Cabinet Office: Civil Contingencies Secretariat

Contingency preparations for exiting the EU with no deal
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Cabinet Office: Civil Contingencies Secretariat

Contingency preparations for exiting the EU with no deal

Report by the Comptroller and Auditor General

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Sir Amyas Morse KCB
Comptroller and Auditor General
National Audit Office

11 March 2019
The Civil Contingencies Secretariat sits within Cabinet Office and aims to increase UK government’s ability to respond to and recover from civil emergencies.

This briefing describes how the Secretariat is working with government departments to prepare for the potential disruption that may occur if the UK leaves the EU without a deal. The briefing is intended to assist Parliament in its scrutiny of the contingency preparations being put in place by government departments.

The National Audit Office's programme of work on exiting the EU

Leaving the European Union will be a key moment for the UK, and one that will have a very significant impact across the public sector.

The NAO has an ongoing programme of work across government to examine how government is organising itself to deliver a successful exit from the EU. This document is one of a series of reports that provides insight on aspects of government’s preparedness for exiting the EU.

Our back catalogue of work is set out in Appendix Two.
The National Audit Office study team consisted of: Iain Forrester, James Janson Young, Rebecca Jones, Daisy McLachlan, Jonny Mood and Sarah Pearcey, under the direction of Peter Gray.

This report can be found on the National Audit Office website at www.nao.org.uk

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Summary

Preparing for and responding to short-term disruption arising from a no deal exit is a significant challenge

The Civil Contingencies Secretariat (CCS) exists to improve the UK’s ability to prepare for, respond to, and recover from emergencies and disruptive challenges – usually described as ‘resilience’. Some challenges are of a scale or complexity to require central coordination and support.

In June 2018, the CCS began work on contingency plans to address the short-term impacts of no deal. It has codenamed this work Operation Yellowhammer. This work represents short-term activity to mitigate and respond to any significant disruption that might arise from a no deal exit.

Operation Yellowhammer forms part of the government’s no deal preparations. It operates alongside the government’s broader preparations for no deal, and for a deal, which are coordinated by the Department for Exiting the EU (DExEU). DExEU is focused on putting in place planned solutions to address the policy, legislative and practical consequences as the UK leaves the EU.

There are 12 Operation Yellowhammer areas of risk. These are each led by a relevant department and cover areas such as:

- movement of goods and people across borders;
- UK food and water supplies;
- healthcare services; and
- transport systems.

Coordinating the response of all the bodies involved under a no deal scenario would be a significant task. Should Yellowhammer become operational it could involve:

- more than 30 central government bodies, including almost all central government departments;
- 42 local resilience forums in England and Wales, and equivalent bodies in Scotland and Northern Ireland, which in turn will coordinate the work of local bodies, including police and local authorities;
- the Scottish and Welsh governments;
- the Northern Ireland Civil Service;
- Crown Dependencies, Overseas Territories (including Gibraltar) and Sovereign Base Areas in Cyprus; and,
- sectors and industries which are impacted.

Operation Yellowhammer has largely been funded out of the overall resources allocated to EU Exit preparations. It is difficult to separate out the cost attributable solely to Operation Yellowhammer activities. Resources will have been allocated from three sources:

- Reprioritisation of existing departmental budgets towards EU Exit preparations.
- HM Treasury’s specific allocation for EU Exit preparations. Around £1.5 billion was allocated to departments in 2018-19.
- The urgent requirements process. Three departments have received an additional £25 million for Operation Yellowhammer activities in 2018-19 and 2019-20 so far.
Part One: The task of preparing for no deal

Departments have been preparing for EU Exit and more recently to manage disruption should there be a no deal exit.

The Department for Exiting the European Union (DExEU) was established following the EU referendum and has coordinated preparations for EU Exit across government.

Departments have been planning for both a ‘deal’ and ‘no deal’ scenario. A ‘no deal’ EU Exit is one where the UK leaves the EU and becomes a third country without a Withdrawal Agreement and framework for a future UK–EU relationship in place.

DExEU collates a list of around 310 work streams identified by departments as projects they are taking forward to support the EU Exit process.

These preparations are focused on the policies, legislation, systems, processes and people required to be in place following the UK’s exit from the EU.

Departments have faced a considerable challenge in preparing for EU Exit.

