



Northern Ireland Scrutiny Committee

Corrected oral evidence: Strengthening Northern Ireland's voice in the context of the Windsor Framework

Wednesday 25 June 2025

10.15 am

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Members present: Lord Carlile of Berriew (The Chair); Lord Dodds of Duncairn; Lord Empey; Baroness Foster of Aghadrumsee; Baroness Goudie; Lord Hain; Lord McInnes of Kilwinning; Baroness O'Loan; Baroness Ritchie of Downpatrick; Lord Thomas of Gresford; Lord Willis of Knaresborough.

Evidence Session No. 9

Heard in Public

Questions 81 - 103

Witnesses

I: Rt Hon Hilary Benn MP, Secretary of State for Northern Ireland; Rt Hon Nick Thomas-Symonds MP, Minister for the Cabinet Office, HM Paymaster General; Will Gelling, Political Director, Northern Ireland Office; Fleur Johnson, Windsor Framework Director, Europe and Global Issues, Cabinet Office.

Examination of witnesses

Rt Hon Hilary Benn, Rt Hon Nick Thomas-Symonds, Will Gelling and Fleur Johnson.

Q81 The Chair: Good morning and welcome to this public meeting of the Northern Ireland Scrutiny Committee. We are today holding the ninth and final evidence session of our inquiry on strengthening Northern Ireland's voice in the context of the Windsor Framework.

We are joined today by the right honourable Hilary Benn MP, the Secretary of State for Northern Ireland, and the right honourable Nick Thomas-Symonds MP, Minister for the Constitution and European Union Relations at the Cabinet Office. We are also pleased that they are appearing alongside, hopefully, two senior officials, one who has yet to arrive, Will Gelling, who is the Political Director at the Northern Ireland Office and Fleur Johnson, who is the Windsor Framework Director of Europe and Global Issues at the Cabinet Office. A snappy title, for a rather important job. You are all very welcome and we look forward to your evidence.

Today's meeting is being broadcast. A verbatim transcript will be taken in the usual way for subsequent publication, which will of course be sent to you to check for accuracy, and I refer to the list of Members' interests as published on the Committee's website. So now we can move to introductions. Secretary of State.

Hilary Benn: First, thank you very much for inviting us to appear before your committee today. Can I begin by expressing to Baroness Foster my heartfelt condolences? I was in touch with her over the weekend, on the loss of her mum. We are all thinking of her.

I simply want to say that the Windsor Framework is the result of the country's decision to leave the European Union, which created a challenge. We have the United Kingdom with one set of rules outside the EU and the EU with another set of rules and an open border between the two, absolutely unique anywhere in the world. The question has always been: what system is going to manage that? The Windsor Framework has turned out to be the current iteration of a process that began with the Northern Ireland Protocol.

Our job working with a lot of people in Northern Ireland, with the Assembly, with Ministers, with businesses, stakeholders, is to make it work. We have an obligation as a Government to implement the Windsor Framework fully and faithfully. That really matters and it matters even more so now following the summit on 19 May where we reached a number of agreements with the EU. The most significant when it becomes a reality will be the SPS agreement but, as I have said many times before, you must honour the commitment you signed last in order to persuade the same organisation to whom you gave that commitment to enter into a new agreement with you in the future. It is quite basic.

The goods are flowing. Northern Ireland as you will know is the fastest-growing part of the United Kingdom and Nick and I spend a lot of time together with our wonderful officials listening to, hearing from, stakeholders as we try to ensure that the Windsor Framework operates as successfully and smoothly as it can while at the same time honouring the obligations that we have entered into as a country. That is all I want to say by way of introduction.

The Chair: Thank you. Over to the Minister for Europe, if I can call you that.

Nick Thomas-Symonds: Thank you very much, Lord Carlile, and thank you to the members of the committee for the work that they do. I am grateful for the opportunity to speak alongside the Secretary of State for Northern Ireland today.

I will start also by expressing my condolences to Baroness Foster, who I know is joining online, on the loss of her mother. I know we are all thinking of her.

I wanted to refer first to the machinery of government change that was brought in last July, which moved responsibility for UK-EU relations from FCDO to myself in the Cabinet Office. I am the responsible Minister for the Withdrawal Agreement and responsible at the centre for the Windsor Framework. I want to say to the committee that the Windsor Framework, its implementation, the protection of the UK internal market, is central to the work that I do. I have visited Belfast on more than one occasion. I thought it was essential when I came into the job that I was not just reading about the checks but that I walked through the checks, which is something that I have done at the port of Belfast as well.

I also want to say that the engagement, whether that is engagement with Ministers in Northern Ireland, whether that is the First Minister, the deputy First Minister—I deal a lot with Minister Muir, for example, in terms of the Windsor Framework—but also the voice of stakeholders, is hugely important, particularly in the run-up to the EU-UK summit on 19 May. That is from business organisations, garden centres, supermarkets, views coming through a variety of fora.

I also want to echo the point that the Secretary of State for Northern Ireland has made that progress towards the implementation of what was agreed at the summit is built on implementation of the existing agreements. Also, just to say that the steps that we do take now, in terms of the Windsor Framework but also the implementation of the EU-UK agreement on 19 May, are going to continue to be underpinned by stakeholder engagement.

That is the approach, for example, we have taken on veterinary medicines where we are two of the three co-chairs of the Veterinary Medicines Working Group, which is of course one of the fora established under the *Safeguarding the Union* deal.

I should also say that new arrangements for freight and parcel movements came into place from 1 May. That is another example of where we worked very closely with stakeholders to ensure a smooth implementation. That is the approach we have also taken in respect of the third phase of the labelling requirements under the Windsor Framework coming in on 1 July.

I will make a final point, which is on moving towards a legal text for the sanitary and phytosanitary agreement that is in the Common Understanding that we agreed on 19 May. That is going to facilitate smooth flow of agri-food and plants from Great Britain to Northern Ireland. It will protect the UK's internal market, reduce costs to businesses and increase consumer choice, all while maintaining Northern Ireland's unique dual-market access. We have had overwhelming support from businesses for those plans, and we will continue to work with them and with other stakeholders going forward.

Q82 The Chair: Thank you very much for those hugely relevant introductions. It segues nicely into our first question. We have heard a lot of evidence, particularly from people in business in Northern Ireland, and the responses we have had have been some supportive, some critical and some frankly puzzled about what is going on in relation to the Windsor Framework. Whose responsibility is it to ensure that Northern Ireland's voice is heard in the context of the Windsor Framework? Is it the stakeholders themselves, the UK mission in Brussels, the Northern Ireland Executive Office or a combination of those?

Nick Thomas-Symonds: First, the implementation of the Windsor Framework is a cross-government effort. It also entails of course working very closely with the Northern Ireland Executive. I should say that the Cabinet Office—my responsibility is for implementing the withdrawal agreement overall—manages Windsor Framework-specific engagement, including that which is jointly conducted with the EU, so that dovetails very well with my EU-UK relations responsibilities. Now of course the Secretary of State I am sure will come on in a moment to the Northern Ireland Office, but I think it is fair to say the Northern Ireland Office regularly engages businesses and civic stakeholders on a wide range of issues, of which the Windsor Framework is an important part.

There is also then a range of public authorities, UK Northern Ireland departments, that provide guidance on specific policy issues and would engage the stakeholders in those particular areas, and also a wide range of fora within the structures where stakeholders can input their views.

