Delays at ports, reduced investor confidence and difficulties recruiting staff were among the fears expressed about Brexit last month by several participants to a roundtable discussion, hosted by Transportation Professional and CIHT.

But there was also a sense of optimism in the room as others pointed out that while disruptive, the UK’s exit from the European Union could help make Britain and its transportation sector more productive in the long run.

“Brexit will produce more challenges than solutions but in the end will make us better at what we do, as we look to innovate and seek efficiencies,” said Mott MacDonald’s highways managing director John D’Arcy MCIHT. “Whatever Brexit ends up looking like we must increase the social and economic return on infrastructure investment.”

Emerging technology and a renewed spirit of collaboration could help smooth the transition, he added. One example is to invest in design for manufacturing and assembly, and digital models that visualise a construction sequence, helping to manage logistics and labour supply.

“We now have a greater chance than ever to optimise how we work,” John added. “We can either sit back, or be agile and plan ahead. Let’s not underestimate our ability to solve problems.

“Brexit is a change, but so was the internet and so too may be artificial intelligence and smart infrastructure. Staying relevant as an organisation depends on dealing with change.”

Professor David Metz of University College London agreed that short term difficulties in dealing with Brexit could be replaced with opportunities. “We should not be pessimistic about what may happen when the initial process is completed. Brexit is a disruptive force but we can rise to the challenge by rethinking how we go about business.”

There has been a huge focus on Brexit’s possible impact on goods and logistics, he added, but very little discussion around the effect on business services other than finance. Leaving the EU might, he said, “create opportunities for Britain’s services sector, aided by a strong academic community exporting know-how”.

David also suggested the country may see a readjustment in industry and services; with more agricultural produce grown at home and greater numbers of cars currently produced for export sold to consumers in Britain.

Arcadis’ transportation business...
The importance of maintaining infrastructure spending post Brexit was echoed by Oxera Consulting’s partner Andrew Meaney. He said the impact of Britain leaving the EU is unlikely to be sudden, “but if we have 10 years of uncertainty it will mean business investment dries up, reduced productivity and, therefore, an economy growing more slowly”.

Andrew predicted that uncertainty may drive public sector decision making, with Government investing more in roads, rail or airport expansion to buoy the economy. He described an appetite by many to export innovative rail systems, such as digital signalling, with Government having recently signed a ‘sector deal’ with the supply chain to create favourable investment conditions.

But he added: “There needs to be more honesty around Brexit. If you want a free trade agreement with Australia you cannot be in an EU customs union, and if you want a smooth border you have to maintain regulatory alignment with Europe.”

CIHT senior policy officer Justin Ward said the Institution will continue making the case for investment in transport infrastructure and innovation, adding that Government’s support of global events like the

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**Dover port warns of major disruption**

Brexit has highlighted an “absence of any resilience in Kent’s road network” according to the Port of Dover’s head of EU exit Tim Reardon.

Major roads leading to the port are “broadly what they were 25 years ago” and the A2 on the approach to Dover “is still a single carriageway road with potholes, several roundabouts and traffic lights”.

Virtually every layby on main roads to the port has been closed off, Tim claims, meaning hauliers have few places to stop, wash, eat and get some rest. He added that a major issue with Brexit is whether anything stands in the way of efficient lorry movements. “A substantial concentration of the UK’s international trade goes through south east Kent. We see 2.6 million heavy vehicles a year at our eastern docks. Our ability to handle traffic depends on lorries passing through without stopping.”

Tim added that the port can accommodate traffic building up during brief disruptions to ferry sailings, but that longer restrictions create significant issues. He said it is wrong to use the former Manston airfield as a holding area for lorries in times of disruption. “The diversion from London to Dover via Manston is the equivalent of crossing the Channel three times.”

Restrictions on the flow of lorries can cause “very substantial knock on practical and logistical issues” for Kent, “which no amount of consultancy or Government intervention is going to sort out”. But he thinks Government plans for pre-shipment customs declarations, enabling lorries to continue to pass through ports without stopping, is good news.

Britain has a “fantastically efficient logistics sector”. But for it to function effectively, “it needs infrastructure and a sensible control framework”.

But one positive to come out of the last two years of Brexit talks is a “massive public and media interest in UK logistics,” he added. Everyone used to rely on its output without thinking how. “Now it is front and centre of the general discussion.”
World Road Congress can help to champion UK expertise.

