

Agenda – External Affairs and Additional Legislation Committee

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| Meeting Venue: | For further information contact: |
| Committee Room 2 – Senedd | Alun Davidson |
| Meeting date: 19 November 2018 | Committee Clerk |
| Meeting time: 13.45 | 0300 200 6565 |
| | SeneddEAAL@assembly.wales |

Private pre-meeting

(13.45–14.00)

1 Introductions, apologies, substitutions and declarations of interest

(14.00)

2 Scrutiny session with the Cabinet Secretary for Finance

(14.00–15.30)

(Pages 1 – 32)

Mark Drakeford, Cabinet Secretary for Finance

Ed Sherriff, Welsh Government

Liz Lalley, Welsh Government

3 Papers to note

(15.30–15.35)

3.1 Paper to note 1 – Correspondence from David Rowlands, Chair of the Petitions Committee regarding Petition P-05-840 Fair Funding for Neath Port Talbot County Borough Council and all other Local Authorities – 6 November 2018

(Pages 33 – 34)

3.2 Paper to note 2 – Correspondence from Robin Walker MP, Parliamentary Under-Secretary of State for Exiting the EU regarding the additional information requested following 11 October EAAL Committee appearance – 7 November 2018

(Pages 35 – 39)



- 3.3 Paper to note 3 – The British Veterinary Association: No Deal Brexit and the Veterinary Profession – 14 November 2018**
(Pages 40 – 63)
- 3.4 Paper to note 4 – Correspondence from Jim Harra, Deputy Chief Executive and Second Permanent Secretary, HMRC regarding clarification on custom checks when landed in a destination state – 14 November 2018**
(Pages 64 – 65)
- 3.5 Paper to note 5 – Correspondence from the First Minister of Wales regarding the Withdrawal Agreement Assembly vote – 15 November 2018**
(Page 66)
- 4 Motion under Standing Order 17.42(vi) to resolve to exclude the public from the remainder of the meeting**
(15.35)
- 5 Scrutiny session with the Cabinet Secretary for Finance – consideration of evidence**
(15.35–15.50)
- 6 Preparing for Brexit – consideration of draft reports**
(15.50–16.50) (Pages 67 – 103)

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Committee Chairs
National Assembly for Wales
Tŷ Hywel
Cardiff Bay
CF99 1NA

6 November 2018

Dear Chair

Petition P-05-840 Fair Funding for Neath Port Talbot County Borough Council and all other Local Authorities

The Petitions Committee considered the above petition for the first time on 23 October. Further information on the petition, including the full petition text and correspondence received to date, is available on the Assembly's website at: <http://www.senedd.assembly.wales/ieIssueDetails.aspx?IId=23018&Opt=3>

At our meeting, Members agreed to make you aware of the petition as a Committee with responsibility for scrutinising aspects of funding for local authorities from the Welsh Government's budget for 2019/20.

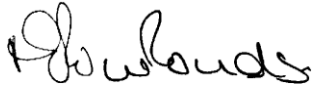
The Committee also agreed to:

- write to all local authorities and the WLGA to seek their views on the Welsh Government's budget process and the current challenges for local authorities; and
- Write back to the Cabinet Secretary to:
 - ask him to provide further details of the draft local government budget allocations once the spending plans have been published on 23 October; and
 - seek clarification on how the £30m of additional funding for Social Care identified in the draft budget will be allocated and provided.



If you would like any further information about the petition please contact the clerking team at SeneddPetitions@assembly.wales.

Yours sincerely

A handwritten signature in black ink that reads "D Rowlands". The signature is written in a cursive, slightly slanted style.

David J Rowlands AC/AM
Cadeirydd/Chair





Department
for Exiting the
European Union

Robin Walker MP
Parliamentary Under Secretary of State for
Exiting the European Union
9 Downing Street
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Agenda Item 3.2

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David Rees AM
Chair
External Affairs and Additional Legislation Committee
National Assembly for Wales
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7th November 2018

ADDITIONAL INFORMATION REQUESTED FOLLOWING 11 OCTOBER EAAL COMMITTEE APPEARANCE

I write to follow up on my appearance at the External Affairs and Additional Legislation Committee on 11th October, which I hope you found informative. During this meeting, the committee requested further information on some areas, including progress on the review into intergovernmental structures, clarification on Welsh ports and the necessity of non-disclosure agreements, support of no deal preparations in the manufacturing sector, and other exit-related primary legislation. I am writing to provide further clarification on these topics, and to answer the further questions that the Committee did not have time to address on the day, which were set out in your letter of 25 October.

Review of Intergovernmental Relations

The committee enquired about progress on the joint review into intergovernmental relations, including timing of the work programme. The UK Government is committed to reviewing the existing intergovernmental structures, including the Memorandum of Understanding, to ensure they are fit for purpose in light of the UK's exit from the EU. UK Government officials are collaborating with their devolved administration counterparts to take this work forward. Over the summer, officials jointly developed key themes and workstreams from the review which they are taking forward. They will report their findings to the Joint Ministerial Committee (Plenary) in due course.

Non-disclosure agreements with Welsh ports

The committee asked for clarification on whether there has been a need for Welsh ports to sign non-disclosure agreements (NDAs), and if so, what the reasons for these are. It is worth noting that it is standard practice across Government to hold some conversations on confidential terms. The Border Delivery Group (BDG) runs a number of steering groups with ports, airports, and other stakeholders, and NDAs are in use for all of these. As such, the Welsh Ports and Airports Steering Group is also conducted under an NDA as is the standard practice.

As part of border planning work the Government has used such agreements in its steering groups because it makes it easier for attendees to share commercially sensitive information as they can be sure of the terms on which it will be used. The approach therefore allows for a more free exchange of views about options and potential impacts in advance of there being settled policy. It is anticipated that NDAs will be a diminishing feature of these steering groups as an increasing amount of information is made available generally - for example, through the technical notices and the partnership pack.

Financial support

The Committee asked whether the UK Government was involved in the Welsh Government's decision to offer financial support to Airbus and Ford through their Transition Fund and to what extent UK and Welsh Governments are coordinating support for the manufacturing sector to help it prepare for exit.

The UK Government was not directly involved in this decision, but were informed ahead of the announcement of 24 September by the First Minister. We are determined to ensure that the UK, as a whole, continues to be one of the most competitive locations in the world for aerospace and other advanced manufacturing.

EU exit-related primary legislation

The Committee also sought clarity on EU exit-related primary legislation that is likely to require legislative consent from the National Assembly for Wales.

The UK Government is committed to seeking legislative consent and working with the devolved administrations and legislatures on Bills according to the established practices. We have already received consent from the National Assembly for Wales on the European Union (Withdrawal) Act. We expect the legislative consent process to be engaged for the following exit-related bills in passage:

- Trade Bill
- Agriculture Bill
- Fisheries Bill
- Healthcare (International Arrangements) Bill

Additional questions from the Committee

1. Can you provide an update on the UK Government's discussions with the UK Parliament on developing scrutiny arrangements for EU law during the implementation period?

The Secretary of State for Exiting the European Union recently sent a letter to the Chairs of the House of Commons European Scrutiny Committee and House of Lords EU Committee, reiterating the UK Government's commitment to continue to support and facilitate parliamentary scrutiny of new EU legislation during the implementation period.

As the Secretary of State said, we will be working closely with the UK Parliament to agree upon a scrutiny system which facilitates the UK Parliament's role in scrutinising new EU proposals that may affect the UK during the implementation period.