Hilary Benn: It is a shared responsibility. There are operational questions and there is the advice and guidance that we give that is extensively available, but there are also decisions that need to be taken and consultation occurring as new proposals come down the track. There is a range of mechanisms, which I suspect we will come on to, that have been put in place as part of the Windsor Framework to help deal with all that.

I would say the Assembly scrutiny through the Democratic Scrutiny Committee has been more challenging recently because, when the institutions came back, they were dealing with the tail end of the Commission work programme, so stuff had been quite well developed, whereas now, with the new Commission and a new work programme, they and we and businesses can see further into the future about what may be coming our way, which will make trying to understand what those draft regulations and bits of EU legislation could mean easier to do than has been the case thus far.

There are a lot of institutions and a lot of moving parts in this, but I recognise that businesses want to get on and sell stuff and they want to know what the rules are, what the arrangements are, to understand how they work so they can do what they do best, which is find people who want to buy their product and sell it to them.

The Chair: They find the machinery rather like one of those fictitious machines we used to watch on children's television when we were young, which had all cogs and not much product.

Hilary Benn: Well, some do and there are quite a lot of businesses that would say, "Well, it's fine. We know what the rules are. We know how to make it work". The goods flow and it is very important, because sometimes to listen to some of the debate you might get the impression that loads of stuff was being stuck. The goods are flowing from Great Britain to Northern Ireland, and from Northern Ireland to Great Britain, which is of course what we want and the economy in Northern Ireland is doing okay, which is a good thing, above all for the people of Northern Ireland.

Q83 **The Chair:** What about the UK-EU Common Understanding agreement on UK involvement in the decision-shaping process for relevant EU Acts impacting on existing channels? One of the things we are hearing—and this includes what we have heard about the DSC, the Democratic Scrutiny Committee—is that they are not getting enough advance notice of intended changes so that they can barely do their job. We have heard quite a lot of evidence to that effect.

Hilary Benn: That may be in part a function of what I referred to earlier about where the Democratic Scrutiny Committee has found itself in the Commission's legislative cycle since the institutions were restored. We are now in a different set of circumstances where it is much easier to see stuff coming down the track. One of the challenges—taking the example of AI—is to understand what exactly this proposed legislation means. What does it mean for products?

In that case, as you will be aware, we are engaging currently in technical exchanges with the Commission over precisely that. That was agreed I think at the last meeting of the Joint Committee because, in the end, you must apply these things and people will ask very practical questions, "What does this mean for this product or that product?" I think that is a good example of us working with the EU to better understand what some

legislation means. Other bits of legislation are much clearer, so it depends on what the proposal is that the EU has come forward with.

Nick Thomas-Symonds: I spoke last summer in Belfast to the co-chairs of the Democratic Scrutiny Committee, and they did raise that issue to me of sufficient notice, in terms of the explanatory memoranda but also other information. I think it is fair to say that there was a specific issue towards the end of the last European Commission's mandate, the first underlying Commission mandate, where there was an increased frequency of activity and information. We are now at the start of a new Commission mandate, so I would expect that to be different and to change.

To the central point that is being raised, my door is always open on these matters. If there are particular issues where information has not reached the Democratic Scrutiny Committee with sufficient time to consider it, I am always willing to look at exactly why it was that the information did not reach the committee in sufficient time.

I should also say, on the work that I have been doing in terms of UK-EU but also more broadly the Windsor Framework, the representation of the Northern Ireland Executive at all levels and on the various bodies is hugely important. To give an example that goes over the last six or seven weeks, I co-chaired the Withdrawal Agreement Joint Committee with Commissioner Maroš Šefčovič back on 29 April with the First Minister and the deputy First Minister of Northern Ireland, who were able to join that meeting.

Indeed, since then, with the interministerial group on the European issues that I chair—I think the last one was the week before the summit—it was very important that the First Minister and the deputy First Minister of Northern Ireland attended and had their voices heard. That is just to give reassurance that the Windsor Framework is central to the work that I do, and Northern Ireland has been very much at the forefront of my mind and its voice heard in the course of the UK-EU negotiations as well.

The Chair: Thank you. Welcome to Will Gelling, who has joined us after a little problem getting into the building.

Will Gelling: My apologies.

The Chair: Do not worry. Lord Hain.

Q84 **Lord Hain:** Welcome to you all. From the evidence from people in Northern Ireland, there is a sense that this is a hugely complex matter with lots of committees, subcommittees and joint committees, and it is very difficult for stakeholders to know what is going on or how to engage with it, and a feeling that things are being done to them rather than that they are participating in influencing them. I would be interested in your reaction to that and, specifically on the question of the Joint Consultative Working Group, has there been any engagement by the co-chairs of the

joint committee with the Northern Ireland stakeholders and have any of the stakeholders attended the thematic subgroup, if they even know about it?

Nick Thomas-Symonds: First, in terms of structures, I was looking at this throughout my time doing this job and there are obviously a number of what we call *Safeguarding the Union* bodies. I think there are six. There is then the way the Windsor Framework governance operates, and sitting at the apex of it is the joint committee with Maroš Šefčovič and myself as the joint chairs. You then have the Specialised committee and below that you have the Joint Consultative Working Group. That said, we are obviously interested in simplification where we can promote it.

One good example of that is in terms of goods movements in and out of Northern Ireland. There is a single link to that on the GOV.UK page, a one-stop shop where businesses can go to get all the information that they need.

Regarding the general point about stakeholder input, there are a variety of ways in which that can be done through the formal structures on the Windsor Framework. On specific issues, a good example—just to pick one—is something I was personally into and committed to. The committee may be aware that in my early weeks in the job I went to Northern Ireland. I met the Business Brexit Working Group and a civil society group in Queen’s University in Belfast, and it was very strongly put to me that businesses were not in a position to implement the Windsor Framework requirement on parcels.

What I did on that was to apply for a six-month grace period. I was very clear that at the end of the six months it had to be implemented, and we worked to do that. This is just an example specifically that I have dealt with as a Minister. We have published website guidance; we had 53,000 hits on it. There is a particular Windsor Framework communications resource page. We did six tranches of direct communication, which we understand reached an audience of over 800,000 stakeholders. We did five webinars which around 2,000 individuals attended. That is just one example of the work that was done in terms of making sure that stakeholders had a voice. In that particular case, it was listening in the first place, going to Belfast, listening to stakeholders who set out their concerns to me, acting on the concerns but then also trying to engage stakeholders.

- Q85 **Lord Hain:** If you put yourself in the position of one of those stakeholders, or as somebody committed with Hilary to devolution, as an elected representative there you do not feel that you have any real say. Are the Ministers who attend these joint committees able to have any input? Do the MLAs, the Members of the Legislative Assembly, feel they are being consulted sufficiently far in advance? You will know that new proposals from the European Commission are in a draft stage and there is the opportunity to influence them. I do not think there is a feeling that the elected democratic process there is properly engaged or listened to.

Nick Thomas-Symonds: We certainly need to promote that and certainly I think, Lord Hain, you are entirely correct about early engagement in terms of the EU process. With the SPS agreement that we have, certainly engagement and following very carefully what the European Parliament is doing are going to be very important. As I indicated to the Chair a moment or two ago on the issue of information being received in a timely manner, that is something I am always willing to look at if there are specific issues. As a priority, we do engage the Northern Ireland Executive, engage the relevant Ministers, and engage the First Minister and the deputy First Minister.

