



HOUSE OF LORDS

Protocol on Ireland/Northern Ireland Sub-Committee

Corrected oral evidence: The Windsor Framework

Wednesday 10 May 2023

3 pm

[Watch the meeting](#)

Members present: Lord Jay of Ewelme (The Chair); Lord Dodds of Duncairn; Lord Empey; Lord Godson; Lord Hannan of Kingsclere; Baroness O’Loan; Baroness Ritchie of Downpatrick; Lord Thomas of Gresford.

Evidence Session No. 6

Heard in Public

Questions 58 - 71

Witnesses

I: Declan Gormley, Managing Director, Brookvent Limited; Andrew Opie, Director of Food and Sustainability, British Retail Consortium; Glyn Roberts, Chief Executive, Retail NI.

Examination of witnesses

Declan Gormley, Andrew Opie and Glyn Roberts.

Q58 **The Chair:** Good afternoon and welcome to this public meeting of the Sub-Committee on the Protocol on Ireland/Northern Ireland. We are today holding the sixth evidence session of the committee's inquiry into the Windsor Framework to inform the committee's detailed report on the framework to be published ahead of the Summer Recess in July.

We are joined today by three business representatives representing the retail and manufacturing sectors: Declan Gormley, managing director, Brookvent; Andrew Opie, director of food and sustainability, British Retail Consortium; and Glyn Roberts, director of Retail NI. You are all extremely welcome and we are very grateful to you for coming to appear before us. We look forward to hearing the evidence that you will give us.

We would be grateful if you could introduce yourselves briefly the first time that you speak so that those who are listening know who you are, although we all know who you are. We will aim to finish at 4.45 at the latest. We have some other work to get through and you have planes to catch—at least some of you—so I hope that will suit us all. I should say that today's meeting is being broadcast and a verbatim transcript will be taken for subsequent publication, which will be sent to you to check for accuracy. I also refer to the list of Members' interests, which is set out on the committee's website. That is by way of introduction.

Perhaps I could get things going by asking the first question myself. Could you give us your overall assessment of the Windsor Framework and how far you think it goes to resolve the problems that have arisen with the protocol? Do you feel that the Windsor Framework leaves some issues or any issues unresolved, either for the shorter or for the longer term? That is the first question. Perhaps I could go from left to right and start with Declan Gormley.

Declan Gormley: I am managing director of a ventilation manufacturing business just outside Belfast. About 75% of the products we make go into export, the rest into the UK, so obviously the protocol and the Windsor Framework has been an important part of the Brexit departure.

From my own point of view, I think that the Windsor Framework is another step in the path for us to move forward. The protocol secured that unique access, and I suppose if I am speaking purely selfishly as a businessman it is a very advantageous position to have. We have continued pretty much uninterrupted trading with Europe and the UK, which is something our competitors which are solely headquartered in the UK have not been able to enjoy. I think that is a significant step and something I would like to see retained.

For the Windsor Framework itself, I can only talk at a headline level. I have not seen sufficient detail to be able to comment on all aspects of it, but it seems to address a significant amount of what were the queries. For the small amount that still seems to be left, one would hope that over

time those will become part of a negotiated solution. Again, I am just talking here about purely business. Clearly, I am not ignoring that there is a political constitutional debate about this that is also continuing at the moment, and from a business perspective I would like to see that resolved. I would like to see certainty around it because businesses need certainty.

The Chair: Thank you very much. That is a very good start.

Andrew Opie: I am the director of food and sustainability at the British Retail Consortium. We are the trade association that represents retailers, primarily the major supermarkets, which operate in Northern Ireland. You will be aware that lots of the food that we sell in Northern Ireland is made and produced here in Great Britain before it is transported over to Northern Ireland, so the Windsor Framework has a real impact particularly on those six supermarkets that we represent that trade in Northern Ireland.

At a headline level, we welcomed the Windsor Framework being agreed. We need long-term sustainability of our supply chains, as Declan suggested there. That is very important to us. More widely, we hope that it will lead to improving the relationship more generally with the EU around the trade and cooperation agreement, which is important to all our supply chains and to our members who operate in the EU. At the headline level, it appears to solve some of the problems that we face, particularly on the movement of agri-food. Unfortunately, in some terms for the Government, we have now been operating an easement process called STAMNI for about two years now, which is a very simple way to move agri-food from Great Britain to Northern Ireland under a trusted trader scheme. Therefore, it is natural that retailers will measure the improvements in the Windsor Framework more against the STAMNI process than necessarily against the protocol, which is probably worth remembering.

I think that the key point, Chair, that you touched upon there is around the issues that we still have unresolved. As we stand here today—and I am sure we can get into these in more detail—particularly around labelling and customs controls, we have no certainty that we will be able to comply with the requirements of the Windsor Framework by the 1 October deadline. We do not have sufficient detail. We do not know how the processes will work. That means not only would we struggle to meet the requirements by 1 October as agreed but I could not hand on heart give you a thorough assessment of the burdens and the additional costs potentially of the Windsor Framework against either STAMNI or the Northern Ireland Protocol.

That is where we stand at the moment. It is a big concern for our members. We are four and a bit months out from that deadline and, as it stands at the moment, we do not know how to move food that will be compliant with the Windsor Framework to Northern Ireland.

The Chair: You have touched on a number of issues that we will come

to, I am sure, as the questions proceed. Thank you very much for that.

Glyn Roberts: My Lords, thank you for the opportunity to present today. Retail NI represents about 2,000 independent retailers, wholesalers and suppliers to our sector, so not only do we represent a significant section of our independent retail trade back home in Northern Ireland but we also represent, I suppose, many of the key players and businesses in that supply chain. We have dairies, we have distilleries and we have manufacturers in our membership, and we are always actively trying to connect them all up and make sure that we connect our local manufacturers, producers and farmers into our members in Northern Ireland.

I think that, by and large, we would give the Windsor accord a welcome. We have always said that there needed to be certainty and stability. We needed to ensure that there was not unilateral action, that there was a co-designed deal between the UK and the EU. Likewise, BRC and ourselves have been actively involved in putting forward a solution-based approach addressing many of the problems that were there in the protocol. I think that it is testament to the strength of the retail sector, right across from multiple to independent, in terms of the innovation and dynamism that they displayed in overcoming many of the challenges. As has been said many times, trade is like water: it will always find a way to flow.

I hope that we can learn the lessons of the engagement, which to date has been very haphazard on the protocol. As we sit here at the minute—and Andrew set it out very well in terms of the October deadline, particularly for labelling—as a local dimension we have not had any engagement on the labelling issue. I will maybe expand upon that when your colleagues ask questions. We need to ensure that Windsor works not just for retailers and wholesalers but for consumers as well. We are dealing with a severe problem of inflation. We want to ensure that they get access to a full range of products and that their grocery basket does not increase in price.

