

Protocol on Ireland/Northern Ireland Sub-Committee

Corrected oral evidence: Windsor Framework implementation: follow-up

Wednesday 13 September 2023

3.15 pm

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

Evidence Session No. 1

Heard in Public

Questions 1 - 16

Witnesses

I: Stuart Anderson, Head of Public Affairs, Northern Ireland Chamber of Commerce and Industry; Alexander Kinnear, Parliamentary Officer, Ulster Farmers' Union; Mark Tait, Director, Target Transport.

II: Peter Hardwick, Trade Policy Adviser, British Meat Processors Association; Andrew Opie, Director of Food and Sustainability, British Retail Consortium; Michelle Riddalls, CEO, PAGB.

Examination of witnesses

Stuart Anderson, Alexander Kinnear and Mark Tait.

Q1 The Chair: Welcome to the Protocol on Ireland/Northern Ireland Sub-Committee at our meeting this afternoon. Today, we are holding follow-up evidence sessions with business representatives on the implementation of the Windsor Framework. Since the committee finalised its report on the Windsor Framework, the Government have published a number of subsequent guidance documents that will form part, although not all, of the focus of our discussion today.

We are joined today by three business representatives, all of whom represent organisations that we met on 19 April during our most recent inquiry to tell us how, in their view, events have developed since then. It is very good to see you all again and thank you very much indeed for

being with us. The three experts are Stuart Anderson, head of public affairs at the Northern Ireland Chamber of Commerce and Industry, Mark Tait, director at Target Transport, and Alexander Kinnear of the Ulster Farmers' Union. Alexander Kinnear is joining us here in person, and the other two are joining us online. You are all very welcome and we very much look forward to your evidence. Perhaps you would introduce yourselves briefly when you speak for the first time.

Today's meeting is being broadcast, and a transcript will be made available for subsequent publication and sent to all of you in the usual way to check for accuracy. I refer to the list of members' interests as published on the committee's website. Votes are expected in the Chamber this afternoon, but we hope they will not fall during the next panel's evidence and that we will be able to have a clear run through. Perhaps I could begin by asking the first question, to all of you. As time is comparatively short, we will try to be brief in asking our questions, and we would be grateful for a degree of brevity in your answering the questions that we put to you.

What is your current overall assessment of the Windsor Framework and the extent to which it resolves the problems that have arisen with the protocol? In particular, has your assessment changed since you or your organisation last gave evidence to us on 19 April?

Alexander Kinnear: I am a parliamentary officer for the Ulster Farmers' Union. I deal with political engagement for the organisation. Last time, our president, David Brown, gave evidence on the Windsor Framework. At that time, we did not have a significant amount of detail on the green lane aspects that were going to make lives easier for farmers in Northern Ireland, but, largely, our assessment of the agreement has not changed. We obviously welcome the progress and the change in relationships. We have an office in Brussels at the British Agriculture Bureau, so we will be out there quite a bit, and the engagement with Europe on a whole host of things has opened up to us as an organisation.

Just on Monday, announcements were made on the Northern Ireland plant health label that will cover seed potatoes, plants and seeds for planting in Northern Irish soil, and machinery movements from GB to Northern Ireland. It is a little early to say how that will work in practice. With the seasonal approach of farming, where seed potatoes will be planted in the spring, it is just too early to say, but we welcome that and the easements, which were badly needed. We have been lobbying on particularly the seed potato industry for a number of years, and we welcome that and see that as a great opportunity.

We had also lobbied quite heavily on addressing the democratic deficit, where rules and legislation were being passed in Brussels and having a major impact on farmers in Northern Ireland, yet we had no say or control over what was happening. That has been addressed in part through an agri-food subgroup that was proposed through the Windsor Framework, has got up and going and will be co-chaired between a representative in Brussels and a Defra official. Even though we are a part

of that on an invitation-only basis, we hope to use that as a mechanism and place great hope in it.

However, there are a number of things that the agreement does not address or even speak about, quite irritatingly. One is veterinary medicines, which everybody is quite well aware of. At the end of this grace period, over 50% of the veterinary medicine portfolio that comes from GB to Northern Ireland will be discontinued, which will affect farmed animals and, probably in a greater way, companion animals.

We are quite concerned at what we have heard back from the UK Government, and indeed officials in Europe, over the period since the Windsor Framework was announced, and there appears to be a stalling in anybody wanting to do anything about it. You can imagine that, as farmers, that is really disappointing and quite worrying. I have a number of examples here that I would like to share with you.

The Chair: We probably ought to move on, since time is a bit short, but you may have time to give us some of those examples in answer to subsequent questions. Shall we try to play it that way?

Alexander Kinnear: Okay. Just one other issue that I will raise is livestock movements from Northern Ireland to GB, particularly in the pedigree sector. The Windsor Framework does not, in any way, address livestock movements, which is of serious concern to pedigree breeders in Northern Ireland whose farms and businesses have collapsed in trade. It is completely unacceptable, and we do not see why the two Governments do not get together and work through this problem.

The Chair: That is very helpful. Thank you very much indeed.

Mark Tait: I am the managing director of Target Transport, a family-oriented freight forwarding business. Like Alexander, I do not think that our assessment of the Windsor Framework has changed much either from a haulage perspective. I have a lot of notes here, but I will try to keep them brief.

In many respects for haulage, we see some of this as a step backwards rather than an improvement. The Windsor Framework is presented as an easement for many traders, but, in reality, in order to show fewer physical checks, the bureaucracy has been pushed further and further up the supply chain, and ultimately it is down to us as hauliers to try to manage that. We do not see that it solves many of the underlying problems that Alexander mentioned in his brief, and I would like to refer to what the Horticultural Trades Association said; it does not see a resumption of GB to NI trade for many plant species. For some businesses, this still represents a major issue.

For us, the framework cannot simply be seen as a method for moving goods from GB to NI. It has to be taken in the wider context of what is now the new border target operating model and, ultimately, alternative European supply chains. Why are the Government delaying the border

target operating model again—they say that this is in order to bear down on inflation—yet, at the same time, they are now about to increase the level of bureaucracy on many Northern Ireland businesses to get goods moved from GB to NI?

The original protocol had a flaw, in that it suggested that there was going to be no diversion of trade and that Article 16 would protect that, whereas the Windsor Framework has now removed that protection. Is this now just a blind acceptance that there will be a diversion of trade going down the line? Ultimately, the sourcing of goods from more expensive supply chains has a knock-on effect for businesses and consumers. The example given to me by a customer a couple of weeks ago is of southern Irish prices for Northern Irish wages. It is not a recipe that is good for the consumer or the economy.

In many respects, from a haulage point of view, the spin from the UK Government behind what the Northern Ireland protocol and the Windsor Framework do is a “moving the deckchairs” scenario. We were able to move goods due to unilateral extensions on grace periods. These will expire in a few weeks’ time for many sectors.

Vast swathes of the Northern Ireland protocol will now be implemented in full under the guise of the Windsor Framework. It is a bit farcical to suggest that our ports have the capacity to deal with that. We just do not know yet. There will be some light-touch implementation over the next couple of years while this is implemented, but, ultimately, once permanent border control posts are erected and implemented, will we see the full effects of third country to EU imports into Northern Ireland? There are so many unanswered questions and variables here that we really cannot say at the minute whether this is an improvement.

Stuart Anderson: It is a pleasure to be with you again this afternoon. You set us the challenge of being brief. I must admit that it is a challenge for me, but I will do my best.

In terms of our reflections in the Northern Ireland chamber, much like the other contributors have said, our assessment has not changed. By way of recollection of what we said at the time on 19 April, you could fit the issues into broadly three baskets. First, in the areas where we had seen joint solutions underpinning the way forward, that is progress in and of itself. The second basket, which merits the most attention, is the areas where we needed further detail. On that basis, at that time, I said that we should reserve judgment, either positive or negative, before coming down definitively on where we are going, until we can begin to see this detail. Then there was the basket where we had unresolved problems, and Alexander touched on those. They were TRQs—tariff rate quotas—veterinary medicines and the question of regulatory divergence.

In preparing for today, we have gone around members on a cross-sector basis, and even relied on our quarterly economic survey, where we have been monitoring post-Brexit arrangements in Northern Ireland since 2016. We added a new question in Q2 this year, when the field work was

carried out in May and June. Before the publication of the guidance, we asked a very simple, straightforward question: "What, on balance, is your assessment of the Windsor Framework in terms of its potential impact on your business and the Northern Ireland economy?"

Some 56% said they saw it as positive for the economy. That dropped to 44% in respect of their own business. One in five said that they needed more information or were not sure. We need to be very careful with this. I would err on the side of caution in using this data in any respect. We will see strong fluctuations as we move through the implementation, but our focus has to be on those who are coming forward and saying that they need more information. Our job as business representatives is to try to make that information available.

In terms of those three baskets, a consistent basis that we have had for judging the post-Brexit trading arrangements throughout is that they should provide certainty, stability and simplicity to traders. If we judge them against each of those principles, starting with stability, when you look at the legislative processes in both jurisdictions, the framework passed with relative ease. In that respect, you have a degree of stability.

When you move into the question of certainty, you have a framework, but it is just that: it is a framework, and we have to see the outworking of that and what it actually looks like. There are still a number of areas of uncertainty, which we will come on to, where maybe further guidance is needed. The challenge is that we have seen guidance emerge in the last number of months in areas covering the duty reimbursement scheme and a move to the UK internal market scheme. We have seen a scheme for plants and a scheme for retail movements. There is just a plethora of new information emerging from which new questions will arise when it is applied to a real-world scenario.

The final one, which is the most important as we move forward through implementation, is the question of simplicity. The question of timelines has driven the implementation and the processes to be probably a lot more laborious than they need to be. Members are reporting it taking a long time to complete an application for UKIMS, as an example, but it is hoped that, through time, with focus and attention on that area of simplicity, those processes can be improved.

I agree with the others. Progress has been made. It is too early to draw any conclusions, and I would encourage this committee to continue doing its excellent work in providing an objective analysis of the implementation of the framework.

The Chair: Thank you very much for that. I must say that simplicity is not the word that comes to mind when one thinks about the Windsor Framework, but we will do our best. The extent to which you think the guidance that has been issued since we produced our last report or during June is helpful will be one theme of this afternoon's discussion.