In terms of involvement in the Windsor Framework governance bodies, when I chaired the Withdrawal Agreement Joint Committee on 29 April, certainly the deputy First Minister and First Minister participated and expressed their views very cogently, as you would expect. Yes, it is true that if you look at the Windsor Framework bodies that you have, that sits at its apex. You then have the specialised committees. It is correct that the Joint Consultative Working Group is a technical-level forum. That allows for technical exchanges frankly so that, when things do come up at a political level, they are put in an appropriate, coherent way. But it is our objective to have that regular engagement and certainly the voice of Northern Ireland being heard. I can say that it was heard loud and clear by me throughout the negotiations that I was conducting on the UK-EU.

I agree with your general point, Lord Hain, around timeliness, and any instance where that is not happening, where there is a concern that people do not feel their voices are being heard, is something I would certainly want to address.

- Q86 **Baroness O'Loan:** I think one of the issues you have just referred to is the significant number of committees that have emanated from the Windsor Framework and the predecessor agreements. Most recently, we have had the bodies established by the *Safeguarding the Union* agreement, so we have Intertrade UK, the Independent Monitoring Panel, the working group with the Northern Ireland Executive and the Government, and the UK East-West Council, which are designed to enhance and enable Northern Ireland's voice. Can you tell us, have these bodies begun work yet? Is their membership established? Have they had their meetings? Are people attending their meetings? Has the working group itself met yet?

Hilary Benn: As I am sure you know, the Independent Monitoring Panel reports every six months on the internal market guarantee, which is that 80% of the goods using the internal market lane are not deemed to be at risk. We are expecting the panel's first report by early autumn, and it has been talking to businesses, including with Intertrade UK, which Baroness Foster is kindly chairing.

We had a presentation at the East-West Council on Intertrade UK's work programme, the meeting we held on 12 June, and Intertrade is meeting again later this week. The vote in the Assembly on continuation of the Windsor Framework was passed, but not with cross-communities'

consent. That then triggered the requirement to have the independent review, which the noble Lord Murphy is undertaking and is due to report by mid-July. Then there is a process that we have to follow set out in law relating to the publication of what he has to say.

They are all bodies that have been set up to deal with different aspects, you are quite right. Intertrade UK and the East-West Council came out of the *Safeguarding the Union* and there are quite a lot of bodies, but it is intended to give reassurance to people that someone independent is looking at how the whole thing is working. People can read the reports and make a judgment.

The Chair: You mentioned Lord Murphy. Lord Murphy is on our future cast list, trailed as appearing almost every week when it is worth having him here. But that depends on when his report is published. Can you give us an idea, or can your officials give us an idea, when you expect that report to be published?

Hilary Benn: He is due to report by mid-July and in terms of the publication of the report—

Fleur Johnson: He is due to report by mid-July and publication will be within the six months after that period, but we will look to do it at the most early and opportune time.

The Chair: So you have not yet received his report?

Fleur Johnson: We have not yet formally received his report.

The Chair: Not yet formally received his report. All right. Okay. I think I understand the meaning of that. That is helpful to us.

Q87 **Lord Dodds of Duncairn:** Thank you, Secretary of State. You mentioned the various bodies, but you left out the new working group with the Northern Ireland Executive and the Government. How is that getting on? How many meetings of that working group have there been and what is its remit and agenda?

Fleur Johnson: I believe you are referring to the group that I co-chair with my director counterpart, Brenda Henderson. We meet quarterly. Our last meeting was on 9 June, just ahead of the last Specialised Committee, and the discussion there covered both issues of the day such as SPS implementation but also a briefing ahead of the specialised committee to ensure that we were fully informing the Executive ahead of that meeting.

The Chair: Can I just suggest that, on the evidence we have heard, given that there are some fairly critical issues for some of the businesses we have been speaking to, and social policy bodies and so on, the programme for these changes is rather relaxed?

Hilary Benn: For which changes?

The Chair: For example, for the reports that were referred to earlier, including Lord Murphy's report. We were rather under the impression that

it was becoming close to immediate and that we would get the Government's response within a relatively short time.

Hilary Benn: Having not seen what Lord Murphy is going to report, depending on what his recommendations are, as is not unusual, the Government then need time to consider that. I think it is helpful to have a response published at the same time as the publication of the report itself. I would always seek to do things as expeditiously as possible, if I may give you that answer.

The Chair: Sure. I will hand you over to Lady O'Loan for a moment.

- Q88 **Baroness O'Loan:** Thank you very much for all the evidence you are giving us. The evidence we are receiving is that, yes, the Government have various bodies that sit, and this one reports six-monthly and that one reports three-monthly, and there is not a clear pattern of flow of information. What businesses are saying to us is that they do not know what is coming down the line, and they do not know how much it is going to cost to adjust. We have evidence that the businesses are stopping doing business with Northern Ireland from England and Wales. The situation is fairly urgent for business. Is there anything that can be done to enhance listening to businesses and identifying the very specific problems they have, and then providing answers to those?

For example, the answers received on the trading scheme are reported to be less than helpful; the website is less than helpful. So I put that before you as a case where you might focus your attention on the specific realities of business, rather than making the more general macro-observations.

Nick Thomas-Symonds: To give that reassurance, I am one of those people who is quite old-fashioned and believes in phone calls as well as websites. I think the retailer calls are done weekly, which is very important. I referred to the one-stop-shop point and the page on GOV.UK. If there are issues with navigating that, I am willing to look at it, but please do not think we rely just on a website or particular types of engagement. We are calling retailers every single week, and we are engaging every single week. This is hugely important, and we are both engaging with businesses over the next few weeks as well. That direct engagement is happening, over and above the simple provision of information.

- Q89 **Baroness Goudie:** Thank you very much indeed for coming to see us this morning. There is a lack of transparency, people feel, in some of the groups. How do the Government ensure that the engagement of the Northern Ireland stakeholders within the Windsor Framework is representative, transparent and accountable?

Hilary Benn: Are you talking about within the groups?

Baroness Goudie: Within the groups.

Hilary Benn: Let us take the example of Lord Murphy, who I understand has talked to quite a number of people undertaking his work. The report will be his and we will eventually all see it. The Independent Monitoring Panel is going to report every six months. Intertrade UK will produce reports as it carries on with its work. I think people can see in those mechanisms what is being undertaken.

The other point I would make is that Nick and I spend a lot of time dealing with the consequences of things coming down the track, talking and listening to people. Let us take the example of veterinary medicines, which you might come on to, and which has been a big and current issue. With human medicines, in the end, under the previous Government, the EU realised it could not be in a position to say, "I am afraid medicines will not be available to patients in Northern Ireland", and they changed their arrangements. However, for veterinary medicines, the Veterinary Medicines Working Group, which we co-chair along with Baroness Hayman, started by saying, "Crumbs, we are heading for a complete disaster here. We do not see how we are going to continue to get the veterinary medicines into Northern Ireland that are required to treat animals and diseases". Recently, a week and a bit ago, we published the result of the work that group has done.

I take my lead from the people who were very anxious at the start, and now I look at what they have said about what we have come up with as a way of mitigating those problems. The Ulster Farmers' Union for example, said, "We acknowledge the considerable progress made in mitigating the risks to veterinary medicine supply, with initial concerns of product discontinuation now reduced". The British Veterinary Association said, "The remedies announced today are a positive development". Robbie Butler, who chairs the Agricultural, Rural and Environmental Affairs Select Committee in the Assembly, said, "This is a welcome move towards securing Northern Ireland's animal health infrastructure and I recognise the significant effort behind it".