As we have reported, some no deal preparations will not be fully ready by 29 March 2019. For example, the government does not have enough time to put in place all of the infrastructure, systems and people required for fully effective border operations on day one.¹

Government has said that some critical preparations are not on track and that it expects that the impact of a no deal exit will be significant in a number of areas.²

In June 2018, the Civil Contingencies Secretariat (CCS) began work on government’s contingency preparations for a no deal exit.

This work focuses on mitigating short-term, severe, disruptive impacts of a no deal exit. This includes residual impacts where planned mitigations are not delivered in time or will not be sufficient.

The precise impacts should there be a no deal EU Exit are very difficult to predict, and possibly unknowable. They will be shaped by what actions are taken by member states in the European Union and the decisions taken by businesses and citizens in the UK and Europe in response.

The contingency preparations are intended to reflect the fact that it would not be possible for departments to plan for every eventuality but that departments need to be in a position to respond quickly and effectively.

CCS has codenamed its work Operation Yellowhammer. CCS’s formal role is described in Appendix One.

¹ A selection of the National Audit Office’s recent publications on EU Exit are set out in Appendix Two. These reports contain further detail on the work streams across government.
Operation Yellowhammer is intended to manage short-term disruption that may arise from no deal and focuses on the areas that will have the highest impact on UK citizens.

Operation Yellowhammer aims to ensure there are effective and proportionate contingency plans in place to mitigate the potential immediate impact leaving the EU without a deal might have on the welfare, health and security of UK citizens and the economic stability of the UK.

The scope of Operation Yellowhammer expands if departments’ no deal planning is not ready in time or does not operate as expected. The interdependencies between various cross-government no deal measures (some of which may not work as intended) means that there will be unexpected events.
Operation Yellowhammer focuses on 12 areas of risk and three cross-cutting areas of work

Work to address these areas of risk is intended to mitigate and respond to disruption in the event of no deal

Lead departments are responsible for each area of risk. Each department has broadly the same task. For each area they must:

- define the potential risks in this area;
- develop the assumptions they will work to for planning purposes; and
- develop contingency plans to mitigate potential disruption in the event of no deal.

<table>
<thead>
<tr>
<th>Area of risk</th>
<th>Lead department</th>
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</thead>
<tbody>
<tr>
<td>Transport systems</td>
<td>Department for Transport</td>
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<tr>
<td>People crossing borders</td>
<td>Border Delivery Group</td>
</tr>
<tr>
<td>Key goods crossing borders</td>
<td>Border Delivery Group</td>
</tr>
<tr>
<td>Healthcare services</td>
<td>Department of Health &amp; Social Care</td>
</tr>
<tr>
<td>UK energy and other critical industries</td>
<td>Department for Business, Energy &amp; Industrial Strategy*</td>
</tr>
<tr>
<td>UK food and water supplies</td>
<td>Department for Environment, Food &amp; Rural Affairs</td>
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<tr>
<td>UK nationals in the EU</td>
<td>Foreign &amp; Commonwealth Office</td>
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<tr>
<td>Law enforcement implications</td>
<td>Home Office</td>
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<thead>
<tr>
<th>Area of risk</th>
<th>Lead department</th>
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</thead>
<tbody>
<tr>
<td>Banking and finance industry services</td>
<td>HM Treasury</td>
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<tr>
<td>Northern Ireland</td>
<td>Northern Ireland Office</td>
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<tr>
<td>Specific risks to Overseas Territories and Crown Dependencies (including Gibraltar)</td>
<td>Foreign &amp; Commonwealth Office</td>
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<tr>
<td>National Security</td>
<td>Cabinet Office – National Security Secretariat</td>
</tr>
<tr>
<td>Areas of work that cut across the 12 risks</td>
<td>Lead department</td>
</tr>
<tr>
<td>Legal</td>
<td>Cabinet Office – legal</td>
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<tr>
<td>Communications</td>
<td>Cabinet Office and Department for Exiting the EU – communications</td>
</tr>
<tr>
<td>Data</td>
<td>Department for Digital, Culture, Media &amp; Sport</td>
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</tbody>
</table>

Note
1 The Department for Digital, Culture, Media & Sport is lead department for the telecoms industry, which falls under CCS’s category of critical industries.
Part Two: Roles and responsibilities across government

The Civil Contingencies Secretariat has three main objectives under Operation Yellowhammer

1. **To understand the major risks and to agree common planning assumptions across government**

   No deal contingency preparations are highly interconnected. The work in one department frequently relies on the work of others.