Of course the level and degree of scrutiny the UK Parliament wishes to give to ongoing EU business will remain a matter for both Houses, and that will naturally need to be determined in the light of the detailed arrangements for the implementation period agreed between the UK and the EU.

2. Should concerns about draft EU laws arise during the implementation period, how will the UK Government raise these concerns with the EU?

The implementation period will give businesses and citizens certainty by ensuring common rules remain in place allowing businesses and individuals to continue their affairs on the same terms as now up until the end of 2020. During this strictly time limited phase following our exit from the EU, very few new laws on which the UK has not had already had a say will come into application.

The Withdrawal Agreement, including the implementation period, is underpinned by commitment to act in good faith and will be governed by a Joint Committee to ensure the agreement is faithfully and fully implemented by both sides.

Although, as a non-Member State the UK will not be part of the EU legislative process, the Government will robustly defend UK interests through all the channels available to us during the implementation period. This will include discussing shared policy interests in our strong bilateral relationships with the EU's Member States and Institutions and using the Joint Committee to monitor the implementation and application of the Withdrawal Agreement, including its specific provisions on consultation with the UK in the implementation period.

One of our key objectives throughout this process has been to ensure that throughout the implementation period, the UK's voice is heard and the UK interests are protected.

Furthermore, as part of our positive new relationship with the EU following our exit, we will continue to be closely diplomatically engaged with the EU Institutions and the EU Member States regarding all issues of interest to the UK, beyond March 2019. We envisage that

these diplomatic networks will continue to provide the UK with the means to address any issues, through dialogue, at the earliest opportunity.

3. What mechanisms will be available for the devolved governments to raise any EU law issues that might arise for them during the implementation period?

We recognise the importance of the devolved administrations being able to feed in their views on aspects of ongoing EU business during the implementation period, including where upcoming EU law may have specific implications for the devolved administrations. The devolved administrations are currently engaged in ongoing EU business both at an official level and ministerial level, and this will continue during the implementation period. This engagement currently takes place through the Joint Ministerial Committee (Europe), which Mark Drakeford attends for the Welsh Government.

4. Can you share any assessment that has been made of new EU law that is expected during the implementation period?

The 2019 Commission Work Programme (CWP) contains a list of legislation and other initiatives that the Commission plans to progress over the coming year. The Commission Work Programme focuses heavily on the need for swift agreement on outstanding legislative proposals. To that end, we expect that in 2019 the Commission will remain focussed on delivering outstanding actions and completing negotiations on live dossiers. The 2021-27 Multiannual Financial Framework, proposals relating to migration and completing the Digital Single Market will continue to be Commission priorities in 2019.

The CWP also outlines some new proposals, for example the ending of seasonal clock changes, and a move to Qualified Majority Voting in some areas of Common Foreign and Security Policy. Additionally, the Commission highlights the need for 'Brexit Preparedness Legislation' and to find agreement with the UK to ensure its orderly withdrawal from the EU, while opening a clear perspective for a close future partnership. The UK Government have been working closely with the devolved administrations on the CWP.

5. Will the UK Government consider committing to stating in the Explanatory Memorandum accompanying future Brexit Bills, when - in the terms of the Sewel Convention – it considers the circumstances to be 'not normal'?

The UK government will seek the consent of the National Assembly in the usual way when parliamentary Bills include provision within the Assembly's legislative competence. This commitment applies to Bills relating to EU exit as much as any to other subject. The procedure for seeking the consent of the Assembly, through Legislative Consent Motions (LCMs), is set out in Devolution Guidance Note 18 (DGN18).

Our commitment to not normally legislate with regard to devolved matters without the consent of the Assembly is enshrined in the Government of Wales Act 2006, and is a commitment we stand by fully. The UK Government and the Welsh Government are working closely to ensure agreement on provisions in EU exit Bills which fall within devolved

competence, and we trust this work will enable the Assembly to approve relevant Legislative Competence Motions (LCMs). Explanatory Memorandums (EMs) accompanying parliamentary Bills make clear when we expect an LCM to be sought; it would not be appropriate to detail in these Memorandums the circumstances which we consider to be “not normal”.

6. Given that significant changes were made to the EU (Withdrawal) Act 2018 during the ‘ping pong’ stage of the scrutiny process, and that there is very limited time for supplementary Legislative Consent Motions in these circumstances, can you provide assurance that every effort will be made to seek legislative consent if amendments fall within the legislative competence of the Assembly – even if they are tabled at a late stage of the legislative process?

We will make every effort to seek legislative consent, take on board views, and work with the devolved administrations on future Bills according to the established practices - just as we have always done. We do, however, need to be mindful that the amendment process can be very fast. Our main objective for the whole of the UK is to be ready for exit day.

At this stage our assessment is that there are parts of the Withdrawal Agreement Bill that we expect will engage the legislative consent process, such as the implementation period and the citizens’ rights part of the draft Withdrawal Agreement that touch on devolved matters. UK Government officials have held initial discussions with Assembly clerks on the Bill including on expected timings and our intention is for that engagement to continue.

I am copying this letter to Mark Drakeford AM, Welsh Government Cabinet Secretary for Finance, Elin Jones AM, Presiding Officer of the National Assembly for Wales, the Chancellor of the Duchy of Lancaster, the Secretary of State for Exiting the European Union and the Secretary of State for Wales.

A handwritten signature in black ink, appearing to read 'Robin Walker', written in a cursive style.

**ROBIN WALKER MP
PARLIAMENTARY UNDER SECRETARY OF STATE FOR
EXITING THE EUROPEAN UNION**

“No Deal” Brexit and the Veterinary Profession

Key points summary

Veterinary workforce

- The UK veterinary workforce is heavily reliant on EU graduates, particularly in the field of public health. The government has not issued a technical notice on the rights of EU citizens in the event of no deal.
- A no deal Brexit would place additional demand on veterinary capacity, particularly in relation to a significant increase in veterinary certification required for trade, and other animal movements.

Animal health

- The UK would lose access to the EU disease surveillance system ADNS (the Animal Disease Notification System).
- The UK could initially become an “unlisted third country” meaning pets would require additional veterinary certification to enter the EU.
- As an “unlisted third country”, no movement of horses would be permitted from the UK to the EU and the existing Tripartite Agreement would no longer be valid. Export Health Certificates would be required on a permanent or temporary basis.

Animal Welfare

- To maintain the UK’s existing animal welfare standards, Defra will be required to pass EU-derived animal welfare legislation into UK law. However, the National Audit Office states: “In a no deal scenario, there is a high risk that Defra will be unable to deliver all the Statutory Instruments it needs in time.”

Food hygiene and safety

- The UK will continue to be able to access reports by the European Food Safety Authority (EFSA) on risk assessment regarding food safety, but UK authorities would no longer be able to input to this work and future EFSA reports would not include UK data.
- Concerns about the veterinary workforce (Official Veterinarians) in UK abattoirs, 95% of whom are non-UK graduates, will be exacerbated.

Veterinary medicines

- Veterinary medicines that have been previously authorised for veterinary use in the UK by the European Medicines Agency (EMA) will remain authorised.
- Veterinary medicines authorised for veterinary use by regulators in another EU Member State are authorised for use in the UK through mutual recognition. In a no deal scenario there needs to be clarity on how these medicines may continue to be authorised for use in the UK.
- Mutual recognition of batch testing would cease if the UK leaves the EU under no deal, meaning additional checks for veterinary medicines manufactured in the UK and exported to the EU.
- Existing Maximum Residue Limits (MRLs) for food safety would become UK law via the EU Withdrawal Act. There is no guarantee that this harmonisation would continue in future, which would place a barrier to trade with the EU in future.

