters and UK consumers), or the exchange of data (where we both need to ensure small and medium sized businesses are properly prepared). As with citizens' rights, in some such areas we have passed legislation to make domestic provisions, as has the EU, but there are nonetheless operational matters that we would like to explore jointly.

Mr Barclay also asked if the Commission could signal to Member States "that it does not object to prudent bilateral discussions in areas in which the Commission does not wish or need to act, but where individual Member States wish to address risks pertaining to their own arrangements".

Mr Barclay said he wanted to be "clear that this respects your objection to 'mini-deals' in the absence of a withdrawal agreement. He said that this would rather be about "ensuring that we both understand what each is doing in the event we cannot get a deal, and ensuring that our decisions and practical work help our businesses and citizens prepare".

The Government published Mr Barnier's [response](#) on 27 September. Mr Barnier wrote:

As we mentioned in previous letters to you and your predecessors, we believe that the Withdrawal Agreement is the best way to protect citizens and businesses. Every issue raised in your letter – from trade in goods to citizens' rights and data flows – has already been addressed comprehensively in the Withdrawal Agreement. There is no other way to achieve all the benefits that the Withdrawal Agreement provides.

As regards 'no-deal' preparations, the EU has already finalised its work, as set out in the European Commission's six "preparedness Communications" adopted between July 2018 and September 2019, as well as in the 100 "Brexit preparedness notices" published since May 2017. We will not enter into any negotiations with the United Kingdom on these matters.

You state that with "flexibility and creativity" a deal can be possible. As you know, the EU has already shown considerable flexibility and creativity throughout the negotiations and we are open to consider all legally operative solutions that meet all the objectives of the backstop. I am looking forward to seeing you tomorrow in Brussels to discuss any solutions or ideas you may have in this respect.

4.7 Further Reading

Commons Briefing Paper 8547, [EU preparations for a no-deal Brexit](#), last updated 30 July 2019, provides more details on the EU's preparations.

5. UK disengagement from EU

Summary

Along with increasing its no-deal preparations, and despite the UK being a full Member State until it leaves, Boris Johnson's Government reduced the UK presence in EU institutions and decision-making. It announced there would no longer be a UK presence at some EU meetings. Since July, the UK has abstained in all but one vote in the Council of the EU.

The Government also confirmed in August that the UK would not nominate a member of the new European Commission scheduled to take office on 1 November. In agreeing to extend the Article 50 period at the end of October, the European Council said that the UK was obliged to suggest a candidate for the new Commission. The new Commission has been delayed in taking office following the European Parliament's rejection of candidates from other Member States.

5.1 UK won't attend all EU meetings

On 25 July, in his [statement to Parliament](#) on priorities for the Government, Boris Johnson said UK participation in the EU would come to an end:

Our national participation in the European Union is coming to an end, and that reality needs to be recognised by all parties. Indeed, today there are very many brilliant UK officials trapped in meeting after meeting in Brussels and Luxembourg, when their talents could be better deployed in preparing to pioneer new free trade deals or promoting a truly global Britain. I want to start unshackling our officials to undertake this new mission right away, so we will not nominate a UK Commissioner for the new Commission taking office on 1 November—under any circumstances—although clearly this is not intended to stop the EU appointing a new Commission.³¹

An [official announcement](#) was made on 20 August that UK officials would stop attending most EU meetings from 1 September in order to focus on the UK's future relationship with the EU and other partners around the world. Brexit Secretary Steve Barclay said:

An incredible amount of time and effort goes into EU meetings with attendance just the tip of the iceberg. Our diligent, world-class officials also spend many hours preparing for them whether in reading the necessary papers or working on briefings.

From now on we will only go to the meetings that really matter, reducing attendance by over half and saving hundreds of hours. This will free up time for Ministers and their officials to get on with preparing for our departure on October 31 and seizing the opportunities that lie ahead.

It was [reported](#) that Finland, which held the Council's rotating Presidency in the second half of 2019, would be delegated to cast the UK's vote when a UK representative was not in attendance.

³¹ For information on the appointment of a UK Commissioner, see Commons Library Insight, [PM says UK will not nominate an EU Commissioner – how might the EU respond?](#) 26 July 2019.

The Guardian [reported](#) on 27 October, that a UK Minister or official had attended eight out of 15 Council of EU meetings since the beginning of September. This included attendance by Stephen Barclay of a Council meeting dedicated to EU enlargement the previous week.