Q2 Baroness Ritchie of Downpatrick: To continue the theme of simplicity

and the Windsor Framework, and going to Stuart first, having looked at the guidance of 9 June on the Government's new Windsor Framework schemes—the duty reimbursement scheme, the customs day waiver scheme and the UK internal market scheme—what is the view of you and your members? Is the detail in the guidance on these issues sufficient or should more detail be provided?

Stuart Anderson: I will take each scheme in turn in so far as I can. I am happy to discuss further if time does not permit a detailed discussion on that.

We welcome the UKIM scheme. It brings us one step further than the UKTS scheme, in the sense that UKTS, for goods that are not at risk, simply removed the duty element. This takes us to a point where we are seeing the removal of custom declarations for goods that are not at risk.

There is some confusion here, and this has been the challenge with the UKIM scheme, around the concept of red lane and green lane, of at risk or not at risk, and the targeting of the UKIM scheme towards every business that could benefit from it. To give you an example, commercial processors, because the bulk of what they are moving is potentially at risk, were of the view that they should not apply for that. That is not correct. Everyone should be applying for it, because it can assist with moving goods, even for businesses' own use. It is important that the communication on that is made clear. It has improved over time, but, initially, it had not been.

As for the application process for UKIMS, I have gone out to a number of members to ask for their steer on this. The view was that the application process was time-consuming and cumbersome. It took two to three days, in one instance, to complete it. When it was completed, no members have come back to me to say that they have been unsuccessful, but I know that there are some out there who have. The process of application is challenging, but the approval has been forthcoming at pace, which is an indication of the guidance working in that respect.

The duty reimbursement scheme was something that we lobbied hard for. One member moves goods from GB to Northern Ireland with substantial sums of working capital being locked up. We welcome it as a principle, but I would make a couple of observations about the guidance that was issued. To retrofit that on to a system that has been in place for two and a half years is really difficult. You could have hundreds of invoices for retrospective applications where you are looking to recover your reimbursement. The response on the duty reimbursement scheme would be to come back in six months or a year, just to see how HMRC continues to work with businesses, and look at it through the bespoke lens of each business.

Speaking to a trade consultant this week, it has been really clear that SMEs in particular were not relying on the waiver scheme. They were paying duties when they did not need to, and it is important that that guidance has been issued and been pushed out. On the other side, that

has to come with the strong caveat that we need to make our businesses aware that that customs waiver applies over a three-year rolling period and up to €275,000, with effect from January. It has been really useful to have it. It needs to be pushed further among our SMEs and our micro-sized businesses to make them aware of it, so that they are not paying any duty up front, but that has to be balanced out.

That would be my assessment of those respective schemes at this point.

Baroness Ritchie of Downpatrick: Mark, what is your assessment as part of Target Transport and the general transport freight industry?

Mark Tait: Again, I will give answers based on how the haulage industry views these. On UKIMS, it has taken six months of engagement with the RHA and the Cabinet Office, asking constant questions, to finally get some clarity in the past month on a lot of the questions that Stuart mentioned earlier about who is and is not eligible, et cetera, and what that meant in practice. In previous evidence we gave, we were seriously concerned that companies that were predominantly selling goods in Northern Ireland could end up red-laning everything, regardless. So although we have some clarity, we have less than three weeks to go before some of this kicks in and there is still a lot of significant information that we do not have as yet. I have no idea what a physical movement processed through TSS will look like for us, either in the green or the red lane.

The Government do not have to look much further than all the GB to NI supply chain meetings that have gone on, or even the meetings that we have had with the Cabinet Office, to understand and see the level of frustration there has been, the intensity of the questions that have been asked, and the failure for months to get back with answers. Their level of engagement has been really poor, especially with the haulage industry.

There are many voices here representing different sectors, but haulage seems to have been forgotten about. Other companies that are struggling with these issues seem not to be having their voice heard. We have industries shouting about cross-border movements, et cetera, which is fine, because it does not really affect them, but, in many respects, the voices of businesses that rely on the GB supply chain have not been heard over the last couple of years. Even during these past six months, we are still asking questions that we are not getting answers to.

Moving on to what Stuart mentioned about the duty reimbursement scheme and the customs waiver scheme, one of the frustrations is this £2 million threshold for manufacturers that are bringing goods in for processing. I accept that the Government can argue that that covers 80% of businesses, but among the other 20% of businesses are some of the biggest employers in Northern Ireland. I have a couple of customers who are over that £2 million threshold, so they are rather frustrated with the situation. Without mentioning names, one has a turnover that is substantially over that. They do not sell a single item of product outside the UK market, yet everything that they now bring in from GB will have

to be red-laned because of that £2 million turnover. The question, then, is: why is there this arbitrary £2 million turnover threshold?

In one of the most recent meetings we had with the Cabinet Office, another customer in the same situation asked whether, if they provide legal guarantees through the EU and the UK, they can be removed from this threshold—in other words, removed from the bureaucracy of the red lane under the Windsor Framework. They also asked, “If not, why not?” Again, why is there this arbitrary £2 million threshold? In essence, they will potentially have to pay duties up front. The customer has said that they will probably have to actively employ more people to administer the system in order to process red lane movements for goods that will never leave the UK market. “Frustration” is a timid word to use about the conversations I have had with some of these guys.

There is a cost to administering this, whether the schemes are welcome or not. They are welcome, but there is still a cost involved for the business in trying to administer them. What is the ongoing effect for their business in terms of competition from other markets, whether they be in the UK or their GB compatriots?

Baroness Ritchie of Downpatrick: Alexander, you have talked to me in the past about the issue of cattle movements, which are not covered by the Windsor Framework, and particularly pedigree cattle movements. There may be a solution in a copy of a letter I sent you from the Permanent Secretary at DAERA, which indicated that it may be late autumn for bulls.

Alexander Kinnear: As I say, we have heard a lot of talk over two years about how a solution was just around the corner and would come in the next month. As an organisation, our patience is growing thin when it comes to livestock movements. Northern Ireland’s agriculture sector is very livestock-intense—hence, it produces lots of high-genetic-merit animals. Those animals have to have a home somewhere. They cannot all remain in Northern Ireland—hence, it is to the benefit of farmers in GB if they can get them. Currently, they cannot. That trade, at times, used to go into hundreds of animals, both cattle and sheep, but is now into single digits. It is unsustainable in the long term for those businesses.

The point we keep making is that the checks that were in place before Brexit happened to protect the all-Ireland epidemiological unit were more than enough to ensure that disease did not get out of control and to manage risks. To be fair to the EU, it did compromise about a year and a half ago when it amended the issue, but GB marts and livestock centres have to be export-licensed and APHA-approved, which is an onerous process requiring farmers to change boilersuits and put on different footwear in order to look at Northern Ireland animals.

It is an insult to the industry, to be quite honest. We will be taken out. Northern Ireland prides itself on traceability. We know where our animals are from the day they are born until the day they die, so it really is an issue that, if not resolved in the autumn, will have to be looked at again.

The Chair: Mark Tait, we certainly have not forgotten the haulage industry, so we will make certain that your views are expressed.

Q3 **Lord Hannan of Kingsclere:** Do not all feel that you all need to respond to this question, because some of you anticipated my question in your last round of answers. I wanted to draw you further on the red and green lanes. We had lots of conflicting evidence prior to the break about whether it will be easier just to use the red lane rather than applying, and whether it is easier to affix labels on absolutely everything.

We had government guidance in June. Has that clarified things? What does it mean in practice? Mark Tait, you have already spoken about the company in Northern Ireland that does not export but is still red-laned, effectively, but if you want to add anything, I will come back to you. I will come to Alexander first, because you did not get so into this last time.

Alexander Kinnear: What we hear, both anecdotally and in official meetings, is that businesses do not know yet which lane they will opt for. As a result, they will go red lane. We have spoken to those in the red meat sector who are importing product from GB into Northern Ireland. They do not know what they will do with it after that, so, for the sake of caution, they will go into the red lane.

When it comes to veterinary medicine products, I was just speaking to the main distributor of veterinary medicine products in Northern Ireland, which is being required by GB companies to ensure that whatever goes into Northern Ireland does not end up in the Republic of Ireland for sundry products—bandages, syringes and needles—which are of no risk to the single market. It is impossible for that business to give that guarantee, because if the farmer who farms along the border has animals that cross the border, who is held responsible for that? We do not see a risk or why that should have been a problem, but it is now going to be.

For seed potatoes, machinery, and plants and seeds for planting, under the label requirements it has to be put on per unit. My reading of it is that, if you import anything—flowers, plants or whatever—the smallest unit will have to be labelled. We will have to investigate whether it is even practical to do that. It is slightly too early to say, but, again, it is caution that will drive people towards the red lane, which does not solve a lot of problems.

Lord Hannan of Kingsclere: Stuart, is that true of sectors other than agriculture?

Stuart Anderson: As I touched on in the previous response, there has been a confusing of concepts. You have red lane and green lane. You have SPS and non-SPS. You have at risk and not at risk. There is still a job to be done in just settling down what all those things mean. I have tried to encourage all our members to apply for the UKIM scheme, so that, when customs goes live from October next year, as many of them as possible can be moving their goods, even if it is for their own use or for final sale to the consumer. There is a need for a targeted campaign from government on those who can use the green lane for customs

purposes. I know that you are having a discussion with retailers later today on red lane and green lane, and I will leave it to them.

It comes down to two things. First is whether you are trading in the highly regulated SPS area and whether, in that respect, you are a cross-border business or a UK-only business. Secondly, when you move it out of the SPS issues, are you an NI-only business or a cross-border business? The distinctions make it, at this stage, quite difficult to decipher where we will be in 12 months' time. If you layer on top of that the introduction of the border targeted operating model in October next year, we need to have all hands to the wheel to get the best possible delivery of that.

Lord Hannan of Kingsclere: Mark, would you like to expand on your previous answer?

Mark Tait: From a haulage perspective, we still do not really know where we are at with the red and green lanes, because we have not seen what the new datasets will look like. I will slightly qualify what Stuart said about the green lane and about UKIMS removing customs declarations. It does not remove customs declarations, even from next October. Maybe I can give you a little more information on that in one of the other questions.

From a haulage perspective, nothing changes for us. At the last Cabinet Office meeting, I asked, "Where are the easements for the haulage industry for moving goods through the green lane?" There are none. The multilayered administration and bureaucracy process that I go through at the minute to move goods, whether through the new green lane process or through the red lane process, will stay exactly the same as it is now.