I also would say that I am aware that we have some way to go to get political consensus on the Windsor accord. I am very conscious and I hope that Lord Dodds' party can be reassured or given the reassurance it needs to move us on because I have absolutely no doubt that what would help us move forward in this process is if we had a working Assembly and Ministers back at Stormont who can engage with the EU and can engage with the UK Government. If we had that, I think that we would be in a better position to address many of the outstanding challenges.

My last point is that what we need to do in this implementation phase of Windsor is not the haphazard approach we have had in the past but—something that Andrew and I were talking about before—to make sure that the retail sector and our suppliers are actively involved in the implementation, not just as consultees but as partners. Unless Windsor works for business and for our economy, then we will not be any further on than what we were under the old protocol.

The Chair: Thank you. That leads on very well to the question from Baroness Ritchie.

Q59 **Baroness Ritchie of Downpatrick:** Gentlemen, you are very welcome. I want to proceed from the previous answers you have given. What is your assessment of the proposals to address the democratic deficit under the protocol, including the Stormont brake and the proposals for enhanced engagement with Northern Ireland stakeholders? Glyn and Andrew have already addressed the insufficient detail to make things ready by 1 October. We also want to focus on solutions, so what is required to provide for that enhanced engagement? What is required to bring solutions to the table to ensure that you have the necessary detail that satisfies the interests of the supply chains and the suppliers?

Glyn Roberts: Baroness Ritchie, it is nice to see you again.

Baroness Ritchie of Downpatrick: The same for you.

Glyn Roberts: I think that this is one area that we want to home in on. Very much the Stormont brake is the nuclear option. It is pressing the nuclear button. We had a very good briefing from the NIO on the SIs that are there within the Windsor accord, particularly the Windsor Framework committee that is being proposed in the Assembly. Part of the job description of that proposed committee is that it will actively engage with business. That will be a welcome development.

The second thing is what we have suggested, and we will give much more detail in written evidence to this committee on how we think we can address that. I am very conscious that we have at least two former MLAs in this committee.

Baroness Ritchie of Downpatrick: And two former Ministers.

Glyn Roberts: Two former Ministers. I do think that in many respects this committee, having the range of expertise that it has, has a role.

Baroness Ritchie of Downpatrick: Three, actually.

Glyn Roberts: Yes, and a former Secretary of State. My apologies if I have missed anybody out in that regard.

What we have suggested is that, for instance, the junior Ministers in the Executive Office, who always had that external affairs role, if there are issues with Windsor or any other issues around the remaining bits of European legislation, they could have a role in that as part of their job description.

What we have also suggested is that, now that the EU has full diplomatic status within the UK, what is to stop it, for instance, at some point in the future opening consulates in Belfast, Edinburgh and Cardiff in the same way that the American, Chinese and Polish Governments all have very active consulates in Belfast? Why I make that point is that it would be so much easier for us as local reps on the ground to engage with problems.

For a lot of the issues that will remain with the 3%, I think, of EU legislation that is left—I think it is down from the 1,700 pages that were in the original protocol—if we had that office open, then we could bring problems to them and we would, I hope, get a quicker solution than going through the embassy in London, as we do currently, or to Brussels itself. I am not asking for anything that is different to any other part of the UK or a practice that is not there in other devolved areas.

If we can look at the role of the Assembly, look at the role of Ministers, look at the role of the EU itself—of course, not forgetting my colleague Aodhán Connolly, who does a very good job in heading up the Executive Office in Brussels as well. I think that an incoming Executive might want to look at what that office does and how it engages. It builds on the good work that all the Northern Ireland MEPs have done in creating networks, good relationships and contacts within the EU.

I think that we can address some of those problems, but we do it not to make a political point; we want to make sure that we have mechanisms in place that build in accountability but, more importantly, solve problems. Both the BRC and ourselves have been actively trying to solve a lot of the problems that our respective members have, particularly with GB-based suppliers during the protocol, and all that we have done without having to call in Ministers. Those are some of the ideas and thinking we have in that regard.

Andrew Opie: I will not repeat what Glyn has said and certainly we have good engagement in Northern Ireland as well. We have a colleague based there in the Northern Ireland Retail Consortium, so we have all that engagement.

There are probably two things that I would add first of all. One of the problems with the Windsor Framework as it stands at the moment is that, while both the EU and the UK in headline terms at least have agreement, when you start to look at the detail that has been published in the EU papers compared to what we have seen in the UK's Windsor Framework and some of the discussions we have had with departments like Defra, there is a difference of interpretation around the detail of how this will be implemented. It sounds as if the framework itself is the be-all and end-all, but for our members and ultimately for our customers in Northern Ireland it is the detail that will make the biggest difference. How much labelling is required? Where will it be required? For the customs procedures, how will we follow that? How will we satisfy that? Having business at the heart of that but also a dialogue between the UK and the EU that involves business—and that would be possible through the joint committee that is being set up—I think is important to fill that gap and fill that gap quite quickly.

Going forward, for us as retailers one of the biggest areas we would like to stay on top of, potentially as the UK and EU diverge on some of the regulation but we have the dual regulatory aspects within Northern Ireland, is that again there is a good dialogue between the UK, the EU and businesses like ourselves that are trading in Northern Ireland, so that

we have a real understanding of what that might mean for products that are then on sale or potentially may have to go through the red lane rather than the green lane as they go from Great Britain to Northern Ireland.

For me, I would build on the Northern Ireland engagement, but I would add that there needs to be a voice for retail on behalf of customers and consumers in that dialogue between the UK and the EU.

Declan Gormley: In simple terms, I think that what we need is an Assembly restored. The Northern Ireland deficit is lacking an Assembly; therefore, lots of things cannot be done. If we look at the Windsor Framework, we need to be able to take a view about the Stormont brake. I usually take a "me" position on these things. If I was going to invest a significant amount of money in Northern Ireland today and I wanted to base myself there to avail of the undoubted advantages of that, I would be very reluctant to do so if I thought that perhaps in four years' time the Stormont brake could be used and the advantages I thought I was investing in disappeared. I think that we need to try to get some certainty about how this will be managed going forward.

We need to look at what FDI or even the domestic investors would think about the current position. You are unlikely to, whether you are a US multinational or a local manufacturer, make long-term decisions about capital, whether that is buildings, machinery or people, unless you have certainty that that investment will be able to be recouped. Right now, if I was forced to make a decision about what I would do, I would hold back until I could get some clarity. For clarity, we need to resolve this issue.

Clearly, we have to respect the views of a significant number of people, particularly in the unionist community, who feel that they are being disadvantaged. I do not have a solution to that, but I do think that is something we have to respect and find a way to address. Then I think we need to move on from that and deal with some of the practical elements. The Stormont brake to me is one of the big practical elements that will deter people from investing in Northern Ireland.

My other two colleagues have outlined that there is then a whole range of things that we know very little about, what the tax implications are and the way the red and green lanes work. I see those as just outworkings. Any time I go to export, every country has a different set of arrangements. You find a way around them.