It said that three other UK ministers had attended meetings since 1 September. These were: Chancellor of the Exchequer Sajid Javid (meeting of finance ministers to discuss EU financial market rules); Foreign Office Minister Andrew Murrison (foreign ministers' meeting to agree EU-wide restrictions on arms sales to Turkey); and Energy minister Lord Duncan (meeting to discuss climate targets under the Paris agreement). The Prime Minister also participated in discussions at the European Council on 17-18 December (including on EU enlargement).

UK officials had also participated in meetings on the common agricultural policy and fisheries, anti-money laundering action, and future EU trade policy. The UK did not have a presence in meetings on the rule of law in Hungary, transport, energy and agriculture.

The Guardian report cited a UK government spokesperson who said: "We have said that the UK will attend fewer than half of all EU meetings, and that is exactly what we have done."

5.2 UK abstaining on Council votes

Up until 15 October, the UK had abstained on all votes in the Council of the EU since July 2019. Prior to this date, the last UK vote which was not an abstention was a [vote on family law](#) on 25 June. Up to and including 11 October, there had been [eight votes](#) in the Council of the EU on which the UK has abstained.

This run of abstentions ended on 15 October when the UK voted against the Regulation of the European Parliament and of the Council amending Regulation (EU) No 648/2012 as regards the procedures and authorities involved for the authorisation of Central Counterparties (CCPs) and requirements for the recognition of third-country CCPs. The Regulation amends reporting templates for participants in central counterparty (CCP) clearing house trades³². 26 of the other 27 Member States voted in favour of the Regulation, with one Member State (Luxembourg) abstaining.

The UK abstained on another Council vote on 15 October, relating to amendments to the draft EU budget for 2020. Following the votes on 15 October, the UK returned to its pattern of abstaining with three further abstentions in votes on 25 October.³³

³² A central counterparty (CCP) clearing house is a financial institution that facilitates the settlement (or clearance) of financial contracts such as derivatives. The clearing house stands between two clearing firms (also known as member firms or participants). The CCP reduces the risk and consequences of participants defaulting on their obligations, so making these transactions cheaper and safer for traders. See Commons Library Briefing paper [Brexit and financial services](#).

³³ This was pointed out by Professor Steve Peers of the University of Essex on [twitter](#). The register of Council of EU votes can be found [here](#).

5.3 The Government says it will not nominate a new Commissioner

On 25 July Boris Johnson said the Government would not nominate a UK candidate for Commissioner in the new EU Commission due to take office on 1 November.

This was confirmed in a [letter](#) from the UK's Permanent Representative to the EU, Sir Tim Barrow, to the Secretary-General of the Council of the EU on 23 August. The letter was in response to a request for Member States to submit letters of nomination for the College of Commissioners for 2019-2024 by 26 August. It referred back to the Prime Minister's statement on 25 July and said that the UK would not be nominating a UK Commissioner for the new Commission, given the UK will be leaving the EU on 31 October.

It also confirmed that the UK decision was not intended to stop the EU appointing a new Commission, and that the UK would not object to the Council adopting its list of candidates for the European Commission and communicating the list to the European Parliament.

[Commenting on the letter](#), Brexit Secretary Steve Barclay said:

We are leaving the EU on 31 October. As a departing member state we will not be involved in the new Commission so it would be a distraction to nominate a new Commissioner.

This is part of the UK's ongoing preparations for Brexit which allows us to focus on our future relationship with the EU while continuing to explore new opportunities with partners across the world.

Requirement to nominate UK Commissioner for extended Article 50 period

Following the passage of the Benn Act on 9 September, the likelihood of a further extension of the Article 50 beyond 31 October was increased. Among the questions this raised was whether this would lead to the UK having to nominate a Commissioner after all.

On 10 September the incoming President of the European Commission, Ursula von der Leyen was asked whether the UK would need to nominate a Commissioner if the Article 50 period is extended. She [responded](#):

If the UK were to ask for an extension, and if that were granted, then according to the rules of the treaty, then yes, a commissioner would have to be appointed and that person would receive a portfolio.

