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Costing Brexit: what is Whitehall spending on exiting the EU?

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The vote to leave the European Union (EU) is leaving a lasting impression on the shape and size of Whitehall. There are new departments, new priorities and thousands of new civil servants.

These changes don't come without cost. After years of strict controls on departmental budgets, the Chancellor is loosening the purse strings. In the 2017 Autumn Budget, he announced that an extra £250 million (m) had been shared among departments in 2017/18, and a further £3 billion (bn) has been set aside to fund Brexit over the next two years.

This paper looks at six of the government departments most affected by Brexit in order to understand where this money is going and what else Whitehall is spending on leaving the EU. It shows that the Treasury numbers only tell part of the story.

As well as the two new departments set up in the summer of 2016 – the Department for Exiting the European Union (DExEU) and the Department for International Trade (DIT) – we look at the four other departments most impacted by Brexit: the Department for Business, Energy and Industrial Strategy (BEIS), the Department for Environment, Food and Rural Affairs (Defra), the Home Office, and Her Majesty's Revenue and Customs (HMRC).

Brexit preparations have cost around £400m in 2017/18

The six departments will have spent approximately £400m on Brexit by the end of 2017/18. Defra has seen the largest increase in its spending, with almost £100m approved by the Treasury for its EU exit work.

That total exceeds the Treasury's Whitehall-wide allocation of £250m for 2017/18 by £150m. That is because the Chancellor's figure does not include the Brexit money allocated to DExEU and DIT over the Parliament in the 2016 Autumn Statement, or the additional money these departments are spending by reallocating their budgets internally.

Much of the effort in Whitehall so far has been on supporting negotiations, preparing future policy and legislation, and scenario planning for implementation. But the implementation work itself has yet to get going fully, with little progress made, for example, on a future EU migration regime. Some of the results of the policy work planned for 2017/18 – white papers on migration, and fisheries, for example – have also yet to be published and Defra's consultation on the future of agriculture will not close until May 2018.

The cost will jump to at least £900m in 2018/19

The cost of Brexit in the year running up to the UK's formal exit is likely to increase significantly. HMRC, which will play a critical role in preparing the border for Brexit, expects it will need between £300m and £450m for 2018/19 alone.*

With March 2019 fast approaching, the step change in Brexit costs partly reflects increased spending on the systems and processes necessary for life outside the EU. But in addition to this, teams across Whitehall will be supporting future relationship negotiations in Brussels and shepherding more legislation (both primary and secondary) through Parliament.

For the six departments we have looked at, we expect that roughly £900m will be required for work on EU exit in 2018/19. While this total is less than the Treasury's allocation for next year, we have looked at just six departments and have made conservative assumptions where public information is not available.

The total cost could be as high as £2bn

Across the two years we have looked at, the expected cost of Brexit is about £1.3bn for the six key departments. The number across the whole of government could be much bigger. In the Autumn Budget, as noted above, the Chancellor set aside £1.5bn for Brexit preparations in 2018/19.

* We use £375m for our calculation of the £900m total across departments.

The Treasury is in the process of confirming the allocation of this money. It has committed to update Parliament on where this £1.5bn Brexit 'war-chest' is going, before the end of the financial year. Once those figures are released, there will be a clearer sense of the total cost of Brexit by March 2019. If all the money is allocated, the total amount spent over the years leading up to formal exit could be as high as £2bn.**

The big Brexit cost for government has been new civil servants

To date, half the money spent on Brexit has gone on staff. Numbers have increased particularly quickly in the new departments, with DExEU growing from 50 to around 700 and DIT adding 800 new Brexit roles.

Between June 2016 and March 2018, Defra expects to have filled 1,200 new full time equivalent (FTE) EU exit roles. The Home Office is planning to have hired 1,500 new staff by September 2018, and HMRC is looking to take on between 3,000 and 5,000 by March 2019.

Not all of these jobs will be filled by new civil servants; some will be covered by internal transfers within the civil service. But these internal transfers will need to be backfilled, or other planned work will not be done.

In 2018/19 alone, we estimate that the cost of new payroll staff working on Brexit in these six departments will be around £400m. The final figure could be significantly higher, though: our calculations do not include the cost of recruiting and training new staff, and are based on conservative estimates of expected staff increases between March 2018 and March 2019.

Brexit preparations have reversed the staff reductions made in those departments since 2010

At the time of the EU referendum, the civil service was at its smallest since the Second World War, and 20% smaller than at the start of the Coalition Government in 2010.

Brexit has already largely reversed these staff reductions in the departments we have looked at. Defra lost more than one in three members of staff between 2010 and 2016, but has grown by around 65% since June 2016. The Home Office and HMRC are seeing staff numbers return to pre-2010 levels.

Agency staff and consultants are playing a significant role, but they come at a cost

Departments are also bringing in contractors and agency staff to support their full-time employees, and enlisting consultants to help with organisational restructuring and reprioritisation in the run up to Brexit.

The Home Office, for example, is using around 50% more agency staff per month now than it was in the year before the referendum. If this continues, the department will have spent almost £40m more on agency staff in 2017/18 than it did between June 2015 and June 2016, with a similar amount expected in 2018/19.

** This figure includes our £400m estimate for 2017/18, the £1.5bn set aside by the Government for 2018/19, and the £100m budgeted for DExEU in 2018/19 (which is not included in the £1.5bn).

While DExEU received pro bono work from the likes of Accenture, Deloitte and KPMG in 2016/17, it is now starting to spend, signing a £1.9m contract with McKinsey for six months of work in 2017. BEIS and Defra have both recently signed £1m contracts with The Boston Consulting Group.

The Government has slowly started to spend on new systems, with more expected in future years

Government spend on big technology and infrastructure programmes has been relatively small so far, but that is because many are still in the policy design stage and dependent on the outcome of the negotiations.

The main focus is on border technology. We estimate that an additional £21m has been committed to customs systems since the referendum, with significant cost increases to the Customs Declaration Service (CDS) programme. More money will be required to improve customs infrastructure.

Likewise, Secretary of State Michael Gove signed a ministerial direction at Defra in January 2018, allowing the department to spend £16m on new systems ahead of the legislative authority to do so, some of which will support trade.

The cost of these Defra systems, along with new Home Office systems for granting settled status and handling the arrival of EU citizens during a transition period and beyond, will rise in future years as the focus moves from design to procurement and building.

The real cost of Brexit will not be clear for some time

We look only at costs incurred ahead of the UK's formal exit from the EU. Brexit will continue to cost money beyond 2019, as the UK prepares for and adjusts to its new relationship with the EU.

But the true scale of those costs will not be clear until the future relationship starts to take shape. Details still to be determined, like the UK's relationship with EU regulators or its access to EU-wide customs systems, will affect the scale of the task in Whitehall – and the size of the bill for delivering it.

If the UK fails to negotiate the access to EU regulators that the Prime Minister wants, the costs are likely to grow – new arm's-length bodies and new border functions will need to be operational. If it successfully negotiates continued participation in agencies and systems, the impact on Whitehall budgets could be less significant.

The Treasury has put aside a further £1.5bn for 2019/20. That could prove to be a fairly comprehensive slush fund, or just the beginning.