Those are, to me, the important ones: get the Assembly up and running, try to find a way to resolve the issue of people feeling they have been disadvantaged, and address the issue of the Stormont brake because I think that will come back to haunt us.

The Chair: Thank you very much. All three of you have focused on one of the points that others who have given evidence to us in the past have done, which is the need to flesh out more detail of the Windsor Framework. The more that, as we go through the evidence, you can point

to specific areas where you think more work needs to be done, the better for us in making recommendations to Government. Thank you very much for that.

- Q60 **Lord Thomas of Gresford:** Declan, I am very interested in your view that you see the Stormont brake as introducing uncertainty, a very undesirable uncertainty. It is the nuclear button, as I think Glyn referred to, that nobody will press. Without being pressed, it introduces uncertainty into the economic future in Northern Ireland. What do you think will be the relative impact of the Windsor Framework, including the Stormont brake, on larger firms and on SMEs?

Declan Gormley: I think that larger firms are much better positioned just because of the scale and the resources they have available to them to develop and provide solutions to a number of the things we are talking about at a practical level. For SMEs it is a completely different experience. I run an SME; I do not have those resources. What you have to do there is to try to simplify the solutions that you provide so that they do not become either cumbersome or expensive. This is the other problem with many of the solutions. They create administrative burdens or they require different sets of resources.

I think that there are two levels working here. Very large businesses will be able to throw whatever it takes at it, for want of a better phrase. Businesses like mine have to try to find a way to implement whatever changes are coming, and we do not know quite what they are. Certainly, it is important that people remember that smaller businesses and medium-sized businesses cannot afford all the costs that might be created or at least are indicated could be created. It is important in working out the solutions that simplification is a key part of it.

- Q61 **Lord Thomas of Gresford:** The red lane/green lane thing has not been fully explored yet. We do not have the details. There is a suggestion that if you introduce a mixed load into Northern Ireland, some going to the Republic and others, it is all red lane. What is the impact, do you think, of that situation?

Declan Gormley: I think that the impact is that the vast majority of businesses will just simply go with the red lane because the idea of trying to separate out or create channels to move goods, some staying in Northern Ireland and some moving on, will create another burden on the business. A lot of businesses will probably take the view that it is just as easy to do it once and operate the red lane solution and move it on from there.

Lord Thomas of Gresford: You envisage that the majority of trade coming in will come in on the red channel?

Declan Gormley: That is my personal view. Clearly, I could be wrong, but I do think that from a practical point of view, from the little I know because again there is not much detail, it would seem to me that the most practical solution would be to bring goods in on the red lane and avoid any potential issues that may arise as to whether or not the goods

ended up coming in on the green lane and then somehow ending up somewhere else and creating issues in that respect. It would be much better to simply adopt the approach that you will bring everything in in the red lane and then move it.

Lord Thomas of Gresford: Would that be more for SMEs rather than for the large organisations?

Declan Gormley: This is what I am saying. I am thinking that, from an SME point of view, you want to try to minimise the amount of cost or minimise the amount of work that could be created with perhaps limited resource. Clearly, if you are in a very large organisation with both unlimited financial resources and significant human resource, then you are in a much better position to be able to dissect whatever the outcome of this is and perhaps decide that you will split those out in whatever way you feel is appropriate.

The Chair: We will come on to more detailed questions about red and green lanes a little bit later.

Lord Thomas of Gresford: Yes, I am sorry to jump the gun on that a bit. Glyn, what is your view?

Glyn Roberts: I think that the litmus test for the success of the Windsor accord is how small business and independent retailers are able to grow and prosper. I have always been concerned—obviously, they do not have the same big background operations that some of the large UK supermarkets would have, so we have always been very conscious in all the discussions we have had with the UK Government and the EU to make sure that the issues of small businesses and independent retailers are heard first and foremost.

Our priority in the discussions that we have been having over the last few years is to make sure we get as many retailers into the green lane as possible. In that sense, Windsor is an improvement, a considerable improvement, on what we have under the current protocol. The issue of labelling is probably the biggest issue and we have had very little, if any, dialogue with the UK Government on the issue of labelling.

Let me put into context how it would impact on a small retailer. The labelling does not just go on the product; it goes on posters, and it goes on the shelf-edge labelling. I think that Lord Dodds has raised this issue as well. If you run a small retail business, every inch of your store, every part of your store, is valuable space. The worry that many of our members have is whether all this labelling and all these posters will take up valuable space. Will it add to the administrative burden of the retailer and will that confuse consumers with the various different types of labelling that will be required—"Not for EU" and so on?

This is something that my colleague Andrew would agree with. We need more dialogue with the Government on it, and we have not even had clarity about what that looks like. Let us not forget that October is the

deadline. That for us is an immediate priority. We have made good progress with Windsor, but the labelling issue is key. I have to say that at a Northern Ireland level we have not been involved in any discussions or a chat, and I think that that is seriously remiss. We need to see the UK Government and the EU engage with Northern Ireland businesses on that labelling issue because it could be a problem. Of course, that has implications for which lane you ultimately end up in. This is an important issue that is still outstanding.

It gets back to that wider point. We need to have structured engagement where business is not just treated as a consultee but treated as a partner. That is the way that we will have successful implementation of Windsor if there is that structured dialogue with business at all levels. There is certainly a strong argument for a retail committee or a retail element of the joint committee or any other structure to make sure that we can address and fix problems early on.

Lord Thomas of Gresford: Andrew, labelling is obviously a key matter. Four months to go. What is your view?

Andrew Opie: Labelling is the key matter because—I agree with Glyn—every food business, whether an SME or a large supermarket, will want to use the green lane. They will want to avoid the red lane by all means because then you are into health certification, being signed off by a vet, and all the whistles and bells around customs as well. You would want to go there, and the good thing about the Windsor Framework, of course, is that it extends the trusted trader scheme to many more of those SMEs.

Labelling, of course, is one of the requirements of using the green lane, so if we do not know how to label the products, then technically we should not be using the green lane and we are subject to all the checks. You could not run a commercial supermarket by running all its trade through the red lane. It just would not work. The numbers would not stack up. You would not be able to pass on the cost to the consumers in Northern Ireland—the added cost of all that certification, signed off by veterinary experts and everything else that goes with it. The green lane is crucial to the operation for Northern Ireland consumers, so we have to get that right. The bit that is stopping that at the moment and the most obvious bit is around the labelling, but there are also some areas around the SPS movements as well that are still unresolved. For example, although the lorries need to be sealed, we do not know whether they need to be sealed by a vet or whether they could be sealed by anybody. Some of the photographs of the seals that need to be sent, the channelling process, all this is still outstanding in terms of the detail.

One of the problems is that, if you look at the EU's detail around some of these issues, around customs and SPS, they differ in some respects to the UK version in the Windsor Framework. Responsible businesses, whether an SME or a supermarket, want to be compliant on day one. They will not take the risk of sending products to Northern Ireland with the risk that they get stopped at Belfast and sent back, frankly. It does not matter if somebody in Government says, "Do not worry, it will be all

right and we will ease our way into these provisions from October". A supermarket will not take that risk and nor should an SME because the risk is that all your food will be sent back and you have lost your business then, frankly.