Research and Development

- The EU research and innovation programme Horizon 2020 has helped to foster a collaborative approach between UK and EU veterinary researchers.
- In a no deal scenario, the UK government has stated it will guarantee the funding for UK organisations which have competitively bid for Horizon 2020 projects. However, there is uncertainty about continued UK eligibility for parts of the programme.

Trade

- The EU would require the UK to become a “listed third country” before any animals or animal products can be exported into the Single Market. This process may not be able to start until 29 March 2019 and could take several months.

- Documentary, identity and physical checks on live animals and products of animal origin would have to take place on 100% of consignments to the Single Market.
- All exports to countries inside the Single Market would require an Export Health Certificate (EHC) signed by an Official Veterinarian (OV) creating an additional demand on veterinary capacity.
- Defra may need to negotiate with 154 non-EU countries to agree new versions of over 1,400 EHCs.
- The UK would lose access to TRACES (the EU trade control and export system) as part of its import control system and a new system would need to be developed at a cost of £27.5 million.
- Exports of animals and products of animal origin would be required to enter the EU via a Border Inspection Post (BIP), which may radically change the flow of exports.

Devolution

- A no deal Brexit will mean there will be no transition period where EU law will continue to take effect across the UK. This will reduce the time available in which common frameworks to coordinate animal health and welfare policy across the four parts of the UK can be agreed.
- Whilst these common frameworks are being designed and implemented, the UK government will be able to maintain the existing common arrangements through the exercise of regulations in specific areas.

Northern Ireland

- There would be no agreed “backstop” in place to avoid the need for veterinary checks on live animals and products of animal origin at the land border between Northern Ireland and Ireland. Official Veterinarians (OV) would be required to undertake these checks.

Introduction

1. The British Veterinary Association (BVA) is the national representative body for the veterinary profession in the United Kingdom. With over 17,000 members, our primary aim is to represent, support and champion the interests of the United Kingdom's veterinary profession. We, therefore, take a keen interest in all issues affecting the profession, including animal health and welfare, public health, regulatory issues and employment matters and the wellbeing of the profession.
2. The United Kingdom's membership of the European Union (EU) has had a profound effect on the day-to-day working lives of veterinary surgeons through myriad pieces of legislation on animal health and welfare and public health; the free movement of people and associated impact on the veterinary workforce; the availability, safety and efficacy of the medicines we use; the rules that govern trade in animals and animal products; and the way our research is regulated.
3. At 11.00 p.m. on 29 March 2019 the United Kingdom will leave the EU. The BVA report, *Brexit and the veterinary profession*¹ (published in May 2017) set out our overarching approach to Brexit. Existing animal health, animal welfare, public health, veterinary medicines, workforce, and environmental protection standards must at least be maintained at the same level, or a level equivalent to current EU standards, while seizing the opportunity to improve standards in accordance with evidence-based risk analysis of animal health, welfare and ethics. The report sets out a series of recommendations across a number of key areas.
4. This new briefing document presents the impacts of the UK leaving the EU without a withdrawal agreement in place (a “no deal” scenario) and follows the same structure as “Brexit and the veterinary profession”:
 - workforce
 - animal health
 - animal welfare
 - food hygiene and safety
 - veterinary medicines
 - research and development
 - trade
 - devolution
 - Northern Ireland

¹ BVA, *Brexit and the veterinary profession*, 2017
https://www.bva.co.uk/uploadedFiles/Content/News,_campaigns_and_policies/Policies/Future_of_the_profession/brexit-and-veterinary-profession-v.1.0.pdf

5. This has been informed by the series of technical notices released by the UK government. The EU Commission has also published preparedness notices covering a wide range of issues across multiple agencies.
6. BVA has warned that a no deal Brexit could lead to serious shortfalls in capacity for vets certifying animals and animal products entering and exiting the UK. Going forward, it is critical that the government fully engages with the veterinary profession on matters which may have a bearing on their vital work supporting animal health and welfare, public health and standards in the supply chain.

Veterinary workforce

Key points

- The UK veterinary workforce is heavily reliant on EU graduates, particularly in the field of public health. The government has not issued a technical notice on the rights of EU citizens in the event of no deal.
- A no deal Brexit would place additional demand on veterinary capacity, particularly in relation to a significant increase in veterinary certification required for trade, and other animal movements.

Current capacity

7. Any reduction in the number of vets migrating to the UK, or an increase in the number leaving the UK because of Brexit, will have a destabilising effect on the veterinary workforce. This will impact on already over stretched staffing levels across the profession, putting at risk animal health, animal welfare, public health and international trade.
8. Workforce concerns within the veterinary profession predated the decision to leave the EU but have intensified as a result. Before the referendum UK veterinary practices were reporting difficulties in recruiting. In early 2015, 40% of practices with vacancies had taken more than three months to recruit or had withdrawn the vacancy due to a lack of suitable candidates.² A review undertaken by the veterinary Major Employers Group (MEG) in July 2017 of members providing first opinion clinical services direct to the public found over 600 vacancies open for veterinary surgeons in the UK. Based on MEG's combined employment at the time of the survey, this represents a workforce shortage of around 11%.

² British Veterinary Association, *Voice of the Veterinary Profession (Voice) survey, 2015*

9. EU-qualified veterinary surgeons make up a critical part of the UK veterinary workforce. Currently, around 50% of veterinary surgeons registering in the UK qualified elsewhere in the EU (approximately 1,000 vets a year).³ Under existing arrangements EU-qualified vets have the freedom to live and work in the UK. Under the Mutual Recognition of Professional Qualifications Directive (MRPQ) EEA qualified vets have the automatic right to register with the Royal College of Veterinary Surgeons (RCVS) to practise in the UK. In turn, UK vets have the right to live, register and work elsewhere in the EU.
10. In the meat hygiene sector, estimates suggest 95% of the veterinary workforce graduated overseas, with the clear majority of these coming from the EU. Official Veterinarians (OVs) working in abattoirs play a vital role in certifying the quality of meat and other animal products for import and export and in the monitoring of infectious diseases.
11. Following the decision that the UK should leave the EU, the numbers of EU graduated vets registering to work in the UK has plateaued. This stalls the trend, which had seen a consistent increase in the numbers of vets from elsewhere in the EU. In March 2017, a RCVS commissioned survey was launched by the Institute for Employment Studies (IES). This survey gathered the views and intentions of non-UK EU veterinary surgeons and veterinary nurses registered to practise in the UK. The survey was repeated in June 2018 and the results are due to be published shortly. The survey found, that of those who responded:
 - 18 per cent were actively looking for work outside the UK;
 - 32 per cent were considering a move back home;
 - 40 per cent thought they were now more likely to leave the UK.⁴

EU vets currently in the UK

12. The UK government has developed the EU Settled Status scheme,⁵ which allows EU nationals currently residing in the UK to apply for settled status after Brexit. The scheme is currently being piloted but is not expected to be fully operational until March 2019. This is a positive development but fails to provide reassurance to EU nationals currently in the UK, should a no deal scenario emerge. On 21 September 2018, at a press conference following the Salzburg EU Council Summit the Prime Minister stated:

³ RCVS Facts 2016

⁴ Royal College of Veterinary Surgeons (RCVS), Robinson D, Everett C, Williams M, *European veterinary surgeons working in the UK: The impact of Brexit (baseline survey)* June 2017 <https://www.employment-studies.co.uk/resource/european-veterinary-surgeons-working-uk-impact-brexite-baseline-survey>

⁵HM Government, *Settled and pre-settled status for EU citizens and their families*, <https://www.gov.uk/settled-status-eu-citizens-families>

“First, there are over 3 million EU citizens living in the UK [...] I want to be clear with you that even in the event of no deal your rights will be protected. You are our friends, our neighbours, our colleagues. We want you to stay.”⁶

13. This is a welcome commitment. However, there is still a lack of clarity in the form of a technical notice spelling out how EU citizens’ rights will be safeguarded.