Following the Prime Minister's letter to the President of the European Council on 19 October requesting a further Article 50 extension until 31 January 2020, sent in accordance with the Benn Act, Ms von der Leyen reiterated this message, [saying](#):

If, after the first of November — and this is not a given — there might be an extension and the UK is still in the EU, then of course I would ask the UK to send a Commissioner

The European Council agreed to the UK request, and adopted a [Decision](#) on 29 October extending the Article 50 period until 31 January 2020. The Decision refers to the UK's continuing rights and obligations as a Member State, and states that this includes the UK's obligation to suggest a candidate for appointment to the European Commission.³⁴

The European Council does have the power to take a decision on the number of European Commissioners and on whether every Member State should nominate a Commissioner. Article 17 (5) TEU actually provides that the Commission shall consist of a number of members . . . corresponding to two thirds of the number of Member States, unless the European Council, acting unanimously, decides to alter this number". However, following the first Irish referendum vote rejecting the Lisbon Treaty (which introduced this wording) in 2008, the European Council [decided](#) that the Commission would continue to consist of a number of members equal to the number of Member States. In agreeing the latest Article 50 extension, the European Council has not chosen to take a decision that would depart from this principle.³⁵

Nominees for the European Commission need to be agreed by Commission President-elect Ursula von der Leyen and the Council of the EU. Individual nominees are then subjected to hearings by the relevant European Parliament Committees. The whole Commission is then put to an approval vote by the European Parliament. This process was supposed to be completed by the end of October in time for the new Commission to take office on 1 November. However, it has been [delayed](#) after European Parliament Committees [rejected three of the nominees \(from Hungary, France and Romania\)](#). Hungary and France have subsequently nominated new candidates, but Romania had [yet to nominate a replacement candidate](#) on 31 October.

The new Commission could take office at the beginning of December (requiring a European Parliament consent vote at the end of November), or it could be delayed until the beginning of 2020. The outgoing European Commission will continue to remain in office on a caretaker basis in the meantime.

The delay means that the appointment and scrutiny process for a UK Commissioner could be undertaken in time to catch up with the [other pending nominations](#) and the European Parliament consent vote on the full Commission. If a UK nomination is made too late to catch up with this process, then the nominee will still need to be agreed by the Commission President and Council and will be subject to the relevant European Parliament Committee hearing.

The current UK Commissioner, Sir Julian King, remains part of the 'caretaker' European Commission until the new one takes office. The UK Government could nominate Sir Julian as its candidate for the new

³⁴ See Commons Library Insight, [What does the latest Brexit delay mean for the UK and EU?](#), 31 October 2019.

³⁵ For example this might have involved a decision to exempt the UK as a withdrawing Member State from the obligation to nominate a Commissioner.

Commission. However, at the time of writing it was not clear whether the UK Government would nominate a candidate prior to the planned General Election of 12 December. Sir Julian King said on 30 October said that he [had not been approached](#) by the Government to remain in post as the UK's Commissioner.

The European Council Decision also provided for the UK to leave the EU earlier than 31 January 2020, on either 30 November or 31 December if ratification of the Withdrawal Agreement is completed in the month prior to these dates. However, the dissolution of Parliament until after the General Election on 12 December, means that ratification of the WA is now unlikely before January 2020. This means that 31 January is the earliest possible Brexit date. A UK-nominated Commissioner might therefore be called for if the new Commission takes office before this date.

6. Recent 'no deal' analysis

Summary

Reports have been published by a range of organisations since July 2019 on the possible impact of a no deal Brexit. This also includes Government reports (some leaked to the press) and reports from other public bodies and prominent organisations. Some of these are summarised in this section.

The Government's "Operation Yellowhammer" report suggested there would be significant disruption at the border, logjams disrupting the fuel supply and reductions in the supply of fresh food. Medical supplies would also be vulnerable. A National Audit Office report said there were significant risks to the smooth operation of the border, with disruption likely. A HMRC report said additional administrative burdens for UK-EU trade would cost UK businesses £7.5 billion a year.

The Office for Budget Responsibility said that public borrowing would be double what it would be if the UK left the EU with an agreement. The Institute for Fiscal Studies said that in a relatively "benign" no deal scenario, the UK would be 2.5% smaller in 2022 than it would be if Brexit continued to be delayed.

6.1 Government reports

Operation Yellowhammer

On 18 August the [Sunday Times published](#) in full a classified Government report on 'Operation Yellowhammer', the Government's no-deal preparation programme.