   It is therefore essential that departments’ preparations are based on consistent planning assumptions.

   Departments are working on the basis of a reasonable worst case scenario. The common planning assumptions in this scenario include:

   - Delays at the border will mean significant reduction in flow of goods for up to six months.
   - UK citizens will be subject to increased immigration checks at EU border posts.
   - A reduction in choice and availability of certain fresh food supplies.
   - The potential for price increases across utilities, food and fuel.

2. **To ensure that departments have contingency plans in place for the 12 identified work streams**

   Lead departments are responsible for the planning, response and recovery actions relating to their work streams.

   The Civil Contingencies Secretariat (CCS) ensures that departments have developed, tested and assured these plans. These contingency plans should seek to mitigate the identified risks as far as possible.

   CCS has put in place mechanisms to help departments work together on contingency planning. This includes a regular cross-government ‘Yellowhammer Board’. This is used to report progress and resolve issues.

3. **To put in place a command, control and coordination (C3) structure**

   C3 is a dedicated control structure for coordinating a response to events. It is designed to allow for effective information sharing and decision-making across government.

   This structure needs to be in place ahead of EU Exit.

   CCS will provide oversight of government activities and is responsible, with the Economic and Domestic Affairs Secretariat of the Cabinet Office, for preparing and running meetings of ministers.
Operation Yellowhammer governance and reporting sits alongside that for no deal planning

**CCS has put in place arrangements that sit alongside those put in place by DExEU**
Contingency preparations for exiting the EU with no deal

Roles and responsibilities across government

Key roles and responsibilities in preparing for Operation Yellowhammer

The Civil Contingencies Secretariat (CCS): provides oversight to the government-wide preparations for Operation Yellowhammer. It:

- provides advice and guidance to departments;
- facilitates and encourages cross-government working;
- supports departments’ development and assurance of plans; and
- performs secretariat function for the EU Exit and Trade (Preparedness) committee, jointly with the Economic and Domestic Secretariat.

Yellowhammer Board: a regular meeting of representatives from lead departments to identify and resolve issues. Chaired by CCS.

Lead departments: departments are responsible and accountable to Parliament for the planning and implementation of their contingency plans. Where appropriate they will liaise with devolved administrations on their preparations.

Departments are also responsible for planning and implementing their deal and no deal EU Exit plans.

Devolved administrations: many areas of preparation and response are devolved, depending on the type of incident and its severity. Devolved administrations are developing their own plans, but with much greater collaboration and coordination with CCS than is typical.

EUXT(P): the Cabinet sub-committee, EU Exit and Trade (Preparedness), was established in January 2019. There are official and ministerial-level committees. Its remit is to “oversee and ensure effective delivery of plans for an orderly exit from the EU.” It has focused on overseeing preparations for a no deal scenario.

Before EUXT(P) was established, Operation Yellowhammer reported to the National Security Council sub-committee on Threats, Hazards, Resilience and Contingencies.

Department for Exiting the EU (DExEU): leads and coordinates work across government to ensure operational readiness for implementing EU Exit in both a deal and no deal scenario. A no deal communications hub, led by DExEU and Cabinet Office, coordinates departments’ public communications across Operation Yellowhammer and the wider no deal programme.

EU Exit Delivery Group: the Cabinet Office set up an EU Exit delivery board in January 2018 to identify and resolve delivery risks that emerge from departments’ reporting to DExEU and from the work of the functional support team.

Functional support team: this team sits within the Cabinet Office and provides support to government departments – through its staff specialising in areas such as project delivery, commercial and digital – to support delivery of EU Exit plans. It has examined the progress of key no deal preparations.
Coordinating the response of central and local government, devolved administrations and third parties is a large task.

A command, control and coordination (C3) structure has been established should Yellowhammer become operational.

C3 structure

- **Ministerial decision-making**
  - Receive information, advice and recommendations.
  - Investigate solutions to problems.
  - Make decisions and communicate required action.

- **Civil Contingencies Secretariat**
  - Liaison, information sharing and coordination of action.
  - Escalate issues and information as required.

- **Impact groups: local liaison**
  - Identify impacts and issues.
  - Take action to implement solutions and coordinate activity.
  - Escalate issues and information where necessary.