We need to get it sorted as quickly as possible, both the SPS detail and the labelling. It needs to be done very quickly because labelling changes do not happen overnight. They take months to stagger in terms of the catalogue of products. Certainly, some of the retailers will already be looking to see what it is feasible to send to Northern Ireland from October if we are in the situation where we cannot guarantee that we will be compliant. Where do they go? They can source potentially a little bit more from Northern Ireland. They may look to bring in products from the EU to keep the shelves stocked, but it is critical that the Government get on to this issue and resolve it very quickly.

The only other comment I would make on SMEs that we have not touched on yet is parcels. The new provisions on parcels are very good for GB SME-based companies that are using deliveries into Northern Ireland—so online sellers. That simplified process will be a boon to them. I know that we have had, again, an easement for that for the last couple of years, but crystallising that in the Windsor Framework will definitely help SMEs.

Lord Thomas of Gresford: This is my last question, Andrew. Do you agree with Declan's view that the red lane is liable to be used more often than the green lane?

Andrew Opie: Not in our case. I would be surprised if anybody will use the red lane. There will be occasions when we absolutely have to. If you look, for example, at some of the agri-food movements where we do not test to the same disease or health restrictions as the EU, we have diverted already in some of those areas, like citrus fruit, and some of the rest of the world products we bring in directly to GB and then over to Northern Ireland. They will have to travel through the red lane because we will not satisfy the agreement that was made in the Windsor Framework. There will be a minority of products that probably will travel through the red lane, but you cannot operate a supermarket supply chain using the red lane. That is just unfeasible.

Q62 **Lord Empey:** Good afternoon. To what extent will the Windsor Framework protect Northern Ireland's place in the UK internal market and at the same time its unique access to the EU single market?

Glyn Roberts: Lord Empey, thank you for your question. I hope that we can get to a point that that dual market gives Northern Ireland a unique selling point. I will not even go into that term, best of both worlds, but if we have a situation where Northern Ireland in many respects could be an internationally focused region, a global region in its outlook, but we can also provide as much access as possible to the EU single market and keep that invaluable, unfettered—I hope as unfettered as possible—access to

the UK single market, there is a real selling point there for Northern Ireland, if we get this right, for foreign direct investment.

Of course, we have seen in recent weeks a lot of focus on the last 25 years since the signing of the Good Friday agreement. The key issue is the next 25 years. Perhaps just to give a heads-up, there is a document that we and our colleagues in other business groups will be launching in a few weeks' time asking that question: where do we need to be as a region in the next 25 years? How do we make Northern Ireland the best region in these islands to locate, to start up and to scale up a business? There is no lack of ambition there in our private sector.

Members here will be aware of the concept of the northern powerhouse. I hope that, in five or 10 years, we are talking about the Northern Ireland powerhouse. I think that the level of ambition is there in terms of the indigenous business and the potential for FDI, but we will not get anywhere near that unless we have political stability. Political instability is the worst thing for business. It is the worst thing for the economy. We will never realise our potential as a region if we do not have a workable government back at Stormont with local Ministers doing everything they can to move us forward. That is critical in all this because I do not think there will be a Stormont brake unless there is a Stormont, quite frankly. A lot of this is predisposed on getting the Assembly and the Executive back, working with business and working with civic society to make our region that powerhouse that we all know it can be.

Lord Empey: Thank you, Glyn. I will ask the same question to Declan.

Declan Gormley: I have very little to add to what Glyn has said. I think that the Windsor Framework protocol is a gift to Northern Ireland business. The idea that we will be able to access both the EU and the UK so we have free access to a market of half a billion is a unique opportunity that, if properly implemented, will be immensely beneficial to Northern Ireland plc. I agree with the Prime Minister. I think that it could make us the most exciting economic zone in the world. There is lots of opportunity with it, but clearly we have difficulties to work through.

Lord Empey: Could I press you on another issue? You are obviously in the manufacturing sector yourself. A lot of the focus of this committee's work and our evidence has been on retailing and supermarket-based businesses and consequentially SPS issues. From a manufacturer's point of view, what would the opportunity be for you in practical terms?

Declan Gormley: For my own business, which is a pretty easy way to look at it, we have grown the business about 25% over the last couple of years because, once Brexit happened, it made us more attractive to people who felt maybe they wanted certainty: I have a manufacturer in Northern Ireland; I can buy this product from them; their competitor is based in the UK mainland. We have had that switching of people who would perhaps want to remove uncertainty. It developed a significant economic growth in the Republic of Ireland just on the island.

For manufacturers, I think, in a lot of Northern Ireland, 90%-plus export or deal with goods coming in or going out on a regular basis. The unique ability to say that we are the only place here in this part of the world that can afford you the opportunity to trade in both markets and for customers to feel that they can buy those goods whether they are in Northern Ireland, the Republic of Ireland or wherever, without interruption, is very advantageous.

Andrew Opie: It is potentially good news for Northern Ireland consumers. If we can get some of this detailed work that we have been talking about right, it should maintain the value and the choice that Northern Ireland consumers have come to expect, alongside their fellow UK consumers being able to access that value, which is very important for Northern Ireland consumers with the lowest disposable income of any consumers across the UK. Maintaining that value and choice is very important. Certainly, the principles of the Windsor Framework have the capacity to deliver that. Our issue, as you have probably already heard at length, is in the detailed implementation of that.

I have a couple of other things that I think are worth mentioning. There will always be a slight issue with the red lane. That is just the nature of the Windsor Framework. There will be some products that will have to travel through the red lane. Whether we would maintain all the choice that we have because of that we will have to see going forward.

The second thing to note is that, as well as Northern Ireland's place in the UK internal market, some of these requirements around labelling have an impact on all the suppliers, producers and retailers in the UK, regardless of whether they trade in Northern Ireland or not. It has come as a surprise to some people that the Government have decided that certainly all meat and dairy products and those that are most at risk are labelled with a "Not for EU" sign whether they are sold here in London or in Belfast going forward. We will see some new legislation coming through on that.

The consequences of the Windsor Framework go beyond Northern Ireland, particularly for retailers and producers, because that is not a small commitment to change your labelling. There is some questioning about why it should be the case that a supermarket, for example, that only trades in Great Britain has to carry a label on it that says "Not for EU" when there is no risk of those products actually going to Northern Ireland or into the EU, which is the whole principle.

Lord Empey: I think that it was you who referred to divergence as an issue, which is something this committee is quite interested in. How do you think that should be managed by government?

Andrew Opie: The dual regulatory approach is welcome and that is great for Northern Ireland consumers because it does mean that we can maintain the choice we have now, whether that is produced to EU or UK production standards going forward. The only slight issue with that may be around some of the health and animal disease checks, which would

again push some of those products into the red lane if they were not in accordance with the EU conditions for checks on those products. The principle of dual regulation was a big win, I would say, within the Windsor Framework to maintain the choice that Northern Ireland consumers have come to expect.