What this paper does not cover

This analysis only covers the six departments referenced. For staff numbers, it focuses on core departments, and does not attempt to cover the impact of Brexit on arm's-length bodies.

We rely on data, reports or information released by government. Where assumptions have been used to fill certain gaps, it is because data is not available. Calculations made on the basis of these assumptions will not be exact but offer an indication of size and scale. All assumptions are included in the text and referenced in endnotes and an appendix.

These costs reflect only the administrative costs incurred by Whitehall departments. They do not reflect the financial settlement agreed as part of the withdrawal negotiations, nor any other savings or costs anticipated as a result of Brexit. We do not include costs incurred in local and devolved governments.

Apart from the set-up costs for DIT and DExEU, we have ignored costs incurred in 2016/17 since data on these is not readily available, and they are likely to be minor compared to the costs for 2017/18 and beyond.

Department for Exiting the European Union

£80.6m spend in 2017/18, out of budgeted £100m + **£100m** planned spending, 2018/19

£24.7m spent by the department, 2016/17

£57m projected cost of staff, 2018/19

The Department for Exiting the European Union (DExEU) was set up in July 2016, with the former European and Global Issues Secretariat in the Cabinet Office at its centre. DExEU is responsible for co-ordinating the Brexit negotiations and the implementation and legislative work required in preparation for the UK's exit from the EU.[1] It is also responsible for diplomatic engagement with the European institutions.

Key challenges include:

- managing key pieces of legislation such as the EU Withdrawal Bill and the Withdrawal Agreement and Implementation Bill
- co-ordinating, assuring and prioritising 313 Brexit workstreams across government[2]
- supporting negotiations with the EU and leading on specific cross-cutting issues
- supporting cross-government EU exit boards, and advising the Cabinet and Cabinet committees on Brexit.

DExEU was given an initial budget of £50m in 2016/17, with £7.5m of that coming from the Foreign and Commonwealth Office and the Cabinet Office[3]. The department only spent £24.7m of this £50m.[4]

DExEU has spent approximately £80.6m in 2017/18 against an initial plan of £106.1m.[5] £1m of this underspend was a transfer to the Cabinet Office, financing the new Europe Unit led by Oliver Robbins. The department's budget for 2018/19 currently stands at £100.6m.[6]

Staff

DExEU had taken on 627 staff by October 2017, with a further 58 roles yet to be filled.[7] Most of the department's staff are on loan from other government departments, so some staff costs will be offset by income received elsewhere in Whitehall.[8] However, these loans also represent a reprioritisation of the civil service's workforce, which in turn implies an opportunity cost felt by other departments. We therefore include these as costs incurred by the civil service due to Brexit.

685
new EU exit roles created

The majority of DExEU's expenditure is on staff: £14m of the £24.7m it spent in 2016/17 went towards staff costs.[9] Assuming staff costs continue to make up the same proportion of the department's overall spending, they will total around £45m in 2017/18, with that figure set to rise again to £57m in 2018/19.[10]

£45m
estimated staff costs, 2017/18

DExEU's significant underspend since the department's creation in 2016 is likely in part because it runs a high level of vacancies – on account of both delays in recruitment and high staff turnover.[11]

Other costs

In 2016/17, DExEU benefitted from pro bono consulting work offered by organisations such as The Boston Consulting Group, McKinsey and Accenture.[12] Its legal costs, meanwhile, hit £3.7m.[13] DExEU spent at least £200,000 on legal fees in the first half of 2017/18,[14] and employed McKinsey to help with policy and delivery co-ordination on a six-month, £2m contract.[15]

£1.9m
value of contract with McKinsey

The Brexit negotiations have also come at a cost. DExEU paid the Council of the European Union £390,000 in 'cross-government interpreter fees' in May 2017, and spent a further £49,000 on 'travel booking services'.[16] Another £47,000 had been spent by September 2017 on RAF aircraft for David Davis, Secretary of State for Exiting the EU.[17]

£390,000
paid to Council of the EU for cross-government interpretation

Department for International Trade

£47m estimated spend on preparation for trade after Brexit, 2017/18

+

£60m estimated spend on preparation for trade after Brexit, 2018/19

£16.5m spent on set up and expanding the Trade Policy Group, 2016/17

£52m projected cost of payroll staff in new Brexit roles, 2018/19

The Department for International Trade (DIT) was created in July 2016. It combined the Trade Policy Group from the former Department for Business, Innovation and Skills; UK Trade and Investment; UK Export Finance; and the GREAT campaign from the Cabinet Office.[1] The department is responsible for eight of the 313 Brexit workstreams identified by DExEU.[2]

Key challenges will include:

- establishing the UK's independent membership of the World Trade Organization
- replicating the free trade agreements that the UK is part of through EU membership
- legislating for an independent trade policy, including the Trade Bill and elements of the Taxation (Cross Border Trade) Bill and the EU Withdrawal Bill
- setting up a trade remedies organisation and a trade disputes framework.

DIT received £16.5m in 2016/17 to cover its set-up costs and an expansion of the Trade Policy Group.[3] We estimate that DIT has spent roughly £47m on its preparations for Brexit in 2017/18, including £29.8m from the Treasury Reserve and further money for the continued development of its trade policy capability.[4] We estimate that the department will spend roughly £60m in 2018/19.[5]

Staff

DIT is one of the fastest growing Whitehall departments. Its staff numbers increased by almost 50% between its establishment in July 2016 and October 2017, with 1,200 new staff hired.[6] Over the same period, 680 new Brexit roles had been filled.[7] This brought the proportion of DIT staff working full time on Brexit preparations to 18%. The department expects to have filled a total of 800 new Brexit posts by March 2018.[8]

We estimate that new Brexit staff have cost DIT roughly £41m in 2017/18.[9] Assuming there is no increase in Brexit staff after March 2018, the full-year cost of the 800 new posts will be approximately £52m in 2018/19.[10] This does not include the cost of recruitment or staff training.

800 new EU exit roles created by March 2018

18% of staff working on Brexit full time by October 2017

Department for Environment, Food and Rural Affairs

£94m EU exit spending approved by the Treasury for 2017/18

+

£178m Defra estimate of money required for EU exit work, 2018/19

£73m projected cost of payroll staff working on Brexit, 2018/19

£16m estimated initial cost of post-Brexit systems

The Department for Environment, Food and Rural Affairs (Defra) will see 80% of its work affected by Brexit.[1] 14% of the Brexit workstreams identified across government fall under the department's remit,[2] with six projects considered critical to ensuring domestic readiness for EU exit.[3]

Key challenges will include:

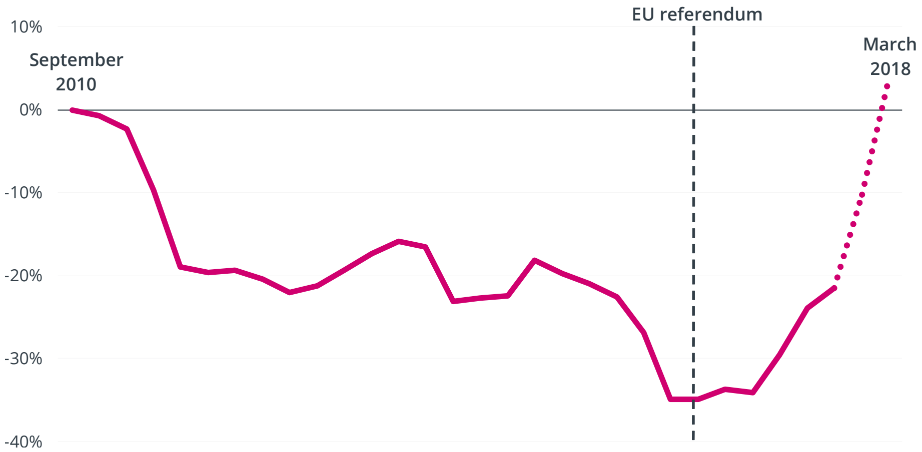
- converting the 25% of EU law that relates to Defra into UK law at the point of exit[4]
- repatriating regulatory functions from EU agencies
- supporting phase two negotiations on the future UK-EU relationship
- developing, legislating for and implementing new systems for agricultural support, fisheries management and environmental protection after Brexit.