- **Departmental EU Exit operational centres**
  - Most central government departments will have operational centres.

- **Devolved administrations’ EU Exit operational centres**
  - Ministry for Housing, Communities & Local Government Resilience and Emergencies Division.

- **Sectors and industries**
  - 42 bodies in England and Wales, and equivalent bodies in Scotland and Northern Ireland.

Key roles at each level

- **Cabinet Office**: emergency response committee
  - Liaison, information sharing and coordination of action.
  - Escalate issues and information as required.
  - Bodies responsible for taking action.
  - Collate information from below.
  - Plan out actions and task these to organisations as appropriate.
  - Implement decisions by emergency response committee.
  - Escalate issues for information and action.

- **Impact groups**: inter-departmental liaison
  - Liaison, information sharing and coordination of action.
  - Escalate issues and information as required.

- **Impact groups**: local liaison
  - Identify impacts and issues.
  - Take action to implement solutions and coordinate activity.
  - Escalate issues and information where necessary.

- **On the ground**: identification of issues and actions to resolve
  - Identify impacts and issues.
  - Take action to implement solutions and coordinate activity.
  - Escalate issues and information where necessary.

- **Departments/devolved administrations**: coordinate and take action
  - Liaison, information sharing and coordination of action.
  - Escalate issues and information as required.
  - Bodies responsible for taking action.
  - Collate information from below.
  - Plan out actions and task these to organisations as appropriate.
  - Implement decisions by emergency response committee.
  - Escalate issues for information and action.

- **Sectors and industries**
  - Government monitors and reports upwards information and impacts.
Key roles and responsibilities in the C3 structure

**The Civil Contingencies Secretariat:** provides oversight to the government-wide response to Operation Yellowhammer.

CCS is the Secretariat for ministerial decision-making, and has responsibility for preparing and running any ministerial meetings.

**Impact groups:** these are the cross-department bodies that consider major cross-cutting issues. There are six impact groups:

- Borders and supply-related impacts.
- Impacts felt beyond the UK.
- Sectors and businesses impacts.
- Utilities-related impacts.
- Local impacts.
- Security-related impacts.

The impact groups are made up of liaison officers from all the affected departments and government bodies.

The aim of the impact groups is to share information effectively between departments that have a key interest in the issue. They also aim to ensure that issues are resolved collaboratively between relevant departments. Where this cannot happen the issues are escalated to ministerial committee.

The impact groups are not decision-making bodies.

**Departmental operational centres:** these act as the focal point for information flows between central government, the department’s sponsored bodies and any agencies working on the ground.

The operational centres feed into the impact groups and raise any necessary issues.

The centres are also responsible for briefing ministers and officials before attending meetings and to follow up on any resultant actions.

The centres also coordinate and disseminate information for the public and the media at the national level.

**Local multi-agency cooperation:** these bodies help coordination and cooperation between responders at a local level. There are 42 local resilience forums in England and Wales, and equivalent bodies in Scotland and Northern Ireland. There are three regional resilience partnerships in Scotland and three emergency preparedness groups in Northern Ireland.

Local bodies will be among the first to identify impacts and issues. Where possible they will take action to coordinate activity and resolve issues. They will escalate issues and information where necessary. They will also receive instructions from government for required actions.

In England and Wales, local authorities are required under the Civil Contingencies Act 2004 to have in place emergency plans and arrangements to make information available to the public and to provide advice to businesses and the voluntary sector.
The scale of the task poses challenges to effective response and recovery

The Cabinet Office sets out eight guiding principles that underpin the response to and recovery from every emergency at a local and national level. We have identified challenges that a no deal exit will pose to meeting each principle.