Future EU vet migrants

14. The future movement of EU vets to the UK is likely to be disrupted in the event of a no deal Brexit. Any additional barriers to the future registration or working rights of EU-qualified vets may have serious implications for animal health, animal welfare, public health and international trade. The government is yet to provide detail on a framework for a future immigration system for managing migration from the EU. A no deal scenario will create uncertainty about the status of future EU nationals wanting to come and work in the UK.
15. There will be competition for the pool of qualified EU veterinary professionals. Countries within the EU will be able to provide certainty to EU vets and frictionless access to live, work and practise.
16. We are aware of progress made in the EU to hire vets to undertake additional veterinary checks. For example, the recent Irish Budget provided €7m for staff and IT costs arising from additional import control and export certification requirements arising as a result of Brexit.⁷ Furthermore, any further devaluation of the pound against the euro would make the UK a less financially appealing place to live and work.
17. If veterinary qualifications gained in the EEA are not automatically recognised in the UK and vice versa following Brexit, this could disrupt the UK’s veterinary workforce pipeline and create particular challenges on the island of Ireland, where vets practice on both sides of the border.
18. In the event of a no deal scenario RCVS may be able to restrict the registration of graduates from certain EU veterinary schools where there is not sufficient assurance of educational standards, as their degrees are not approved or accredited by the European Association of Establishments for Veterinary Education (EAEVE). This would only impact a small minority (approximately 13%) of EU veterinary applicants per year, a percentage that can be expected to decline as more European veterinary schools gain accreditation. This minority of applicants would still be able to join the RCVS Register after passing the Statutory Membership Examination.

⁶ Transcript of Theresa May’s post-Salzburg speech, 21 September 2018, <https://www.ft.com/content/bb313136-bda9-11e8-8274-55b72926558f>

⁷ Department for Agriculture, Food and the Marine (DAFM), *Creed Announces €1.6 Billion DAFM Budget for 2019 €78m Brexit Package for Farmers, Fishermen & Food SME’s* <https://www.agriculture.gov.ie/press/pressreleases/2018/october/title,121111,en.html>

Further pressures

19. The government's technical notices show that a no deal Brexit scenario would also place additional demand on veterinary certification capacity. Exiting the Single Market would mean the export of animals and animal products from the UK to the EU, will require a significant rise in veterinary export certification of animals and animal products. As the National Audit Office notes, following a review of Defra Brexit readiness:

“Without a significant increase in the UK’s veterinary capacity, Defra will be unable to process the increased volume of export health certificates it expects if there is no deal.”

20. There would also be increased demands for vets to support pet travel and equine certification (see below). Furthermore, the new post-Brexit agricultural policy, enabled by the Agriculture Bill currently progressing through Parliament, will rely on the contribution of the veterinary profession to achieving animal health, animal welfare, environmental and productivity gains. This ambitious agriculture policy will not achieve its aims if the veterinary profession does not have the capacity to fully support it.

Animal health

Key points

- The UK would lose access to the EU disease surveillance system ADNS (the Animal Disease Notification System).
- The UK could initially become an “unlisted third country” meaning pets would require additional veterinary certification to enter the EU.
- As an “unlisted third country”, no movement of horses would be permitted from the UK to the EU and the existing Tripartite Agreement would no longer be valid. Export Health Certificates would be required on a permanent or temporary basis.

Animal Health Surveillance

21. As members of the EU, the UK has benefited from systems that monitor new and emerging disease through data collection, analysis and sharing. This has provided high-quality intelligence on animal health and welfare that enables policy makers, veterinary professionals and animal keepers to take decisions to improve animal health and welfare, productivity, and identify and manage threats to public health, trade, food quality, and the

environment. EU legislation, structures and institutions are embedded within the UK biosecurity framework; underpinning surveillance, disease preparedness, outbreak response procedures and control and eradication programmes.

22. The Animal Disease Notification System (ADNS) is a EU notification system designed to register and document the evolution of the situation of important infectious animal diseases. This permits immediate access to information about contagious animal disease outbreaks and ensures implementation of early warning which enables for a prompt response for controlling the epidemiological situation. This has a direct impact on trade of live animals and their products both for the internal market as well as for international trade with third countries. ADNS is an EU system, however, non-members have negotiated access (Turkey, Switzerland and Norway). Furthermore, the UK is dependent on these ties with the EU for more informal data. For example, regular meetings of EU Chief Veterinary Officers allow Member States to share informal reports and ideas.
23. In the event of no deal being reached the UK would lose access to the EU system. The UK would retain access to the World Animal Health Information System (WAHIS). This system is slower and less detailed, but reports incursions and outbreaks in a wider group of states. There are concerns within the veterinary profession about losing access to EU surveillance systems and the harm that could arise without vital surveillance data, analysis and notifications.
24. A robust surveillance system is vital to the health of UK livestock and the free sharing of animal health surveillance data would benefit such a system. It will be important to ensure that capacity and capability of the domestic surveillance system, which has been under financial pressure in recent years, is maintained at an appropriate level irrespective of legislative requirements post-Brexit.

Pet Travel

25. Companion animal biosecurity is vitally important and would be significantly impacted by a no deal Brexit. The non-commercial movement of small animals (dogs, cats and ferrets) is covered by EU Regulation No 576/2013 (the Pet Travel Scheme or PETS). Currently, under the Pet Travel Scheme, owners of dogs, cats and ferrets can travel with their pets to and from EU countries provided they hold a valid EU pet passport. Before a pet can travel from the UK to an EU country for the first time, it must be taken to an Official Veterinarian (OV) at least 21 days before travel. The OV will ensure the animal has a microchip and rabies vaccination, before issuing an EU pet passport.
26. If the UK leaves the EU in March 2019 with no deal, it would become a third country for the purposes of the EU Pet Travel Scheme. Pets would continue to be able to travel from the UK to the EU, but the requirements for documents and health checks would differ. Within the Pet Travel Scheme, there are three categorisations of 'third country', linked to a country's animal health status: "listed: Part 1", "listed: Part 2", or "unlisted".