The Treasury approved £94.4m of Defra spending for EU exit work in 2017/18.[5] Defra estimated in summer 2017 that it will need to spend a further £178m in 2018/19.[6]

Staff

Defra plans to fill 1,200 new FTE Brexit posts by March 2018.[7] This will take staff numbers to approximately 4% above the September 2010 level, reversing years of cuts.[8]

Change in payroll staff numbers (FTE), September 2010 to March 2018



Source: Institute for Government analysis of ONS Public Sector Employment Data.

1,200
new EU exit roles created by March 2018

65%
projected increase in staff numbers on June 2016, by March 2018

By March 2018, staff numbers will have increased by 65% since the time of the EU referendum.[9]

650 of these posts were filled by November 2017, bringing the proportion of staff working on Brexit full time to approximately 25%.[10] On the basis of a steady hiring rate to reach 1,200 by the end of March 2018, we estimate that the cost of these new staff for 2017/18 will total around £37m.[11]

27%
of staff working on Brexit full time by November 2017

A further increase in staff – especially on the operational side – is likely for 2018/19, but no public estimate has been made of how many people this will involve. In the unlikely event that staff numbers do not increase after March 2018, the full-year cost of additional payroll staff working on Brexit would be approximately £73m in 2018/19.[12]

Defra spent an average of £750,000 per month on agency staff in the year leading up to the referendum.[13] Between January and December 2017, that rose to an average of £1.4m per month. If this increase is sustained, Defra's additional spend on pre-referendum levels will be £7.5m in 2017/18, with a similar amount expected in 2018/19.

£37m
estimated cost of new EU exit staff on payroll, 2017/18

Other costs

Defra has spent more than £2.5m on consultancy related to its EU exit work so far.[14] This includes a £1.1m contract with The Boston Consulting Group for four months of planning assistance[15], and a £1m, two-month contact with PricewaterhouseCoopers for support with the delivery of Defra's EU exit programme.[16]

In January 2018, Clare Moriarty, Permanent Secretary of Defra, asked Secretary of State Michael Gove for permission to commit an initial £16m to the development of post-Brexit systems, ahead of the legislative authority to do so. These include:[17]

- a new import control system for animals, animal products, and food and feed
- a new IT system for the registration and regulation of chemical substances
- systems enabling the licensing and marketing of veterinary medicines.

£2.5m
spent on consultancy to assist with EU exit work

Other priorities

In its 2017 Single Departmental Plan, Defra put "A smooth and orderly exit from the EU" as its top priority, the only priority jointly owned by the Secretary of State and Permanent Secretary.[18] But the department is under pressure in other areas. It is expected to deliver its EU exit programme on top of continued work on its transformation programme, Unity; and to implement cuts to its resource budget of £131m by 2018/19.[19]

HM Revenue and Customs

£47m supplementary funding received for EU exit work, 2017/18 **+** **£300–450m** expected cost of EU exit work, 2018/19

£114m projected cost of payroll staff in new Brexit roles, 2018/19

£21m additional spend committed to customs systems since referendum

HM Revenue and Customs (HMRC) is a non-ministerial department responsible for 17 of the 313 Brexit workstreams in place across government.[1] Customs is the most significant area of HMRC's work affected by Brexit, both in terms of negotiating a new customs arrangement and preparing the UK border for exit.

Key challenges will include:

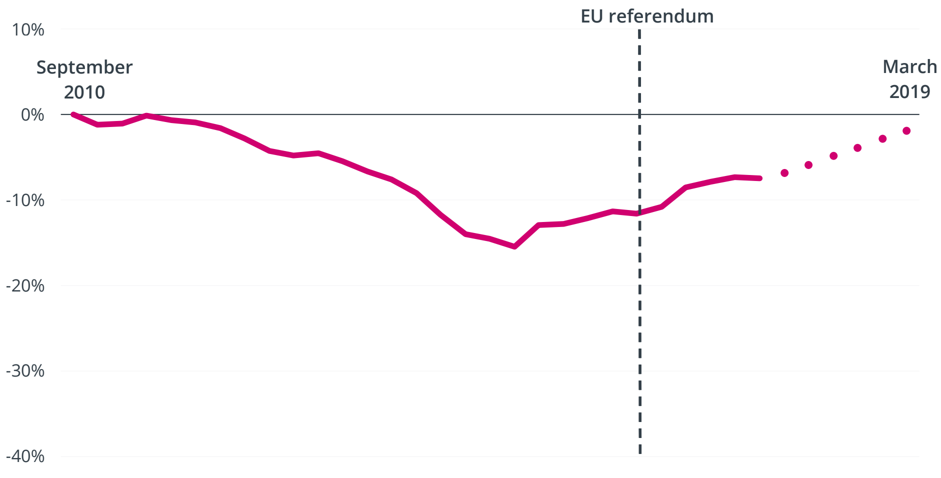
- completing the new Customs Declaration Service (CDS) programme, managing an increase in requirements but in a reduced timeline
- ensuring existing customs systems can operate after Brexit if CDS is not ready
- increasing capacity to manage an estimated five-fold uplift in customs declarations.

HMRC has received £47m of additional Brexit funding from the Treasury in 2017/18.[2] It estimates that it could need between £300m and £450m for 2018/19.[3]

Staff

HMRC estimates that between 3,000 and 5,000 additional staff could be needed by March 2019.[4] Assuming 4,000 are hired, staff numbers will almost return to their September 2010 level by the time the UK leaves the EU, reversing years of cuts.[5]

Change in payroll staff numbers (FTE), September 2010 to March 2019



Source: Institute for Government analysis of ONS Public Sector Employment Data.

3,000–5,000 new EU exit roles created by March 2019

11% projected increase in staff numbers on June 2016, by March 2019

By March 2019, staff numbers will have increased by 11% since the time of the EU referendum.[6]

The department had hired more than 250 new policy staff to work on Brexit by October 2017.[7] We assume that a further 3,750 staff are taken on at a steady rate between October 2017 and March 2019 to hit 4,000 new staff in total by the point of exit. This would bring the proportion of HMRC staff working on Brexit full time to approximately 6%.