<table>
<thead>
<tr>
<th></th>
<th>Anticipation: ongoing risk identification and analysis.</th>
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<tbody>
<tr>
<td>1</td>
<td>Challenge: the interdependencies between various cross-government no deal measures (some of which may fail) means that there will be unexpected events.</td>
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<table>
<thead>
<tr>
<th></th>
<th>Preparedness: all organisations and individuals that have a role to play should be prepared and be clear about roles and responsibilities.</th>
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<tbody>
<tr>
<td>2</td>
<td>Challenge: the range of organisations involved is very large, and touches on all areas of national and local government. Many staff working on Operation Yellowhammer have required training.</td>
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<tr>
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<th>Subsidiarity: decisions should be taken at the lowest possible level, with coordination at the highest necessary level.</th>
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<tr>
<td>3</td>
<td>Challenge: the C3 structure reflects pre-existing decision-making structures but will operate on a much larger scale and with many different organisations.</td>
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<thead>
<tr>
<th></th>
<th>Information: the collation, assessment, verification and dissemination of information must be underpinned by appropriate systems.</th>
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<tr>
<td>5</td>
<td>Challenge: maintaining the flow of information is extremely challenging in emergency conditions. The structures for the flow of information will operate on a much larger scale than is typical.</td>
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<thead>
<tr>
<th></th>
<th>Integration: effective coordination between and within organisations at local, sub-national and national levels.</th>
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<tr>
<td>6</td>
<td>Challenge: the range of organisations involved could pose difficulties for effective management of issues at a local level. Structures are in place to allow for integration but will be operating on a large scale.</td>
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<th></th>
<th>Cooperation: positive engagement and information sharing between all agencies and all levels.</th>
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<tr>
<td>7</td>
<td>Challenge: organisations involved must understand what each other’s functions are and their priorities, constraints and ways of working.</td>
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<thead>
<tr>
<th></th>
<th>Direction: clarity of purpose comes from a strategic aim and supporting objectives that are agreed and understood by all involved.</th>
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<tr>
<td>4</td>
<td>Challenge: there may be many competing demands on organisations, particularly at a local level.</td>
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<tr>
<th></th>
<th>Continuity: response and recovery should be grounded in existing ways of working.</th>
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<tr>
<td>8</td>
<td>Challenge: Operation Yellowhammer builds on existing ways of working, but will need to occur on a much larger scale, at a much faster pace and in very testing circumstances.</td>
</tr>
</tbody>
</table>
If required, powers are available to government

As part of Operation Yellowhammer, departments have been exploring how they can use existing powers. Yellowhammer contingency plans do not envisage using the Civil Contingencies Act 2004, which allows government to make special temporary legislation as a measure of last resort

Most situations can be managed using existing legislation. There are a range of powers that departments can draw upon. These include, for example, the ability to:

- prioritise fuel supply to essential services; and
- temporarily relax rules that limit the driving and working time of the drivers of certain vehicles, such as HGVs.

As part of Operation Yellowhammer, departments have been examining how they could make use of existing powers. Departments have identified existing legal powers that could be used to address the Yellowhammer risks they are responsible for. Departments have also considered if any additional legislation would be required.

The Civil Contingencies Secretariat (CCS) informed us that departments are not currently pursuing any further legislative powers for Operation Yellowhammer. CCS informed us that plans can operate successfully within the current legislative framework.

If existing powers are insufficient, the next option would be to bring forward new legislation. As a measure of last resort, government can use powers under the Civil Contingencies Act (the Act). CCS informed us there are no plans to do this. The Act allows special temporary legislation to be introduced in an emergency, if existing legislation is insufficient and the need is urgent. Such legislation can only be introduced if certain conditions are met, such as that:

- an emergency has occurred, is occurring or is about to occur;
- existing powers are insufficient and the regulation is necessary for the purpose of preventing, controlling or mitigating the emergency; and
- the regulations are proportionate.

It is possible to use powers on a regional or devolved administration basis, leaving those elsewhere unaffected.

Any regulations introduced under the Act are time limited. The regulations lapse 30 days from being made, or earlier if set out in the emergency regulation.

Where regulations are made, they must be presented to Parliament for its approval as soon as is “reasonably practicable”.
Part Three: How the Civil Contingencies Secretariat is working with departments

The work of the Civil Contingencies Secretariat is closely related to that of the Department for Exiting the EU.

**Illustrative example of how an issue may be considered by both the Civil Contingencies Secretariat (CCS) and the Department for Exiting the EU (DExEU) which look at different aspects**