The *Sunday Times* summarised key points in the report as follows:

- The government expects the return of a [hard border in Ireland](#) as current plans to avoid widespread checks will prove "unsustainable"; this may spark protests, road blockages and "direct action"
- Logjams caused by months of border delays could "affect fuel distribution", potentially disrupting the [fuel supply](#) in London and the southeast of England
- Up to 85% of lorries using the main Channel crossings "may not be ready" for French customs and could face delays of up to two and a half days
- [Significant disruption at ports](#) will last up to three months before the flow of traffic "improves" to 50-70% of the current rate
- Petrol import tariffs, which the government has set at 0%, will "inadvertently" lead to the closure of two oil refineries, 2,000 job losses, widespread strike action and disruptions to fuel availability
- Passenger delays at EU airports, St Pancras, Eurotunnel and Dover
- [Medical supplies](#) will "be vulnerable to severe extended delays" as three-quarters of the UK's medicines enter the country via the main Channel crossings

- The availability of fresh [food](#) will be reduced and prices will rise. This could hit “vulnerable groups”
- Potential clashes between UK and European Economic Area fishing vessels amid predictions that 282 ships will sail in British waters illegally on Brexit day
- Protests across the UK, which may “require significant amounts of police resource[s]”
- Rising costs will hit [social care](#), with “smaller providers impacted within 2-3 months and larger providers 4-6 months after exit”
- [Gibraltar](#) will face delays of more than four hours at the border with Spain “for at least a few months”, which are likely to “adversely impact” its economy.³⁶

The new Government dismissed many of the conclusions as scaremongering, saying the report was out-of-date and was about worst-case scenarios. Michael Gove said the Government had taken “significant additional steps” since it was written.³⁷

After being required to do so by a House of Commons [“humble address” motion on 9 September](#), the Government [published](#) a version of the “Operation Yellowhammer” report, dated 2 August 2019, on 11 September.

While the content was similar to that previously reported by the *Sunday Times*, it was labelled as the Government’s “reasonable worst case planning assumptions”. The version reported in the *Sunday Times* described the assumptions as a “base scenario”. In a [letter](#) to the chair of the Exiting the EU Committee, Hilary Benn, Mr Gove reiterated that it was based on assumptions drawn up by the previous government.

Operation Kingfisher

On 13 October, the *Sunday Times* published details of a [leaked Operation Kingfisher document](#), relating to the Government’s plans to support businesses impacted by a no deal Brexit. It identified 33 areas in England most vulnerable to job losses in a no deal scenario. These included areas with major car manufacturers, such as Sunderland, Swindon, Coventry and Oxford. Other areas on the list included Carlisle, Halifax, Blackburn, Preston, Scunthorpe, Chesterfield, Derby, Crewe, Chester, Peterborough, Stevenage, Yeovil, Salisbury, Bournemouth, Poole, Worthing and Hastings.

HMRC report

A HMRC [impact assessment](#) for the movement of goods if the UK leaves the EU without a deal was published on 7 October 2019. It said that there would be a “significant new and ongoing administrative burden for businesses moving goods between the UK and EU” and estimated the total cost on UK businesses for additional import and export

³⁶ *Times*, [Operation Chaos: Whitehall’s secret no-deal Brexit preparations leaked](#), 18 August 2019

³⁷ *Times*, [Operation Yellowhammer leak claims by Boris Johnson ‘a preposterous smear’](#), 19 August 2019

declarations as £7.5 billion per year. It also estimated a total cost to the UK and EU of £15 billion per year.

The *Financial Times* [reported](#) that the HMRC figures “are likely to be on the low side” as they did not include the additional costs of complying with new VAT procedures for services companies or for new VAT rules that would apply to parcels following a no-deal Brexit. They also exclude the one-off costs businesses would incur in preparing to fill in customs declarations.

6.2 Public bodies

NAO report on border preparedness

The National Audit Office published a [report](#) on UK border preparedness for exit on 16 October. It said that while the Government had done a great deal to prepare, the NAO had found that “the most significant risks to the smooth operation of the border remain and resolving them is now, to some extent, out of government’s control”.

The NAO [highlighted](#) the following issues:

- The Government had accepted the border will be “less than optimal”, which could mean disruption of goods crossing the border and queues for businesses and the public.
- The Government has prioritised security and safety; the flow of people and goods; and then compliance activity, including the collection of revenue. This comes with financial risks, as in the short-term it will not require EU traders to provide all the information at the border that it requires of non-EU traders. The NAO has previously reported that it is also likely that organised criminals will quickly exploit any perceived weaknesses or gaps in the enforcement regime.
- The Government intends to apply temporary measures to give businesses more time to prepare and facilitate the flow of traffic. These include Transitional Simplified Procedures which allow registered businesses to delay submitting customs declarations and payment of customs duties on imports from the EU to the UK. As of early October 2019, approximately 25,000 of the 150,000 to 250,000 traders that may need to make a customs declaration on day one in the event of no deal had registered.
- In preparing for a no deal exit, the Government has put in place new systems, upgraded existing systems and made other extensive changes to minimise potential disruption. Since April, departments have strengthened aspects of their preparations including testing whether key systems will operate and integrate as planned on day one. They have secured and developed three more sites to deal with the expected increase in goods entering the UK under transit arrangements. They are also recruiting more staff, including around 500 more Border Force staff in 2019-20 to carry out transit checks.
- The Government’s reasonable worst-case planning assumptions state that the flow of goods across the short Channel crossings could initially be reduced to 45-65%, taking up to 12 months to