The datasets may look slightly different, but, again, we do not know what the datasets are; we have not been given an example of them. I know there is a UK webinar tomorrow about UKIMS, so that may give us more information, but, at this minute, I cannot answer that question for you.

In terms of easements, the trader may get some through the green lane, but the hauliers will not. We have had customers asking us whether the charges that we apply at the moment to administer the movement of goods and the bureaucracy involved can be removed, now that we are green-laning movements. The answer is no, they cannot, because there is no removal of administration for us.

Lord Hannan of Kingsclere: Thank you very much, gentlemen. That is very sobering.

Q4 **Lord Dodds of Duncairn:** Apologies for being late in arriving to the meeting; I was unavoidably detained. Thank you for your evidence so far. Again, in this committee, we are probing the facts of the situation. The strength of this committee throughout has been getting to the reality, as opposed to the myths, the spin and the propaganda around it.

On some of the specifics in relation to parcels and subsidy controls in the

guidance from 9 June, I accept that some witnesses may be able to answer this more fully than others, but are there any outstanding issues, as far as you see, in areas on which you would like further guidance?

Stuart Anderson: Based on conversations that I have been having, I hope to be able to answer those for you. In terms of consumer-to-consumer parcels, there is a reference to parcels moving declaration-free by fast parcel operators. One question coming back to me is to what extent the Government are cognisant of the fact that parcels move beyond the areas of fast parcel operators. Haulers such as Mark are involved in that process, so to what extent can they be engaged in that?

When we look at business-to-consumer movements and the role of a new authorised carrier scheme being introduced, I am hearing back that there needs to be an understanding as to what is required to achieve that authorised carrier status. That is not clear as yet, and that is where questions are being asked of government, with the timeline that we have of one year ahead.

On the subsidy control piece, there are very few to choose from in Northern Ireland, but I reached out to a commercial lawyer to get an understanding of the guidance. From their perspective, there was a view that reach-back, which was the issue raised in GB, provides a greater level of certainty and definition, particularly as to where the real and direct link to trade distortion is. Where they are concerned and think there needs to be further work is in ensuring that Northern Ireland can continue to benefit from UK-wide subsidies and UK-wide schemes. Again, this requires constant monitoring and review.

Alexander Kinnear: I do not have much to say on that, but, to the previous question on the reimbursement scheme, we have a member who imports shallot onions from New Zealand to Northern Ireland. They had faced a tariff of £64 per tonne, which equated to £40,000 in total for their consignment, and have been unable to find out whether they are allowed the duty reimbursement. The customs officials at the ports were of the same mind; they did not know either. Again, it feeds into this narrative around details and clarity being so badly needed.

Lord Dodds of Duncairn: I appreciate that.

Mark Tait: For businesses like mine, as Stuart says, we work with various fast parcel operators. We move a large volume of parcel consignments. The guidance provided at the minute is a bit vague in terms of what we are led to believe may or may not happen in another year's time. There is probably another year before this is implemented. It has been pushed down the road.

As Stuart said, consumer-to-consumer and business-to-consumer may be covered. It is the business-to-business category that really concerns us, because, even if that customer qualifies for green lane, that parcel will be subject to a customs declaration with, at minimum, a six-digit commodity code. As Stuart alluded to, for us moving parts from consumer to consumer, why can we not be classed as an authorised fast parcel

operator? It is still a consumer-to-consumer shipment, but, if I move something from a consumer in GB to a consumer in Northern Ireland, I technically have to customs declare it, even though they are not commercial goods. It is a very strange thing at the minute, and we do not know where that will go.

Our concern with this model for business-to-business parcels is what effect it will have on the just-in-time supply chain. If there are further delays, that will push up costs for the business and for consumers, so there are a lot of variables from our perspective that neither we nor our customers are sure of yet. If we look at the models of moving freight into the Republic of Ireland from GB through fast parcel operators, where the customs checks are applied, it has resulted in 48-hour or 72-hour delays in getting those goods cleared and delivered. It is a "wait and see" situation.

I cannot really say much about subsidies, because it is not my department, other than that, from a haulage point of view, it is now likely that SPS port costs will be applied and enforced by the EU at Northern Ireland's ports, due to the fact that, because the UK does not charge for the CHED entries at the moment, it is technically classed as an illegal subsidy. That may change. Until we find out exactly, we just do not know.

Q5 **Baroness O'Loan:** Could I ask you, please, for your assessment of the guidance published by the Government on 28 July on the Northern Ireland retail movement scheme for moving pre-packaged retail goods from Great Britain into Northern Ireland? Does that guidance produce enough information for businesses to prepare? If not, what more detail should be provided?

Stuart Anderson: I have reached out to a number of retailers to get a sense of where they are at right now, having received that guidance. They are pleased to have the guidance. Some are better prepared than others, and that certainly seemed to be the sentiment that was coming forward. There are those who are saying that they put in a significant amount of hard work in order to be prepared and show that they have made best endeavours for 1 October.

The difficulty with the guidance is that it came on 28 July for implementation on 1 October, which goes back to the original point about simplicity. If you want to drive simplicity in process, you need to have a sufficient timeframe to allow that to be implemented. To the same end, the system goes live on 25 September and comes into effect on 1 October, which does not leave an awful lot of time for testing, which the retailers are quite keen to ensure happens.

The other issue to be cognisant of is that the retail supply chain is really complex. If you take a large UK retailer that is moving 200 trailers a week into Northern Ireland, with maybe 2,000 to 3,000 product lines, this is a significant challenge in terms of timeframes. As I said, the information I am getting at the moment is that they are preparing to be

ready for 1 October. It might not be without teething challenges or difficulties, but they feel like they are moving to a much better place and that communication with officials has improved and is improving.

Mark Tait: My line of business is commercial, so we do not do anything in relation to retail. I reached out to a couple of my industry colleagues to see if they could provide me with some information, but nobody got back to me by this morning, unfortunately, so I am unable to give you any further information on the retail movement scheme. It is not something that I deal with.

Q6 Lord Empey: Could I ask the panel to look into their crystal balls? Are there any aspects of the Windsor Framework not covered by the guidance published so far about which businesses urgently require more information?

Alexander Kinnear: There are a number of things. We have been sat waiting for the guidance published specifically on the green lane stuff for a number of months now. We welcome its arrival, but it needs to come with further explanations from Defra in particular, which appears not to be planning to do that as it has done for other schemes. I am not saying that that will not happen over the next couple of months, but everybody needs to be brought along, because, when we go back to our farmers and members, they will ask for specific details, which we will be unable to provide them.

There was an assumption by the general public, when the Windsor Framework was announced, that this would solve everything. However, we took the view that this was day one of a journey, and government needs to keep up the pace with that. It was very good at that at the start, but, as someone suggested, government spin has worn off. The interactions with government have also worn away. This issue of uncertainty keeps rattling on and coming up, and it becomes tiresome.

As a lobbying organisation, we are spending far more time on this than we would want to. Indeed, at times, when we are out in Europe, we are trying to find things out for ourselves which the Government should be providing us with detail on. The Government need to pull up their socks, and departments within Defra need to get on with working with industry and addressing specifics.

Lord Empey: Does your organisation have a shopping list that you could share with us, so that, when we are compiling our report, we would have a more comprehensive and detailed list?

Alexander Kinnear: Yes. We have a number of things that we have questions outlying on. As I say, we have submitted them officially into government channels. On the reimbursement scheme, when a member has paid £40,000 and should be entitled to that, it is quite something that that person is unable to find out the answer.

The Chair: If you are able to send us a list, as Lord Empey suggested, that would be very helpful for our work.

Mark Tait: On the guidance that has been published so far, again for haulage, groupage seems to be the sector that has been forgotten about. To be honest, it was forgotten about in 2020, when TSS was launched. Again, it has taken six months of us pressing, with the RHA, to get engagement with the Cabinet Office, which we got only in the past couple of months. We have had two meetings, the last of which was on 16 August, where I asked what the red and green lanes were going to look like for us moving groupage. We move mixed loads of freight, whether that be green or red lane, on one trailer. We were given a theoretical answer: "There won't be many physical checks, so don't worry about it".

It is okay for somebody sitting in Whitehall to say, "Don't worry about it". From our point of view, if we have one trailer full of 50 different consignments for 50 different customers, some of which are red lane and some green lane, and if one of those red lane shipments is pulled, what happens to everybody else's freight? It is subject to those red lane procedures, so who pays for the delays? Who covers those costs? That is an answer that we have not had.

What is the bureaucracy going to look like? Again, we are not sure. From a haulage perspective, we are told that nothing will change. All the procedures that we follow now to move freight will stay there. We are not sure exactly what it will look like. We certainly need more clarity on moving groupage through the red and green lanes with a mixture of loads on the same vehicles. What further easements can be provided for the haulage sector? To date, we have not seen any.

Thankfully, the RHA has pushed the Cabinet Office to set up a working group with some of our members to figure out how we can try to ease groupage movements. It is a very clumpy process in TSS at the minute for trying to move loads of groupage. If I have one trailer with 50 consignments on, and I am doing 50 different declarations at the minute, I will still have to do 50 declarations even when green-laning those shipments. Nothing really changes, so there has to be some easement there. We need a workaround so that we can pick up data from current operating systems as opposed to manually inputting every consignment time and again. That is costing us time and money, and delaying freight. It needs to be addressed.

With respect, the Government have not engaged much with the haulage industry. We have been told that HMRC and TSS are actively talking together about these things, and we asked, "Why are you not talking to the haulage industry? We are the guys who need to know what's going on. We are the ones who can work with you to find the solutions". I hope it will bear some fruit, but it is probably going to be a work in progress.

Lord Empey: Mark, I have to say that, based on your frustrations expressed at the last meeting, there is still a lot of stuff that you clearly do not know. As with Alexander, if you have a shopping list of stuff, I am sure the Chair would be only too happy to have it. It would be important to have this in our report.

Stuart Anderson: I will try to be as brief with this as I can and not go over old ground. I have put this question to a number of members: "What are you missing in terms of what the framework provides for?" A couple of things came out of that.

Plant guidance was very late to emerge, and some members are still working through the detail on that. Further guidance may be required in relation to that, so that is one open area.

A cross-border trading business with a strong presence in the EU 27 has said that it wants more guidance on the Stormont brake and how it operates on a day-to-day basis, because that is still not clear.

Finally, just to reiterate the point about customs and its universal application next year, it is about understanding who qualifies to be an authorised carrier, the operation of the red and green lanes for parcels and, as Mark said, the use of that six-digit commodity code and how that integrates into IT systems.