<table>
<thead>
<tr>
<th>Summary of focus with departments</th>
<th>Example objective for EU Exit work</th>
<th>No deal and Operation Yellowhammer</th>
<th>Example areas of work</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DExEU</strong></td>
<td><strong>Objective:</strong> continuity of supply of medicines into the UK after no deal exit from the EU.</td>
<td><strong>No deal preparations:</strong> Department of Health &amp; Social Care reports progress and issues to DExEU.</td>
<td>Regulatory changes to allow pharmacies to dispense alternative medicines.</td>
</tr>
<tr>
<td>• Development of new policies.</td>
<td></td>
<td><strong>No deal work stream is reliant on the progress of other no deal work streams</strong> (for example, transport solutions including air service agreements). If these are not ready it may expand the scope of Operation Yellowhammer activities.</td>
<td>Managing supply chain reflecting changed relationship with the EU.</td>
</tr>
<tr>
<td>• Ensuring legislative changes are made.</td>
<td></td>
<td></td>
<td>Communication with industry and healthcare professionals.</td>
</tr>
<tr>
<td>• Identifying and implementing necessary changes in administration and funding.</td>
<td></td>
<td><strong>Operation Yellowhammer:</strong> objective falls within Yellowhammer areas of risk ‘key goods crossing borders’ and ‘transport systems’.</td>
<td>Communicating aspects of no deal to public and businesses.</td>
</tr>
<tr>
<td><strong>CCS</strong></td>
<td></td>
<td></td>
<td>Communicating with people, businesses and localities affected by short-term disruption.</td>
</tr>
<tr>
<td>• Steps that need to be taken to mitigate and manage short-term disruption.</td>
<td></td>
<td></td>
<td>Ensuring flow of goods at the border and operation of customs on day one of no deal.</td>
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<tr>
<td></td>
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<td></td>
<td>Managing prioritisation of goods to be brought into the country.</td>
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<td></td>
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<td></td>
<td>Short-term provision of additional capacity (for example, new ferry capacity to transport goods).</td>
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</table>
Operation Yellowhammer has worked to four broad phases

Timeline of work and examples of the Civil Contingencies Secretariat's (CCS’s) activity with departments

<table>
<thead>
<tr>
<th>Scoping</th>
<th>Planning</th>
<th>Assurance</th>
<th>Operation</th>
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</thead>
<tbody>
<tr>
<td>Scope of required activity and cross-government plans developed.</td>
<td></td>
<td>Assurance activities undertaken across key risks. This includes, for example, department-led assurance drawing on CCS guidance, and CCS coordinated ‘table-top’ exercises (simulations of a scenario to test plans).</td>
<td>Yellowhammer becomes operational if the UK leaves the EU without a deal.</td>
</tr>
</tbody>
</table>

Examples of activities

**Summer 2018:** identification and refinement of the key areas of risk for Operation Yellowhammer to focus on.

**August 2018:** workshop where lead departments tested assumptions, interdependencies and risks of initial contingency plans.

**Ongoing through period:** assist with continued development of departmental plans and assessment of risks. Challenge and support assurance of departmental plans.

**Autumn 2018:** departments refined their contingency plans. All contingency plans due to be finalised and cleared by permanent secretaries and secretaries of state by end of December.

**Autumn 2018:** CCS developed the C3 architecture to be put into operation from around February 2019.

**January 2019:** CCS provided departments with ‘what does good look like’ guidance for establishing operational centres. CCS training programme launched for those involved in Operation Yellowhammer.

**January 2019 onwards:** rapidly advance contingency planning in central government. Likely desire for greater clarification of expectations for the local response community and assurances of local resilience forum preparedness.

**Ongoing:** live response to critical and urgent issues as they emerge. Response will be ongoing until these are resolved or can be addressed through business-as-usual activities.
The Civil Contingencies Secretariat assists departments in planning for Operation Yellowhammer

The Civil Contingencies Secretariat (CCS) has three purposes in the assurance of plans:

- to ensure the plans are of sufficient quality and scope;
- to ensure the necessary links between risk areas are being made; and
- to be able to provide clarity and reassurance to ministers.

CCS has adopted a model of department-led assurance.

Departments have primary responsibility for the assurance of their Yellowhammer activities.

CCS provides advice and support as the centre of expertise. This has focused on the development of contingency plans and the arrangements being put in place for departmental operational centres.

CCS has staff assigned to each area of risk who work with departments on a day-to-day basis.

It is more challenging to assure the readiness of some aspects of planning, as they will relate to assumptions regarding the preparations and actions of third parties, such as businesses and citizens.