Lord Empey: Would you agree with me that the Government should have some central point where the divergence in regulations is recorded so that people like you and those you represent have somewhere to go to find out?

Andrew Opie: Yes. It comes back to one of those earlier points that I made when we were talking about engagement, and the role of retailers and industry, and manufacturers in this case, in a regular dialogue with both the UK and the EU to understand how dual regulation will work and the consequences of that for Northern Ireland consumers, should the UK make a decision in dual regulation that does cause some friction in the way we then transport those products from Great Britain to Northern Ireland. Retailers and manufacturers can help the Government to understand what the impact of that would be.

I think that there is a real role, whether it is through the joint committee that is being set up between the EU and the UK or an ongoing body, where there is a regular dialogue between manufacturers, retailers and both of those Governments' representatives on how dual regulation would work in the future.

Q63 Lord Dodds of Duncairn: You are very welcome today and thank you for your answers so far. Before I come on to my main question, could I follow up, Andrew, on the point about labelling for all UK producers that you mentioned? Is it correct to say that, while the deadline is 1 October 2023 for Northern Ireland, the deadline for labelling in Great Britain is sometime in 2025?

Andrew Opie: It is to begin in 2024 for the rest of Great Britain, and the reason for that is that there is no legislation for that to be implemented within the UK legislative framework at the moment. The Government need to draw up proposals for how that would work. They need to go through a consultative process with the four devolved Governments—including the UK Government—and then agree the legislation and take it through the House before that comes into law. I would not say tentatively, but they have suggested a date of implementation to begin from October 2024. That has not been confirmed yet because we have not seen the legislative process and we have not seen that happen.

The slightly strange thing about it is that this is not an EU requirement. The UK has decided to take this route rather than necessarily agreeing with the EU, which was that those products sold in Northern Ireland need to hold the "Not for EU" mark. This was a decision that the Government took, which is why it will require new legislation to bring that in.

Lord Dodds of Duncairn: There will be a period, between 1 October

2023 and until such time, if ever, the UK Government decide to implement this for the rest of Great Britain, when labelling will be specifically required for goods going to Northern Ireland, with all the extra administrative and bureaucratic costs that that will entail.

Andrew Opie: If you want to access the green lane. You could put it through the red lane, but if you want to access the green lane, with the simplified process for moving the food, yes, you will need that from October. They are phasing it in. They are beginning with fresh meat and dairy.

Lord Dodds of Duncairn: Obviously, most people, for the reasons you said about veterinary checks, will want to use the green lane.

Andrew Opie: Absolutely, yes.

Q64 **Lord Dodds of Duncairn:** Coming on to my main question, then, in relation to red and green lanes, we have heard already about labelling and the lack of detail and lack of clarity, which means that it is difficult. People make glowing assessments or dire assessments of the Windsor Framework, but that is based on some interpretation, maybe not some hard evidence of detail from the Government, although a lot of it is based on what the EU has published—which does tend in the history of this process to turn out to be more accurate, I have to say. What is the detail on red and green lanes that you would like to see at this stage? We are getting down into the nitty-gritty. What are the areas of detail that are missing at the moment for you? It would be very helpful to the committee to have a list of things that you would like to know at this stage.

Glyn Roberts: We have always been keen to ensure that we get as many of our members in the green lane as possible and that the checks and declarations and all that was cut right down. I am pleased to say that, from a retail perspective, a lot of that is in Windsor. It is not the only focus. There remain other things that we need to have clarified, and I am very happy to cover them in a more detailed paper that we will submit, Lord Chair.

The Chair: That would be very helpful. Thank you.

Glyn Roberts: I think that we can get so much bogged down in the technicalities of this.

For us, on the labelling issue, the fundamental question is this. We have members in every village, town and city, and all the villages, towns and cities at the border, who regularly get loads of people from the Republic of Ireland who shop. How will not having “Not for EU” on either the product or in the stores impact on that? In one sense, you have to ask the question: what then is the point of that? Obviously, the border is very porous. We have members whose staff work in the Republic of Ireland and they cross over every day, never mind the constant flow of shoppers from the Republic of Ireland.

There are serious issues that remain, and it gets back to the need to have much more structured engagement. The very fact that we have not had clarification on this issue and that we are fast approaching the deadline of October is one thing. The large supermarkets obviously have a big backroom team, but if you are a smaller retailer—for a lot of our members this is themselves—you have to navigate through this, and we are trying to give them information as best we can. Again, that is an interpretation of what we read in Windsor. There is so much more clarity there that we need.

My concern since we had the initial announcement about Windsor is that a lot of the engagement with Government has slowed down and in many cases it has stopped at a Northern Ireland level. That is something that we need to step up. Uniquely, because we are a supply chain organisation in our own right, we have more than just retailers. There are wholesalers that we want to look after. We have small distilleries, we have small dairies, and we have small manufacturers that are there who equally have questions and queries about all this as well.

That is why the big takeaway, Lord Chair, for you—and I hope that this will make it into your final report—is that we need to have much better structured engagement. I am not saying that the engagement that we have had in the past has not been good, because it has been useful, but it needs to be structured and it needs to be very much more based on a lot of the day-to-day problems that businesses face. That would go a long way to address a lot of the concerns that we have as a local trade body. As I said at the start, this has to work not just for retailers of all sizes but for consumers as well. The labelling issue could particularly have an impact on consumers and cause confusion to them as well.

The other thing is that one by-product of what has happened since 2016 is that a lot of our members are sourcing even more local produce. We have a lot of talk about British bangers, and I am completely biased in this. I have butchers that produce the best sausages in the world; let me say that I am biased. We have a great agri-food sector in Northern Ireland, obviously, as we start with day one of the Balmoral Show. We have a good story to tell, and we need to ensure that those businesses can sell locally and sell internationally.

Andrew Opie: For me, there is the short-term pressure and then there is the medium-term pressure around movements. On short-term pressure, we have talked a lot about labelling. I am happy to talk some more about that, but in terms of labelling on the product, on the box and in the store, as Glyn has said, we just need the clarity of what is required. We do not technically have a list of products that are covered by the first tranche of labelling, for example, from October. We know that it is fresh meat and dairy, but that can vary a little bit. Is that flavoured milk? Is it various other things? A supermarket will have thousands of different products that it will need to categorise.

Labelling is there, but there is also the SPS movements before October so we can access the green lane. There is talk about having to supply

product data to ensure that there is traceability of the products as they go through, but that varies in interpretation between the EU and the UK as to what is required. We just need to know the detail about what we need to do.

Similarly, I spoke earlier about the seals that you have to have on your lorries. Does that need to be done by a veterinarian or can that be done by anybody in the depot? Again, there is a slight difference of interpretation. We do not have confirmation of any of that yet. As we stand, we could not move a product in compliance with the Windsor Framework. We would not necessarily know, if we were complying with the UK interpretation or the EU interpretation, if we do one or the other, whether the UK or the EU will not like what we are doing. We just need a central answer that we can all gear up to. There is a lot to do by October.

