

Llywodraeth Cymru Welsh Government

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Paul Davies MS Chair Economy, Trade and Rural Affairs Committee Senedd Cymru Cardiff Bay Cardiff CF99 1SN

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Border Controls

Dear Paul,

Ahead of attending Committee on 6 March, I am writing to update the Committee on three aspects of Border Controls.

Start date for physical checks on imports from Ireland

The Welsh Government agreed to publication of the UK Border Target Operating Model (TOM) more than six months ago, in August 2023. At the time, there were several outstanding policy issues around the interaction of the TOM with the Windsor Framework, which meant we were unable to agree a date for physical checks to start on imports from Ireland, but I expected an announcement before Christmas 2023. I am afraid that there has been little progress in resolving these policy issues and we do not yet have an agreed date.

I continue to hope that we will be able to reach agreement with the UK and Scottish Governments for a joined-up approach on our west coast, and communication on this at Ministerial level has been good in recent months. We welcome the restoration of power sharing in Northern Ireland of course, but the implications of the *Safeguarding our Union* command paper have yet to be worked through. In particular, we have yet to see proposals from the UK Government that address the implications of the commitment that there will be no Border Control Post at Cairnryan, together with a package of proposed anti-avoidance measures that will give credibility to the controls adopted. Given the nature of the issues still to be resolved, and our commitment to give a year's notice of changes to businesses affected, it is difficult to see how physical checks can be implemented before Spring 2025.

> Bae Caerdydd • Cardiff Bay Caerdydd • Cardiff CF99 1SN

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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.

My statement to the Senedd in August included a summary of the expert advice we had received. That sets out the concerns of our Chief Veterinary Officer (CVO) at the time, including:

- There remain risks around the commercial import of live animals from elsewhere via Northern Ireland, such as dogs from eastern Europe, where there may also be potentially significant financial incentives for deliberate avoidance. The CVO recommends that Welsh Ministers continue to press for the tightening of the QNIG [Qualifying Northern Ireland Goods] definition with regards to live animals.
- Steps must be taken to ensure that appropriate checks can be conducted on those non-QNIG consignments which arrive on indirect routes via Northern Ireland.
- Clear focus is required on data and monitoring of imports and compliance, with appropriate analysis, to iteratively inform the risk-based approach – including engagement across the UK and with the Republic of Ireland.
- Welsh Government needs to continue to press for anti-avoidance measures and intelligence-sharing, and appropriate resources and funding from the UK Government.

These questions persist.

Holyhead Border Control Post

My recent WMS, attached, announced that we have signed the main build contract for the Holyhead Border Control Post with Kier Construction Limited, following on from contracts with them for enabling and ground preparatory works. This particular contract is worth £13.5m, and I expect it to be followed in the next couple of months with a contract for the remainder of the build. The Committee will be aware that HM Treasury has confirmed capital funding for the build costs and the construction value for Holyhead will be circa £35m in total. Under the contract, we expect the building to be in a state of operational readiness within the 12 month period mentioned above.

Officials are continuing to support the two Pembrokeshire ports to develop plans for Border Control Posts at Fishguard and Pembroke Dock.

Funding from UK Government

The Welsh Government continues to believe that the UK Government should provide full funding to implement border controls, as a Brexit-imposed burden. The Committee will be aware that – subject to approval of our business cases - the UK Government has agreed to fund the costs necessary to build these sites up until March 2025. We had also sought revenue funding, to allow for the recruitment and training of inspectors to conduct the necessary checks, before charges are implemented, as well as our own programme costs. The UK Government has rejected this request. As a result, the Welsh Government is having to provide revenue funding from its overall budget of £2.6m in 2023-24 and £6.4m in 2024-25. The precise total amount required depends on many variables, including the start date of physical checks, as set out above, and the UK Government's response to the Pembrokeshire business case. It is possible that the amount required in 2024-25 will reduce if the start date moves into 2025-26, in which case we will be able to reallocate budget back to other priorities, but that will increase the pressures on the following year's budgets, which will need to be considered as part of our Spending Review.

I hope this letter provides a useful update for the Committee, and I would be happy to discuss further when I attend next week.

Yours sincerely,

Vaufran Gerting

Vaughan Gething AS/MS Gweinidog yr Economi Minister for Economy