They are the areas where, in terms of the existing framework, further guidance is probably needed.

Q7 **Lord Thomas of Gresford:** Mark, you said that nothing has changed. How well is the implementation of the Windsor Framework going so far? We have not got very far into it, but are you optimistic? Could anything about its implementation be improved, by the UK or the EU?

Mark Tait: As you rightly say, nothing has been implemented yet. It will be a "how long is a piece of string?" scenario. We will have to wait and see once everything starts to take effect, probably a bit like at the start of 2021. Again, as a haulage industry, we have been left out of that conversation in many respects. Yes, we have been issued guidance, but no one has ever asked us whether it works in practice. It has not been stress-tested.

Lord Thomas of Gresford: So you have had no comeback from government asking you how things are going, or anything like that.

Mark Tait: No, not really. Everything we have done we have had to initiate ourselves, through the RHA or through other representative bodies for the haulage industry, or sometimes on our own as haulage companies.

A lot of the implementation does not come into effect until 2024, so we will not see a lot of this for another year. From a groupage industry point of view, it is a death by a thousand cuts. I was talking to a colleague this morning about how they see groupage going. Their argument is that, from their point of view, groupage movements from GB to NI have either stagnated or decreased. From our point of view, we are now diversifying into GB-to-GB trade in order to increase our revenue streams. We are not picking up any new business at all from GB to NI at the minute, which is a concern. We have guys sitting in Belfast today talking up the Windsor

Framework and the opportunities, but it remains to be seen whether it will bear fruit for us. I hope it does.

Can they improve it? As Stuart said, engagement with industry is important. It is okay if you want to talk to people who always agree with you, but, when people come up with problems, that is where the engagement needs to be, from either the EU or the UK. We have had many conversations with UK and EU officials. They have always come to listen to us and see where they can help, but sometimes you think, "Are they listening to us? Is anything going to be done in these sectors?"

Certainly, from a haulage point of view, nothing has changed for us and, at the minute, nothing will change for us. We will still have all the bureaucracy involved to move the freight, which the trader may or may not see when they are able to green-lane their shipments. It is a "wait and see" game at the moment for us, and that is really concerning, because we cannot plan ahead.

Lord Thomas of Gresford: Stuart, Mark is saying that people are sitting in Belfast and talking up the Windsor Framework, but that there is a lack of communication, it seems, as to what is needed for implementation and so on. What is your take on this?

Stuart Anderson: There are a couple of points to draw out. Yes, they are. Dual market access is probably a by-product of the Windsor Framework rather than the Windsor Framework itself. I have members who are benefiting from that, and you can see it in trade data, both from NI into GB and from NI into Europe. There is no question about that.

I will come on to the broader point around the UK Government's positioning, but the difficulty with it is that it is not embedded in the strategy, so businesses are doing it on their own bat and going out to the EU. NI sales to the Republic of Ireland are £5.2 billion a year. Our sales to the EU 26 are £2.6 billion, so there is an opportunity as a region of the UK, and certainly some of our members see that, but it needs to be strategic, which needs a bit of work.

As for the GB to NI piece and what the Windsor Framework is trying to achieve, there is no question that an agreement was reached in a room, in Brussels or London, which then needed to be applied. The practical application of that is where the challenge lies. My argument would be that timeframes are driving inefficiencies in the process, and it will take time to see how far we can go to improve those efficiencies and move from manual entry to automation, as Mark discussed.

We need a strategic approach from the UK Government to GB to NI trade in the overall Windsor Framework, not a bit-by-bit approach, whether it be SPS or customs. They need to consider all the issues in the round. If you look at trade between NI and the Republic of Ireland, there is an all-Ireland trade body that has a strategic approach to promoting sales of goods on the island of Ireland on a cross-border basis. We have no

targets. We have no KPIs for upholding or growing trade in our biggest market between GB and Northern Ireland.

I would like to see the UK Government focus on two key areas, one being the retail supply chain, because it is consumer-facing and accounts for two out of three goods moving between GB and Northern Ireland. That includes retailers and further down the supply chain. They need to have a concentrated group looking at how they can bring all those schemes together on a consolidated basis and how it applies to the varying supply chains, whether on a cross-border or UK-only basis, or to an independent retailer in Northern Ireland. A focus on that is important.

The second area that is important for unlocking and realising economic growth is that of commercial processors, particularly manufacturers. As Mark identified, there is that challenge of what is at risk or not at risk. If you are moving goods through the red lane, you have them in free circulation in Northern Ireland and the rest of the EU, but it is really important that we simplify that. I have had two calls in the past week where there is still confusion in the market over the definition of at risk and not at risk, so that needs to be simplified.

Overall, aside from what I have said about simplification, I would like to see a more strategic approach to how we address GB to NI trade.

Lord Thomas of Gresford: Alexander, Stuart has been talking a strategic, comprehensive trade policy. He says that some of his members are doing well, but that it does not seem to make much difference for others.

Alexander Kinnear: We are in the same boat. We represent dairy, sheep and arable farmers, and the solution has to work for all. The Windsor Framework maintains north-south trade, which is a lifeline for the dairy industry, given that we are exporting a third of our milk and 300,000 or 400,000 lambs to the Republic of Ireland. Equally, they are sending up hundreds of thousands of pigs.

As an organisation, we have tried to look at this as a glass half full. As farmers, we have to be optimistic; otherwise, we would not get up in the morning to milk the cows at dawn, which is difficult at best. Momentum was lost over the summer, which was the fault of the UK Government. They put in an amount of effort in the month after the Windsor Framework to try to sell it, and that has died away.

Just because an issue has not been resolved does not mean that it is not an issue. This is where government needs to listen to business. We are over today celebrating Back British Farming Day. That is why I am wearing the wheatsheaf badge. We are trying to promote agriculture. If you take agri-food out of Northern Ireland, there is not much left in our economy, yet we are discussing veterinary medicines issues whereby, if what was agreed originally is implemented, calf pneumonia vaccinations, clostridial disease vaccinations and BVD vaccinations will be removed, to

the detriment of the entire island of Ireland, and leptospirosis vaccinations will be removed, which will have an effect on farmers.

An example that everybody can take home today is botulism vaccines. Every year, 144,000 doses of botulism vaccine are used in Northern Ireland. That is due to our intensive poultry and livestock industry. Under the arrangements, we will not be able to use that vaccine. If a farm gets botulism, that is the farm over. The animals will die. Instead, we are trying to talk up the positives of agri-food, which is worth £6 billion to the industry. We are wasting time going over this stuff when it is easily solvable. Logic needs to be injected into the system.

Lord Thomas of Gresford: Initially, you see energy being put into selling the Windsor Framework, but that has died off. In particular, you are outlining that they have to sort out the veterinary medicine issue.

Alexander Kinnear: Yes. There is no option. It needs to be brought home to Europe that we will see discontinuation of product. Disease knows no boundaries. A disease is not going to come into south Armagh and then stop and not cross into Monaghan. It will cross into the Republic of Ireland. We are trying to sell a positive story, but this stuff is dragging us down.

Q8 **Baroness Goudie:** What is the level of real engagement with business from the UK? That is a serious issue, alongside the veterinary situation, which has been ongoing and needs to be solved.

Alexander Kinnear: Before the agreement was announced, there was a complete lack of engagement with anybody. As an organisation, we found ourselves in a position where we were going over and doing the Government's work in Europe, which was completely unacceptable. We should not have been in that position, but, anyway, that was it.

The Windsor Framework was announced, and engagement was fairly good after that. Official bodies have now begun to meet us. I have mentioned the agri-food subgroup, which we are placing a lot of hope in. As those official channels continue or start up, the unofficial stuff, such as the conversations with Defra around queries, has died down, which has been very difficult. A change of staff in Defra in Northern Ireland teams has also been difficult, where you build relationships up with people and, the next thing, they are gone.

To be fair, there are regular updates from the VMD, which cover the veterinary medicines stuff, and there are many people who are trying their best, but, speaking on behalf of people even within DAERA, we are all struggling for information. We are asking DAERA questions; DAERA is asking Defra. Who is Defra asking the questions of? This issue of who has responsibility is the problem. When things are devolved, sometimes DAERA's veterinary service answers the question, but it does not have the authority. We need clarity on these things in both official and unofficial channels.

That goes for Europe too. Under the Windsor Framework, regular consultation is agreed, and the answer that we hear from Europe is that veterinary medicines will not be looked at. The Windsor Framework says that further consultation is needed, and that is what we are going with.

Stuart Anderson: I will try to be brief on this one. The issue was the lack of engagement initially. To be fair to civil servants, there were legislative processes to go through, but we lost about 100 days before the initial guidance was issued.

Alexander touches on a really important point about the loss of institutional memory. We see senior civil servants who were engaged in the process and who have moved on, and there has been a restarting process over the summer. I would not discount the efforts that have been made to try to answer the questions, but the volume of questions is so significant that they are perhaps struggling with that.

There is probably an onus and an obligation on the UK Government to ensure that their departments are properly resourced to deal with this. There is a need for an NI presence of the respective departments as well, whether it is HMRC or Defra. They need to be properly resourced and have a sufficient understanding of Northern Ireland in particular and the peculiarities that we have, being on the island of Ireland as well as being part of the United Kingdom. There is a role for the UK to play in that.

Where we have seen movement from the EU on the Windsor Framework, it has committed to providing impact assessments, which will be rolled out in October in relation to its forward work programme. We need to see that from the UK Government as well when it comes to regulatory divergence. It is a key mitigation that, as part of the statutory process, we start to see impact assessments in respect of Northern Ireland rolled into that, so that we can manage that process of regulatory divergence.

In summary, it has been challenging. The changing of personnel has compounded the problem. My analysis might differ in recent weeks, in that the engagement has picked up.

Mark Tait: To follow on from what everybody else has said, and as I have said, apart from what we have initiated ourselves and through the RHA over the past 32 months or so, there has been very little direct engagement from the UK Government with the haulage sector.

Our customers have come to us for the guidance that HMRC and the TSS should be providing. In many ways, especially from a TSS point of view, they are engaging with industry on such a level that the majority of folk just cannot seem to get their heads around what they are trying to tell them needs to be done. There was a bit of a mirror image at the end of 2020 when TSS was launched: "Here is the system. This is how it works. Just get on with it". Very quickly and within a few days, we said, "We have found out that it doesn't work, despite you telling us it does".