It is always helpful to look at specific issues where people have been very worried, and there are others one could point to. Through the mechanism we established, the Veterinary Medicines Working Group, and many conversations between officials and the EU Commission, I think we have found a way forward, and that large list that people thought would not be available is now reduced to a very small list. I think we are fairly confident there is a way through on that.

Q90 The Chair: Specifically on that, one of the provisos in the agreement that has been reached is that if a veterinary surgeon believes that a particular medicine is needed and it is not on the availability list, arrangements can be made for that medicine to be supplied in the case in question. What time lag will there be in cases of that kind? Presumably those medicines will not be available in warehouses in Northern Ireland.

Hilary Benn: If you are talking about the operation of the cascade scheme, it is in existence already and that is one of the options for vets. As a result of this, one of the things that we have done is to remove the

requirement for a certificate to be produced to enable that medicine to move. In those cases, if the veterinary surgeon reaches a decision based on the nature of the disease requirements, and so on, he or she can order it from a supplier that they would have ordered it from previously. I do not think there is going to be a great problem of delay in operating that. Fleur Johnson may wish to add to that.

Fleur Johnson: To add one thing, it is set out in the paper that limited stocks of medicines that are expected to be required can be held in Northern Ireland.

The Chair: "Expected to be required"; "can be held": how is that expectation going to be conveyed to the suppliers? Will it come from the Government?

Fleur Johnson: It is a clinical judgment of the vets as to whether they see a need for medicines that are unlikely to be available.

The Chair: Right, okay. Thank you. Lord Empey.

Q91 **Lord Empey:** Good morning, Secretary of State, Minister. As has already been evidenced by answers, one of the themes that we have been receiving has been the complexity of the arrangements governing the Windsor Framework. Do the Government think this complexity is a problem in respect of Northern Ireland stakeholders knowing how to engage effectively? We have received evidence both in this committee and our predecessors about the sheer complexity. I think, Nick Thomas-Symonds, I asked one of your predecessors a couple of people back for an organogram. I am still awaiting it.

Nick Thomas-Symonds: I was not aware of the request, Lord Empey.

Lord Empey: I would certainly welcome, and I think the public and businesses would welcome, an exercise to draw it out because the evidence we are getting is that it is just duplication or triplication. There must be a rationalisation, and there is a political dimension to that. Secretary of State, could I start with you?

Hilary Benn: It is complex, and it goes right back to what I said at the beginning of the evidence that I am giving today. It is the consequence of a decision taken to leave the European Union. Some people realised there was going to be a problem that would have to be addressed because of the open border. Other people did not really think about it at all at the time, but it was always in plain sight, and I know that from the work I did chairing the Brexit Select Committee. It does mean that legislation coming from the European Union, because Northern Ireland is following many of the rules of the single market, is the solution that has been found to deal with the consequences of the open border.

Let us look at one of the results of that. Previously, we were part of an organisation taking part in deciding what the rules were going to be, and we have decided to absent ourselves from that by leaving the European Union. Therefore, we are not part of the process of deciding what that

legislation is going to be. So, we are receiving it and having to apply it fully and faithfully, but at the same time—look at the complexity of a modern motor vehicle. What really matters is, if you put your foot on the accelerator, does it move forward, and if you put your foot on the brake, does it stop?

I gave the example of veterinary medicines, and there are others we could point to. Dental amalgam is a really good example. People said, “Oh, goodness”, and in the end the EU itself recognised there was a problem, and said, “Okay, we are going to offer you a deal” and everyone breathed a big sigh of relief. Does the system work, for all its complexity and for all the different bodies, to enable the goods to continue to flow and for people to continue to live their lives? For me, that is the ultimate test of whether we are making all these arrangements work.

- Q92 **The Chair:** If I can summarise some of the evidence we have relating to dental amalgam and veterinary medicines, a lot of ordinary people and ordinary businesspeople in Northern Ireland are saying, “What? Why does there have to be any complexity at all? This is about having my teeth done or getting good medication for my cattle. It should be straightforward”. Why do there have to be 30 different organisations, and problems with people knowing where to go and lack of knowledge of where to go among senior representatives such as UFU and other representative bodies?

Hilary Benn: I am not sure that the Ulster Farmers’ Union does not know where to go. I have had plenty of conversations with them, as they have had with officials, and they are represented, in the case of veterinary medicines, on the Veterinary Medicines Working Group, which from my point of view has made real progress but lets the users—the vets, the farmers—be the judge, which is why I read out those quotes a moment ago. That is proof that the system has worked to make progress on what appeared to be, a year and a half or a year and three-quarters ago, an absolutely insoluble problem. All that effort has resulted in what I think is a reasonable outcome.

Nick Thomas-Symonds: Lord Empey, am I to take it that you are repeating the request for the organogram that was given to one of my predecessors?. On businesses and engagement, I have mentioned the GOV.UK website. The Northern Ireland Assembly has a citizen space website. There is also a trader support service that businesses can go to. In terms of awareness of where businesses go to—and I am thinking in particular, Lord Carlile, of smaller and medium-sized businesses—I always accept and want to look at different ways to reach those businesses in giving them that information.

To Lord Empey’s overall point about simplicity, one of the advantages of implementing the SPS agreement, for example, relates to a range of things that are currently happening with movement of goods across the Irish Sea. If we can implement that agreement, we are no longer going to have to do that, so there is a real imperative going forward.

The EU has its internal processes to go through. We will have to seek some specific negotiating mandates and there will clearly have to be a piece of primary legislation to take through Parliament here so those things will have to be done. But to give some examples to Lord Empey on the point of simplicity, we would not need SPS paperwork; things like the health certificates, for example, would not need mandatory identity checks and physical checks. There will be no need for the Northern Ireland plants to have labels. I will not go through the entire list, but you can see the point.

There are a lot of things that are currently happening that, with the SPS agreement being implemented, we would no longer require. Given the evidence this committee seems to have already received, such simplicity and reduction would be welcomed.

- Q93 **Lord Empey:** Minister, I just would say that there is a disconnect between what we are hearing and what is happening. We received a report yesterday from the FSB, and there is widespread trade friction, low strategic confidence, dual market access is underutilised, and there are Government support gaps and operational disruption and costs. We understand you have been confronted with a situation you did not make, but our job in doing our report is to try to make things better, even though the problem might be fundamentally insoluble in principle in the long term. I would just urge you to recognise the fact that, however hard you are trying out there, there is a gap and—

The Chair: Lord Empey is illustrating the disconnect that there is in the minds of many people.

Nick Thomas-Symonds: To pick up that point—and it is a fair point about awareness—that has been put to me by Lord Empey, in relation to the FSB report I have seen some of the headline statistics. I think it was yesterday, so I am sure the committee will appreciate that I have not had time to sit down properly yet and go through it line by line. But in terms of the broader points being made, which are about awareness, I am not coming here to suggest a counsel of perfection to this committee. I am coming here to set out, obviously, the measures the Government are taking to try to raise awareness in order to ensure that businesses of all sizes are aware of where they can go for information and assistance. Where there are issues, it is certainly not a brick wall being built here or an inability to listen. Where there are issues that are raised and there are problems, my instinct is always to try to find a practical solution to address them.

- Q94 **Baroness Foster of Aghadrumsee:** First, thank you so much for your condolences. I really do appreciate them. I am very sorry I am not with you today, but I am very pleased to be a part of the meeting.