27. Third countries must apply to the European Commission to be listed under Part 1 or Part 2. A small number of countries and territories are Part 1 listed, which means they operate under the same EU Pet Travel Scheme rules as EU Member States. Most countries are Part 2 listed, which stipulates additional conditions, such as the use of temporary health certificates. The UK may not be permitted to make this application until the UK becomes a “third country” i.e. 11pm 29 March 2019. The UK government notes it would seek to engage in this process ahead of this happening. If the UK is obliged to wait until it is a third country before it can to apply to be listed, it will become an “unlisted” third country at 11pm on 29th March 2019. In this case owners must take specific actions several months before they wish to travel.
28. If the UK has “unlisted” third country status following withdrawal from the EU, dogs, cats and ferrets would need to prove they have been effectively vaccinated against rabies by undergoing a rabies antibody titration test at least 30 days after vaccination and no fewer than three months before their travel date. Pets would need to travel with an animal health certificate issued by an OV. This certificate which be valid for ten days from the date of issue until entry into EU member states. The relevant technical notice warns that this would mean “pet owners intending to travel to the EU on 30 March 2019 would need to discuss requirements with their vet before the end of November 2018.”⁸ Defra will need to provide advice and guidance for veterinary surgeons to be able to respond to such enquiries from clients.
29. The impact of this change would be keenly felt by pet owners if new pet transport requirements lead to a surge in demand for vets to carry out rabies vaccination and testing prior to travel. It is highly likely that pet owners will not only be affected by veterinary capacity shortfalls, but also face long waits and additional costs for certifying their pet is fit to leave the UK.

Equine Movements

30. If the UK leaves the EU in March 2019 with no deal in place, the UK would be subject to EU third country rules relating to equine movements. Third countries apply to the European Commission to become listed to allow equine movement to the EU to take place. The listing is based on the health status of the country with requirements dependant on the perceived level of disease risk. The UK may be obliged to wait until it is a third country before it can apply to be listed. In which case it will become an “unlisted” third country at 11pm on 29th March 2019. In this case no movements of horses will be permitted from the UK into the EU.

⁸ HM Government, *Taking your pet abroad if there's no Brexit deal* Published 24 September 2018 <https://www.gov.uk/government/publications/taking-your-pet-abroad-if-theres-no-brexite-deal/taking-your-pet-abroad-if-theres-no-brexite-deal>

31. When the UK becomes listed, horses would need both an appropriate ID document and appropriate health documentation to travel to the EU.
32. Equine IDs issued by industry would continue to be used in the UK. These industry-issued passports would continue to be valid for EU travel for horses registered either on a studbook or pedigree register; or with a national branch of an international organisation for racing or competition. All other horses and equines travelling from the UK to the EU would have to travel with a new government-issued ID document, which is a requirement of the EU in relation to movements from third countries.
33. As the UK would be a third country, an Export Health Certificate (EHC) would be required to move equines, on a permanent or temporary basis, to the EU. This would require additional action from vets to confirm the absence of equine disease. This new process would require more planning from the equine owner and could involve increased cost if additional blood tests are required, the relevant technical notice estimates this cost to be between £200 and £500.⁹
34. A separate Tripartite Agreement between the UK, Ireland and France, designed to streamline equine movements between the three countries would no longer be valid if the UK leaves the EU with no agreement.

Animal Welfare

Key points

- To maintain the UK's existing animal welfare standards, Defra will be required to pass EU-derived animal welfare legislation into UK law. However, the National Audit Office states: "In a no deal scenario, there is a high risk that Defra will be unable to deliver all the Statutory Instruments it needs in time."

Animal Welfare Legislation

35. Around 80% of UK animal welfare legislation originates from the EU via 44 EU animal welfare laws, which cover: farm animals (17 laws); wildlife (11 laws); animals in research (nine); and companion animals (four).¹⁰ In order to transpose this EU legislation into UK

⁹ HM Government, *Taking horses abroad if there's no Brexit deal* Published 12 October 2018
<https://www.gov.uk/government/publications/taking-horses-abroad-if-theres-no-brexite-deal--2/taking-horses-abroad-if-theres-no-brexite-deal>

¹⁰ Veterinary Policy Research Foundation, 2016

law, Defra will be required to pass several statutory instruments before 29 March 2019. As the National Audit Office (NAO) has noted:¹¹

“In a no deal scenario, there is a high risk that Defra will be unable to deliver all the Statutory Instruments (SIs) it needs in time and it is identifying those that it needs to prioritise. It is preparing three new bills for EU Exit (on agriculture, fisheries, and environmental principles and governance). It also needs 93 SIs to complete the conversion of EU law into UK law at the point of exit. This is in addition to an estimated 58 SIs needed for non-EU business, bringing the total expected for 2018 to 151. This is more than double the average of 75 SIs in the eight years to 2017. In June 2018, Defra’s legislation team reported to the Programme Board that “Defra is at a high risk of being unable to deliver a full and functioning statute book by end March 2019” and in July 2018 its secondary legislation programme was rated as red.”

36. Given the limitations of Parliamentary time and the considerable number of statutory instruments and substantial primary legislation that will be necessary in preparation for a potential no deal Brexit, legislation needed to protect animal welfare in the UK may not be in ready in time in the event of a no deal Brexit. This is in addition to the considerable number of other statutory instruments and substantial primary legislation that will be necessary in preparation for a potential no deal Brexit.

¹¹ National Audit Office, *Department for Environment, Food & Rural Affairs Progress in Implementing EU Exit*, 2018

Food hygiene and safety

Key points

- The UK will continue to be able to access reports by the European Food Safety Authority (EFSA) on risk assessment regarding food safety, but UK authorities would no longer be able to input to this work and future EFSA reports would not include UK data.
- Concerns about the veterinary workforce (Official Veterinarians) in UK abattoirs, 95% of whom are non-UK graduates, will be exacerbated.

The European Food Safety Authority

37. The European Food Safety Authority (EFSA) is the keystone of EU risk assessment regarding food safety. In collaboration with national authorities and in consultation with stakeholders, EFSA provides independent scientific advice and communication on existing and emerging risks. As the risk assessor, EFSA produces scientific opinions and advice that form the basis for European policies and legislation, with a remit covering:
- Food and feed safety
 - Nutrition
 - Animal health and welfare
 - Plant protection
 - Plant health
38. EFSA has delivered scientific advice on a wide range of issues such as Bovine Spongiform Encephalopathy (BSE), Salmonella and animal health issues such as avian influenza. EFSA also play an important role in collecting and analysing data to ensure that European risk assessment is supported by the most comprehensive scientific information available. It does this in cooperation with EU Member States. Communicating on risks associated with the food chain is another key function of EFSA.
39. In the event of a no deal Brexit, EFSA will continue to carry out risk assessments on behalf of the EU, these are published online. Therefore, access to this information will continue for the UK. However, UK authorities will lose influence and the ability to input to work done by EFSA and early notification on assessments. Future EFSA reports would not include UK data.
40. In a no deal Brexit, there may be the need for UK authorities to undertake the functions of EFSA with resource and staff required to fulfil this function.

Abattoir veterinary workforce

41. As noted above, the reliance on EU veterinary surgeons is particularly acute within the meat hygiene sector, where 95% of the veterinary workforce graduated overseas. OVs working in abattoirs minimise the risk of food fraud, promote animal welfare and provide public health reassurance to consumers at home and overseas.
42. There are significant concerns within the meat processing industry about the potential impact of a post Brexit veterinary workforce shortage on the UK agri-food sector which would impact on the UK's ability to meet its international animal health, public health, and animal welfare obligations and that could jeopardise trade. This would be exacerbated in the case of a no deal situation where workforce concerns could become persistent.
43. As a result, there are concerns abattoirs will be unable to operate at current volumes in a no deal scenario. This could have knock on effects on farms. If livestock is unable to move to an abattoir there this can lead to overstocking occurring on farms resulting in detrimental effects on animal welfare and health.