Our customers are not customs experts. The majority of us in haulage are not customs experts. We are small family businesses. We do not have mass resources to start up customs houses for clearing all this sort of stuff. The guidance is frustrating at times. TSS is giving us answers that say, "Look at this HMRC website", which gives you multiple options. At times, the information contained is confusing, contradictory or misleading. All that does is overwhelm people. There is no simple guidance saying, "This is what you need to do". As Stuart has said, "Do I qualify for the green lane? Do I qualify for UKIMS?" Some of those questions should be easily answered, but, six months later, some people are still not sure, which is a big concern to me, especially given that some of this kicks in less than three weeks.

The authors of the information are really engaged in theory. They have to deliver the real-world experience of the information they are providing people and to ask, "Do you understand this and how it works in practice?", rather than how it works sitting in a room and talking to each other. It is important that the guidance is a lot clearer than it currently is.

Baroness Goudie: Thank you all very much indeed. It really shows that there is still a breakdown in communications.

The Chair: Thank you very much. That completes the first part of our evidence session this afternoon. We are very grateful indeed to all of you for the evidence that you have given us. That has brought us very helpfully up to date and adds to the report that we issued at the end of July. It is very good to have that extra information and we are very grateful to all three of you. Thank you very much indeed.

Witnesses

Peter Hardwick, Andrew Opie and Michelle Riddalls.

Q9 The Chair: Welcome to all of you. We are very grateful to you for coming to see us this afternoon for the second follow-up evidence session with business representatives on the implementation of the Windsor Framework. Since the committee finalised its report on the Windsor Framework, the Government have published a number of guidance documents. They will be a good part, if not all, of our discussions today.

We are joined now by three business representatives, all of whom represent sectors impacted by the Windsor Framework guidance published by the Government in June and July this year. Here in person are Michelle Riddalls, chief executive of PAGB, the consumer healthcare association, and Andrew Opie, director of food and sustainability at the British Retail Consortium. Peter Hardwick, trade policy adviser for the British Meat Processors Association, is joining us remotely. You are, all three of you, extremely welcome. We very much look forward to your evidence. We would be grateful if you could introduce yourselves, mostly for the benefit by our listeners. We know who you are, but if you could do that the first time you speak, that would be very helpful.

Today's meeting is being broadcast, and a transcript will be made for subsequent publication and sent to all of you to check for accuracy. I should refer also to the list of members' interest, as published on the committee's website.

Perhaps I could start the questioning by asking each of you for your overall current assessment of the Windsor Framework and the extent to which it resolves the problems that have arisen with the protocol. This is really the main part of the question: has that assessment changed in any way since the Windsor Framework was announced and since we had the extra explanations in June and July?

Michelle Riddalls: I am the chief executive officer of PAGB, the consumer healthcare association. We represent the manufacturers of branded OTC—over-the-counter—medicines, self-care medical devices and food supplements. Those are the types of medicines and devices that you would find sold in pharmacies or in shops such as petrol stations and supermarkets, and include brands such as Calpol and Gaviscon, just to give a bit of background.

As you may remember from previous evidence, we had called for a unified solution and negotiated outcome. When the Windsor Framework was announced, we were really pleased because the negotiated solution had come out. Our initial written evidence back in March or April was that we very much welcomed this, but the devil was then in the detail. From all sides of the products that we are looking at, for medicines it appeared to solve an awful lot of the problems. It is probably fair to say that it has helped enormously.

There are concerns about some of the way it has been implemented and what industry has to do to get it approved by the MHRA and make the relevant changes. There is still some outstanding guidance to enable member companies to do certain things moving forward. Although everything looks promising, there are still outstanding questions and concerns that we want to raise over the implementation.

Medical devices were omitted from any change to do with the Windsor Framework, which is a bit of a concern to us, because we had raised it a number of times, including in my previous evidence. Companies are still very reliant on the letter of comfort to get stuff over to Northern Ireland. Of course, a lot of medicines also contain medical devices, so there is an interlinking piece there. Our members are very keen to be able to continue to use the CE mark from Europe to ensure medical devices can go forward. With regard to food supplements, again we welcomed it, but we had a number of questions on how it was going to work.

There is a way forward, but it comes down to the implementation. I know Andrew will talk about food more, but for companies where food is a very small part, from our perspective, the communications and guidance has been quite confusing to members. Different models are coming out from different departments within government. You have Defra looking after one piece and HMRC looking after another. Then the border operating model has made it very difficult for companies to understand easily what they have to do to get product to Northern Ireland.

I can go into further detail in other questions, but in summary that is where we are.

The Chair: That is very helpful. Thank you very much.

Peter Hardwick: We have a slightly different perspective on this, in the sense that the majority of our members are moving goods into Northern Ireland for processing, and therefore will not in any shape or form benefit from the retail movement scheme. In fact, the easements that have been proposed by the Windsor Framework will largely not benefit our members.

From that point of view, we have a very different perspective, but it is a very concerning one. We have a situation where EU exporters exporting goods to Great Britain need only pre-notify. They do not need to provide an export health certificate. Indeed, even in pre-notification, there are no stop-go consequences to any error. Effectively, they still have relatively free movement to the GB market.

Once the border target operating model comes fully into force in January next year, with the new streamlined EHCs—export health certificates—in April 2024, GB operators will have to complete the full suite of import, customs and certification requirements to send goods to another part of the United Kingdom, but EU operators will not need to do so to send goods to GB.

To highlight this and to give you a sense of how ridiculous this is, not only will that apply to EU countries but, from next year, countries outside the EU, such as Brazil or even Botswana—I am not saying anything negative about those countries; indeed, I worked in Brazil in the beef industry and it is a very well-run industry—will be able to use a streamlined export health certificate to send beef to the United Kingdom, and we will not. That document that we will have to complete is a third longer than the document they will have to complete to send goods to the UK. All of that equates to time and cost. In fact, beef from New Zealand will not have to provide an export health certificate at all.

We are in a situation where for us, GB, to send goods to another part of the internal market, we will continue to have to meet full certification requirements, whereas businesses in the EU and other countries outside the EU will have to do less to send goods to GB. That is very concerning.

Finally, perhaps just to highlight another issue, not only do we have that issue, but we have the cost of certification. Currently, those costs are covered by the movement assistance scheme. Under that scheme, certifying vets can reclaim most, if not all, of the cost of certification. However, it is very clear on all the government websites that that scheme will end at the end of December. That means that, from 31 December, not only will we have to cover all the complexities of certification, but we will be bearing the costs. The Government promised that GB businesses would not face extra costs to trade within the UK internal market.

As these things stand, we have no guarantee in the Windsor Framework that there will be any cover of those costs, so our businesses will face not only complexity but significant additional costs. We are talking about hundreds of thousands of pounds of additional costs. That is extremely concerning. Frankly, I cannot see how anyone can view as anything but a failure a situation in which GB operators have to endure more process and face more costs to send goods to another part of the UK than businesses outside the UK have to face to send goods to us. We are very concerned about it. None of the work done in the Windsor Framework addresses this. Our members are extremely concerned.

Finally, this is not just a question about politics; it is about jobs. Many of those GB businesses are supplying their own sites in Northern Ireland. They will have to decide where to do that processing, given that they will have to bear this extra cost and complexity. I would urge that more work be done in that area to try to ease that burden. Without that, we face more hardship in the future than we currently do, because those costs will fall on our businesses.

From the BMPA's point of view, because we are moving goods for processing, not into the retail sector, it does not really address our problems directly. It is true that our businesses are supplying some goods into the retail sector and will benefit from that, but to answer the second part of the question immediately, our assessment of the Windsor Framework has not changed, because that complexity, if anything, will increase, not decrease.

The Chair: Is there any suggestion that the rather alarming situation you have just described might be alleviated by negotiations still to take place, or is the situation you have just described now, as it were, set in stone?

Peter Hardwick: I attended a meeting yesterday with Defra where I asked about the movement assistance scheme and was given the answer I have just given you: no assurance whatever that it will continue. From that point of view, we do not understand that there will be any change. Clearly, the certification issue is fundamental, because the European Union insists that we must continue to certify. What I am concerned about here is possibly outside the scope of this meeting, I accept, but we are unilaterally, without any reciprocity, easing the burden on businesses outside the EU and the UK to send goods to us, while not easing the burden on ourselves. There is no indication that that is changing.

The Chair: Andrew Opie, let us come to you.

Andrew Opie: It is good to see everybody again. Our assessment of the Windsor Framework has not changed since the last time I saw you. We absolutely welcomed it. An approach that brings a long-term solution to reduce to a minimum the checks on food going from our supermarket deliveries in Great Britain to Northern Ireland is a really great thing. With some late easements that we have had from the Government, our assessment is that consumers in Northern Ireland will not see a noticeable difference to availability or cost from October. All of that is very good news, and we welcomed the Windsor Framework.

The issues we have, as I said last time I saw you, are with the timescale for implementation and the detail that we have now seen coming out of the Windsor Framework. If I just deal with those two things, we represent the six major retailers that supply the vast majority of food to Northern Ireland consumers through supermarkets in Northern Ireland, and we did not see the detail to allow them to work with their supply chains in time for October, which is why we have required some late easements.

The second thing that has emerged is that parts of the detailed agreement are complex and prevent us from sending some of the food that we would have otherwise sent to Northern Ireland under normal circumstances. We have received easements in the short term to overcome that problem, but there are some issues that remain to be resolved with the EU. We are hopeful that they can be resolved in the next few months. For example, where products are imported from the rest of the world through a port in Great Britain, not through the EU, then are not processed in Great Britain but are sent to Northern Ireland, we cannot send that through the green lane at the moment.

Another problem is the use of labelling, which we will come to later, particularly box labelling rather than product-level labelling. Most of the meat and dairy in the first phase for October is retailers' own brand. They have been working with their suppliers for the last few months, and we are pretty confident that we will be very close to certainty with the new

“not for EU” label. Consumers are already seeing that in Northern Ireland and in some stores in Great Britain. We are rolling that out.

The problem is that other food manufacturers that are also required to use it—either on the product or, more noticeably, on boxes as they are moved in transit from Great Britain to Northern Ireland—are not currently marking those products. The supermarkets have a fix to move those products, but as we go further into the process, and those products need to be marked on the product or on the box at some point, we are still waiting to see whether those food manufacturers will enter into the labelling agreements required to allow us to move those products.