In terms of the FSB report that Lord Empey has mentioned, we are discussing that at Intertrade UK on Friday because we are very concerned that small businesses in England, Wales and Scotland are currently seeing it all as too difficult and too complex, “So why bother trading with

Northern Ireland?" That causes us grave concern.

We do understand that, of course, large retail companies will be in constant contact with the Government. I think the Minister has already said that he is in constant contact with the retailers. I assume that is large retailers, but for smaller businesses we are very concerned that they are taking the option of not bothering to trade with Northern Ireland, and that will have to be addressed. I hope the Government will be receptive to dealing with that.

Hilary Benn: Of course, it is more difficult for small businesses because they may be a sole trader or two or three people. They are concentrating on making their products, and understanding the particular requirements may not be easy. The obligation on us and on the Government is to make sure that the advice available on the various websites, which Nick referred to earlier, is as helpful and easy to navigate as possible. Not all these things are straightforward. Modern government is complex. That applies as much to new regulations, rules and legislation that this place passes that then apply to businesses, but I do understand that it is difficult.

Some companies manage it, notwithstanding, and the question is how one can help to spread that confidence, knowledge and understanding to other businesses so that they can feel able to continue to trade once they understand the rules and how to operate that. Of course, we will reflect upon that, including in response to the FSB report.

However, on dual market access, which you referred to a moment ago, Lord Empey, one striking feature of the Windsor Framework is that Northern Ireland, exclusively in the United Kingdom, has dual market access to the GB market and the EU market. This is a huge advantage, and the responsibility is on all of us to talk about it regularly.

I have met with companies that know perfectly well that it is there, because they make terrific use of it and they welcome it. There is sometimes a reluctance to highlight dual market access, and I was concerned to read in the FSB report that only 14 per cent of NI businesses understand and benefit from access to both markets. Sure, we have to do more to communicate it, but at the same time, a business survey was done in October 2023, and 71% of businesses agreed that dual market access enabled their businesses to grow or to increase sales. Some people get it and understand it, but not everybody does.

Q95 **Lord Dodds of Duncairn:** Yes, dual market access is great for those businesses that do business with Europe, but the vast bulk of our economy is built on GB-NI trade and business, and so that is the main focus. The FSB report says that 58% of those who trade between Great Britain and Ireland have experienced moderate or significant difficulties operating across the UK internal market, and 34% have halted trade with the other region entirely.

On this issue of disconnect, you paint a high-level picture, necessarily.

Goods are flowing. It does not matter about the complexities of the engine and how it operates. Overall, the goods are flowing.

I had a case this morning of a man who was coming from a show with two tractors, brand new. He bought them over to Scotland and was trying to get them back into Northern Ireland. He has been turned back and has had to take them back to Scotland. Nobody is there to help him. He cannot get through to any support services.

Nick, you mentioned the Government support and painted a rosy picture but, again, the FSP report says that 78% of respondents—and this is a big survey of small and medium-sized businesses, and this reflects what we are hearing in our evidence—rated the support quality of the Traders Support Service as poor or very poor. A similarly high proportion found access to support difficult.

That is your responsibility. You are spending hundreds of millions of pounds on it at a time when we are strapped for cash, apparently, and we cannot get money for our schools and hospitals and all the rest of it. Infrastructure problems in Northern Ireland are being halted and all the rest of it. What are you doing about these support services? Why is it so difficult for businesses to access support?

Nick Thomas-Symonds: First, on the Traders Support Service, when I first went to Belfast when I came into this role, it was strongly put to me that there was a need to extend the Traders Support Service. It was extended to the end of this year. There will hopefully be a new phase for it.

In direct answer, Lord Dodds, to your point about people finding the quality of service poor, I am frankly concerned to hear that. My answer to your question, what do I propose to do about it, is that I will look carefully at that FSB report. I will then, with my officials, ask why that is happening. What is it exactly that is poor about the service? I will want some answers as to why that is and to look at some practical solutions to it. That is the action I will indeed take as a Minister.

Lord Dodds of Duncairn: This has been going on for a long time. If you are listening to businesses and listening to stakeholders, you would know this. People have been giving evidence to us on this committee and previous committees—

The Chair: Lord Dodds, whatever you may have known, we would be grateful if you would write to us in response to this question in fairly early course. Lord Dodds has been reflecting a lot of evidence that we have heard.

I want to turn next to Baroness Ritchie, who has a specific example of the sort of thing that we have been hearing about.

Q96 **Baroness Ritchie of Downpatrick:** Thank you, Lord Chair. Hilary and Nick, you are both welcome, and your teams.

Last night, I wrote to you, Secretary of State, about the issue of tumble dryers on foot of an email from the Northern Ireland Retail Consortium. It says that from 1 July this year, the EU's updated energy labelling regulation for household tumble dryers will come into force. This introduces a new A to G scale and requires the removal of the old A to D labels from products sold in the EU and Northern Ireland, but GB will continue using the older format for now. The Northern Ireland Retail Consortium believes that that will cause issues of regulatory divergence, retailer burden and impact on the consumer, and no transitional measures are indicated.

I would like to ask you to have an active look at this issue with a view to a solution, because it is one complex area that can impact on business confidence and the ability and capacity of businesses to do what they should be doing, which is retailing.

The Chair: Can I add that this is not a new question? Our predecessor sub-committee wrote a letter to Ministers about this just before the general election last year and, as it has turned out, there has been no reply. That is not a criticism. It is just a fact.

Hilary Benn: You will get a reply from me, I promise you that. Did you say you wrote last night?

Baroness Ritchie of Downpatrick: I wrote last night because I received the email—

Hilary Benn: I apologise but I have not seen your letter yet.

Baroness Ritchie of Downpatrick: I sent it to your personal email, as well as via correspondence.

Hilary Benn: When I got up this morning, I did not look at my personal email. I was preparing for this morning's wonderful evidence session.

May I ask a couple of questions about it, to take a practical approach? Do we make many tumble dryers in the UK? Otherwise, they may well be buying them in from Europe, where they presumably would have the new labels on.

Secondly, is it literally a question of, when it is in the shop, it will have to have a new energy rating label stuck over the old one?

Baroness Ritchie of Downpatrick: They do not specify, Secretary of State, the actual mechanics of the operation.

The Chair: Can I suggest—the question has been raised, and it is a question that affects a lot of households—that we leave it with you to write to us about this?

Hilary Benn: You certainly can, but I am always interested in finding a practical answer. It is literally a question of a label on it that is not up to scratch any more, and it requires a new label to be stuck on top, and you

can still sell it if it is the same machine. Anyway, I will look into it, and I will come back to you.

- Q97 **The Chair:** This is an exemplar of a number of other questions we have had, for example, in relation to the specifications on motor vehicles sold in garages in Northern Ireland, which the motor trade, in evidence to us two weeks ago, said was a real problem because it means they have to wait—indeed, one of our members has had to wait a long time to get her new Renault—because of those technical changes.

Hilary Benn: I have looked into this, and I have met motor traders from Northern Ireland with my colleague Lilian Greenwood from the Department of Transport. That arises from a decision that the previous Government took to allow cars in Britain to be made to a GB standard as well as an EU standard. If that change had not happened, the issue would not have arisen. Lilian said she would go away and look at that.

It raises a fundamental point that applies to lots of these things. If the rules in the GB and the rules that apply in the EU diverge, you have a problem. In answer to recent things—and we may come on to chemicals, labelling and packaging, for example, and the Stormont brake issue—if we converge or we maintain alignment, there will not be a problem. That is one of the lessons of this. From Northern Ireland's point of view, divergence can create difficulties. That is why one of the tests that we have to apply is whether this will create a new regulatory border or not.

