

Northern Ireland Affairs Committee

Oral evidence: [Brexit and the Northern Ireland protocol](#), HC 767

Wednesday 17 March 2021

Ordered by the House of Commons to be published on 17 March 2021.

[Watch the meeting](#)

Members present: Simon Hoare (Chair); Scott Benton; Mr Gregory Campbell; Stephen Farry; Mr Robert Goodwill; Claire Hanna; Fay Jones; Ian Paisley.

Questions 539 – 600

Witnesses

I: Andrew Lynas, Managing Director, Lynas Foodservice; Colin Neill, Chief Executive, Hospitality Ulster; and Glyn Roberts, Chief Executive, Retail NI.

Written evidence from witnesses:

- [Hospitality Ulster](#)
- [Retail NI](#)



Examination of witnesses

Witnesses: Andrew Lynas, Colin Neill and Glyn Roberts.

Q539 **Chair:** Good morning, everybody. Good morning, colleagues, and good morning to our witnesses for this, our session on the protocol. Today we are hearing from the hospitality and retail sectors. It would be remiss of me on this day of days not to wish everybody a very happy St Patrick's Day. It will be a safe and socially distanced St Patrick's Day, but a day for all of us to enjoy.

There is an opportunity for our witnesses this morning to make some opening remarks. Mr Roberts has indicated that he would like to do so. To our other two witnesses, if you wish to make an opening statement, please feel free to join in.

Glyn Roberts: Thank you very much for the opportunity to speak to your Committee today. It is important to point out that the broader business community in Northern Ireland did not want or lobby for the protocol. It is the law, and we have to try to operate within its legal context, difficult as that is.

I know that there is great intensity and much passion in this debate about the future of the protocol. Yes, we have seen some uncivil language back here in Northern Ireland; we have sadly seen threats. All I would say to all sides in this is that we need to ensure we continue to give business the confidence to continue to comment and give their views on it. It is only with the involvement of the broader business community in all sectors that we can arrive at a solution on this.

Looking at the situation with the protocol, and indeed the extension of the grace period, it is very clear that, if the UK Government had not taken the action they did, we would have had a triple-whammy on cost and complexity hitting our members. We would have much preferred the UK Government to have aligned and agreed this with the EU. Our concerns are always about making sure that the supply chain continues to function and that it continues to operate in terms of the just-in-time supply chain. Of course, we can all get very preoccupied with the jargon and the high-level politics of this, but, ultimately, drilling it all down, it is about ensuring that hard-working families in Northern Ireland do not pay more in their grocery bill; it is about making sure they can get their parcels.

What does success look like for moving this situation forward? Yes, we have to focus on what the solutions are. We cannot look back; we have to look forward. I believe that the solution lies in a long-term workable solution that involves digitisation and a certified chain to deliver a trusted trader scheme that operates from source to shelf. I also believe that we need a veterinary agreement to reduce frictions. Above all else, we need the EU and the UK to show real leadership and political will to deliver a workable risk-based solution that ensures unfettered GB-to-NI trade.



We also perhaps need to take this debate a step forward. What will Northern Ireland's and the UK's relationship be with the EU now that we have left? Certainly, Retail NI would like to see the reopening of the European Commission office in Belfast. That is not so much to hark back to earlier days before we left the EU, but to continue the hard work that many business groups, civic society leaders and politicians from all parties in Northern Ireland and throughout the EU have done on building networks across the EU, building friendships and building relationships. We need to continue that.

Having an EU office on the same basis that the Chinese Government and the American Government have consulates in Belfast would help in dealing with our future relationship and dealing with ongoing problems and challenges, not just with the protocol but in our ongoing relationship with the EU. We also need to ask questions of the Executive. What is their game plan for their office in Brussels?

Hopefully, the thrust of what we are saying in our evidence today, and indeed in our written evidence, is looking to the future. It is not about fighting the battles of old; it is not the blame game. It is asking the question of what success looks like in terms of a solution for the challenges we face in the protocol. It is also asking the broader questions about how Northern Ireland builds a new relationship that builds on the good friends, contacts and networks we have built up in the EU, but also charts what our vision is as a region. We have always said that Northern Ireland should be the gateway to the EU. We need to be an ecosystem of innovation; we need to ensure we have a broader strategy for what the future allows for our region. Of course, we are dealing with a perfect storm of the protocol and the pandemic, which obviously puts huge pressure on our retail sector and our economy as a whole. I am very happy to take any questions.

Q540 Chair: Do not worry, Mr Roberts. We have plenty of questions. We will come on to those in due course. Thank you for that. Mr Neill or Mr Lynas, do you have anything to add by way of an opening statement, or are you happy to go straight into questions?