The assurance activities include:

- regular meetings with all lead departments to collectively discuss and challenge planning for risks;
- workshops where lead departments test assumptions, interdependencies and risks of contingency plans;
- providing guidance to departments for establishing operational centres and self-assuring progress;
- CCS reviews of contingency plans and the readiness of departmental operational centres; and
- CCS participation in, and challenge of, planning exercises undertaken by departments.
HM Treasury approves no deal and Operation Yellowhammer spend

HM Treasury allocates funding to departments for EU Exit work, but it is difficult to separate out the cost attributable solely to Operation Yellowhammer activities. This is because resources will have been allocated from three sources:

- Reprioritisation of existing departmental budgets towards EU Exit preparations.
- HM Treasury’s specific allocation for EU Exit preparations.
- In December 2018, HM Treasury established an urgent civil contingencies funding process. Departments must submit bids for scrutiny by HM Treasury, CCS and DExEU. Three bids have received funding so far:
  - £5.60 million to the Foreign & Commonwealth Office for consular support and communications to British nationals overseas for 2018-19;
  - £5.45 million to the Home Office for counter-terrorism and Kent policing for 2018-19; and

In the event of a no deal exit, business-as-usual activities across government will be reprioritised to free up people and money.

HM Treasury’s allocations to departments, including via the urgent civil contingencies funding process, amount to £1.5 billion in 2018-19. Figures from departments suggest that around sixty-five per cent of the allocation had been spent by the end of January 2019. This does not represent departments’ total spending on EU Exit, since reprioritisation of existing budgets is not included.

HM Treasury has allocated departments £1.5 billion for EU Exit preparations, including Yellowhammer spending

<table>
<thead>
<tr>
<th>Department</th>
<th>Allocation (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Office</td>
<td>400</td>
</tr>
<tr>
<td>Department for Environment, Food &amp; Rural Affairs</td>
<td>320</td>
</tr>
<tr>
<td>HM Revenue and Customs</td>
<td>262</td>
</tr>
<tr>
<td>Department for Business, Energy &amp; Industrial Strategy</td>
<td>139</td>
</tr>
<tr>
<td>Department for Transport</td>
<td>81</td>
</tr>
<tr>
<td>Department for International Trade</td>
<td>77</td>
</tr>
<tr>
<td>Cabinet Office</td>
<td>61</td>
</tr>
<tr>
<td>Foreign &amp; Commonwealth Office</td>
<td>35</td>
</tr>
<tr>
<td>Department for Digital, Culture, Media &amp; Sport</td>
<td>26</td>
</tr>
<tr>
<td>HM Treasury</td>
<td>25</td>
</tr>
<tr>
<td>Department of Health &amp; Social Care</td>
<td>21</td>
</tr>
<tr>
<td>Ministry of Justice</td>
<td>17</td>
</tr>
<tr>
<td>Ministry of Defence</td>
<td>13</td>
</tr>
<tr>
<td>Other¹</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>1,519</td>
</tr>
</tbody>
</table>

Note

¹ Other includes the Food Standards Agency, Competition & Markets Authority, Office for National Statistics, the National Archives and the Scotland, Wales and Northern Ireland Offices.

Source: National Audit Office analysis of HM Treasury data. Figures are rounded to the nearest £1 million.
The Civil Contingencies Secretariat is providing training for people working on Operation Yellowhammer

Preparing for and responding to emergencies requires training and expertise. There are National Occupational Standards for civil contingencies, which specify the standards of performance that people are expected to achieve in their work and the knowledge and skills they require.

The Civil Contingencies Secretariat (CCS) has made training available to everyone working on Operation Yellowhammer. Some of these people have prior experience, but many do not. There is no centrally held figure for how many people are working on Yellowhammer activities. The training has focused on ensuring that people working within the C3 structure have a clear understanding of their roles and responsibilities and how they fit into the wider picture. CCS began this training in January 2019.

<table>
<thead>
<tr>
<th>Training modules run by CCS</th>
<th>Total attendance at 21 Feb 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Induction: face-to-face briefings in large groups to inform and enable Q&amp;A</td>
<td>2,603</td>
</tr>
<tr>
<td>C3 briefing</td>
<td>264</td>
</tr>
<tr>
<td>Role-specific: face-to-face delivery of leadership training (for Operational Centre leads and chiefs-of-staff) and training of liaison officers (for impact group liaison roles)</td>
<td>495</td>
</tr>
<tr>
<td>Train the trainer: to train potential instructors</td>
<td>552</td>
</tr>
<tr>
<td>E-learning modules: CCS is offering nine e-learning modules. One module is an induction video. The other modules have been downloaded between 168 times (module on Parliamentary handling) and 566 times (introduction to resilience).</td>
<td>168 – 566 downloads</td>
</tr>
</tbody>
</table>
The Civil Contingencies Secretariat has around 56 people working on Operation Yellowhammer and expects to spend around £1.1 million in 2018-19

The Civil Contingencies Secretariat (CCS) is a relatively small body and Operation Yellowhammer forms only part of its work. It has reprioritised other work temporarily to increase resources on this activity.