Then, into the medium term, there is customs to deal with as well. Again, there is a difference in interpretation if you read the papers that have been published. I accept that legislation still needs to be passed in the EU and there is more detail that needs to come out from the UK, but the amount of data that may need to be supplied under the EU proposal as we read it is more than the UK proposal. That could mean greater burdens and greater cost. Again, we need much more detail on this because we need to start changing IT systems and to see how this might work before next year when the customs regulations come in. On Lord Dodds' point, we will only really know the burden of all this once we have all the detail and are able to sit down and work out what the additional procedures are that we have to follow to be able to ensure that we are compliant.

I would say that SPS and agri-food in the very short term; going forward customs is the next big issue to crack.

Declan Gormley: I think that what the previous two answers are illustrating is that there are different requirements by sector and when you look at agri-food and retail. In manufacturing, whether you are a sophisticated manufacturer or a basic metal basher, the reality is that everybody uses raw materials. Raw materials are coming into Northern Ireland, let us say, from the UK. The difficulty—and this is why I say that I probably will choose just to go for the red lane—is that some of those products that will end up being made will come in from UK product, be made in Northern Ireland and go back into the UK, so that is pretty straightforward. However, some of them will not, and it is a very difficult and very expensive operation to try to determine that 15% of what you have made is going to Poland and 11% is going to the Republic of Ireland. It just will not happen.

From a manufacturing point of view, unless the red lane and the green lane can be devised in a way that will be able to accommodate that requirement, it is very difficult to see how this will work in practice. If I was only selling to the UK, that is an easy decision, but if you will be selling, as we are, to about 11 different countries, your best bet is just to bring it in through the red lane and give your customers confidence. Do

not forget that at the end of the day we have to maintain customer confidence here and maintain business relationships. The last thing you need is HMRC turning up and saying, "You have not been compliant".

There is a difference in what solutions are needed for different sectors, and that is part of what is missing in this discussion. We do not know what the answer to that is. For me, unless you can find a way to deal with that, which most manufacturers in Northern Ireland will have to address because most of them export, it is very difficult to see many of them just relying exclusively on the green lane.

Q65 Lord Dodds of Duncairn: Yes, I can see that. As a manufacturer, then, looking at it the other way, you mentioned earlier that about a quarter of your exports from Northern Ireland are to Great Britain. The recent UK border modelling came out and they were talking about a border control post in Cairnryan and so on. Do you see any issues with stuff going from Northern Ireland back into the rest of the UK in order to stop the Irish Republic or the EU taking benefit of free access to the UK market? How do you see that working?

Declan Gormley: You could have the reverse of the issues that we have with the Irish Sea border. I think that what will happen is that that will undoubtedly cause some difficulty because it will probably create more paperwork. It will probably create delays. I do think that would be, as I say, the reverse of what some people are experiencing with the Irish Sea border.

Lord Dodds of Duncairn: Yes, just the mirror image.

Declan Gormley: Just the other way round.

Lord Dodds of Duncairn: Thank you very much. It would be very helpful if we had a paper or any detail on what is needed at the moment that the Government have not been engaging on. It would be useful for the committee.

The Chair: It would, indeed, and thank you for the offer.

Q66 Baroness Ritchie of Downpatrick: I am moving on now to agri-foods. We have already been looking at that particular area, but it is to develop that point. How would you address the Windsor Framework for agri-food trade into Northern Ireland? Does it go far enough in mitigating the issues that have been raised with the protocol in relation to the arrangements for agri-food trade? Many of those have been reversed over the last few years.

Secondly, what steps need to be taken to agree a long-term solution for veterinary medicines? You will know that human pharma or human medicines has been resolved, but for veterinary medicines we are simply giving an extension of the grace period until the end of 2025 when that cliff edge will come along. I will start with Declan. I appreciate that it probably—

Declan Gormley: It will be a short answer.

Baroness Ritchie of Downpatrick: I appreciate that, and that is why I started with you because it is not something that your business concentrates on.

Declan Gormley: No, and I will not even try to respond on that. I do not have any expertise in that area. It is not something that we have to deal with. It is the specialists in that area who would need to address that.

Andrew Opie: In principle, the Windsor Framework does address the problems that we saw with agri-food in the protocol itself, although, as I said, we have been operating to a temporary easement, the STAMNI process, for most of the period. Yes, in principle, it does address it. It means that we can move the same products here to Northern Ireland. It allows us to move chilled meats, for example, which you would not be able to move into any other EU export situation at the moment. It covers all those issues. We spoke about dual regulation, which means we can produce food to a different regulation potentially here in GB and sell it in Northern Ireland. There are lots of positive things in the Windsor Framework that it has sorted, including in principle again the simple certificate to move agri-food to Northern Ireland.

The problem really remains in the detail and that is the area we will never get away from, unfortunately, until we know what we are doing. We are detailed businesses. We 100% support the approach and the principle of this. To simplify trade between Great Britain and Northern Ireland is a fantastic thing to do, and it is exactly what we are asking for.

Baroness Ritchie of Downpatrick: You have mentioned on previous occasions the detail, as has Glyn. Have you had direct discussions with the UK Government and the EU about obtaining that detail to help to resolve those issues and to understand the requirements?

Andrew Opie: We have had a regular dialogue with Defra on the food labelling issues and some of the SPS movements, but to date we have not been able to establish the detail that we need. We are told now that the first guidance on labelling will be published on, I think, 19 or 20 May. It has been held until after the Northern Ireland local elections are held.

Baroness Ritchie of Downpatrick: That will be helpful.

Andrew Opie: Yes. By that stage, of course, we are pushing further and further down the track to get the certainty that we need. We have tried to have some conversations with the EU. Obviously, we used to work quite extensively in the EU before Brexit and we still had some connections in the Commission. We used that to have some dialogue with the EU. We did not find it particularly helpful. I am not in any way saying that as a negative against the EU. It is just that they were not able to help us with the clarification that we need because they were saying that the legislation in the EU still needs to go through its process and they could not be certain. That is understandable as well.

On the customs side, which is also important to agri-foods and I mentioned it earlier, we have struggled, if I am honest, with engagement with HMRC, to the extent that we wrote to one of the Treasury Ministers to ask them to intervene and try to arrange for the HMRC officials to talk to us about the customs requirements. We had our first discussion with them last week, as did the major retailers, but that is 10 or 11 weeks since the Windsor Framework was agreed. The bit we do not understand is, if the Government agreed this, surely they must have known what the detail was, so why can they not just come and tell us what the detail is?

Baroness Ritchie of Downpatrick: That sounds perfectly reasonable.

Andrew Opie: We are still in the position where, as we stand at the moment, we do not know what we need to do. There is a conversation, which I am sure is ongoing through the joint committee, between the UK and the EU to iron out where at least on the face of it there are some differences in the way they are interpreting the implementation of it, and we wait to be told. The longer we wait, the less likely we are to make 1 October, and then there is a decision to be made as to what we do at that stage and what the UK and the EU do at that stage.