In the case of the chemicals, labelling and packaging, where an attempt was made to pull the Stormont brake, the difficulty was that, I am afraid, it simply did not meet the test because the test is a high bar. It must have an impact on—I am paraphrasing—communities in Northern Ireland in a way that is liable to persist. Font sizes and labelling of chemicals did not meet that test, but we said that we do not think there will be a problem but, if there is a problem, we will consent on bringing our rules into line with the EU rules. That consultation was launched on Monday.

The promise that I made in writing to the Speaker of the Assembly was that we are not sure there will be a problem but, if there is, we will look at it by way of consulting on changing our regulations. We have kept that promise. Therefore, the net result—no new regulatory border, subject to the outcome of the consultation—has been achieved but not by the method that the Assembly hoped for when it attempted to pull the brake in the first place.

The Chair: Do you want to add anything to that? The Secretary of State has said a number of things that affect your job.

Hilary Benn: Crumbs, I am in trouble now.

Nick Thomas-Symonds: First, in relation to the Stormont brake, the particular legal test is that it is for the Secretary of State to consider, which he did.

A wider point, though, needs to be made, which we will come on to in a bit more detail. Think of all the issues we have been discussing so far in the committee today around complexity, need for simplicity and need for greater awareness, which are themes that are coming through. That only serves to underline the imperative of the implementation of the sanitary and phytosanitary agreement. The point was being made about EU regulation in one place and UK regulation in another. The choice that we have made on the SPS agreement on high common standards—two high standards jurisdictions, and our sovereign choice on common alignment—will reduce and mitigate many of the risks that the Secretary of State has talked about.

Q98 Baroness O’Loan: I am all in favour of common standards—I am very happy with them. From the way you are talking, I am asking myself if the policy now is to address regulatory divergence by moving to compliance with EU standards. If that is the policy, is that not somewhat inconsistent with the express view of the people that they want Brexit and they want to make their own standards and have trade agreements elsewhere that which are not reliant on EU standards?

Nick Thomas-Symonds: First, this Government has operated the post-Brexit independent trade policy effectively. The previous Government, under Prime Minister Boris Johnson, promised a UK-India FTA by Diwali. In fairness, he did not say which Diwali, but he nonetheless never secured one. This Government used the independent trade policy to secure one. We secured an economic deal with the United States. We then secured our new strategic partnership with the EU. That was an exercise across five or six weeks of delivery on an independent trade policy.

Our democratic mandate for the SPS agreement comes from the general election. We promised in the general election that we would seek to negotiate that. We have a strong democratic mandate for that from the general election victory.

Also, as we set out in the manifesto, the framework we have negotiated in, which is about not returning to freedom of movement, single market or the customs union, was entirely observed, I would suggest, in the new arrangements that we have secured with the European Union.

However, on the high standards, it is our sovereign choice to be a high-standards jurisdiction. Within the Common Understanding, particular arrangements are set out with respect, of course, for each other’s legal orders. But then an independent arbitration panel will decide on disputes in the area of the SPS agreement.

It is correct to say that disputes on the meaning of European law are referred to the European Court of Justice, which then refers back to the independent panel, but the overall decision is not binding. That is a set of robust arrangements, I suggest.

In relation to the point about Brexit, any trade agreement that we seek to enter will have to have a dispute resolution mechanism. The arrangements that we have with the European Union are no different in that regard.

- Q99 **Lord Thomas of Gresford:** Can I dig down a little more into the question of divergence? The Federation of Small Businesses told us, "The current approach to regulatory divergence is fragmented, with no single, dedicated capacity to track, interpret, guide and respond in a way that supports proactive decision-making and economic resilience". In the report that we have all read yesterday, they put it quite simply in these terms. They want you to "provide a single, centralised source for UK-EU trade rules, ensure businesses have access to up-to-date, clear and centralised guidance on applicable UK and EU trade rules, including real-time updates and practical decision tools". They want a one-stop shop. Will you provide it, Secretary of State?

Hilary Benn: We will, of course, look carefully at what the FSB has said in the report. We should do all that we can to make sure that the information that we provide to businesses helps them to understand the rules, to navigate their way through them and to make them operate effectively for the business itself.

Going back to the point that Lord Dodds raised, the question I would ask as a follow-up is, if you think that aspects of the service are not good, in what way? What is your feedback? How do you think it could be improved? We have to take a practical approach. What is it about what you can see at the moment that does not work for you? What are your suggestions for how it could be improved? That is something that we will talk to businesses about.

Lord Thomas of Gresford: This is in the overall context that they say that businesses in GB are withdrawing from trading with Northern Ireland because of complexity. Do you have any view on this?

Nick Thomas-Symonds: To your first point, Lord Thomas, as I indicated in answer to a previous question, the idea is for a single place on the GOV.UK website. I take what has been said in an earlier contribution about it perhaps not being as easy to navigate as it might be, but that was the concept of the one-stop shop.

As we move forward with the SPS agreement, generally, if we can have simplicity, I am all for simplicity wherever it can be found. A piece of primary legislation will go through Parliament about this about, so Members across both Houses will get the opportunity to contribute on this. I will want to look, going forward, at how I can make those processes and the points of interface with business as simple as possible.

With regard to your second point around the delisting of products in Northern Ireland, that is of deep concern to me and indeed to the Secretary of State. Maintaining a consistent supply of goods to Northern Ireland is hugely important going forward.

Lord Thomas of Gresford: The one-stop shop has the advantage that an English trader or a GB trader can go and get the advice that it needs in one place, without going from department to department. It is bad enough if you are living in Northern Ireland, but it must be almost impossible for a GB trader to do that.

Nick Thomas-Symonds: The point that has been made is perfectly reasonable, if I may say so, Lord Thomas.

Lord Thomas of Gresford: Yes, but will you do something about it?

Nick Thomas-Symonds: Absolutely. I am all for, in my ministerial life, pressing for simplicity.

In a previous life, I shadowed the international trade brief when I existed. One thing I often pressed upon was simplicity for exporters. We want more businesses to export, and we particularly want small and medium-sized businesses to have the information available to them.

I guess the answer to your question as to whether I want to continue and do something about this, particularly with the passage of the SPS agreement through Parliament, is yes.

Lord Thomas of Gresford: It is much broader than SPS.

Nick Thomas-Symonds: It is. I agree.

Lord Hain: You mentioned in passing new primary legislation, which was news to me. Could you explain that?

Nick Thomas-Symonds: It was not meant to be in passing. I hope it will be a significant piece of legislation, Lord Hain. I was making the point that for the SPS agreement and the arrangements I was describing earlier—how the mechanism works, the arbitration panel and the arrangements I was discussing—clearly there needs to be primary legislation that will go through both Houses to set up the arrangements, not just for how we implement the sanitary and phytosanitary agreement in the first instance but its arrangements for how we then manage the process of common alignment going forward. That is entirely as you would expect me to do. It is entirely democratic for it to go through both Houses of Parliament.

The Chair: When can we expect this legislation?

Nick Thomas-Symonds: I hate to give the imprecise four-word answer, but as soon as possible, Lord Carlile.

The Chair: I thought you might say that.