Those are two really live examples of issues where we have a fix at the moment to allow us to continue using our supply chains pretty much as we were in the run-up to October, but they will need to be resolved quite quickly; otherwise, we will see an impact on the choice that consumers have in Northern Ireland.

The Chair: Thank you. You have set us off very well for the discussion.

Q10 **Baroness Goudie:** Good afternoon. It is lovely to see you all again. Michelle, what is your view of the guidance published by the Government on 9 June for the movement of goods, including the green lane and labelling requirements for certain retail products, which you have touched on a bit, from Great Britain to Northern Ireland? Does it provide enough information for business and, if not, what more detail should there be? How has the contact been with the various departments?

Michelle Riddalls: We understand that medicines will just be able to go through the green lane without any additional requirements. From that side, we have not really had too much of an issue. Where we have had an issue has been with food supplements, which come under the banner of food. A lot of our companies will be providing food supplements, which include products of animal origin in some cases, that need to go over to Northern Ireland.

Where it has become confusing, as I mentioned earlier, is that the border target operating model, the UK internal market scheme and the Northern Ireland retail movement scheme are all being implemented at the same time without any overview and co-ordination happening at a government level. You end up hearing about the Northern Ireland retail movement scheme from Defra and about HMRC doing something on UKIMS, but they all interact with each other with different requirements. That has been very confusing for members and for us, who are not as close perhaps as the likes of Andrew and BRC to Defra. For normal people trying to understand it, it is very confusing.

It is not just the labelling, but how it has to be transported over to Northern Ireland if it is not labelled. If the product does not have labelling on the pack itself, there are strict requirements on how it has to go from GB to Northern Ireland, which include not shrink-wrapping it, putting it

on a pallet and then having that pallet labelled. That is quite a concern to our members.

When it then arrives in Northern Ireland, we have been advised that the product cannot be taken out of the box or stored at wholesalers. It has to go directly to the store. Our members are asking, "How can we get product there and then get it dispersed out to the stores as needed?" Some of the provisions that have been put in place are making it so difficult that they are more likely to be using the red lane than the green lane because of the requirements behind it. It does not make sense.

Ultimately, food supplements, unless they have products of animal origin in them, are never supposed to be required to have something on the actual pack, but it sounds like these indefinite transport requirements will be put in place. We have tried to get clarification on this. One issue has been that there is one place you can send emails to at Defra, and we just do not get replies. The speed with which we get information and clarity back on the questions just is not sufficient. There are no central Q&As that we receive. It has felt very difficult for people trying to prepare.

Another concern that has been raised is that some of the packs—this is the case with a lot of food supplements, for example—are joint with Ireland. Some of them are using Northern Ireland under the food business operator model to allow them to go into the UK and Europe in order to make the most of unfettered access. When we have asked about getting joint packs over to Northern Ireland, we have been told that, basically, you have to over-stick them or they go through the red lane, but in a year's time all product will have to say "not for EU" on it. Therefore, you will not be able to have joint products any more.

We have not been able to fully understand why that is, but this is a real concern for our members and could mean lack of supply to the UK as a whole as well as to Ireland, because none of them meets the minimum order quantities. That is in the UK's gift. They seem to be deciding that in a year's time all products will have "not for EU", ensuring that packs are split. We are very concerned about that.

Baroness Goudie: It is almost back to the way it was when we first met.

Michelle Riddalls: Yes, that is problematic.

Peter Hardwick: As I said earlier, we have members who are moving goods through the green lane, and most should now understand what is required for the green lane and what the labelling requirements are.

As a more general comment, our members attend many Defra and APHA webinars, and they keep being told that there will be further guidelines. Lots of questions are asked that remain unanswered; they are often the same questions. We have often found the guidance as a whole late and confusing. There are constant delays in guidance being issued, eating into business time for preparation.

I have a similar concern. Questions are piling up, the data is looming now, and there are still unanswered questions. I do not want my answer to be too lengthy. I am aware that everyone else wants to have their say, but that is a general comment. Do our businesses now understand the green lane and the labelling requirements? Probably, yes, but we still have lots of unanswered questions.

Andrew Opie: Our ambition is to use the green lane as much as possible. We have been working with government since February and beyond to try to make sure that that works for the major retailers where the bulk of food will be sold to customers in Northern Ireland.

On the guidance itself, the hardest bit has been that, while the concepts were given in June, it is only guidance. We only started to get full guidance from about September onwards. We have had a real problem with the timescales and trying to get things ready. Retailers do not just move things a day in advance; they plan the goods that they send regularly, so they keep the efficiency and pass that cost benefit and value on to consumers. Supply chains take a huge amount of organisation, as you can imagine, so late specific guidance is a big problem for us.

We were asked to do some pretty unfeasible things, such as re-labelling frozen food. You cannot re-label frozen food. It is just not possible to get a sticker on the frozen food, and we would not necessarily know where it is. We pointed out some of these issues to Defra. It goes back to how the framework and the detail were agreed without necessarily understanding the practical implications for our supply chains in particular.

On the labelling point and the outstanding bits we still have, I mentioned rest of the world. We still do not have a definitive list of which products we can sell and send to Northern Ireland. I can give you one example: Thai cooked chicken. That is regularly used in ready meals and other products. That comes straight into Great Britain. It is used in ready meals and then sent to Northern Ireland, but it is not processed, so it does not meet the requirements of the green lane in the Windsor Framework.

As it stands, we could have a lorry with multiple products, one of which is in the red lane and the rest of which is in the green lane. That is just unfeasible, so retailers have to think about which products they sell. Do they need to change their supply chains? I know Defra is working at pace, as I said earlier, to try to give us some last-minute easements on lots of these issues, to get us through October and into the new year, but we were clear at the time that we thought the timescales we were presented with were completely unfeasible. If you remember, I said that to the committee last time I saw you. It showed a lack of understanding of the detail behind the Windsor Framework.

This may seem trivial, but we move a lot of plants, such as bedding plants, so supermarkets will have that in the lorry alongside other goods. There is now a completely separate system for moving plants, so supermarkets are faced with one lorry requiring two licences, one that requires more notice to be given. You cannot give notice if you have a

lorry that is going over into the food supply chain. They are generally on a three-day turnaround. They are going to Northern Ireland, back to the depot and then back to Northern Ireland. You cannot disrupt them like that. More thought should have been given to align the schemes as we designed them, so they could work with our supply chains.

The other problem, which we have not talked about so far, is consumer labelling. As well as the label on the product for meat and dairy from October, we also have to put posters in store. We also have shelf-edge labelling to put up to inform consumers that we are selling products that are not for the EU. We had to wait quite a long time to get the posters agreed with Defra that we need to put up in store ahead of October, as well as detail about what Defra and enforcement agencies would expect to see from our in-store labelling. Then the supermarkets were left with the issue of briefing their colleagues ahead of October on how to talk to their consumers about what the “not for EU” signing means.

There is still a lot to do, unfortunately. The supermarkets put a huge amount of effort into being ready for October, but it was just a seven-month timetable. I am not sure that was completely feasible.

Q11 Baroness Ritchie of Downpatrick: Starting with Andrew, how would you assess the guidance of 9 June on the duty reimbursement scheme, the customs duty waiver scheme, the UK internal market scheme, and the parcels and subsidy control? Is the detail in the guidance on these issues sufficient or adequate, or should more detail be provided?

Andrew Opie: I cannot comment on the first two, because we do not use those generally, but I can comment on the UK internal market scheme. Again, the regulation proved to be slightly more onerous than were led to believe when the Windsor Framework was published. We have got there now through the registration, but, as I said, the process itself was more onerous.

As Michelle said, we need to remember that the customs experts that were going through this registration are also dealing with a target operating model that we believed would have started this year, as well as all the other customs issues, such as duty changes, which we saw later in the summer. That proved to be quite a difficult issue.

We really supported the approach to parcels and liked the guidance when we saw it in June. The one thing that was missing was a little more detail on what the retailers who were using the parcel operators would have to submit to them. The guidance was really written for the parcel operators, but it certainly confirmed that consumers would not be affected by any changes, which was great to see. We did not get that detailed guidance on what the retailers would have to share in terms of data with the parcel operators until September. Again, to come back to this, it is all about timescales and getting everything done in time.

Michelle Riddalls: This is an area that we do not really get involved in, given the remit of PAGB. The only thing we could say, with regards the

UK internal market scheme and following on from my previous bit, is that it was very confusing for people who had not been involved in the detail and were just going along to webinars to try to understand it.

Peter Hardwick: The guidance has been fine. The usability or usefulness of the schemes remains to be seen. It was commented in the previous session that the thresholds, particularly for larger businesses, are very low and need to be reviewed, because we have businesses that are importing at-risk goods of non-EU origin, such as New Zealand lamb, into Northern Ireland. As things stand, those limits would make it a non-starter, because we would use up the total within a few deliveries. We will see.

I would echo the other comments. Having looked at the schemes, they appear more cumbersome and difficult than we had first anticipated. Either way, when you are talking about large amounts of money, this still ties up capital until the duty is reimbursed. If there are large businesses, these are large amounts of money.

Q12 **Baroness O'Loan:** Please could you give me your assessment of the guidance published on 28 July on the Northern Ireland retail movement scheme for moving pre-packed retail goods from GB into Northern Ireland? Does that guidance provide enough information for businesses to prepare and, if not, what more detail should be provided? Andrew.

Andrew Opie: Thanks for the question. I will pass it to Michelle, because she is probably better placed to answer it than I am.

Michelle Riddalls: From our side, again, this is not something that we have done much of, but there has been confusion for our food supplements in activating the label changes and understanding what is going on, especially for some of these joint packs and how the supply will go further on. Some of what is being asked to get into the green lane felt problematic. Again, there has been confusion about the guidance as it is written. Then, as we have had webinars, that confusion has continued. There have been lots of people on the line with lots of different requirements coming from all different types of food areas, which is totally understandable, but there are so many questions, which then go into chat and do not get answered.

Those meetings feel quite chaotic at some points. I have attended the Department of Health ones on the Windsor Framework for medicines, and I have to say that they are much clearer and more coherent than the ones I have had at Defra. The advice coming from DHSC has been much clearer. Obviously, it is not about the green lane; it is about some of the other aspects. But just seeing the two different styles has made it much more confusing and complex.