Our preference would be for the UK to have an up-front conversation with the EU. We have told the UK Government that we are concerned about compliance by 1 October. Why do they not have a conversation with them now rather than wait until September when suddenly we will go back to them and say, "We are sorry, but we will not make this"? Why not have it now and say, "We are working towards compliance" because we are 100% ready to work to compliance, but you cannot do that while you do not have the details. It may take longer than both parties had intended when they agreed the 1 October date, so why not have an honest conversation about that now and come back to retail businesses so that we ensure that Northern Ireland customers get exactly what they want on 2 October?

Baroness Ritchie of Downpatrick: Glyn, what are your views?

Glyn Roberts: Andrew has set out the situation very effectively. There is no doubt that what we have on offer in Windsor is a considerable improvement to what we had, where you could have a situation where you had 1,500 certificates a week. I think that it is £150 per certificate. It is just crazy that that was ever considered a viable option. Of course, we hope that now the traders only have to complete a single digitised certificate per lorry movement rather than the multiple certificates.

That is progress, but again it is the lack of detail. It is the lack of clarification. Our members just want to get on with the job. While the Government do not provide the clarification that they need, it limits them. It is almost a dead hand there that prevents them from moving on. What we need, in a nutshell, is stability and certainty. I do not think that it is an unreasonable thing for businesses to have asked for all along in this process for stability and certainty.

Q67 **Baroness Ritchie of Downpatrick:** I have a little additional question. Coming from Northern Ireland, you understand the purdah period. Andrew referred to information being available after the local government election of tomorrow week. Do you think that that has interfered in the timetable because everything stops in government when you have an election, even though local government has nothing to do with this?

Glyn Roberts: It is hard to say. Councils have their responsibilities. I think that it is a very different scenario than if we had an Assembly or a general election, but it is a fair point to raise.

Baroness Ritchie of Downpatrick: Chair, I do not know whether this is correct or proper for myself. I know that our report will not be ready until before recess, but it may be useful—and can we do this—to write to the Government to seek answers in relation to this particular issue because it seems to be causing a blockage in the system.

The Chair: Our report will be ready before the recess and we can ask the Foreign Secretary when we see him next week.

Baroness Ritchie of Downpatrick: Yes. Well, that is my question for the Foreign Secretary. Thank you.

Q68 **Lord Godson:** Thank you to all our witnesses. The first question is for all three of you. I know that you have stated the imperfection, as you see it, of the information that has come your way. What is your view of the impact of the Windsor Framework on the whole question of parcel deliveries from NI into GB, NI into the EU and vice versa?

Declan Gormley: Currently, they operate with a certain amount of easement, which I think will change once we see what the final outcome will be. You then move into the territory that, whatever that solution is, there is a very limited number of logistics providers who would have the wherewithal and the global footprint in particular if we need to find a way to deal with this beyond Northern Ireland, UK to Northern Ireland and beyond. Again, it is one of those unknown areas that currently is not that disruptive; I would have to say that we do not suffer from any particular delays or any issues in relation to business to business parcels, but again we need to find the right answer for what is a complex jigsaw here. It might be right for one sector but not for the other.

Andrew Opie: I think it is a really positive approach in the Windsor Framework and it is good news for consumers in Northern Ireland, although we had the easement, which meant that we did not have to go through the quite onerous requirements both for businesses and for consumers if we were trading as we were in the EU until now. Crystallising that and giving us the stability of what that means is great news for consumers in Northern Ireland. It has removed all the requirements on them. It is very easy for business. There are some requirements on the parcel operators to report back the data, but other than that they look as though they should be reasonably achievable.

It is really good news from our perspective, and I think it is good news for consumers, because it may mean that SMEs that may have been a bit wary of trading and selling online to Northern Ireland will see this as an opportunity, and choice is always good news for consumers. We definitely see it as one of the bright spots of the Windsor Framework.

Glyn Roberts: I have nothing to add to what Andrew has said. I agree absolutely.

Lord Godson: More broadly, from the protocol to now Windsor Framework, how do you see the impact on seeds, plants, machinery and trees? It is implied in some of your remarks earlier, but can you give the committee a little more detail?

Glyn Roberts: It is not a huge area for our members. The vast majority of our members are food, but it is not an issue that we have received any significant feedback on. I understand that throughout the process there have been issues for a lot of garden centres in particular, and there are concerns there, but our membership has not reported it as a significant issue.

Andrew Opie: I think it is good news, again. We were very pleased to see it. We have DIY stores and supermarkets that sell plants in Northern Ireland that come from Great Britain. Some are more specialist; the Horticultural Trades Association is also a member. Reducing the burden, as they have done there, and allowing some of the products to move into EU countries that would not normally have been allowed to, as I understand it, is good news for business and for customers in Northern Ireland. Again, this is one of the more positive parts of it.

I cannot comment more broadly on the bulbs, plants and seeds area. I am not an agricultural expert, but maybe you will be seeing witnesses who are as we go through the process.

Declan Gormley: Mine is purely anecdotal, and in deference to Glyn needing to get his flight I will just say that my local garden centre owner says that things are a lot easier now. I do not have any expertise in that area.

Lord Dodds of Duncairn: Recently, the *Belfast Telegraph* did a big splash on this and looked at this in some considerable detail. It pointed out, however, that in marrying in the issue of partial deliveries to consumers with seeds and plants—the two issues that Lord Godson raises in this question—it will be impossible for individual consumers, individual householders, to order many plants, seeds and stuff online. This can only be done business to business, which therefore, of course, restricts choice to consumers and is obviously more expensive.

It is clear that, overall, there are improvements, and I accept what you are saying, but there remain considerable issues, particularly in relation to plants, seeds and certain trees being imported, which ties into the issue of delivery online. It would be worth the committee looking in more

detail at what the *Belfast Telegraph* uncovered in relation to that area. It might be to the committee's benefit if that coverage is distributed to members just for information.

Q69 Baroness O'Loan: Listening to all your answers to the questions, there is huge complexity in your answers, but there are two things you are talking about. One is that you do not have enough clarity, and the second is that you need consultation—and you need direct consultation with the people who can make the decisions. At this stage of the proceedings, it is very serious that those are the questions that you are asking.

I will go back to the issue of regulatory divergence. What is the significance of the framework for regulatory divergence, both east-west between Northern Ireland and Great Britain, and north-south on the island of Ireland? What is your assessment of the mechanisms to manage divergence, including the new special goods body and the role of the Office of the Internal Market? Finally, what are the practical implications for business of such regulatory divergence?

Andrew Opie: I do not have anything to add to that question, because we are not manufacturers. We will just be selling, potentially. It is probably more a question for Declan.

Baroness O'Loan: Declan, you are a manufacturer.