On this basis, we estimate the full-year cost of new payroll staff working in Brexit roles for 2017/18 to be roughly £20m.[8] The full-year cost for 2018/19 will be approximately £114m. Neither of these figures includes recruitment or training costs.

6%
of staff working on Brexit full time by March 2019

£20m
estimated cost of new EU exit staff on payroll, 2017/18

Other costs

HMRC will need to upgrade a number of its existing systems, and may need to build new ones to replace the EU systems the UK will no longer be able to access.

In October 2015, the total cost of CDS – the system designed in 2013 to manage UK customs declarations – was estimated to be £144m.[9] Brexit has required a change in scope and timelines.[10] By March 2017, the planned total cost of the project had risen by £13m to £157m.[11] This estimate does not include the cost of further changes that will have to be made in preparation for Brexit.[12]

£8m
cost of CHIEF upgrade required by Brexit

HMRC are also investing an estimated £8m in the upgrade of their existing customs system, Customs Handling of Import and Export Freight (CHIEF), to ensure it is a viable alternative in case CDS cannot be delivered in time for Brexit.[13] This brings the total additional spend committed to customs systems since June 2016 to at least £21m.

Other priorities

"Ensure a smooth and orderly EU Exit" appears only as one of nine sub-objectives in HMRC's 2017 Single Departmental Plan.[14] This may reflect the 250 existing projects currently being delivered by HMRC.[15] These include the delayed Making Tax Digital, which is considered the biggest transformation programme ever attempted by the department.

According to Jon Thompson, HMRC Chief Executive, it is not "possible to take 250 existing programmes of change and simply add Brexit on."[16] Reprioritisation will be required.

HMRC is taking on this work while being expected to make cuts of £339m to its resource budget by 2018/19.[17]

Home Office

£60m supplementary funding received for EU exit work, 2017/18 + **£115m** estimated funding required for EU exit work, 2018/19

£70m projected cost of payroll staff in new Brexit roles, 2018/19

£4.5m committed to new systems to support migration after Brexit

The Home Office is responsible for eight of the 313 Brexit workstreams identified by DExEU across government.[1] Leaving the EU will affect some of the Home Office's core responsibilities, including immigration, security and its role at the UK border.

Key challenges will include:

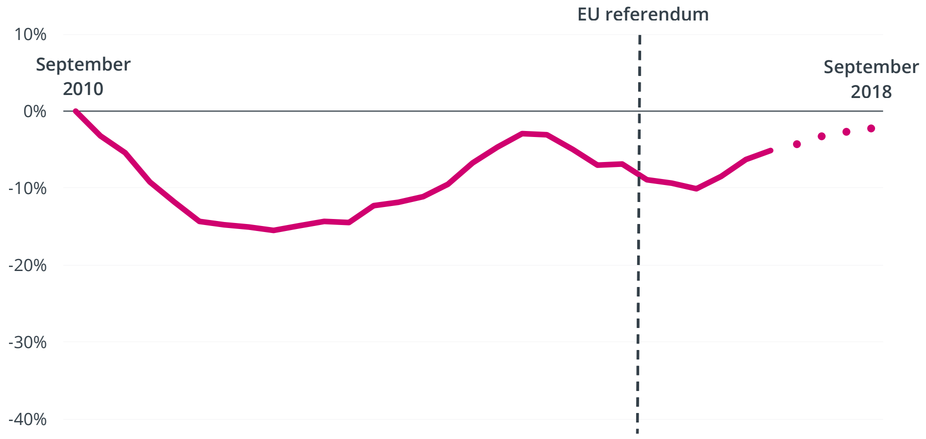
- supporting negotiations on the future relationship with the EU – including the UK's role in the European Arrest Warrant and its relationship to Europol
- implementing a system for settled status, a new immigration regime and a registration scheme for EU migrants arriving after March 2019
- ensuring Border Force is prepared to handle trade and immigration after Brexit.

The Home Office has received £60m of additional Treasury funding for its EU exit work in 2017/18.[2] We estimate that it will require a further £115m in 2018/19.[3]

Staff

Staff numbers at the Home Office have fluctuated in recent years. Significant cuts after the 2010 Spending Review were almost reversed over 2014 and 2015.[4] Further cuts following the 2015 Spending Review are now being undone by Brexit.[5]

Change in payroll staff numbers (FTE), September 2010 to September 2018



Source: Institute for Government analysis of ONS Public Sector Employment Data.

1,500 new EU exit roles created by September 2018

9% projected increase in staff numbers from June 2016 to September 2018

By September 2018, staff numbers will have increased by 9% since the time of the EU referendum.[6]

The Home Secretary, Amber Rudd, said in October 2017 that 700 new UK Visas and Immigration (UKVI) caseworkers had been employed to handle an estimated three million applications for settled status from EU citizens in the UK.[7] 500 more are expected to be recruited by April 2018.[8] We estimate that these additional 1,200 staff will cost roughly £36m in the 2017/18 financial year.[9]

5%
of staff working on Brexit full time by September 2018

A further 300 Border Force officers are being recruited for September 2018.[10] This should push the full-year cost of payroll staff working on Brexit into the region of £70m for 2018/19.[11] These estimates do not include money spent on recruitment and the training of new staff.

The Home Office spent an average of £4m per month on agency staff in the year running up to the referendum.[12] From January to December 2017, that rose to £7.2m per month. If this increase is sustained, the department's additional spend on pre-referendum levels will be £38m in 2017/18, with a similar amount expected in 2018/19.

£36m
estimated cost of new EU exit staff on payroll, 2017/18

Other costs

The Home Office currently has three major projects on the Government Major Projects Portfolio (GMPP) that are expected to be affected by Brexit.[13] The Infrastructure and Projects Authority (IPA) is anticipating two new major projects 'critical' to EU exit to be added on top of these.[14]

£18m
increase in capital budget for Brexit work in 2017/18

The department's capital budget has increased by £18m in 2017/18 – more than any other department – to accommodate its Brexit preparations.[15] This will increase even more over the coming years as the Home Office's new systems move from the design stage into procurement and development.

As an early sign of that progression, the Home Office recently signed a £4.5m contract with WorldReach Software Corporation to provide "identification and document verification services to support the EU Exit Settlement Project".[16]

Other priorities

"Leaving the European Union" is the last of the seven objectives set out in the Home Office's 2017 Single Departmental Plan.[17] Fighting terrorism, cutting crime and controlling immigration are much higher priorities – although all three will be affected by the outcome of the Brexit negotiations.

The Home Office is expected to deliver cuts to its resource budget of £282m by 2018/19.[18]

Department for Business, Energy and Industrial Strategy

£35.1m supplementary funding received for EU exit work, 2017/18	+	£53m estimated funding required for EU exit work, 2018/19	£31m projected cost of payroll staff in new Brexit roles, 2018/19	£10m expected cost of implementing domestic nuclear safeguards regime

The Department for Business, Energy and Industrial Strategy (BEIS) is in charge of 68 of the 313 Brexit workstreams identified across government – the most of any Whitehall department.[1]

Key challenges will include:

- ensuring business readiness in 22 economic sectors affected by Brexit[2]
- establishing a domestic nuclear safeguards regime after we leave Euratom
- developing policy on science and research funding after Brexit.