Peter Hardwick: My comments are tempered by the fact that many of our members will not be using the schemes. Those who are still do not feel that there is enough information. They are not sure whether they will be provided with final guidance before 1 October. For the sake of brevity,

and as it was asked in the first part of the session, it might be more useful if we forward you a list of some of the key questions that we have. There are questions being asked, and it would be good if those were at least answered to start with. From our point of view, there is probably still not enough information for our operators.

Baroness O'Loan: Thank you, Peter. It would be helpful if you could send us a list of the areas in which information is required for our report.

The Chair: Indeed, it would.

Q13 **Lord Godson:** Michelle Riddalls, is there scope for you to say any more on the human medicines issues arising out of the guidance from June 2023?

Michelle Riddalls: When we first got the guidance on 9 June, we had been in discussions with the Department of Health and the MHRA. We knew that including "UK only" on packs, as distinct from food where it is "not for EU", was going to be required by 1 January 2025. There was concern from industry, because although we were told on 9 June, "Yes, you'll need it on all your packs by 1 January", there was not enough information to be able to do anything. We were told, "This will happen".

We did not get the first lot of guidance until 28 July, so a lot of time had been taken before the guidance was even given to members to enable them to make these changes. In a survey of our members, 68% were really concerned by the delays and the impact that would have.

Under the trusted advisory group principle, as I said, we were liaising with the MHRA and the Department of Health. One of the frustrations we had, as you may remember from previous evidence, is that, although we had had very good relationships in liaison on these things and had been working together to find solutions that industry could easily implement without too much burden, the dynamic changed this time and it was more the MHRA coming to us and saying, "This is what we want to do". We fed back that there were potential issues with it. Some were taken into account and some were not.

The biggest point that was not taken into account was the fact that, for every medicine on the UK market, not just OTC medicines, they have to make a submission to the MHRA with new artwork to show that they are meeting the requirements of the Windsor Framework. In discussions with the MHRA and during previous Brexit work, we had come up with more innovative solutions to prevent that burden on industry, and on the MHRA itself, which has had some performance issues recently.

The burden on industry of making these submissions to the MHRA is high. It takes a lot of internal work to make these changes. The submission itself, ironically, does not even need the final artwork; it just needs to show annotated artwork. What you are putting in is not even the final version, and industry is being asked to pay for that as well. For every SKU that goes in, it is being asked to pay. This is a lot of time and effort. We only had a short time in the first place to do it—17 months. It is 16

now. Having that submissions stage makes it even harder. What could have been done is what we had previously, where the companies had to certify that they had made these changes. They could have done it with a template. Similar things happen on different aspects in the MHRA.

This is problematic, because, ultimately, 42% of our members, the big companies with a lot of products, are really concerned that they will not be able to make those changes, so there will be a supply issue, in GB and in Northern Ireland, because you will not be able to put them on the market in GB either. We want to work with the MHRA and DHSC to amend the current guidance and look at a much more pragmatic and innovative way for industry to self-declare, in one letter, all the products that have been changed, so that the MHRA can fulfil its requirements.

The Chair: That is very helpful, thank you.

Lord Empey: Are there any aspects of the Windsor Framework not covered by the guidance published so far about which businesses urgently require more information?

Andrew Opie: A lot of it comes down to the detail, which is not in the guidance. The guidance just sets the framework for businesses to work to, but it is the detail that is the problem. For example, we really need to resolve the issues with rest of the world goods with a detailed list of products that we would be eligible to send. Otherwise, we do not know whether we can comply with the conditions of the green lane.

There are a couple of issues that we are still trying to clarify, such as whether household cleaning products are covered by the framework, whether we need to meet EU regulation or whether UK regulation would apply, but we have not had the answer yet. Obviously, supermarket lorries would move both those types of products through, potentially in the same lorry, so again there is a green lane issue there.

One of the emerging risks, which you will see going further into the working of the framework, will be on divergence in regulation and how that applies to the goods we sell in Northern Ireland. An immediate potential challenge is the deforestation regulations, which the EU agreed in July, and whether they would apply to products we sell in Northern Ireland. They are quite onerous in requiring traceability against the deforestation problems of various commodities. The UK has regulations on the stocks, but we have not brought that forward yet under the Environment Act. We are unsure, and we understand that Defra is still talking to the EU to find out which regulation would apply to the products we use. I just use that as an example, because, as we diverge more in our regulation from the EU, we are likely to see more of that issue as to how it might apply to goods we are sending to Northern Ireland.

Finally, as Michelle has touched upon, there has been a lot less guidance on the "not for EU" label, particularly how it would apply in the UK. It was stated in the original Windsor Framework document, which came out in February, that it would apply across the UK, but we understand that it

will require consultation with the four UK Governments to approve it, because it is a labelling change.

We do not know what is happening with the timescale for that. We were given broad timescales for its application in the framework document, when it came out, but that is a really important issue that would apply not just to our retailers operating in Northern Ireland but over the whole of the UK, particularly for those who operate only within Great Britain and who would therefore bear the burden of that labelling change. We have not seen any detail on that yet either.

Peter Hardwick: There are a number of areas. A key one is groupage, which Mark Tait from Target Transport mentioned in the first part of the session, but we are still waiting for guidance on the difference between an officially approved seal and a commercial seal. We need to understand better quite how groupage will work.

The Northern Ireland retail movement scheme is being pitched as a solution for groupage, but we have yet to encounter any haulier who thinks it will work or is willing to take on groupage. That was reflected by Mark as well. It is not clear when doing groupage who applies seals and where. We have been told that one way this will be done is for each pallet to be sealed. Then the driver is given a second seal and applies all those seals to the vehicle, so 20 seals on the back of a vehicle. Clearly, that is not workable. There are real concerns here. There is a danger that customers and suppliers have expectations that they will be able to make this work. At the moment, we have no indication that it will work.

The second key issue is the general certificate itself and the details in it, which are not yet clear to us.

The third is a slight side issue: the import of meat from non-UK sources into Northern Ireland. I mentioned it earlier: New Zealand lamb. At the moment, under the standstill arrangements that are still in place, we have been allowed to certify New Zealand lamb for movement on to Northern Ireland. That was not possible previously, because it falls foul of the EU's triangular trade prohibitions, and there is nothing in the Windsor Framework that allows this to continue. We have again asked whether there will be easement on this, bearing mind that, even under the BTOM—border target operating model—we have not changed the certification requirements for New Zealand, presumably so that they remain in line with EU requirements. At the moment, we have no assurance of that.

Were that business to stop, a little like the comment I made at the very beginning, business owners will have to think about how they will structure their businesses in Northern Ireland if they cannot process that material in Northern Ireland. Those are the two key issues: groupage and the import of third-country material into Northern Ireland for processing.

Lord Empey: That is very clear, thank you. Michelle, you have almost touched on this, but do you have anything to add?

Michelle Riddalls: Yes, on medicines and medical devices. When we first analysed the Windsor Framework, we produced a briefing document that raised all the questions we had at the time and shared it with the Department of Health and the MHRA. There are still some outstanding questions that are yet to be answered.

Some of it is quite theoretical, in the sense that the legislative changes that went through as part of the Windsor Framework to help the centralised products were really positive. Within that, it said that those products can be approved and regulated by the MHRA under the UK's national regulatory framework. However, it did not say that there was that provision for all the other licences that are derived via the EU processes. As we read the legislation, the EU acquis still covers the products that are under MRPs and DCPs. In effect, that means that those products still have to adhere to EU law and EU requirements.

Although there are things to help make some of the changes, what if issues are raised in Europe? Titanium dioxide is a good example. It was originally a food, and then it got banned in the EU, so it cannot go to Northern Ireland. There is a concern that that will come into the medicines side of things. If the EU banned that, some medicines would not be able to go to Northern Ireland because it is under the EU acquis. I have discussed this with the Department of Health. I know it is aware of it, and I believe it is still talking with the EU about some of these things, but there is still concern about how this bigger picture stuff fits in with the licences.

There is also no guidance currently on how PLGB licences—you may remember that these are the ones that are only for GB—can convert and include PLNIs. We talked about labelling earlier. Some of those labelling changes cannot be made until the legal licence behind it is sorted out. The guidance has not come through on that yet. Some of these companies will not even be able to introduce that labelling until 1 January, because the licences behind it have not gone through, although my understanding is that they are working on it.

We are trying to understand what the pharmaco-vigilance reporting will be for all these licences, because of the concept that the EU is still overseeing some, maybe not all, of these licences. We just do not have that level of detail. These are the things we have raised that it is important to get ready and understand.

Coming back to medical devices, which I mentioned, they are not included in this. Again, the department tells me that it is looking at this and that some of those things will move forward, such as linking it with the UK CE mark, but there is concern from us on that side as well.

Lord Empey: Thank you very much for that. It is quite a long list.

Q14 **Lord Thomas of Gresford:** Peter, you have suggested that in some areas you have no guidance and in others you have been provided with guidance that is neither workable nor practicable. In that context, how

well has the implementation of the Windsor Framework been going so far? I appreciate it has not been going for very long.

Peter Hardwick: Of course, it is not in force. From that point of view, implementation is not going anywhere.

What is perhaps interesting is that our members still feel that they lack detail. We have said this already. We feel that one of the problems at the moment is that things are announced apparently as solutions and only then are meetings organised with industry to work out how they will actually work. That is the wrong way round. There needs to be a lot more consultation first, and then we can come out with a worked-out solution, rather than lots of webinars and seminars where we are told what will happen and there are lots of questions that remain unanswered. From that point of view, it is not going very well.

Anecdotally, it is interesting that some of our businesses are already applying “not for EU” labelling for retailer labels across the UK, not just in Northern Ireland. From that point of view, something has happened, you could argue, in the implementation of the framework.

All in all, we still feel that everything is very rushed. We do not get a sense of calm and control from the people tasked with implementing this. We are also not convinced that the infrastructure in Northern Ireland will be in place in time to carry out the checks and implementation. We suspect—we will perhaps come to this in the next question—that we will be pushed to meet the deadlines that have been set.

Lord Thomas of Gresford: For you, it is a priority to consult your industry before the procedures and the framework, or whatever you want to call it, are put in place.

Peter Hardwick: We are told, “This is what’s going to happen”, and then we are asked, “How do you think that’s going to work?” The answer has to be to sit down and work out where we want to get to, and then we can say how it will work. There are so many questions precisely because—Andrew and others have made this point—there is not necessarily a detailed understanding of how business operates. A solution is proposed and then there is consultation with industry, which says, “That’s not going to work because of this and because of that”. It needs to be a bit more back to front, oddly, rather than front to back.