Colin Neill: I will be very brief. First, apologies for not wearing a tie. This is no disrespect to the Committee. I got caught in two radio interviews, so it is sitting on the sofa beside me.

Chair: We will take your word for that, Colin.

Colin Neill: We are here as the hospitality industry. I brought Andrew along with me; he actually operates in this world. Our food-service supply chain is very challenged. Indeed, to be honest, under the current protocol it could not cope if we were open. It is important to say that the hospitality sector is not just an also-ran. It is often seen as a nice industry. We all like to go there, but it is not important. It is actually Northern Ireland's fourth-largest private-sector employer. It accounts for 21% of all private-sector employment. I will not take the Committee's



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time, but I could work my way around the Northern Ireland MPs and tell them the employment figures for their own areas.

We are very much about being practical: we pull pints; we make meals; we make beds; we service our customers. We have come to this with the practical approach of, "We have to make the situation that we have been dealt work." If somebody offers us a better situation, we will take it, like any business would, but this is a very practical approach to say, "Look, currently, the protocol does not work for us." There are a number of reasons for that. Andrew is particularly skilled in that area.

It is just a case of us needing to make sure that, when hospitality opens—we have been in lockdown longer than any part of the UK; we have no dates yet and we do not know when that will be—the industry has to be able to service its customers. We are fragile as an industry.

Q541 Chair: All I will say is that anybody who is labouring under the impression that hospitality is not important clearly has not been exposed to the Colin Neill special. Having been exposed to the Colin Neill special on a number of occasions, woe betide me not to understand the importance of the hospitality sector as far as the economy of Northern Ireland is concerned, but thank you.

Mr Roberts, you said something in your opening remarks that I may have misheard or misinterpreted. I apologise if I have. I think you were saying that you were concerned that there were some individual businesses and/or business organisations that you feared were being, for want of a better phrase, coerced into silence in speaking up on this issue. Is that what you said? Is that what you think? Do you have any evidence for that?

Glyn Roberts: Let me say that it is not coercion or threats. It is about their confidence to give their views on the future and the issues around the protocol without being dragged into either a constitutional debate or an orange and green debate. It is not in any way saying there are threats or that people are telling them to shut up, but it is about giving them confidence and space.

If we are ultimately going to get a solution to these problems, we need the business community and individual business owners, whether they are small or large, independent or multiple retailers, all giving their views on this. Perhaps I should have been clearer at the outset.

Q542 Chair: Thank you for that clarification. I am glad we have not set a hare running on that. Can I, through you, on behalf of the Committee extend an invitation to any of your members and contacts to please send us their thoughts, ideas and experiences? We want this inquiry to be as real-time as possible, and we would welcome that. We will hear from all quarters and all voices. That is an open invitation to your and to your colleagues.

I am going to ask the three of you to outline, in a few brief sentences if possible, where we were on 31 December/1 January, where we are now and where you think things are going as far as your sectors are



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concerned. What is the direction of travel? What is the trajectory? Is so-called normality resuming? Are we way off it? Do we have no chance of going back to normal? I am going to ask you to set aside Covid, obviously, over which we have no control.

Colin Neill: I will put it in a scenario in which Covid did not exist and we were open and trading.

Chair: Yes, precisely. Those are the circumstances.

Colin Neill: The situation is that the grace period and the extension would have allowed normal trading. Without that, we basically would not be able to trade properly. We would be short of product; we would see price increases; we would have to switch supply lines and all sorts of things. The current model really does not work for us, and it is solving those problems that we really need to achieve before the grace period has ended.

It is important to say that we all refer to the grace period, but it really was a further negotiation period. We have not had a grace period to get the final rules and see how they properly work.

Q543 **Chair:** That is a comment we are picking up. Last year's transition period was not that; it was a negotiation period. With Covid, Christmas and the new year, the window for practical businesspeople to deliver what was needed was impossibly small. One could not deliver anything in a meaningful way. Are you seeing any attempts to recalibrate, effectively, through re-sourcing and redirecting supply chains, Colin? I mean more on an island-of-Ireland basis than an NI-GB basis.

Colin Neill: There are some looking to that. There are again some products that the Republic of Ireland cannot service, and indeed they have to come through Europe. Coming from Europe through Ireland means longer delivery periods.

It is important to go on the record. The Northern Ireland supply chain industry, Andrew and his colleagues, really had got prepared. They had practised every scenario that could be possibly known to them and they were ready to go, but obviously you can still put a brick wall in people's way because what we got was not what they expected.

Andrew Lynas: The reality for a business like mine—I am representing lots of food-service businesses here in Northern Ireland—is that we trade across three jurisdictions: Northern Ireland, southern Ireland and Scotland. We are right at the fulcrum of understanding and seeing the protocol.

