

TRANSPORT FOR LONDON
EXECUTIVE COMMITTEE

Subject: Preparing for Brexit
Date: 28 September 2016
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1 Purpose

- 1.1 This paper is for AGREEMENT. It describes the proposed approach to ensuring that we are prepared for the consequences of Brexit, exploit any opportunities that emerge from Brexit and support the Mayor in securing his wider objectives for London in any Brexit settlement.
- 1.2 The Executive Committee is asked to AGREE:
 - The general approach
 - The proposed initial timeline
- 1.3 The Executive Committee is asked to REVIEW the proposed community of interest to suggest any additional domains of interest and to nominate members for each relevant functional area.

2 Background and current status

- 2.1 We need to understand and mitigate the impacts of the EU Referendum result on TfL and on London, secure any opportunities that arise and provide all necessary support to the Mayor in achieving his objectives for London.
- 2.2 Impacts to TfL can be loosely understood as those that are consequent on the Referendum result, such as economic and market effects, and those that will follow from the results of renegotiated relationships with the EU and other nations.
- 2.3 There is significant uncertainty about the timing of the triggering, progress and conclusion of Article 50 negotiations, governing withdrawal from the EU, their outcomes and the outcomes of any parallel or subsequent negotiations to establish new trading terms, principles governing movement of people etc.



3 General Approach and Timeline

3.1 Given the uncertainties described above it is necessary to adopt a flexible, open-ended and proportionate approach to preparing for Brexit in order to manage risks and give visibility and structure whilst retaining agility. It is proposed that the most efficient approach is to:

- Agree corporate objectives internally and with City Hall to align with the Mayor and identify our preferred outcomes;
- Take a risk/opportunity assessment approach to determining priorities and focus;
- Devolve detailed consideration to subject matter experts in relevant areas while ensuring visibility and assurance of progress in an integrated way.

3.2 In practical terms this means identifying domains and subjects of relevance; establishing a community of interest of named individuals accountable for making progress in each area; and creating a light-touch assessment and tracking framework for all topics. PMO have agreed to provide support on the process and framework elements of this approach.

3.3 The full scope of potential Brexit impacts will only emerge from negotiations and will be kept under review as part of this project. However based on an initial assessment, risks and opportunities are likely to fall into four intersecting domains:

- **Finance, Legal and regulatory:** revenue, borrowing, contracts, procurement processes, Treasury operations, standard definition and enforcement, legislation.
- **People:** HR law, retention, new immigration requirements, contingency planning, recruitment policy during the negotiation period, staff safety and morale.
- **Communications:** Stakeholder and customer communications, link to specific campaigns (e.g. #londonisopen), internal communications, wider London positioning, Government relations.
- **Project and Operational Delivery:** impacts on suppliers (stability, finance, loss of key staff, contract costs), major project risks (including revisions to BCR if borrowing or supply costs change due to credit ratings, new tariffs, currency fluctuations, loss of critical staff etc),

3.4 The timing of our efforts is also subject to the wider uncertainties around the timing with which the Government will invoke Article 50. Consequently it is recommended that our tactic should be to frontload our effort to ensure we have identified, assessed and allocated to a named individual each topic of interest by the end of 2016. While it appears unlikely that Article 50 will be triggered in January 2017, this early preparation would nevertheless ensure that we are ready if it is triggered.



3.5 A proposed initial outline timetable is:

Activity	Deadline
Confirm approach and community of interest membership with Exco	28 September
Develop outline project plan, risk assessment template, dashboard structure etc	20 October
Initial community of interest briefing and confirm domains	27 October
Subject matter experts to risk assess and propose a plan for each topic area to include: Risk or Opportunity Objective and required outcome KPI Critical path to achieving required outcome High level milestones	24 November
Develop a reporting dashboard for Exco	15 December
Review and update as required	Every period

4 Community of Interest

4.1 To support the proposed approach we need to identify subject matter experts in each area who are accountable for developing and maintaining plan(s) for their topic area. This will enable us to treat them as a community of interest for sharing information and responding to emerging detail. An initial discussion around Brexit was convened by PASE at the end of July. Based on that and subsequent discussions it is proposed that the functional areas that need to be included initially in that community of interest are:

- Public Affairs and Government Relations
- HR
- Internal Communications
- Major projects
- Planning
- Legal
- Treasury
- Finance and Business planning
- Commercial
- London European Office



- 4.2 The Executive Committee is asked to REVIEW this list to identify any other departments of immediate relevance and relevant MDs are asked to nominate the appropriate representative from their area.

5 Contact

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