Lord Thomas of Gresford: Andrew, that it is rushed and that there is a lack of time seems to be the story you are telling us, too. How do you feel the approach to the implementation of the Windsor Framework is going?

Andrew Opie: Certainly, our members and their suppliers are making every effort to be ready for October. They have invested huge amounts of time, money and resource into doing that. We are starting to see a lot of that delivered. Peter mentioned the labelling, which you will see on the packs of the relevant products. I am pretty confident that for own brand

that will be ready for October. You will see the signs in the stores and the posters. We are getting as ready as we can.

The problem is that there was a lack of understanding of how much detail was underneath the framework itself. What was promised to industry was simplistic. It has to be much more detailed if it is to be delivered. To Peter's point, there needed to be a much closer discussion with industry, not just in the UK but in the EU, about what was feasible and when it could be delivered.

We all run very compliant businesses. We have put loads of energy into being ready for October, because that is what the regulation says, and we want to make maximum use of the green lane. That has been through the work of those in the supply chain. They have not been helped greatly by the time we have been given by government in the EU or in the UK.

Lots of this is quite distant to us, because when we have raised questions since February/March, lots of the answers seem to be saying, "The UK is discussing this with the EU. We'll come back to you at some point". That is all fine and good, but if the UK and the EU had things to resolve, they should have given industry longer, then come back with a decision and said, "Right, it's agreed. This is how it's going to happen. You've now got six months to get ready", and we would have done that. It seemed to me that we were still going through the detailed negotiations well after February/March, which is why we ended up not getting detailed guidance until September.

We have done everything we can to be ready. We are confident that Northern Ireland consumers will not see significant problems in supermarkets from October, but that is really through the hard work of the various people in the supply chain and the supermarkets. This really should have been done much better. The timescale was completely unfeasible.

Lord Thomas of Gresford: It is very encouraging to hear that you are approaching readiness. Michelle, you have had problems with labelling and time.

Michelle Riddalls: Yes, definitely on the food side, but also on the medicines side, as I just mentioned. They have a longer timescale—until 1 January 2025. The issue is that, in pharmaceuticals, the requirements, the good manufacturing practice, and the processes and procedures mean that, when you are looking at changing a label, the period from knowing that until it is actually on the market tends to be 16 to 18 months, with all the different things that you have to do.

We represent some big companies. One has 602 stock-keeping units. That is 602 different cartons or products available. Another has 500. Another has 300. They are trying to multiply changes to every carton in those SKUs. It normally takes 18 months. They have to start looking at how they can outsource the work to make it happen. The electronic publishing to make a submission to the MHRA also takes a long time.

That is why industry is so concerned about meeting these deadlines. The smaller companies with 30, 40 or 50 SKUs are saying that it is manageable, but it is these big ones that produce the large volume of products out there for people to use. We are worried about that.

What Peter said earlier about the approach reflects what had happened to us. With all the previous Brexit negotiations and discussions, it was very much the Department of Health and the MHRA talking with industry to find a solution together that works for everyone. This time, it has not felt like that. We have had this solution imposed on us. We are still saying, "There is a problem here", and we will be raising it, but it feels like it is not being listened to and they are not looking at alternative ways to make it easier and better.

Companies very much want to do it. They are worried about doing it. It is starting to happen, but the Q&As for some of these changes came out only at the end of August. We still do not have that licensing guidance, and we are looking at 1 January.

Lord Thomas of Gresford: Have you had the same reasoning put to you that was put to Andrew: "We're negotiating these with the EU. We have to clear these things with the EU before we can give you proper guidance"?

Michelle Riddalls: No, I have not. It has been more internally within the Government. I have been told, "This is going around government to get signed off. That's why it's delayed". I have not necessarily heard anything about the EU. I know they have been speaking to the EU. One of the concerns that industry had on the medicines side last time, as you may remember, was the different interpretations of the same rules that were causing problems in the first place. The EU was saying one thing, but the UK was interpreting it in a different way. I gave the analogy that it felt like mum and dad were telling us two different things.

The Government have taken that on board, which is really good. They are trying to ensure that the EU and the UK have the same understanding. From my perspective, that is very positive. I have not heard that it is causing delays, but, as I said, I have heard that it is more internal government delays than anything else.

Lord Thomas of Gresford: But we are moving forward.

Michelle Riddalls: We are, but I am worried about the end state.

The Chair: We are coming towards the end of our time, so I wonder whether Lord Hannan and Lord Dodds could both ask their questions and then you could answer them at the same time. Then we would have a chance of getting through before the vote.

Q15 **Lord Hannan of Kingsclere:** I will make mine extra brief. It follows on from your last answers about compliance deadlines. I have already heard what you say about the unrealistic nature of them. Would each of you like to give a date that would be a realistic compliance deadline? I will accept

any answer from “never” to “25 October 2026”, or whatever.

- Q16 Lord Dodds of Duncairn:** Thanks very much for setting out many of the issues in detail. I was going to ask a similar question to Lord Hannan’s about this deadline of 1 October. What is important about 1 October, other than it being an agreed date? It seems to put the cart before the horse in terms of the detail. Just to reinforce Lord Hannan’s point, would your appeal to the Government be to say, “Look, some of these deadlines are unrealistic. Can you give us a bit more time? If that means going to the EU and saying that it will require more time, so be it”?

I just have one point of detail. Peter, right at the start you mentioned the movement assistance scheme coming to an end. Do you know how much that will cost the industry per year? I know the Government are spending a considerable amount of money on trader support and so on. How much are we talking about for the movement assistance scheme? If you have that figure, maybe you could supply it.

Peter Hardwick: I do not have it to hand, but I can tell you, broadly speaking, how it works. When a vet does a certification, he charges for his certification, and £150 of that, per certificate, is covered by the movement assistance scheme in our case. Broadly speaking, most vets will charge around £80 an hour. If a vet spends more than two hours certifying a load—it may take three hours; sometimes it will take less—he can charge up to £150 to the movement assistance scheme. The rest of the cost will be covered by the business. Let us be generous and say that, generally speaking, £150 covers it. Often it does not. For each of our businesses, it amounts to hundreds of thousands of pounds a year. Across our membership, it may well be several million pounds, but I will try to give you a better number by asking our members whether they can give me an estimate.

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

Andrew Opie: I will combine my answers. October was an arbitrary date. It was not discussed with us in advance. We were just told that would be the case.

In answer to both those questions, first, if we had had all the detail back in February, if we had known exactly what we were doing and we were phasing in the labelling, as the Government suggested when the framework was agreed, we probably would have been ready for October. This is really only supermarkets’ own supply chains. The extra difficulty is that we also need our suppliers, including our branded suppliers—these are large food manufacturers—to want to comply with that deadline. The reason I say that comes back to the point about box labelling, which supermarkets are moving on to our transport. It has a wrapper around it saying, “not for EU”, because those manufacturers are not putting their label on the box, and the Government have found us an easement.

The key thing about the timescale is that the UK and the EU learn a little from this and think about what we can do particularly from October into

the new year. We have some easements. We are expecting one more to be issued, possibly today, that will take us through October. Those should mean that, even though we will not be 100% compliant by October, we will be allowed to move virtually all the products we currently move to Northern Ireland into the new year. That has bought us some extra grace, and we thank the Government for doing that.

In the meantime, we need to find a longer-term solution to these issues. If we do not find a solution for rest of the world goods, for example, or the point on labelling, in 2024 and 2025 we will have to start changing our supply chains. The choice for Northern Ireland consumers will change. They will start to see that in their supermarkets.

As I said at the start, this is my plea: why do the UK and the EU not sit down with major retailers, understand our supply chains and find a pragmatic way forward? We have the best traceability systems in the world. We have shown it to EU and UK vets. They have seen what we do. Most of our retailers in Northern Ireland do not have stores outside the UK. They are not in the EU. Those products are only going to Northern Ireland. There is no risk of them being sent anywhere else. Their lorries are not programmed to go anywhere other than Northern Ireland.

The frustration is that, if we had been able to sit down with the EU and the UK, we could have got all the details from them and said, "Okay, we can tell you when we can meet those deadlines. We are compliant businesses, and we will meet them. We cannot do that without the detail, and you need to give us some time. By the way, do you need all these restrictions anyway? This is how we operate our supply chain. You can see it". That would have been a much more pragmatic approach.

My one wish is that we learn from this process. There will be more challenges with the Windsor Framework. I have talked about the regulatory divergence point before. There will be things to be resolved with the EU that will continue to happen over the Windsor Framework in the coming years. Why do the EU and the UK not sit down with the industry and agree how we will approach those as a three? In that way, we can deliver the great service that we currently deliver to customers and consumers in Northern Ireland. That would be my plea.

Michelle Riddalls: On timelines for medicines, industry usually needs two to three years to make these kinds of major changes to all the labelling of their medicines. It is really hard to push it within 16 months.

The irony of the situation is similar to what Andrew just said. On every pack of medicine at the moment you have a PL number. It is a unique UK-only number. Industry in the first place questioned why you need to put "UK only" on it. If it has that PL number, it cannot go anywhere else. That is a legal thing. We know that was discussed with the EU at the time. The frustration is that there is already a mechanism on those products to say, "This is just for the UK". Having to then put "UK only" on it, as has been agreed, is not ideal.

I would say that we are looking at two to three years so that people can gradually make changes. This is another thing. Things change in industry. Generally, a company will make changes to packaging. They will add an additional warning or something like that. They may rebrand it. You could make the change then rather than doing it in 16 months and saying, "Everything has to go in". Some of them will manage to do it with some other changes, but the vast majority will not. You could do it without this kind of pressure.

Peter Hardwick: I would not comment any differently from what Andrew said in his submission. It is probably not realistic to do this on 1 October, even if we go ahead with it, because we still lack detail. Our members, just like Andrew's, have been working hard to meet this deadline, but there remain doubts about the guidelines and so on.

It is difficult for me to say. If we had the information, we could probably move quite quickly, but we do not. We are talking about 17 days. That is a very short period of time. I suggest that we probably need to think about that, because there is information that we are lacking.

The engagement, if you mean organising webinars, has probably been suboptimal. When questions have come out, it has taken a long time for them to be answered. In many cases, we have not had an answer. We are still some way from being ready as an industry.

The Chair: Thank you very much to all three of you. That was a very helpful session. It has been very helpful to us as we look to fill in some of the gaps after our last report. It is very nice to see you all. Thank you very much for the evidence you have given us.