BEIS received £35.1m of additional Brexit funding from the Treasury in 2017/18.[3] Based on its staffing requirements, we estimate that the department will need a further £53m in 2018/19.[4]

Staff

BEIS aims to fill 350 new FTE posts in its central co-ordination teams for EU exit by March 2018,[5] with at least 100 more people needed for 2018/19.[6] 100 people had also been reallocated within the department to work on Brexit by the start of 2018.[7]

We estimate that payroll staff working on Brexit have cost the department roughly £20m in 2017/18.[8] Assuming 100 more people are hired at a steady rate, the full-year cost of Brexit staff in 2018/19 will be approximately £31m.[9] This does not include the cost of recruitment or staff training.

Over 550
payroll staff working on Brexit by March 2019

15%
of staff working full time on Brexit preparation by March 2018

Other costs

BEIS is expected to propose two new 'major projects' critical to EU exit,[10] including the creation of a domestic nuclear safeguards regime, which is expected to cost around £10m.[11] The department awarded a £1m contract to The Boston Consulting Group in 2017 for help with establishing suitable governance structures for the management of its Brexit work.[12]

Appendix: technical notes

This section outlines the methodology used to estimate the costs detailed in this report.

All staff costs are estimated by multiplying a departmental cost per full time equivalent (FTE) by the number of Brexit roles created. For projected staff increases, we have assumed numbers rise at a constant rate between the dates referenced.

Payroll staff costs for DIT, Defra, HMRC, the Home Office, and BEIS

We calculate the monthly cost per FTE for each department based on Workforce Management Information (WMI) releases[1] and the *The State of the Estate in 2015–16* report.[2] We focus on core departments and do not include arm's-length bodies.

The costs retrieved from WMI are:

- salary costs
- allowances
- overtime
- pension contributions
- National Insurance contributions.

We add these costs to an estimate of the estate cost per FTE. For this, we use the 'Total property cost per FTE' for each core department, as reported in Appendix G of *The State of the Estate* report.

BEIS has yet to release workforce management information, and does not appear in *The State of the Estate*. We use Defra as a proxy for its cost per FTE, since both are policy-driven departments with similar grade structures. For estate costs, we use the figure listed for 'BIS – core'.

The State of the Estate does not include a total property cost per FTE for DIT. We use the cost listed for the former Department of Energy and Climate Change (DECC) instead, as DIT is based in 55 Whitehall, where DECC used to be based.

A number of other costs, such as the recruitment and training of new staff, are not included in our estimates.

Staff costs for DExEU

All staff costs are treated as Brexit costs. On this basis, we simply apply the proportion of the department's total costs that went on staff in 2016/17 (according to its annual report[3]) to its spending in 2017/18, and its budget for 2018/19.

References

Department for Exiting the European Union

1 The creation of the Cabinet Office's Europe Unit in September moved some responsibilities for the Brexit negotiations away from the department, but it still plays a key co-ordinating role.

2 National Audit Office, *Implementing the UK's exit from the European Union: The Department for Exiting the European Union and the centre of government*, 17 November 2017, p.9, www.nao.org.uk/wp-content/uploads/2017/11/Implementing-the-UKs-exit-from-the-European-Union.pdf

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4 Department for Exiting the European Union, *Annual Report and Accounts 2016–17*, HC 123, 19 July 2017, p.46, www.gov.uk/government/uploads/system/uploads/attachment_data/file/655232/DExEU_ARA_v5.0_amended_version_14.08.17__1_.pdf

5 House of Commons, *Hansard*, 'Department for Exiting the European Union', 26 February 2018, Volume 636, Column 647, https://hansard.parliament.uk/commons/2018-02-26/debates/3BE61AA9-73D3-43AA-AD99-7B30FACD64A3/DepartmentForExitingTheEuropeanUnion

6 Department for Exiting the European Union, *Annual Report and Accounts 2016–17*, HC 123, 19 July 2017, p.46, www.gov.uk/government/uploads/system/uploads/attachment_data/file/655232/DExEU_ARA_v5.0_amended_version_14.08.17__1_.pdf

7 National Audit Office, *Implementing the UK's exit from the European Union: People and skills: The role of the centre of government*, 1 December 2017, p.10, www.nao.org.uk/wp-content/uploads/2017/12/Implementing-the-UKs-exit-from-the-European-Union-people-and-skills.pdf

8 *Ibid*, p.18.

9 Department for Exiting the European Union, *Annual Report and Accounts 2016–17*, HC 123, 19 July 2017, p.12, www.gov.uk/government/uploads/system/uploads/attachment_data/file/655232/DExEU_ARA_v5.0_amended_version_14.08.17__1_.pdf

10 In 2016/17, 57% of DExEU spend was on staff. We have therefore assumed that 57% of DExEU's budget in later years will be spent on staff.

11 Rutter, J, 'Churn at the Department for Exiting the EU looks set to accelerate', blog, Institute for Government, 20 December 2017, www.instituteforgovernment.org.uk/blog/churn-dexeu-brexit-civil-service-accelerate

12 National Audit Office, *Implementing the UK's exit from the European Union: People and skills: The role of the centre of government*, 1 December 2017, p.18, www.nao.org.uk/wp-content/uploads/2017/12/Implementing-the-UKs-exit-from-the-European-Union-people-and-skills.pdf

13 Department for Exiting the European Union, *Annual Report and Accounts 2016–17*, HC 123, 19 July 2017, p.12, www.gov.uk/government/uploads/system/uploads/attachment_data/file/655232/DExEU_ARA_v5.0_amended_version_14.08.17__1_.pdf

14 Department for Exiting the European Union, 'Department for Exiting the European Union: spend over £25,000, April 2017 to October 2017', GOV.UK, 14 December 2017, www.gov.uk/government/uploads/system/uploads/attachment_data/file/668209/DExEU_spend_over__25k_-_April-Oct_2017.csv/preview

15 Department for Exiting the European Union, 'Details of contracts over £10,000', GOV.UK, 13 October 2017, www.gov.uk/government/uploads/system/uploads/attachment_data/file/651932/Oct_Transparency_over__10k_FINAL.csv/preview

16 Department for Exiting the European Union, 'Department for Exiting the European Union: spend over £25,000, April 2017 to October 2017', GOV.UK, 14 December 2017, www.gov.uk/government/uploads/system/uploads/attachment_data/file/668209/DExEU_spend_over__25k_-_April-Oct_2017.csv/preview

17 Based on figures retrieved from the Department for Exiting the European Union's 'ministerial gifts, hospitality, travel and meetings' transparency data: July to September 2016, October to December 2016, January to March 2017, April to June 2017, July to September 2017, GOV.UK, 14 December 2017 www.gov.uk/government/publications/department-for-exiting-the-european-union-ministerial-gifts-hospitality-and-meetings-july-to-september-2017

Department for International Trade

1 Department for International Trade, *Annual Report and Accounts 2016–17*, HC 124, 19 July 2017, www.gov.uk/government/uploads/system/uploads/attachment_data/file/629609/DIT_Annual_Report_and_Accounts_2016_to_2017_print.pdf

2 National Audit Office, *Implementing the UK's exit from the European Union: The Department for International Trade*, 25 January 2018, p.4, www.nao.org.uk/wp-content/uploads/2018/01/Implementing-the-UKs-exit-from-the-European-Union-the-Deparment-for-International-Trade.pdf

3 Department for International Trade, *Annual Report and Accounts 2016–17*, HC 124, 19 July 2017, p.20, www.gov.uk/government/uploads/system/uploads/attachment_data/file/629609/DIT_Annual_Report_and_Accounts_2016_to_2017_print.pdf. This includes £8.6m transferred from the Foreign and Commonwealth Office and the Department for Business, Energy and Industrial Strategy "to fund the corporate services, Ministerial offices and estates of the new department."

