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News story

Secretary of State Dominic Raab's speech on no deal planning

Dominic Raab gave a speech on planning for a no deal Brexit

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From:

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Good morning everyone. Thank you all for coming.

Today, I want to set out the steps we in government and you in business, the public sector and voluntary sector should take, in order that we can make sure the United Kingdom goes from strength to strength.

Even in the unlikely event that we do not reach a negotiated deal with the European Union.

I'm just back from Brussels, after a further round of negotiations with Michel Barnier.

We are stepping up the pace and the intensity of our negotiations, and I am confident a good deal is within our sights.

That remains our top priority.

It remains our overriding priority.

So, before I talk about planning for no deal and the technical notices that we are publishing today, I want to reaffirm what we expect the negotiations to deliver.

A good deal with our EU friends.

One that works in our mutual interests.

And a deal that recognises our shared history and values, but also provides a strong and sustainable foundation for our future relationship.

So yes, winding down our membership of the EU, but maintaining our close trading relationship, building on our operational security cooperation, and sustaining the networks of cooperation from research to student exchanges, which we prize on all sides.

I am still confident that getting a good deal is, by far, the most likely outcome.

The vast majority, roughly 80%, of the Withdrawal Agreement has now been agreed, and we are making further progress on those outstanding separation issues.

And of course those settled issues include our agreement on citizens rights, so that 3.5 million EU citizens living in the UK and the one million Brits living in the EU have their rights assured, and can carry on living as they do now.

Now, on the basis that nothing is agreed until everything is agreed, we have agreed the financial settlement.

And we have also agreed the terms of an implementation period, to give businesses the clarity and a sensible lead time to adjust to the changes that Brexit will bring, whilst also making sure people can feel confident that there is some finality to the whole process of leaving the EU.

On Tuesday, I met with Michel Barnier in Brussels for the third time since my appointment.

We made progress on those outstanding separation issues.

We continued our focus on the incredibly important issue around Northern Ireland, and I explained further the UK proposals on our future relationship, based on the White Paper we published in July.

Addressing our future economic partnership, as well as the security cooperation that we want to continue to protect all of our citizens.

I am pleased we have now agreed with the EU to 'continuous' negotiations, as I have been arguing for, to energise the final phase of the diplomacy and to reach a deal that is in both sides' interests.

If, as I expect, the EU responds with the same level of ambition and pragmatism, we will strike a strong deal that benefits both sides.

Why we're planning for no deal

And at the same time, naturally we have to go to consider the alternative possibility, that the EU does not match our ambition and pragmatism, and we do not reach a deal.

Let me be clear about this.

This is not what we want.

And it's not what we expect.

But, we must be ready.

We have a duty, as a responsible government, to plan for every eventuality.

And to do this, we need to have a sensible, responsible and realistic conversation about what a no deal situation really means in practice.

For citizens, for businesses, for public sector bodies and for NGOs, and we need to take some steps now, so that we can avoid and mitigate those risks that arise.

So today, we are publishing the first 25 in a series of technical notices.

They are designed to inform people and businesses in the UK about what they may need to do, if we don't reach a deal with the EU.

The notices are practical and proportionate.

They prioritise stability for our people, our businesses, and for our country.

They are part of a common sense approach to planning for a no deal Brexit.

And they underline our resolve, whatever the outcome of negotiations, to chart our own course, in collaboration with friends abroad, to deliver on Brexit in a way that serves the best interests of the British people.

In the notices themselves, we set out clear steps that public institutions, companies and people should take or consider taking, in order to avoid or mitigate or manage the risk of any potential short-term disruption.

The overarching aim of the notices is to facilitate the smooth, continued, functioning of business, transport, infrastructure, research, aid programmes and funding streams that have previously come from the EU.

In some cases, it will mean taking unilateral action to maintain as much continuity as possible at least in the short term, in the event of no deal, and irrespective of whether the EU reciprocates in practice.

Let me just give you one example of what I mean by that, the batch testing of medicines.

At the moment, they only need to go through one set of checks, either here in the UK or in the EU, in order that they are deemed safe to be used by patients, and that's by virtue of our participation in the European regulatory network.

In a no deal scenario, the UK won't be a participant in the European regulatory network, that supports this process.

But we don't want delays or disruption to supplies from the EU.

So, we propose accepting the testing and safety approvals of existing medicines, if they've been carried out by a Member State regulator.

And that's just one illustration of what we would do, in a pragmatic way, to take unilateral, action in certain cases.

It is a sensible approach, for two reasons.