“Uncertainty could hit confidence and the delivery of work programmes, so we would like to see infrastructure promoted for the continued economic prosperity of the UK,” he said.

“We would also not want to see a watering down of environmental standards around air quality. If standards do change, we hope they get stronger.” Several guests agreed of the need to uphold regulations after Britain leaves the EU, with one suggesting that Government might use Brexit to tighten vehicle emissions standards.

Legal firm Beale’s partner Will Buckby MCIHT said suppliers are asking lawyers to look at their contractual agreements, with ‘Brexit clauses’ being written into contracts to protect against possible changes in law, additional costs, withdrawal of funding or a change in economic conditions.

“Future proofing your contracts against Brexit and economic uncertainty is advisable. Drafting of Brexit clauses needs to deal with particular risks arising which are relevant to a project or your business.”

On a wider point of changes to laws, he said there is unlikely to be any radical change on Brexit day such as a repeal of all EU laws. “UK law needs to be aligned with the EU for trade, and legislation has already been passed that effectively says most laws existing on the day prior to Brexit will remain.”

With Brexit day fast approaching, he fears the political negotiations will be resolved “like a financial close on a major transaction when the deal is concluded in the final hour”.

Burges Salmon’s partner Ian Tucker said that virtually every Brexit scenario put forward – including free trade agreements – does not remove the need for more ‘regulatory alignment’ checks at the border and pointed out there are likely to be “a number of adjustments for at least 10 years” in terms of how Britain is allowed to trade with other countries. Ian also said that everyone resident in the UK as of Brexit day should be allowed to continue to work, with new EU joiners able to secure temporary visas. But he had concern around sentiment towards Britain.

“Both people from abroad and businesses based overseas looking for contracts may feel they are more welcome in other countries. We have to ask what this may do to good will, relationships and our ability to buy services. This goes beyond what Government can offer in terms of allowing access.”

Political think tank the Institute for Government’s researcher Alex Stojanovic said most withdrawal scenarios proposed will lead to an increase in administration associated with allowing goods into Britain. He warned that “ports may seize up in the short term, despite Government proposing to simplify movement by allowing import declarations to be completed post entry”.

He added that there is a risk of “a slow trickle of British businesses relocating to Europe if many approvals and regulations are passed to the EU”.

But he also suggested that Brexit may generate positivity among businesses and pointed out there has been much cross departmental collaboration in Whitehall to help firms operate more efficiently. “Government and the civil service have been working very hard on Brexit in difficult circumstances,” Alex said. “But politics have made preparations very difficult.”

Helping businesses prepare for Brexit and what will be termed ‘rest of the world trading’ are aims of the Institute of Export’s director general Lesley Batchelor. She welcomes work by HM Revenue & Customs to offer businesses ‘easements’ to the processes of importing, but said Government’s final months of negotiation “have not felt very organised”.

Lesley said many exporters are frustrated about Brexit. She is pleased that HMRC has set up a grant fund to subsidise training for businesses about new trading arrangements, but feels more firms need to take up the offer.

Some UK businesses are setting up offices, manufacturing plants and bonded warehouses in Europe, she continued, but suppliers who contract delivery within two hours may struggle to match the distances currently travelled if there are delays at ports.

“Everyone wants to talk to me about paperwork and how to trade, so we’re set to have our busiest year ever. But members also ask ‘What’s going on?’ and ‘Why are we doing this?’”

### Roundtable participants:
- Lesley Batchelor, Institute of Export
- Colin Black, Arcadis
- Will Buckby, Beale
- John D’Arcy, Mott MacDonald
- Marie-Claude Hemming, Civil Engineering Contractors Association
- Andrew Meaney, Oxera Consulting
- David Metz, University College London
- Tim Reardon, Port of Dover
- Alex Stojanovic, Institute for Government
- Ian Tucker, Burges Salmon
- Mike Walter, TP
- Justin Ward, CIHT

### Actions for CIHT to take forward

Output from the roundtable will be reviewed by CIHT to help inform future priorities. As part of its response, it will:
- Engage with members to ensure their views are put to Government through CIHT’s policy and public affairs work
- Continue to make the case for transport in the Spending Review and recommend that certainty of funding is extended to the local road network
- Continue to support diversity and inclusion to ensure the sector’s workforce can deliver current and future infrastructure needs
- Call for protection of environmental standards for air quality to improve the health and wellbeing of people.