Declan Gormley: Yes. I have some difficulty with this question of regulatory divergence, because if you are a business that is dealing in different territories, you have to be compliant in whichever territory if you want to sell to it. We come across that outside the EU and the UK.

To me, if we are saying that you can choose between being compliant with a UK set of rules or an EU set of rules, that is a big decision, because then you are excluding yourself from one area or the other. That should not be taken lightly. It is a very important element of this.

There definitely needs to be consultation on this point. There needs to be much better appreciation of what that will mean in reality. For most manufacturers I talk to, and being a manufacturer, I think most of us who are exporting would take the view that you need to remain compliant by and large with the highest standards possible anyway, but you also want to try to make sure that you meet the needs of the biggest markets that you will deal with. If I decided to be compliant only with the UK, clearly that regulatory standard might not meet the standard of this one.

It is not something that I think we should just jump at and say, "Let's have this bonfire of EU rules, and we'll do it differently", because it will definitely have implications, and for many businesses they could be quite significant if they enter into them lightly. This is an area that needs lots of discussion, lots of consultation, and lots of real understanding and modelling of what happens if you do this versus that. So, for me, it is not clear, and I do not think that regulatory divergence will work that well.

Baroness O'Loan: Do you have a view on the new special goods body

and the role of the Office of the Internal Market?

Declan Gormley: We have not been in touch with them. I have never spoken to them or been approached by them, so no, is the quick answer. But if they are set up to try to address these issues, that is a good thing.

Glyn Roberts: I have nothing really to add to what my two colleagues have said. We are a small island and have to constantly monitor divergence, but, again, we just have not had the engagement with some of the bodies that have been outlined. Everything that we have said today gets back to that same point: consultation and engagement. We cannot have too much engagement as we go forward.

Q70 **Lord Dodds of Duncairn:** On the issue of VAT and excise, what is your assessment of the impact of the Windsor Framework in relation to VAT rules being applied in Northern Ireland, and in relation to the state aid rules, which Northern Ireland is bound by as a result of being tied into single market rules, which the Government originally wanted to take Northern Ireland out of but we remain part of?

Glyn Roberts: I think we will cover that in a more detailed paper that we will submit to the committee, because it is a complex issue, as you say Chair.

Lord Dodds of Duncairn: We would be very grateful. Thank you.

Andrew Opie: This is a very quick answer from us. We think that it is a positive step, particularly on VAT. It means avoiding running two systems, one for Great Britain and one for Northern Ireland potentially, so that is good. I am not a taxation expert in any shape or form, but I am also told that there may be some accountancy restrictions or regulations coming in through the EU that would have applied to Northern Ireland and which will not now, so that is welcome. From our perspective, alignment along VAT and excise is very important for us, because obviously we sell alcohol and tobacco.

Declan Gormley: And the same from me. It is a very complex, specialist area, and I do not think we know enough of the detail to be able to comment on the implications. Clearly at the moment it is not causing much disruption—we are trading with the EU in the way we have—but it is definitely an important point again that we need to get some detail behind.

Q71 **The Chair:** We have talked a lot about the need for clarity and for more detail, but given that the EU and the UK are changing, are we, in effect, in for a permanent negotiation on these points? Is there an answer, or is this a permanent state of negotiation and discussions now between the UK and the EU as we go ahead?

Glyn Roberts: There have been so many moving parts in this process almost since the referendum, and key to addressing a lot of those problems—I hope we can get to this point—is having a restored Stormont and local Ministers who can tackle this issue. That has been a difficulty.

That is not to say that a restored Stormont would be a silver bullet, but having active Ministers in place, a committee at Stormont looking at these issues, locally elected Ministers engaging with the EU would certainly help to move this process on.

At the minute, we have a maintenance Administration and it is very difficult to get anything done, and in the context we have now of the Windsor accord we need Stormont to be restored. Political stability is so important for us going forward, and the benefits and the achievements that are there in the Windsor accord will not amount to very much unless we have our Government back at Stormont and local Ministers making the difference.

There is a prize to be had with potential dual market access, which could transform our economy. I do think it is the basis for future progress, but—again, there are “buts” in this—we need clarification, consultation, structured engagement, working through the problems as they come up. Looking at the previous few years, because a lot of these negotiations have been done at breakneck speed, many regulations came in that a lot of GB-based suppliers and a lot of our members did not understand. I hope that we can learn the lessons of the last few years and make sure that the businesses that our two retail bodies represent can be part of that solution and can be seen not just as consultees but as partners in this hopefully new situation for Northern Ireland and the opportunities that Northern Ireland will find itself in.

Declan Gormley: I do not think it will be an ongoing negotiation. Every negotiation has to come to an end at some point. I think we are in the process of doing that, but ultimately we have to reach a decision that this is the outcome for both the EU and the UK. I do not think the Assembly has a huge role to play in this particular VAT discussion. So I do think there will be negotiation, but I do not see it being ongoing.

Obviously there are always iterations with tax. What will be important is that we get the headline piece right, we understand what is required to operate effectively in relation to the tax code, and we implement that. Presumably it will have certain amendments, but I would not like to think that we will be here in five years’ time talking about VAT negotiations ongoing. Somebody has to make a decision somewhere to reach a point of conclusion. A bit like the Windsor Framework, not everybody has everything they wanted, but it is a pretty good outcome from where it was. It could be enormously beneficial to Northern Ireland, and we are already seeing the economic benefits. Even this week they are being published, showing how well the Northern Ireland economy is performing against the rest of the regions in the UK.

So in answer to your question, no, but I would like to see us trying to get to a point where we have some understanding and can implement and be compliant with whatever the tax laws are.

Andrew Opie: Our hope is that we would reach agreement on the key structural issues, which is really how we move food from here to Northern

Ireland, and that there is agreement about that and how we follow that process. That is our day-to-day movement that keeps Northern Ireland stores stocked for consumers. I would hope that that could be resolved fairly quickly and business gets down to doing what it does well, which is serving consumers. I think there will always be a negotiation to a certain extent in two areas. The dual regulation piece will need a conversation between both sides as to how those checks might work and what that might mean for moving products, so that is absolutely right.

Looking more positively at how we operate controls and supply chains, our own border target operating model, which the Government are introducing for UK borders from October, is more sophisticated than the EU model. It uses more e-certification. It looks to use IT better. Maybe we could move to a process that uses the strengths that already exist in very well run, traceable supply chains rather than needing seals and the various labelling that is required. There are processes out there, so maybe that is the other part of negotiation.

This is an evolving process. We want the EU to trust that when we move products to Northern Ireland they stay in Northern Ireland. We understand its anxiety about that, but we also want to serve Northern Ireland consumers in the best way. I think that is possible, and I think that we can improve that going forward. That is probably where the negotiations would benefit.

The Chair: Thank you very much for that, and thank you, incidentally, for giving us a plug in the *Independent* this morning, for which we were very grateful. To all three of you, thank you very much indeed. It has been extremely helpful and has helped our inquiry, and we are very grateful to you for being with us this afternoon.