First, it simplifies the planning for those businesses that are exporting from the EU, by avoiding the need, at short notice, to adapt to new regulations.

Secondly, it minimises any potential disruption for UK businesses or consumers relying on that particular source of supply, in this case medicines from the EU.

Of course, given that we start from a position of common rules, we would also hope and I think expect, in good faith between close partners.

That the EU would recognise medicines from this country with our regulatory approval.

But in a no deal scenario, we can't guarantee it.

More generally, while we may choose to take this approach to achieve continuity and stability in the short-term, to be clear about it, we will be outside the EU, we will be free to diverge.

But we would only do so when we are ready.

On our terms, in the UK national interest, when it's right for the British people.

Now the reason I took the job of Brexit Secretary, is because at this crucial moment in our history, I want to see the UK leave the European Union in the best possible way.

Preferably with a deal, but prepared, on any eventuality, to manage the risks and grasp the opportunities of life outside the EU.

When I was appointed, the Prime Minister and I discussed the importance of stepping up our no deal preparations.

And with seven months to go until we leave, we need to pick up that work so that our plans are properly in place in time.

And that will enable us to build on the substantial preparations that have already been made over the last two years.

I might if I may set a few of them out.

First, working with Parliament, we've put in place the legislation we need.

That includes the EU (Withdrawal) Act that enables us to take back control of our laws whilst guaranteeing that our exit from the EU is smooth and orderly.

We've passed legislation to make sure that the UK has the legal powers it needs to support British truckers to continue operating internationally, and we've enacted the Nuclear Safeguards Act, to provide a new regime for safeguarding our nuclear materials, which will come into effect when we leave Euratom.

Now over the coming months we are going continue to put the legislative building blocks in place.

So that's the first thing, the legislative framework.

The second thing we are doing, we are recruiting the extra staff we need across government, making sure departments have the right people with the right skills to deliver a smooth transition.

There are more than 7,000 people working on Brexit. There is funding for an extra 9,000 staff to be recruited into the civil service, enabling us to accelerate government preparations as and when we need to.

And obviously just as important at that, in relation to frontline services, such as the UK's Border Force, we are currently recruiting an extra 300 staff in time for our exit, with plans in the pipeline to recruit 1,000 more staff, so they are ready to deal with any increase in work.

So the legislation, and the staff.

Thirdly, we are bolstering our institutional capacity. For example, the Competitions and Markets Authority will take on an additional role as the UK's state aid regulator, while the Information Commissioner's Office will support businesses with the new data arrangements that we will put in place after exit.

Fourth, beyond those domestic preparations, we're making sure we are in the best position to continue key international agreements that are currently linked to our membership of the EU.

For instance, we've signed a new nuclear safeguarding agreement with the International Atomic Energy Agency, and we struck a bilateral Nuclear Cooperation Agreement with the US.

Fifth, all of this requires money, which is why the Chancellor committed a further £3 billion in the Budget, on top of the £700 million already allocated for planning and preparations.

So our laws will be on the statute book, the staff will be in place, the teams will be in post, and our institutions will be ready for Brexit — deal, or no deal.

Technical notices

So today's Technical Notices take this work forward to the next stage.

This is the first batch in a series, and we will be publishing more Technical Notices over the coming weeks.

The ones out today will explain how the UK would mitigate the consequences of a no deal scenario in a range of ways.

So for instance, supporting businesses at the border.

The technical notice, 'Trading with the EU if there's no deal', published today sets out how we would ensure that, on day one, there would be a functioning customs, VAT and excise system.

Giving advice to businesses on how they will need to make import and customs declarations, register for a UK Economic Operator Registration and Identification number, or make safety declarations on goods being moved between the EU to the UK.

Next, the technical notice on workplace rights explains the steps we are taking to transfer all EU legislation into UK law in time for exit, so workers will continue to be entitled to the rights they have now, such as flexible working or parental leave. In many areas we already go much further than the EU.

Other technical notices published today will address healthcare, including ensuring blood products are safe if we leave the EU without a deal, and making sure we can continue to import blood supplies from the EU, even though, in truth, we are relatively self-sufficient in this regard.

When it comes to scientific research and cooperation, we are acting to protect UK institutions and businesses.

So we have set out how we will underwrite all successful Horizon 2020 bids from UK organisations, in the no deal scenario, to make sure that the UK retains its status as a global leader in scientific research.

Now, amidst all of the technical detail, we understand that real livelihoods are at stake.

So, for example, we're making sure our farmers get the funds they've applied for, with the Treasury guaranteeing applications made through the EU's Common Agricultural Policy up until 2020.