Veterinary medicines

Key points

- Veterinary medicines that have been previously authorised for veterinary use in the UK by the European Medicines Agency (EMA) will remain authorised.
- Veterinary medicines authorised for veterinary use by regulators in another EU Member State are authorised for use in the UK through mutual recognition. In a no deal scenario there needs to be clarity on how these medicines may continue to be authorised for use in the UK.
- Mutual recognition of batch testing would cease if the UK leaves the EU under no deal, meaning additional checks for veterinary medicines manufactured in the UK and exported to the EU.
- Existing Maximum Residue Limits (MRLs) for food safety would become UK law via the EU Withdrawal Act. There is no guarantee that this harmonisation would continue in future, which would place a barrier to trade with the EU in future.

44. To protect animal and public health there must be access to medicines for the treatment of animals that meet standards that ensure safety, quality and efficacy. Two thirds (62%) of UK pet owners are concerned that in the event of a no deal Brexit, the supply of pet

medicines in the UK could be interrupted and that some medications will be less easily available, according to research by the National Office of Animal Health (NOAH).¹²

Authorisation

45. Currently, there are three channels for the authorisation of veterinary medicines in the UK. Firstly, there is national authorisation by the Veterinary Medicines Directorate (VMD) when an applicant has applied to the UK only, and has no desire or intention to license and commercialise the product in any other Member State. The second is the centralised procedure, under which an applicant submits a dossier to the European Medicines Agency (EMA) and a product is then licensed for use throughout the EU. Thirdly, the mutual recognition or decentralised procedure by which an applicant submits a dossier to one Member State which undertakes the authorisation. In this third procedure, other Member States may approve the product by mutual recognition of the original marketing authorisation.
46. The relevant technical notice notes that veterinary medicines which are currently authorised for use in the UK through the centralised EMA process would become nationally authorised when the UK leaves the EU.¹³ This would prevent the need for re-authorisation at a UK level. EU centralised marketing authorisation holders will be required to inform the VMD if they would prefer not to have these European authorisations converted to UK authorisations. The notice provides no detail where the UK has access to a veterinary medicine through the decentralised procedure, implying these medicines may need to seek UK authorisation.

Batch testing

47. Mutual recognition of batch testing of veterinary medicines between the UK and EU would cease on the date the UK leaves the EU under a no deal Brexit. The mutual recognition of batch testing of veterinary medicines between the UK and third countries with which the EU has made appropriate arrangements would also cease, as would mutual recognition between the UK and EU Member States of batch certification of veterinary medicines by a Qualified Person (QP).
48. The UK government has stated the UK would for a time limited period continue to accept batch testing of veterinary medicines carried out in EU or any third countries with whom the EU has made arrangements. The UK would also accept batch certification of veterinary

¹²National Office of Animal Health, *Two thirds of UK pet owners now concerned that 'no deal' Brexit will mean pets may not get vital medicines they need*, 8th October 2018 <https://www.noah.co.uk/two-thirds-uk-pet-owners-now-concerned-no-deal-brex-it-will-mean-pets-may-not-get-vital-medicines-need/>

¹³ HM Government, *Registration of veterinary medicines if there's no Brexit deal* Published 24 September 2018 <https://www.gov.uk/government/publications/registration-of-veterinary-medicines-if-theres-no-brex-it-deal/registration-of-veterinary-medicines-if-theres-no-brex-it-deal>

medicines by a QP based in the UK or EU. The UK would have the option to change these arrangements in the future.

Maximum residue limits

49. UK marketing authorisations can be granted for use in food-producing animals. To ensure consumer safety, and facilitate trade in animal food products, maximum residue limits (MRLs) are set by the European Commission. MRLs are scientifically determined highest levels of pharmacologically active substances that are allowed in food derived from farmed animals (including game) following treatment with veterinary medicines. These foods include lean meat, offal, fat, skin (pigs, poultry and fish only), milk, eggs (poultry only), and honey.
50. In the event of a no deal Brexit, existing EU MRLs would become UK law via the EU Withdrawal Act. This would ensure the UK can continue to trade animal food products with the EU and the majority of third countries that recognise the EU process. After this, the UK would need to set new MRLs and modify existing MRLs on a UK domestic basis. If in the future, UK authorities diverted from the EU MRLs this would impact on the ability to trade in animal products without testing for residue levels at the border. There would additionally be confusion for vets operating on both sides of the border between Ireland and Northern Ireland, where two separate regimes would operate, where there is currently one.

Research and Development

Key points

- The EU research and innovation programme Horizon 2020 has helped to foster a collaborative approach between UK and EU veterinary researchers.
- In a no deal scenario, the UK government has stated it will guarantee the funding for UK organisations which have competitively bid for Horizon 2020 projects. However, there is uncertainty about continued UK eligibility for parts of the programme.

51. The UK has an unparalleled strategic asset in its science capability. The UK has considerable strengths in the biomedical sciences, including veterinary science. According

to a 2015 report by the Department for Business, Education and Skills, in 2012/13 research and development income for veterinary science totalled £55 million.¹⁴

52. EU funding and partnership working has helped enable all the UK veterinary schools to grow their research portfolios and to attract the very best researchers in the EU to the UK. Currently, some 22% of the academic staff in UK veterinary schools are non-UK EU nationals. The EU research and innovation programme Horizon 2020 has helped to foster this collaborative approach between UK and EU veterinary researchers.
53. According to the relevant technical notice, Horizon 2020 provides about €80 billion of funding available over 7 years (2014 to 2020) with the UK securing €4.6 billion of funding to date (14.3% of the total).¹⁵ The programme couples research and innovation, focusing on excellent science, industrial leadership and tackling societal challenges.
54. The UK and EU intend for the eligibility of UK researchers and businesses to participate in Horizon 2020 to remain unchanged for the remaining duration of the programme. This has been agreed as part of the Financial Settlement which was signed-off by both UK and European Commission negotiators in a draft Withdrawal Agreement and welcomed by the other 27 EU countries in March 2018. Therefore, should the UK leave without a Withdrawal Agreement, there will be considerable uncertainty for veterinary research and development.
55. In a no deal scenario, the UK government has stated it will guarantee funding for competitively bid for EU projects submitted before EU exit, including Horizon 2020 projects.¹⁶ This guarantee will cover all successful bids submitted by UK participants before the UK exits the EU, for the full duration of the projects. The guarantee does not cover funding for organisations from other countries who are in consortia with UK participants, only the funding for UK participants is in scope.
56. Uncertainty remains for researchers; for example, there are concerns where a UK participant leads a consortium and is responsible for distributing funding to the other participants. Additionally, the change in the UK's status from Member State to third country could lead to concerns about ongoing compliance with Horizon 2020 rules. While third country participation is an established part of Horizon 2020, this participation does not extend to some Horizon 2020 calls; these include European Research Council (ERC) grants, some Marie Skłodowska-Curie Actions (MSCA) and the SME instrument.

¹⁴ Department for Business, Education and Skills, 2015. *What is the relationship between public and private investment in science, research and innovation?* London: DBES.

¹⁵ HM Government, *Horizon 2020 funding if there's no Brexit deal* Published 23 August 2018 <https://www.gov.uk/government/publications/horizon-2020-funding-if-theres-no-brexite-deal/horizon-2020-funding-if-theres-no-brexite-deal--2>

¹⁶ HM Government's guarantee: Written statement - HCWS926 <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-07-24/HCWS926/>

57. We understand the UK government is seeking discussions with the European Commission to agree the precise details of eligibility. The government is also considering what other measures may be necessary to support UK research and innovation in a no deal scenario.
58. As long as the UK's future participation in the programme is uncertain, the UK risks becoming a less attractive collaboration partner for leading researchers across the world. This could also lead to a very abrupt loss of academic talent, and a decline in demand from researchers to work in the UK, which could also create reputational damage to universities in terms of research. The UK higher education sector's reputation as a collaborator of choice in vital research will be weakened.