Nick Thomas-Symonds: Clearly, as I am sure the committee will appreciate, I want to see this implemented so that we can have the benefits of this right across the United Kingdom as soon as possible. The EU also has to, after 19 May, get its different negotiating mandates in order, but I am keen to proceed as soon as possible.

The Chair: You have an enthusiastic Government Whip sitting behind you and so I am sure there will be a lot of encouragement.

Nick Thomas-Symonds: I will encourage, always.

Q100 **Lord Dodds of Duncairn:** On alignment and regulatory divergence, you have made a lot about the future SPS agreement. The devil will be in the detail, of course, as in all EU negotiations. Nevertheless, let us see what comes out of that.

Of course, this does not help manufacturers. The FSB report, which we have talked about, and other manufacturers have pointed to problems with customs. None of this will help them. Alignment goes so far, but it does not solve the problems for manufacturers or for people who bring in the goods to make things in Northern Ireland. It would be good if you could start to turn your attention to how those problems might be solved.

On the issue of the Stormont brake and the applicability motions, it is no surprise to members if I say that a few of us did not have many expectations or great assurance in these mechanisms. We recognised them for what they were. The bar, as you say, Secretary of State, has been set very high, and deliberately so. Nevertheless, coming from the point of view of the fact that we now have them, is there an impact on confidence in the democratic safeguards in the Assembly?

We are doing a report on the voice of Northern Ireland and yet here is the Northern Ireland Assembly refusing to give cross-community support to the application of an EU law, and your Government overrides that Stormont brake. You have outlined the reasons, but I am talking about it more generally in the political sense. What does that do for confidence in the role of the Assembly and MLAs, and in having a voice on Northern Ireland in European legislation?

Hilary Benn: The Stormont brake and the application of applicability motions are set out clearly in the arrangements, but they are for a purpose, which is to deal with a potential problem.

In relation to the chemicals labelling and font sizes issue, I tried to outline that I had duties in law that I had to fulfil. As set out in law, I have to decide if the evidence before me means that that test has a significant impact on communities in Northern Ireland in a way that is liable to persist? I concluded, as I explained to Edwin Poots, the Speaker of the Assembly, that the test had not been met in that case.

However, we took the request extremely seriously. When I wrote back, I said that we cannot quite see the problem that this will create but, if there is one—belt and braces—we will undertake a consultation to choose of our own volition, now that we are not in the European Union, what we will do. That comes back to Baroness O’Loan’s point.

That right has not been taken away in the SPS agreement. We have chosen that we will align, to get the benefit of flow not just from GB to Northern Ireland but from GB to the European Union when it comes to

agri-food and plant products. In the end, it seems that we have ended up with the result that the Assembly wanted but, as I indicated earlier, not necessarily by the means.

In relation to the applicability motions, take the non-agricultural geographical indicators. We spent a year looking at that issue and trying to understand the adverse consequence for Northern Ireland. We struggled to find one. Indeed, one or two of the craft producers that we spoke to in Northern Ireland said they might get some advantage. That is part of everybody's responsibility.

I recognise that, when stuff comes, it is quite hard to work out what it might mean in practice, and so it is better take a precautionary approach. In the end, the purpose of all that is to ensure that there is not a new regulatory border. That is the responsibility that we have.

In those two cases, a fair assessment of what has happened has proved that those mechanisms have worked to achieve the outcome that everybody wanted. However, if it is seen that we have to test whether it works, I understand why some people were disappointed by the decision that I made, but I could make no other decision because I have to apply the law.

Lord Dodds of Duncairn: Is there any real likelihood going forward during your term that you would ever apply the Stormont brake or refuse to apply an EU motion? It is unlikely, from what you say, is it not, in the general approach of the Government?

Hilary Benn: You say that I would not draw that conclusion but I can give you the straight answer that it depends on the circumstances and facts of any particular case. In the event that other issues arise, I will have to apply my duties and responsibilities under the law, as the Government will, in exactly the same way.

Lord Dodds of Duncairn: Have you had discussions with the political parties in Northern Ireland following the rejection of the Stormont brake motion and the applicability motion, particularly the unionist parties? Have you engaged with them to talk about the Stormont brake specifically?

Hilary Benn: They expressed their disappointment to me about the decision that I made. I am well aware of that, but I have legal duties to follow, and that is exactly what I did.

Lord Dodds of Duncairn: As I say, it comes as no surprise, given the high level that the bar was set, that it would not be. I was getting at the politics of it, as you know.

The Chair: We are all getting at the question of how far this is a political judgment and how far it is a judgment of the merits of an individual case.

Lord Empey: If I could make one brief intervention, in an answer earlier Fleur talked about your response to Lord Murphy's report being within six

months. Can I respectfully suggest that we do not leave it for six months? The sooner we get it, the better.

Baroness Goudie: Then discuss it.

Hilary Benn: Message received.

In response, Lord Carlile, my decision on the Stormont brake was not—and I want to emphasise this—a political response. It was me applying the law to the test that I inherited. I did not create the test; I inherited it when we came into government. I applied the law.

Q101 **Baroness Ritchie of Downpatrick:** It was remiss of me in the last question not to declare my interest as a member of the Government's working group on veterinary medicines. That is work in progress, and there will be further meetings to discuss that, not least because the veterinarians want further discussions with the Government.

If I will move on to another question about the Democratic Scrutiny Committee. Some witnesses, such as Professor David Phinnemore and Professor Katy Hayward from Queen's University Belfast, have told our inquiry that the restrictive timescales in the terms of reference for the Northern Ireland Assembly Windsor Framework Democratic Scrutiny Committee make it difficult for stakeholders to meaningfully engage. That information was also told to us by those from civic society and by those from the Brexit working group, such as Stuart Anderson.

Will the Government look again at the terms of reference for the Democratic Scrutiny Committee? Do you believe it has the necessary resources within the Assembly to do its job effectively? Further to that, if you find it does not have, will the Government be prepared to work with the Northern Ireland Assembly to ensure that it is given the necessary resources to update it from an ordinary standing committee to a statutory committee?

Nick Thomas-Symonds: The Democratic Scrutiny Committee's role under Articles 13(3) and 13(4) of the Windsor Framework is hugely important. You are right that specific timelines are set out. It is five working days, if I remember correctly, to decide whether to hold an inquiry into particular EU Acts after it has been published in the official journal. Then there is another number of days and then a set period for publication.

When I spoke to the then co-chairs last summer, the issue that you raise around timeliness is one they raised with me. I take a pragmatic, practical approach to this. As I indicated in an earlier answer, there would have been and was a particular problem because of a backup and that it was at the end of the European Commission's mandate. That was the particular issue, and we can see the situation easing in the new Commission's mandate. Only time will tell on that.

The undertaking I give to the committee is that, if there are issues with timeliness, I am willing to look at why exactly those are arising. I am

certainly willing to look at practical steps to deal with this. If it is a continuing and persisting problem, we are willing to look at it.

The Chair: Thank you very much. Lord McInnes, you have a different issue.

Q102 **Lord McInnes of Kilwinning:** Since we began this inquiry, two external processes have affected the application of the framework. The first was the EU reset but the second, which I want to ask about, was tariffs from the US and the evolution of tariffs.

It is a two-part question. First, what assessment has the Government carried out of the impact of the US global tariffs at the moment? Secondly, if we are to see differential EU and UK tariffs on US exports, what contingency planning are the Government doing now to mitigate the effect on Northern Ireland?

Nick Thomas-Symonds: Let me deal with the first part of your question and then I will hand on to the Secretary of State to talk about the issue of the tariffs.