I used an analogy in a magazine; maybe it is a wrong one. I said, "Brexit and the protocol feel like an onion. As you continue to peel it, you keep crying." That is the honest reality on the ground as a business. There was not really a grace period. We have been able to use the authorised trader scheme because of some retail in our business, but if we were purely a



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food-service or hospitality business, there is no grace period at all. That is the challenge. I am not here to give an opinion on the politics one way or another. As Glyn and Colin have said, we are here to try to practically make this thing work. If we were a full hospitality business, I shudder to think what would have happened in January and February in getting goods into this country.

In terms of supply chain, I absolutely want a common approach across the three countries I deal with. I do not want different supply chains. I and my team are naturally being forced to look at a more all-Ireland or, to be honest, a more pan-European approach to trading. It is extremely difficult. I am sure you will ask me questions on the realities of the paperwork. I have real-life examples of, "Here is what it was like on 30 December; here is what it is like today."

Glyn Roberts: It is fair to say that in the first few weeks of the grace period there was very clearly a bumpy start. Most of the reasons given by, certainly, a number of our larger wholesale members were around GB supplier readiness. It is clear that so many businesses in GB were not ready or were unaware of the complexity of this new arrangement. That is improving. What we certainly did see in that first month or so was delays, but not so much around shortages. It is important to point out that we did see significant delays, but not shortages.

On that point in relation to the silver linings in some of this, maybe there is an opportunity to increasingly source more locally now. Our wholesale and retail members pride themselves on supporting local, so they were already in that space. Perhaps that took a slight edge off many of the difficulties around the protocol, but there are opportunities. Retail NI as an organisation has for some time now, even before the protocol, been working with new small businesses, new producers and new manufacturers to help them get their route to market and trialling some of their new products in half a dozen stores, where it is easier to get listed with an independent retailer than it is to get listed with one of the large supermarkets.

We want to do a lot more of that in supporting local producers and local farmers. We have already done it, but there is always more we can do in supporting local. Our members are looking to do that. We have already seen a good example of it, where Deli Lites are now supplying to Boots for their sandwiches. We have seen some good examples. I have no doubt that there are possibly opportunities for more local companies, but the political instability around all this is bad for business. If there is one thing that business hates, it is political instability. That is why we need to get a long-term solution, not a short-term one. We need one that does not kick the can down the road, but gives business a greater degree of certainty and stability as we go ahead. We have not even got to the space yet where we are focusing on what the Covid recovery in Northern Ireland looks like. We need to get this right.



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Q544 **Mr Campbell:** Good morning, everybody. I really wanted to get down to the issue of the practical problems that the protocol has developed over the past three months. I am not really going to get into an argument with Mr Roberts around the opening of an EU Commission office in Belfast. That is a political issue that would only throw petrol on some of the flames at the moment.

So that all Committee members can understand this, I want to deal with and get an idea of the difficulties that have emerged between 1 January and now, the middle of March, compared to, say, the three months before 31 December. Mr Lynas is probably better placed to give us an outline of the difficulties in the last three months compared to the previous three months.

Andrew Lynas: Here are a couple of real-life examples. This is an English cheese supplier that we have dealt with for 25 years, selling mozzarella. If I was to tell you what it was like before, we would send a purchase order and we would bring half a container or a container of that product in; seven days later, it is in our warehouse and we are selling it to our customers.

On 1 January, with the presumption of a world with no grace period, because it is seen as at risk due to the fact we are selling that product to southern Ireland, we now have eight different steps that we have to take for that exact same transaction. I do a purchase order. I now have to get an export health certificate, which they have to pay for. We have to get a vet on-site; of course, the movement assistance scheme means they will get paid back. They then have to have a customs agent to get an ENS and an IMP. They have to figure out the commodity codes. They have to get a commercial invoice, which they did not have to do before. There is a TRACES document to fill in. There is a CHED document to fill in. At the end of this, at some point, I have to do a supplementary declaration from my finance team.

That is eight bits of paperwork—extra steps that I did not have before. That is a GB supplier supplying to NI. That is the reality on the ground. That is just one example.

Q545 **Mr Campbell:** That is very helpful. Just so we get clarity, in terms of the consignment coming in now between January and March from your GB supplier, would that one container have one product that is for distribution within NI and also going to the Republic of Ireland?

Andrew Lynas: Yes.

Q546 **Mr Campbell:** Would it be the case, then, that some of the product on the container would require those eight forms, but some of the other product in the same container would not?

Andrew Lynas: In that example, it will all need it. If I was not selling that mozzarella to anywhere in southern Ireland, I would still need those eight bits of paperwork.



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Q547 **Mr Campbell:** Even if it was going to Coleraine, where you are based, or Portadown, and not going to Cork, you would still need the eight pieces of paper?

Andrew Lynas: Yes.