Trade

Key points

- The EU would require the UK to become a “listed third country” before any animals or animal products can be exported into the Single Market. This process may not be able to start until 29 March 2019 and could take several months.
- Documentary, identity and physical checks on live animals and products of animal origin would have to take place on 100% of consignments to the Single Market.
- All exports to countries inside the Single Market would require an Export Health Certificate (EHC) signed by an Official Veterinarian (OV) creating an additional demand on veterinary capacity.
- Defra may need to negotiate with 154 non-EU countries to agree new versions of over 1,400 EHCs.
- The UK would lose access to TRACES (the EU trade control and export system) as part of its import control system and a new system would need to be developed at a cost of £27.5 million.
- Exports of animals and products of animal origin would be required to enter the EU via a Border Inspection Post (BIP), which may radically change the flow of exports.

Exports

59. Exports of animals and animal products from the UK are currently valued at £7.6 billion.¹⁷ If the UK leaves the EU in March 2019 with no deal in place, the EU will require the UK to become a listed third country before any animals or products of animal origin can be exported into the Single Market. The UK may not be permitted to make this application until the UK becomes a “third country” i.e. 11pm 29 March 2019. This process can take several months. According to The National Farmers Union (NFU), Defra has indicated this may take 6 months.¹⁸ The UK government notes it would seek to engage in this process ahead of this happening.

¹⁷ National Audit Office, *Department for Environment, Food & Rural Affairs Progress in Implementing EU Exit*, 2018

¹⁸ The Guardian, *No-deal Brexit 'would stop British farming exports for six months'*
<https://www.theguardian.com/politics/2018/sep/26/no-deal-brex-it-will-be-catastrophic-say-british-farmers-national-farmers-union-eu>

60. Once this listing has occurred, Export Health Certificates (EHC) would be required for exports of all animal products and live animals from the UK to the EU. Official veterinarians are required to sign EHCs to attest that relevant public and animal health requirements have been met. Nigel Gibbens, the then Chief Veterinary Officer UK, suggested that the volume of products requiring veterinary export health certification could increase by as much as 325% in the case of no deal being reached between the EU and UK. Meeting this additional demand will substantially impact upon the capacity of the veterinary profession.
61. Furthermore, consignments would need to travel through an approved Border Inspection Post (BIP) within the EU. Certain ports where considerable quantities of UK produce travel through are not BIPs. Most of the UK's trade currently travels via the Irish land border or Calais where there are no border inspection posts. Traders would need to reroute containments and potentially add considerable time to journeys, which may be detrimental animal welfare in the case of live animals, or to the shelf life of products of animal origin.
62. In a no deal scenario Council Directive 97/78/EC requires that 100% documentary, identity and physical checks should be carried out on consignments of animals and products of animal origin for these to enter and circulate through in the Single Market.
63. A no deal Brexit will also impact upon exports to countries outside of the Single Market. All exports must be accompanied by an EHC. There is a unique version of the EHC for each commodity and each country, so Defra may need to introduce a UK equivalent for each of the 1,400 different versions of the current EU certificates, which currently refer to EU law, and agree these with 154 countries to continue to export these items. This would be an additional demand on government veterinary capacity. Defra will then need to negotiate with 154 non-EU countries to agree acceptance of UK versions of over 1,400 export health certificates.
64. The NAO report states that, Defra is focusing on reaching agreement with 15 of these countries that it estimates account for approximately 90% of total exports to non-EU countries of animal products, food and live animals, but is not expecting to be able to complete negotiations with all the remaining 139 countries by March 2019.
65. To facilitate exports there may need to be an enhanced IT system to cope with increased volume. There has been no decision on the best solution, but a budget of £2.6m has been allocated based on estimations.

Imports

66. The UK currently uses the EU's TRACES (trade control and export system) as part of its import control system to notify border inspection posts that carry out controls on commodities being imported to the UK, to record the outcome of biosecurity and food safety checks on imported commodities, and to communicate electronically with HM Revenue and Customs' customs system. In the event the UK leaves the EU in March 2019 with no deal in place, the UK will lose access to TRACES. To ensure those involved in

importing live animals, animal products and high-risk food and feed could continue to do so, a new import notification system will be necessary.

67. Defra will require its own service and IT system to manage the import of consignments from non-EU countries and live animals from the EU. The UK's new import control system will need to process 730,000 consignments of animals, animal products and high-risk food and feed each year. The system will seek to replicate the existing TRACES system at a cost of £27.5 million.
68. It is planned that the new system should be available for early testing in January 2019 and, be fully operational for all users from the day the UK leaves the EU. We are concerned that BVA, the representative organisation for vets, has not been approached yet to get involved in the testing and training process for the new version of TRACES. As vets will be the primary users of the new system going forward, it is important to involve us early on to address any teething problems and ensure a smooth transition ahead of March.
69. Imports direct from the EU: At present, import controls or requirements for notifications of imports of live animals and animal products for imports direct from the EU do not need to be notified on TRACES. The government has stated it would not introduce new requirements at the point the UK leaves the EU.
70. Imports directly from third countries: There would be no change to current import controls and requirements for notifications of live animals, animal products, and high-risk food and feed imported directly from third countries. The only difference is that importers would need to use the new import notification system, instead of TRACES.
71. Imports of third country products which move through the EU: Changes would apply to control requirements for imports of third country animal products and high-risk food and feed which move through the EU before arrival in the UK, from March 2019. Importers would need to notify UK authorities using the new import notification system and would be directed to an existing UK BIP where the relevant checks would take place.
72. There would be an increase in the number of consignments requiring import control checks at a BIP as a result of the need to carry out checks on transit items that are currently carried out elsewhere in the EU. The requirement for live animal imports from a third country, which move through the EU before arrival in the UK, to enter via a UK BIP is being reviewed as all live animals would have been subject to checks at the point of entry to the EU. The National Audit Office reports notes that for a no deal Brexit "it was already too late, for example to establish new border inspection posts for food imports."

Devolution

Key points

- A no deal Brexit will mean there will be no transition period where EU law will continue to take effect across the UK. This will reduce the time available in which common frameworks to coordinate animal health and welfare policy across the four parts of the UK can be agreed.
- Whilst these common frameworks are being designed and implemented, the UK government will be able to maintain the existing common arrangements through the exercise of regulations in specific areas

73. Due to the differing nature of the make-up of the veterinary workforce, the provision of veterinary education, and the agricultural industry in the four parts of the UK, Brexit will impact in different ways.
74. Legislation and regulation governing the work of the veterinary profession in the UK is a mixed picture. While much of the direction comes from the EU, implementation happens at both UK and devolved levels. Regulation of the veterinary profession and legislation relating to veterinary medicines, for example, are UK-wide, while animal health and welfare are devolved matters. Directives and regulations from the EU have thus far provided for common approaches across the UK to many of the issues of interest to the veterinary profession.
75. Brexit may allow policy differentiation within the UK in areas where EU law has previously provided a common legal framework. According to analysis conducted by the UK government, there are a total of 142 distinct policy areas where EU law intersects with devolved powers in at least one of the three devolved nations. The department with the greatest number of policy areas falling into this category is Defra.¹⁹
76. The UK, Scottish and Welsh governments agreed in October 2017 that new UK-wide arrangements should be created to replace EU law in some areas, to provide legal certainty and regulatory consistency. Northern Ireland was represented by civil servants due to the ongoing absence of a devolved government in Belfast. Together they