4 For allocations from the Treasury Reserve, see HM Treasury, *Central Government Supply Estimates 2017–18: Supplementary Estimates*, HC 808, 7 February 2018, pp.301–302, www.gov.uk/government/uploads/system/uploads/attachment_data/file/679738/PU2137_Supplementary_estimates_web.pdf. In addition to this £29.8m, we include an estimate of the proportion of the DIT budget that can be attributed to Brexit. This is based on the increase in overall spend between 2016/17 and 2017/18, accounting for the money given to the department to "strengthen trade policy capability". See National Audit Office, *A Short Guide to the Department for International Trade*, 1 October 2017, p.9, www.nao.org.uk/wp-content/uploads/2017/10/Short-Guide-to-the-Department-for-International-Trade.pdf

5 We assume that staff costs continue to make up the same proportion of total Brexit costs in 2018/19 as they have done in 2017/18 (which is 88%). We estimate that the cost of payroll staff working in Brexit roles will be approximately £52m in 2018/19, making our estimate of the overall annual spend on Brexit approximately £60m (see Appendix: technical notes for further details on the calculation of staff costs).

6 National Audit Office, *Implementing the UK's exit from the European Union: The Department for International Trade*, 25 January 2018, p.9, www.nao.org.uk/wp-content/uploads/2018/01/Implementing-the-UKs-exit-from-the-European-Union-the-Deparment-for-International-Trade.pdf

7 National Audit Office, *Implementing the UK's exit from the European Union: People and skills: The role of the centre of government*, 1 December 2017, p.10, www.nao.org.uk/wp-content/uploads/2017/12/Implementing-the-UKs-exit-from-the-European-Union-people-and-skills.pdf

8 *Ibid.*

9 See Appendix: technical notes for a detailed explanation of our approach to calculating staff costs.

10 *Ibid.*

Department for Environment, Food and Rural Affairs

1 National Audit Office, *Implementing the UK's exit from the European Union: The Department for Environment, Food & Rural Affairs*, 20 December 2017, p.5, www.nao.org.uk/wp-content/uploads/2017/12/Implementing-the-UKs-exit-from-the-European-Union-the-Department-for-Environment-Food-Rural-Affairs.pdf

2 Defra is responsible for 43 out of 313 Brexit workstreams. National Audit Office, *Implementing the UK's exit from the European Union: The Department for Exiting the European Union and the centre of government*, 17 November 2017, p.9, www.nao.org.uk/wp-content/uploads/2017/11/Implementing-the-UKs-exit-from-the-European-Union.pdf

3 House of Commons Committee of Public Accounts, 'Oral evidence: Implementing EU Exit: Department for Environment, Food and Rural Affairs', 7 March 2018, www.parliamentlive.tv/Event/Index/0663dc47-f700-49fc-9f2d-d1d2e6883a96. Defra is currently going through another phase of reprioritisation, so this may change.

4 National Audit Office, *Implementing the UK's exit from the European Union: The Department for Environment, Food & Rural Affairs*, 20 December 2017, p.5, www.nao.org.uk/wp-content/uploads/2017/12/Implementing-the-UKs-exit-from-the-European-Union-the-Department-for-Environment-Food-Rural-Affairs.pdf

5 *Ibid*, p.16. According to HM Treasury, *Central Government Supply Estimates 2017–18: Supplementary Estimates*, HC 808, 7 February 2018, www.gov.uk/government/uploads/system/uploads/attachment_data/file/679738/PU2137_Supplementary_estimates_web.pdf, Defra received £67.4m from the Treasury Reserve for its EU exit work in 2017/18. This implies that roughly £26m of the money spent on Brexit preparation in the 2017/18 financial year is being met by the department itself.

6 *Ibid.*

7 National Audit Office, *Implementing the UK's exit from the European Union: The Department for Environment, Food & Rural Affairs*, 20 December 2017, p.19, www.nao.org.uk/wp-content/uploads/2017/12/Implementing-the-UKs-exit-from-the-European-Union-the-Department-for-Environment-Food-Rural-Affairs.pdf

8 Historical numbers based on Institute for Government analysis of Office for National Statistics, Public Sector Employment (Table 9) Q3 2010 to Q3 2017, www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/previousReleases. We adjust numbers for reclassifications of staff between departments and other public bodies. Changes such as Defra's recent corporate services transformation, which has seen hundreds of staff moved into the core department from arm's-lengths bodies in recent months, are not reflected here as a result. For more on the Institute for Government's approach to staff numbers, see Freeguard G, Campbell L, Cheung A, Lilly A and Baker C, *Whitehall Monitor 2018: The General Election, Brexit and beyond*, Institute for Government, 25 January 2018, p.124, www.instituteforgovernment.org.uk/publications/whitehall-monitor-2018. Projection from September 2017 to March 2018 is based on staff increases for Brexit work outlined in National Audit Office, *Implementing the UK's exit from the European Union: The Department for Environment, Food & Rural Affairs*, 20 December 2017, www.nao.org.uk/wp-content/uploads/2017/12/Implementing-the-UKs-exit-from-the-European-Union-the-Department-for-Environment-Food-Rural-Affairs.pdf. No other anticipated changes in staff numbers are included.

9 *Ibid.* Figures for June 2016 and March 2018 staff numbers are calculated in line with our explanation in note 8 above.

10 National Audit Office, *Implementing the UK's exit from the European Union: The Department for Environment, Food & Rural Affairs*, 20 December 2017, p.19, www.nao.org.uk/wp-content/uploads/2017/12/Implementing-the-UKs-exit-from-the-European-Union-the-Department-for-Environment-Food-Rural-Affairs.pdf. Dividing 650 by 2,430, the number of full-time FTE staff in post as reported in Defra's October 2017 Workforce Management Information, gives 26.7%, https://data.gov.uk/dataset/workforce-management-information-defra/resource/cf270b4e-62c5-44eb-9007-93a414f9cb29

11 See Appendix: technical notes for a detailed explanation of our approach to calculating staff costs.

12 *Ibid.*

13 Based on Defra's monthly Workforce Management Information releases, available here: https://data.gov.uk/dataset/workforce-management-information-defra. We use the term 'agency staff' to cover all non-payroll staff referred to in these releases.