And, yes, British higher education institutions should carry on bidding for funding through Erasmus+.

Because as we set out today, the government will underwrite successful bids until the end of 2020, helping young people from this country to continue to enjoy the educational opportunities and the rich tapestry of cultural life right across Europe.

So too, for our trail-blazing NGOs fighting global poverty, we have guaranteed their funding, from successful bids from the European Civil Protection and Humanitarian Aid Operations.

So these technical notices, and the ones that will follow shortly, are a sensible, measured, and proportionate approach to minimising the impact of no deal on British firms, citizens, charities and public bodies.

They will provide information and guidance, and, after some of the misinformation that has been put about lately, some reassurance.

Take just one example of that, the suggestion that a no deal Brexit could spark a 'sandwich famine' in the UK, or that we've asked the army to deliver food supplies.

In reality, our food and drink supply is diverse.

In 2016, DEFRA food statistics show, the UK supplied half of the food we consumed. 30% did come from the EU, 20% from the rest of the world.

Who is credibly suggesting, in a no deal scenario, that the EU would not want to continue to sell food to UK consumers?

In any event, we've set out practical measures to mitigate any risks of disruption to supply. Through the recognition of EU food standards, our pursuit of equivalency arrangements on food regulation with the EU and indeed with non-EU countries, and through our support for UK farmers in terms of financial funding schemes.

So let me reassure you all that, contrary to one of the wilder claims, you will still be able to enjoy a BLT after Brexit.

And there are no plans to deploy the army to maintain food supplies.

I think it's also worth saying that most of the worst case scenarios, being bandied around, imply that the EU would resist all and any mutual cooperation with the UK.

In reality, I find it difficult to imagine that our EU partners would not want to cooperate with us even in that scenario in key areas like this, given the obvious mutual benefits involved.

At the same time, in the unlikely and I think regrettable event of no deal, a balanced appraisal should recognise that there would also be some countervailing opportunities.

The immediate recovery of full legislative and regulatory control, including over immigration policy.

The unfettered ability to lower tariffs, to bring into effect new free trade deals that we negotiate straight away.

And, mindful of our strict legal obligations, a swifter end to our financial contributions to the EU.

So, while we are striving for the best outcome, and a good deal from these negotiations, we stand ready to deliver Brexit for the British people if there is no deal.

By managing and mitigating the risks, by rising to the challenges, and by seizing the opportunities that lie ahead.

The EU and no deal

Now, I think in reality, many of the no deal challenges will affect the EU in similar or the same ways.

For our part, if the negotiations fail, we would continue to behave as a responsible European neighbour, partner and ally.

And that will extend to the necessary engagement with our EU friends when it comes to no deal planning.

And I think there are already some positive examples of this taking place.

Take the dialogue that is already going on between the Bank of England and the European Central Bank.

It is a sensible illustration of EU institutions working with British ones, to manage shared risks – for the good of everyone.

The technical working group that was set up in April, will facilitate discussion of risk management in financial services, to provide further confidence in the financial services industry as we leave the EU.

There are other areas where such engagement needs to take place, whether between the UK and the EU on data protection, or between the UK and EU member states, for example between port authorities.

That is the responsible thing for us to do, on all sides.

We are raising this issue with the EU, to impress upon them our joint responsibility to work together to minimise any harm to UK and European citizens and businesses.

Those lives, those livelihoods, on both sides, should be put ahead of any narrow political interests.

Equally, I hope such engagement on no deal, necessary as it now is, will be rendered redundant by the successful outcome from our negotiations.

And I will be returning to Brussels next week with that in mind, even as we continue to work on our no deal planning.

Conclusion

So my message to all of you today is a pragmatic one.

Please take note of the practical information we are providing, please do stay engaged with us on the detail, and over the coming months and weeks, and review your own contingency plans.

That way, as we prepare for our departure from the EU, and as we strain every sinew to deliver a new, deep and special, partnership with our European friends, we will be ready, in case those efforts are not matched.

Both to manage down the risks, but also to grasp the opportunities that Brexit will present.

And, in doing that, I am confident that this country's best days lie ahead.

Thank you all very much.

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Information about EU Exit including the article 50 process, negotiations, and announcements about policy changes as a result of EU Exit

- Medicines Supply Contingency Planning Programme (<https://www.gov.uk/guidance/medicines-supply-contingency-planning-programme>)
- Technical information on what the implementation period means for the life science sector (<https://www.gov.uk/guidance/technical-information-on-what-the-implementation-period-means-for-the-life-science-sector>)
- UK government's preparations for a no deal scenario (<https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario>)