¹⁹ Institute for Government, *Brexit, devolution and common frameworks*, <https://www.instituteforgovernment.org.uk/explainers/brexit-devolution-and-common-frameworks>

announced six broad principles to determine where new UK-wide “common frameworks” should be established.²⁰

77. To prevent or limit divergence, common frameworks may need to be created to “set out a common UK, or GB, approach and how it will be operated and governed”. Depending upon the policy area, “this may consist of common goals, minimum or maximum standards, harmonisation, limits on action, or mutual recognition”.²¹

78. A no deal Brexit will mean there will be no transition period where EU law will continue to take effect across the UK. In turn, this will result in much of the time where common frameworks can be agreed being truncated. The European Union (Withdrawal) Act 2018 makes provision for the period where these common frameworks are being designed and implemented. In this time the UK government will be able to maintain the existing common arrangements through the exercise of regulations in specific areas.²²

Northern Ireland

Key points

- There would be no agreed “backstop” in place to avoid the need for veterinary checks on live animals and products of animal origin at the land border between Northern Ireland and Ireland. Official Veterinarians (OV) would be required to undertake these checks.

79. As the only part of the UK to share a land border with an EU Member State, the issues facing Northern Ireland are complex and unique. Across the border there are strong government, business and social relationships. Any impediment to the free movement of people, goods (including animals) and services across the border will impact on these long-standing arrangements. Currently, there is uncertainty for farmers who may wish to

²⁰ Cabinet Office, Northern Ireland Office, Office of the Secretary of State for Scotland, Office of the Secretary State for Wales, Department for Exiting the European Union, The Rt Hon David Davis MP and The Rt Hon Damian Green MP, Joint Ministerial Committee Communiqué: 16 October 2017, retrieved 23 February 2018, www.gov.uk/government/publications/joint-ministerial-committee-communique-16-october-2017

²¹ HM Government, Joint Ministerial Committee communiqué: 16 October 2017 <https://www.gov.uk/government/publications/joint-ministerial-committee-communique-16-october-2017>

²² Written Ministerial Statement: European Union (Withdrawal) Bill - Agreement between the UK and Welsh governments Statement from the Chancellor of the Duchy of Lancaster, David Lidington. 25 April 2018 <https://www.gov.uk/government/publications/written-ministerial-statement-european-union-withdrawal-bill-agreement-between-the-uk-and-welsh-governments>

cross the border with live animals or products of animal origin, and the veterinary surgeons who practise on both sides of the land border.

80. Diseases do not necessarily respect political borders. North-South cooperation has enabled the island of Ireland to be treated in policy and operational terms as a single epidemiological unit for the purposes of animal health and welfare. Currently, there is an all-island approach taken to the control of animal disease and disease surveillance through government and non-government initiatives which will need to be maintained post Brexit.
81. The shared land border between the Republic of Ireland and Northern Ireland has resulted in the development of a highly integrated agri-food sector. According to figures from the Irish Farmers' Association,²³ the scale of agri-food trade across the Irish land border is vast, annually:
- Over 400,000 pigs are exported from the Republic of Ireland for processing in Northern Ireland.
 - Almost 400,000 lambs are exported from Northern Ireland to the Republic of Ireland for processing.
 - Over 800m litres of milk are exported from Northern Ireland to be processed and then exported from the Republic of Ireland.
82. There is considerable uncertainty with respect to Northern Ireland in the event of a no deal Brexit. This will mean there will be no agreed "backstop" in place to remove the any requirement for sanitary checks on the land border between Northern Ireland and Ireland. To meet World Trade Organisation (WTO) rules border checks on animals and products of animal origin may be necessary.
83. Establishing designated BIPs on the land border would additionally have the effect of directing the movements of live animals and products of animal origin through assigned points on the border. The requirement for veterinary checks on animals could reduce the efficiency of traffic passing across the border. Inspections and inspection points will be needed. Furthermore, OV's will be required on site to execute the inspections, again putting additional pressure on veterinary capacity.

October 2018

²³ Irish Farmers' Association, Brexit: *The Imperatives for Irish Farmers & the Agri-Food Sector* 2016

Agenda Item 3.4



HM Revenue
& Customs

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14 November 2018

Dear Mr Rees,

Clarification on custom checks when landed in a destination state

Thank you for your letter dated 13 October, in which you ask for clarification on whether customs checks have to be carried out after goods have arrived in the destination state, the basis for such checks and average timescales for completion of individual checks.

At the Treasury Committee hearing on 7 February 2017, we discussed the application of border controls. I stated that countries have their own discretion about what kinds of checks they carry out and where they carry them out.


Under customs legislation, goods can be declared to customs prior to arrival but they can only be granted customs clearance after they have physically arrived within the UK customs territory. It is important to emphasise however, that the process of customs clearance does not necessarily involve any physical check at the UK frontier. 99% of all customs declarations in the UK are submitted electronically, with 94% of declarations cleared within 5 seconds and up to 96% of declarations cleared within 20 seconds. Customs controls in the UK are highly automated and risk-based, with checks designed, wherever possible, to avoid delaying traffic flows across the border. As part of our core activity to collect customs duties and import VAT, HMRC's current approach, in partnership with Border Force, includes carrying out physical pre-clearance checks inland, targeted at the highest risks. Moving checks inland for those who pose the highest fiscal risk is a proportionate measure to avoid congestion at ports and minimise disruption for the vast majority of traders who are compliant. This will continue to be the approach when the UK leaves the EU, and HMRC will continue working closely with industry to ensure interventions are conducted in a way which minimises delays and additional burdens for legitimate trade, while robustly ensuring compliance.

Information is available in large print, audio and Braille formats.
Text Relay service number – 18001



I hope this clarifies how goods are currently cleared for customs purposes, and reassures you that HMRC are committed to maintaining security at the UK border while facilitating the flow of legitimate trade.

Kind regards

A handwritten signature in black ink, appearing to read 'J Harra', written in a cursive style.

JIM HARRA
DEPUTY CHIEF EXECUTIVE AND SECOND PERMANENT SECRETARY



Llywodraeth Cymru
Welsh Government

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15 November 2018

Dear David

I am writing in response to your letter of 9 November following the Committee session on 5 November.

As I set out to Committee, while we have only seen a limited number of clauses in the European Union (Withdrawal Agreement) Bill, I fully expect the Bill will cover areas within the devolved competence of the Welsh Government and National Assembly for Wales, and as such will require the legislative consent of the National Assembly.

Alongside the Withdrawal Agreement the political declaration sets out the outcome of the current negotiations on the terms of the UK's future relationship with the EU27. While the political declaration is not in the form of legal text it covers a number of matters that are within our devolved competence. The political declaration also covers critically important matters including our future economic relationship with our largest trading partner which will have important implications for the people of Wales. Given this, it is our firm intention to also hold a vote on the wider agreement reached with the EU27. It is also my intention for this vote in the National Assembly to be held before the "meaningful" vote in the House of Commons.

While it appears a deal has been reached on the Withdrawal Agreement, this will have to be agreed with the EU27 at a forthcoming meeting of the European Council. Given the uncertainty that remains, at this stage it is not possible to give precise details regarding the timings of debates in the National Assembly. The Welsh Government will continue to update the National Assembly on progress in the negotiations and the timings and nature of the debates that will follow.

Yours sincerely

CARWYN JONES

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

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