14 Based on information on contracts awarded since the EU referendum that make explicit reference to EU exit work, retrieved from the Defra Network eTendering Portal: https://defra.bravosolution.co.uk/web/login.html

15 Defra Network eTendering Portal, 'EU Exit Consultancy', 13 December 2017, www.contractsfinder.service.gov.uk/Notice/1d6d7b83-9af4-40f6-bbee-5781324a8318?p=@NT08=UFQxUlRRPT0=NjJ

16 Defra Network eTendering Portal, 'Delivery Partner Support', 13 September 2017, www.contractsfinder.service.gov.uk/Notice/3c86da58-bc96-4f65-9f4c-d530a1cf7a1d?p=@NT08=UFQxUlRRPT0=NjJ

17 Clare Moriarty, 'EU Exit Preparations: Ministerial Direction', 18 January 2018, www.gov.uk/government/uploads/system/uploads/attachment_data/file/674920/eu-exit-ministerial-direction-letter-CMtoSoS-180118.pdf

18 Department for Environment, Food and Rural Affairs, 'Department for Environment, Food and Rural Affairs single departmental plan', GOV.UK, 14 December 2017, www.gov.uk/government/publications/department-for-environment-food-and-rural-affairs-single-departmental-plan/department-for-environment-food-and-rural-affairs-single-departmental-plan

19 HM Treasury, Public Expenditure Statistical Analyses (Table 1.6), 2016–17, www.gov.uk/government/collections/public-expenditure-statistical-analyses-pesa. £131m is the difference between Defra's 2016/17 outturn and 2018/19 plan. Figures are for Resource DEL only and exclude depreciation.

HM Revenue and Customs

1 National Audit Office, *Implementing the UK's exit from the European Union: The Department for Exiting the European Union and the centre of government*, 17 November 2017, p.9, www.nao.org.uk/wp-content/uploads/2017/11/Implementing-the-UKs-exit-from-the-European-Union.pdf

2 HM Treasury, *Central Government Supply Estimates 2017–18: Supplementary Estimates*, HC 808, 7 February 2018, www.gov.uk/government/uploads/system/uploads/attachment_data/file/679738/PU2137_Supplementary_estimates_web.pdf

3 House of Commons Committee of Public Accounts, 'Oral evidence: Brexit and the Future of Customs' (HC 401), 25 October 2017, Q17, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/brexit-and-the-future-of-customs/oral/72078.html

4 House of Commons Committee of Public Accounts, 'Oral evidence: Brexit and the Future of Customs' (HC 401), 25 October 2017, Q11, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/brexit-and-the-future-of-customs/oral/72078.html

5 Historical numbers based on Institute for Government analysis of Office for National Statistics, Public Sector Employment (Table 9) Q3 2010 to Q3 2017, www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/previousReleases. We adjust numbers for reclassifications of staff between departments and other public bodies. For more on the Institute for Government's approach to staff numbers, see Freeguard G, Campbell L, Cheung A, Lilly A and Baker C, *Whitehall Monitor 2018: The General Election, Brexit and beyond*, Institute for Government, 25 January 2018, p.124, www.instituteforgovernment.org.uk/publications/whitehall-monitor-2018. Projection from September 2017 to March 2019 is based on staff increases for Brexit work outlined in House of Commons Committee of Public Accounts, 'Oral evidence: Brexit and the Future of Customs' (HC 401), 25 October 2017, Q11, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/brexit-and-the-future-of-customs/oral/72078.html. No other anticipated changes in staff numbers are included.

6 *Ibid.* Figures for June 2016 and March 2019 staff numbers are calculated in line with our explanation in note 5 above.

7 House of Commons Committee of Public Accounts, 'Oral evidence: Brexit and the Future of Customs' (HC 401), 25 October 2017, Q13, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/brexit-and-the-future-of-customs/oral/72078.html

8 See Appendix: technical notes for a detailed explanation of our approach to calculating staff costs.

9 National Audit Office, *HM Revenue and Customs: The Customs Declaration Service*, 13 July 2017, p.19, www.nao.org.uk/wp-content/uploads/2017/07/The-Customs-Declaration-Service.pdf

10 House of Commons Committee of Public Accounts, 'Oral evidence: Brexit and the Future of Customs' (HC 401), 25 October 2017, Q86, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/brexit-and-the-future-of-customs/oral/72078.html

11 National Audit Office, *HM Revenue and Customs: The Customs Declaration Service*, 13 July 2017, p.19, www.nao.org.uk/wp-content/uploads/2017/07/The-Customs-Declaration-Service.pdf

12 *Ibid*, p.20. The capacity of the planned system is 150 million customs declarations per year, but HMRC expects to handle up to 255 million after Brexit. Contingency for changes that might be required depending on the ultimate outcome of the Brexit negotiations is also not included.

13 House of Commons Committee of Public Accounts, 'Oral evidence: Brexit and the Future of Customs' (HC 401), 25 October 2017, Q25, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/brexit-and-the-future-of-customs/oral/72078.html

14 HM Revenue and Customs, 'HM Revenue and Customs single departmental plan', GOV.UK, 14 December 2017, www.gov.uk/government/publications/hm-revenue-and-customs-single-departmental-plan/hm-revenue-and-customs-single-departmental-plan

15 House of Commons Committee of Public Accounts, 'Oral evidence: Brexit and the Future of Customs' (HC 401), 25 October 2017, Q22, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/brexit-and-the-future-of-customs/oral/72078.html

16 House of Commons Committee of Public Accounts, 'Oral evidence: Brexit and the Future of Customs' (HC 401), 25 October 2017, Q21, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/brexit-and-the-future-of-customs/oral/72078.html

17 HM Treasury, Public Expenditure Statistical Analyses (Table 1.6), 2016–17, www.gov.uk/government/collections/public-expenditure-statistical-analyses-pesa. £339m is the difference between HMRC's 2016/17 outturn and 2018/19 plan. HMRC's 2018/19 plan was revised slightly in the Autumn Budget 2017, but we have not used these numbers because they are too rounded. Figures are for Resource DEL only and exclude depreciation.

Home Office

1 National Audit Office, *Implementing the UK's exit from the European Union: The Department for Exiting the European Union and the centre of government*, 17 November 2017, p.9, www.nao.org.uk/wp-content/uploads/2017/11/Implementing-the-UKs-exit-from-the-European-Union.pdf

2 HM Treasury, *Central Government Supply Estimates 2017–18: Supplementary Estimates*, HC 808, 7 February 2018, pp.85–88, www.gov.uk/government/uploads/system/uploads/attachment_data/file/679738/PU2137_Supplementary_estimates_web.pdf

3 We assume that staff costs continue to make up the same proportion of total Brexit costs in 2018/19 as they have done in 2017/18 (61%). Based on projected staff increases, we estimate that the cost of payroll staff working in Brexit roles will be approximately £70m in 2018/19, which translates to a total cost of £115m.

4 Historical numbers based on Institute for Government analysis of Office for National Statistics, Public Sector Employment (Table 9) Q3 2010 to Q3 2017, www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/previousReleases. We adjust numbers for reclassifications of staff between departments and other public bodies. For more on the Institute for Government's approach to staff numbers, see Freeguard G, Campbell L, Cheung A, Lilly A and Baker C, *Whitehall Monitor 2018*: *The General Election, Brexit and beyond*, Institute for Government, 25 January 2018, p.124, www.instituteforgovernment.org.uk/publications/whitehall-monitor-2018

5 Projection from September 2017 to March 2019 is based on staff increases for Brexit work outlined in House of Commons Committee of Home Affairs, 'Oral evidence: The work of the Home Secretary' (HC 434), 17 October 2017, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/home-affairs-committee/the-work-of-the-home-secretary/oral/71645.html. No other anticipated changes in staff numbers are included.