flow normally. In forming this estimate it assumed that 30-60% of hauliers travelling to the EU border will have appropriate documentation. Therefore, the Government planned to introduce mandatory readiness checks on lorries to identify and divert hauliers who are not ready for French customs in order to reduce queues building up on the approaches to Dover and Eurotunnel. There was limited time to get the necessary infrastructure and staff in place to undertake these checks, finalise how they will operate in practice, and inform hauliers ahead of 31 October.

- The UK Government has announced temporary arrangements for managing trade crossing the land border from Ireland to Northern Ireland, in the event of no deal, but it acknowledges these are not likely to be sustainable. There is still uncertainty about border arrangements that the Irish government would introduce, including what checks it would impose or where they would take place.
- The Government was preparing to activate its civil contingency plans to manage short-term (Operation Yellowhammer). Work was also underway to enable the continued supply of essential goods and medicines, and to manage queues of traffic in Kent (Operation Brock).
- Many border arrangements for a no deal were intended as temporary and not sustainable in the longer-term. In the longer-term, the Government would need to balance enabling the flow of traffic across the border with introducing appropriate measures to minimise risk of non-compliance or criminal activity.

Office for Budget Responsibility

The Office for Budget Responsibility (OBR) issued its [Fiscal risks report](#) on 18 July. This assesses what might hit the public finances over the next five or fifty years.

The report said that [public borrowing would be twice as high](#) in 2019-20 if there is a no deal Brexit than there would be if the UK left the EU with a deal. It projected £60 billion borrowing if the UK leaves without a deal, compared to £29.3 billion if the UK leaves with a deal. It also said that in a no-deal scenario the UK economy would contract by 2% in 2020 before recovering in 2021.

6.3 Other reports

Confederation of British Industry

A Confederation of British Industry (CBI) report published on 28 July concluded that neither the UK nor the EU was sufficiently prepared for a no-deal Brexit. The CBI's three main conclusions were:

1. It's time to escalate preparations. Having analysed Brexit preparations by the UK government, the European Commission, EU Member States and companies in the 27 areas of the UK's relationship with the EU that are most important to businesses, the CBI has concluded that no one is ready for no deal.

2. Preparations can have a material impact. Working with its member businesses and Trade Associations, the CBI has compiled over 200 recommendations for reducing the harm of no deal.
3. Many no deal mitigations rely on actions by and negotiations with the EU, which will hold all the political difficulties experienced in talks so far.³⁸

Institute for Fiscal Studies

The Institute for Fiscal Studies (IFS) [Green Budget 2019 Report](#) published on 8 October set out forecasts for the UK economy under four different Brexit scenarios, including a no-deal scenario accompanied by significant fiscal loosening.

It said that under its relatively benign “no deal” scenario, it assumed that a Conservative-led government would implement further fiscal loosening totalling 2% of GDP. Interest rates would be cut to zero alongside £50 billion of quantitative easing. Private consumption and investment growth would fall while net trade would also be a drag on growth. In this scenario the IFS projected that the economy would not grow over the next two years and would grow by 1.1% in 2022. This would leave the UK 2.5% smaller in 2022 than under the current base case whereby Brexit continues to be delayed.

Further reading

Commons Briefing Paper 8642, [Brexit reading list: no deal](#), last updated 5 November 2019

Commons Briefing Paper 7912, [Brexit: a reading list of post-EU Referendum publications by the UK Parliament and the Devolved](#), last updated 5 November 2019. This includes links to Select Committee and Library reports on the impact of ‘no deal’ in a range of areas.

Scottish Parliamentary Research and Information Service, [Preparing for a no-deal Brexit](#), 2 September 2019

UK in a changing Europe, [No deal Brexit: issues, impacts, implications](#), 4 September 2019

³⁸ CBI, [What comes next? The business analysis of no deal preparations](#), July 2019

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