On the negotiations with the European Union, my journey started long before I was a Government Minister. Indeed, when I was opposition spokesperson dealing with the issues, one of the first things I did in the autumn of 2023 was to go to Belfast, because I knew that Northern Ireland would always be at the forefront of my mind in the negotiations. I went, when I was in opposition, to Stormont and met representatives of five political parties over a day. I had already started on that work before was appointed to the job in government.

Throughout the process there—by the way, I speak as a Government minister but I am also a Welsh Member of Parliament, and so I have always operated in the devolved context—the voices of all of the devolved Administrations was hugely important. I chair an interministerial group across the United Kingdom, which met most recently the week before the summit in Edinburgh. That has been a forum for those views to be put forward. As I am sure the committee can imagine, it is a voice that comes through regularly in correspondence and in other meetings.

I will ask my colleague to pick up the US tariffs and the duty reimbursement scheme.

Hilary Benn: We are living in a different world now, and in a very different world when it comes to tariffs and counter tariffs, and the position can change on a daily, if not a more frequent, basis. The Government have negotiated trade deals with India and the United States of America, and Northern Ireland businesses are selling whiskey, lamb and new opportunities to India and beef to the United States of America.

The issue arises, as you will be well aware, if the EU decides to put countervailing tariffs on the United States of America. Those tariffs then have to be paid on American goods coming into Northern Ireland for reasons that are quite obvious—otherwise, Northern Ireland becomes a

back door into the EU, which would negate the purpose of the countervailing tariffs in the first place.

At the moment, we are all waiting to see how negotiations between the EU and the United States of America go, but we have in place two measures already in the form of the duty reimbursement scheme and the customs duty waiver scheme. The duty reimbursement scheme allows firms that have to pay the tariff to get the money back. It goes to HMRC, and they get the money back, provided they can demonstrate that the goods they have bought remain in the United Kingdom. The customs duty waiver scheme allows the duties to be waived entirely. It is really for small businesses, which has been a theme of today's discussions, and is subject to an overall limit, which is usually about €300,000 over a three-year period. A small business importing a bit would be subject to these countervailing tariffs, if they come in, and could benefit from that.

To be frank, some businesses find it easier than others to demonstrate with paperwork the proof required that the goods are staying in the United Kingdom. We are looking to make the duty reimbursement scheme work as efficiently and effectively as possible for businesses. I am completely aware of the cash flow implications; how quickly you get the decision depends on how quickly you can produce the paperwork, so that you get the money back to then deal with the problem of cash flow that has been created in the first place. We will have to wait and see whether more use will have to be made of that, depending on the decision that the EU takes, which in turn will depend on the decision that the United States of America takes.

Lord McInnes of Kilwinning: I would be reassured to hear that discussions are ongoing with the HMRC, so that if that extra level of duty reimbursement was required, it would be aware of how important it was to move a lot quicker. We have heard from a lot of businesses that are not happy with the current system and the timescale. We need confidence in the extra layer of that and the turnaround of that money.

Hilary Benn: Absolutely. I have met, as you would expect, with HMRC to have precisely that discussion and to emphasise the importance of this scheme working smoothly and effectively in the interest of the businesses of Northern Ireland anyway, and in the event that businesses have to make more use of it.

The Chair: It is in the interests of the HMRC to repay quickly; otherwise, some small businesses will not be able to pay their taxes. We want to avoid that, because that creates complexities, including complexities of a legal kind.

Q103 **Lord Hain:** Following the very welcome—to me at least—reset that you negotiated, can the Government prioritise alignment of the UK and EU emission trading schemes so that we avoid a form of hard border on the island of Ireland in relation to common carbon border adjustment mechanisms?

Nick Thomas-Symonds: That is absolutely a priority going forward. We will seek to implement this new arrangement with the EU comprehensively. The ETS linkage is hugely important, not least because it means that there will be an exemption from the carbon border adjustment mechanism. We want the carbon border adjustment mechanism to apply across the United Kingdom.

That exemption, by the way, will save businesses hundreds of millions of pounds in carbon taxes that they would otherwise have had to pay if we had not chosen to go down the route of linking the emissions trading systems and securing the carbon border adjustment mechanism. We are very aware of how important it is, both because the linkage of the systems gives access to a larger, more efficient carbon market, and because of the exemption from the carbon border adjustment mechanism, which will mean that businesses that otherwise would have had to pay all those taxes will not have to.

Lord Hain: Of course, Northern Ireland is in a unique position because it is within this single electricity market. We heard evidence the other week that any renewable energy generation within Northern Ireland could not be exported to the Republic unless this is sorted out.

Nick Thomas-Symonds: To go back to the theme that has been running through this session around simplicity, this is another example of making life a lot simpler, in this case not just for people in Northern Ireland but right across Great Britain as well.

The Chair: I will try to draw a few threads together, if I may, as Chair. We have demonstrated to you today by our questions that we understand the huge amount of work that has been done, particularly the work that has resulted from the reset. However, large numbers of witnesses we have heard are complaining, basically, about things happening too slowly. That is a strong message from the evidence that we have had, including the evidence we took in Northern Ireland.

For example, when we were in Newry, an impressive company that makes a huge amount of furniture for cruise liners—which you may have visited—told us that they are having to pay more money for MDF, from which they manufacture much of their product, because of the consequences of the situation in Northern Ireland under the Windsor Framework.

We have already mentioned cars. Those are the sorts of issues that real people—and we have tried to talk to real people and real businesses—are bringing to us as a committee and which we may reflect in our report. The one thing that we would love to hear a helpful response to is accelerating processes, which are complicated.

Lord Hain: Simplify them.

Baroness Ritchie of Downpatrick: Simplify them.

Baroness Goudie: This is affecting people's lives every day.

Lord Empey: I want to ask Nick about his responsibilities for the Co-operation Agreement. It is due for a review next year, and I have asked this of Baroness Hayman in the House several times. I hope we are preparing for that, because the European Union will want to compress that into a fairly limited operation. It might be an opportunity to see if we can iron out some more wrinkles, but we would need to be prepared and not leave things to the last minute. Working with the European Union, the more you prepare and raise issues in advance, the better the chance of a response. It is an opportunity, perhaps, to push the boundaries a bit and have a preprepared position for that negotiation.

Nick Thomas-Symonds: I am all for preparation and I appreciate that time is limited. The purpose of the reset negotiation was, as I have said, to deliver on our manifesto, but it was also to get ahead of the review and start to secure changes. I never would have come into office and, to Lord Empey's point, said that the review will happen in 18 months—or whatever it was when we came into office—so we will leave the changes until then. There was no question of that. The purpose of the reset was to get ahead of it.

One example of where we have already had significant change is energy. Nobody I spoke to, frankly, thought that the energy chapter in the trade and co-operation agreement was stable and could be kept into the future. We have already changed that. That change to the trade and co-operation agreement has already been agreed in the reset. It was to get ahead of it. We will move now—you are right—to the formal review mechanism that exists, but we already have things that will make changes to the arrangements that the priority is to implement.

The Chair: I thank you both and your officials for coming here this morning. I particularly thank you for your directness and openness. I think we heard the phrase “in due course” or “as soon as possible” only once in an hour and a half.

Nick Thomas-Symonds: I did apologise before I said that.

The Chair: You were justified to use it at that point. It is always pleasing not to have too much of that in committee meetings. We are grateful to you for giving up your time. I know you have important work to do down the corridor. Thank you very much.