There are around 56 full-time equivalent staff working on Operation Yellowhammer within CCS.

CCS estimates that it will need an additional 140 full-time equivalent people working flexibly across shifts to support the CCS operation centre.

The Cabinet Office is currently looking to increase the numbers of staff trained to be part of CCS to form a flexible pool to be used if and when required.

The current headcount within CCS as a whole is 94 full-time equivalent posts. This excludes staff working in CCS who are paid for by other departments.

CCS expects to spend around £1.1 million for Operation Yellowhammer work in 2018-19. As of mid-February 2019 CCS had spent £0.4 million on Operation Yellowhammer.

The total budget for all CCS work in 2018-19 is £16.9 million.

The budget allocation for 2019-20 is yet to be finalised and agreed by ministers.
Appendix One

The Civil Contingencies Secretariat leads government efforts on civil emergency planning and response

The Civil Contingencies Secretariat's (CCS’s) role is to ensure that the UK understands the major risks facing it and has systems in place to manage those risks.

CCS’s primary role has been to review and confirm preparedness for handling the consequences of exceptionally serious or widespread incidents. CCS provides guidance and support on the planning and preparation work to be undertaken by others.

This is intended to enhance the UK’s ability to:

- prevent;
- prepare for;
- respond to; and
- recover from civil emergencies.

CCS is based in the Cabinet Office and reports to the Deputy National Security Advisor for Security and Resilience.

CCS is not designed to respond to all incidents. Most incidents are managed by local authorities and emergency responders with no direct involvement from central government. When central government involvement is required the initial response will come from the department designated to lead on that issue. CCS provides a focus for cross-departmental and cross-agency coordination and activities.

**CCS has taken a lead coordinating role on Operation Yellowhammer.** CCS takes a lead role on incidents that are of a scale or complexity to require central coordination and support. Individually many of the risks that Operation Yellowhammer is preparing for are familiar to government.

However, unlike other potential civil emergencies, which are typically localised, or single incident events, there is the potential under a no deal exit for many different incidents to occur at the same time, or within short succession, across the UK.

Operation Yellowhammer uses approaches that already exist.

These include:

- existing structures for preparing for and responding to risks;
- emergency planning training and exercises;
- working with contingency planners in departments; and
- drawing upon existing plans for responding to emergencies such as:
  - local resilience forums’ preparations for responding to incidents; and
  - plans for specific risks such as public disorder, failure of essential supply chains and transport disruption.
National Audit Office publications on the UK’s exit from the EU

The National Audit Office’s (NAO’s) programme of work on the UK’s exit from the EU

The NAO has an ongoing programme of work across government to examine how government is organising itself to deliver a successful exit from the EU. This has covered the key bodies in the centre of government and the major spending departments that have to deliver EU Exit programmes.

Our EU Exit reports are available on the NAO website: www.nao.org.uk/search/pi_area/exiting-the-eu/type/report/  

A selection of recent NAO publications on the UK’s exit from the EU

Memorandum to Committee of Public Accounts: The UK border: preparedness for EU exit update (February 2019)

Memorandum to Committee of Public Accounts: The award of contracts for additional freight capacity on ferry services (February 2019)

Exiting the EU: The financial settlement – follow-up report (November 2018)

The UK border: preparedness for EU Exit (October 2018)

Department for Environment, Food & Rural Affairs: progress in implementing EU Exit (September 2018)

Implementing the UK’s Exit from the European Union: Department for Transport (July 2018)

Exiting the EU: Consumer protection, competition and state aid (July 2018)

The Customs Declaration Service: a progress update (June 2018)

Implementing the UK’s Exit from the European Union: The Foreign & Commonwealth Office (April 2018)

Implementing the UK’s Exit from the European Union – People and skills: The role of the centre of government (December 2017)

Implementing the UK’s Exit from the European Union: The Department for Exiting the European Union and the centre of government (November 2017)
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