6 Staff numbers for June 2016 are calculated as explained in note 4 above. Numbers for September 2018 are estimated in line with note 5 above.

7 House of Commons Committee of Home Affairs, 'Oral evidence: The work of the Home Secretary' (HC 434), 17 October 2017, Q21, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/home-affairs-committee/the-work-of-the-home-secretary/oral/71645.html

8 *Ibid.*

9 See Appendix: technical notes for a detailed explanation of our approach to calculating staff costs.

10 House of Commons Committee of Home Affairs, 'Oral evidence: The work of the Home Secretary' (HC 434), 17 October 2017, Q39, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/home-affairs-committee/the-work-of-the-home-secretary/oral/71645.html

11 See Appendix: technical notes for a detailed explanation of our approach to calculating staff costs. The Home Affairs Committee suspects that this is an underestimate of the Home Office's staffing requirements, and numbers may therefore go up further.

12 Based on the Home Office's monthly Workforce Management Information releases, available here: https://data.gov.uk/dataset/workforce-management-information-home-office. We use the term 'agency staff' to cover all non-payroll staff referred to in these releases.

13 National Audit Office, *Implementing the UK's exit from the European Union: Infrastructure and Projects Authority*, 24 November 2017, p.9, www.nao.org.uk/wp-content/uploads/2017/11/Implementing-the-UKs-exit-from-the-European-Union-Infrastructure-and-Projects.pdf

14 *Ibid*, p.10.

15 HM Treasury, *Central Government Supply Estimates 2017–18: Supplementary Estimates*, HC 808, 7 February 2018, p.88, www.gov.uk/government/uploads/system/uploads/attachment_data/file/679738/PU2137_Supplementary_estimates_web.pdf

16 Home Office, 'Digital Enrolment of a Facial Biometric and a Remote Authentication of the Identit', 6 February 2018, www.contractsfinder.service.gov.uk/Notice/108e50fa-d75d-4a2e-8a44-e5b2d1ef413e?p=@8=UFQxUlRRPT0=NjJNT0

17 Home Office, 'Home Office single departmental plan', GOV.UK, 14 December 2017, www.gov.uk/government/publications/home-office-single-departmental-plan/home-office-single-departmental-plan#leaving-the-european-union

18 HM Treasury, Public Expenditure Statistical Analyses (Table 1.6), 2016–17, www.gov.uk/government/collections/public-expenditure-statistical-analyses-pesa. £282m is the difference between the Home Office's 2016/17 outturn and 2018/19 plan. Figures are for Resource DEL only and exclude depreciation.

Department for Business, Energy and Industrial Strategy

1 National Audit Office, *Implementing the UK's exit from the European Union: The Department for Exiting the European Union and the centre of government*, 17 November 2017, p.9, www.nao.org.uk/wp-content/uploads/2017/11/Implementing-the-UKs-exit-from-the-European-Union.pdf

2 National Audit Office, *Implementing the UK's exit from the European Union: The Department for Business, Energy & Industrial Strategy*, 17 November 2017, p.5, www.nao.org.uk/wp-content/uploads/2017/11/Implementing-the-UKs-exit-from-the-European-Union-Department-for-BEIS.pdf. According to the National Audit Office, these sectors include "the energy market, aerospace, automotive and life sciences."

3 HM Treasury, *Central Government Supply Estimates 2017–18: Supplementary Estimates*, HC 808, 7 February 2018, pp.231–238, www.gov.uk/government/uploads/system/uploads/attachment_data/file/679738/PU2137_Supplementary_estimates_web.pdf

4 We assume that staff costs continue to make up the same proportion of total Brexit costs in 2018/19 as they have done in 2017/18 (58%). We estimate that the cost of payroll staff working in Brexit roles will be approximately £31m in 2018/19, which translates to a total cost of £53m.

5 National Audit Office, *Implementing the UK's exit from the European Union: The Department for Business, Energy & Industrial Strategy*, 17 November 2017, p.6, www.nao.org.uk/wp-content/uploads/2017/11/Implementing-the-UKs-exit-from-the-European-Union-Department-for-BEIS.pdf

6 Alex Chisholm, Permanent Secretary of BEIS, told the Public Accounts Committee in January 2018 that this was a "significant underestimate", but did not offer a revised figure. See House of Commons Committee of Public Accounts, 'Oral evidence: Implementing EU Exit: BEIS' (HC 687), 31 January 2018, Q68, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/implementing-eu-exitbeis/oral/77952.pdf

7 House of Commons Committee of Public Accounts, 'Oral evidence: Implementing EU Exit: BEIS' (HC 687), 31 January 2018, Q1, http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/implementing-eu-exitbeis/oral/77952.pdf

8 See Appendix: technical notes for a detailed explanation of our approach to calculating staff costs. £22m of the £35.1m allocated to BEIS by the Treasury in 2017/18 went towards administrative costs, in line with our estimate.

9 See Appendix: technical notes for a detailed explanation of our approach to calculating staff costs.

10 National Audit Office, *Implementing the UK's exit from the European Union: Infrastructure and Projects Authority*, 24 November 2017, p.10, www.nao.org.uk/wp-content/uploads/2017/11/Implementing-the-UKs-exit-from-the-European-Union-Infrastructure-and-Projects.pdf

11 House of Commons Business, Energy and Industrial Strategy Committee, *Leaving the EU: implications for the civil nuclear sector: Second Report of Session 2017–19 (HC 378)*, 13 December 2017, p.9, https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/378/378.pdf

12 UK Shared Business Services Limited, 'UK SBS PS17146 – EU Exit Programme Consultancy Support', 13 July 2017, www.contractsfinder.service.gov.uk/Notice/e944b6d4-ffcc-4638-a82e-649f23330f37?p=@8=UFQxUlRRPT0=NjJNT0

Appendix: technical notes

1 The Department for Environment, Food and Rural Affairs, 'Workforce Management Information – Defra', June 2016 to October 2017, https://data.gov.uk/dataset/workforce-management-information-defra; the Home Office, 'Home Office Workforce Management Information', June 2016 to October 2017, https://data.gov.uk/dataset/workforce-management-information-home-office; HM Revenue and Customs, 'Workforce Management Information – HM Revenue & Customs and Valuation Office Agency', June 2016 to October 2017, https://data.gov.uk/dataset/workforce-management-information-hmrc-voa; Department for International Trade, 'DIT: workforce management information', April 2017 to October 2017, www.gov.uk/government/collections/dit-workforce-management-information

2 Cabinet Office, *The State of the Estate in 2015–16*, 2 February 2017, www.gov.uk/government/uploads/system/uploads/attachment_data/file/588811/2015-16_State_of_the_Estate_Report_final__1_.pdf

3 Department for Exiting the European Union, *Annual Report and Accounts 2016–17*, HC 123, 19 July 2017, p. 12, www.gov.uk/government/uploads/system/uploads/attachment_data/file/655232/DExEU_ARA_v5.0_amended_version_14.08.17__1_.pdf

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