Q548 **Chair:** Can I clarify something with Mr Lynas? Were the paperwork not relating to east-west but to north-south, as a result of Brexit there would be new paperwork, would there not, irrespective of what solution one alighted upon?

Andrew Lynas: I am sorry. Could you clarify exactly what you are trying to get?

Q549 **Chair:** At the moment, you are having to do that paperwork to get something from GB into NI, some of which may go into the Republic.

Andrew Lynas: Even if it did not go into the Republic, I would have to do that paperwork.

Q550 **Chair:** Yes, I understand that. Let us say you did not have to do that and it came through as prior to 31 December. For that element that you were selling into the Republic, there would need to be some form of paperwork and forms, maybe as many, maybe more or maybe less than you have to deal with now.

Andrew Lynas: Prior to 31 December, there was nothing.

Q551 **Chair:** No, I know there was nothing prior to 31 December, but in a Brexit scenario, with the UK out of the EU, there would need to be some form of regulatory check. Whether that regulatory check was done east-west or north-south is, for the purpose of my question, immaterial. I am trying to establish that there would be regulatory checks.

Andrew Lynas: There could be. There is freedom of trade on the island of Ireland north-south, so that is one of the benefits. These are practical examples—

Q552 **Chair:** Mr Lynas, that is right, but is it not only a benefit because the checks are done east-west? It would not be a benefit if they had to be done north-south; you would have to do the regulatory checks. There would need to be checks at some point.

Andrew Lynas: I would agree that there would need to be some checks. The eight bits of paperwork seems excessive. One of the things that seems to be coming out from the protocol language and from businesses is that it is the sheer excessive nature of all these different bits of paperwork. Again, I go back to what Colin and Glyn have said. There are practical solutions to how we can work this through.

Q553 **Mr Campbell:** The point is that, if a consignment was coming in, to Mr Lynas or anywhere else, that was purely for Northern Ireland consumers and none of it was going to the Republic, the eight forms would still be required even though the produce is coming from one part of the United



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Kingdom to another part of the United Kingdom, all of which is outside the EU. That is the overriding point.

Moving to Mr Neill, in terms of hospitality, could you outline what the changes have been since 1 January?

Colin Neill: If you look at hospitality in its entirety, our beverage supply chain has been impacted to a degree but nowhere near as much as our food-service supply chain, because we have manufacturers in Northern Ireland for a lot of our beverage supply chain, and they are global. What you find with the food-service supply chain is that it is mainly wholesalers. Indeed, you have one or two like Andrew who have a small retail element or an element into the Republic of Ireland, but the majority would be Northern Ireland-based, buying in their products to be used in the Northern Ireland context.

As Andrew has highlighted about the paperwork, you have the EHCs. Even though they get refunded by the Government, if you have a £2,000 order but the supplier in England is having to lay out maybe £10,000 for EHCs and waiting for that to come back from Government, they are going, "Jog on!" It is not worth doing, in that sense. Then you get into all sorts of issues around product origin and stuff.

Other brands are available, as they say, but a good example is Kellogg's cornflakes. The majority comes from Spain and Europe. It comes into GB. Pre-Christmas, before the protocol, the UK and Ireland were seen as one market. We have the same taste profiles and all those types of thing. There are products that the UK and Ireland buy that you would not get in Europe. You would probably struggle to get cornflakes in a lot of places. Because it comes into GB for that distribution centre, it becomes stateless and then it becomes an export back into ourselves, with all the paperwork and potential taxes, depending on the product and stuff.

That is probably our biggest challenge. Our food-service supply chain is very heavily based on a GB distribution centre; up until Christmas, so was the Republic of Ireland's. That is where all the problems are emerging from.

Q554 **Mr Campbell:** Mr Roberts, we were told by various sources that the issue a few months ago was really an issue of teething problems. We are now virtually three months down the road. Could you indicate, similar to your two colleagues, what the change has been, before 1 January and after? Also, what change, if any, has there been since early January to now, mid-March? Have they been teething problems, or are the problems that were bad in early to mid-January as bad now in mid-March?

Glyn Roberts: I am always very careful with this term "teething problems". It is probably more like wisdom teeth being extracted for some retailers.

Chair: Is that with or without anaesthetic?



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Glyn Roberts: It depends on what business you talk to. That may sound like a political response. To answer your question, Gregory, they were certainly more than just teething problems. Even if you look at some of the mid to large-size food retailers, where you have 40,000 or 50,000 product lines, it is fair to say that certainly in January you saw that there were probably a few hundred product lines that were not available. That situation has improved. A lot of it was down to the GB-based suppliers simply not being ready.

Of course, you have customs forms to fill in for those 40,000-odd product lines. That friction obviously leads to cost. Certainly, as one leading retailer said, this is a challenge, not a crisis. We still need to ensure that we continue to get vital food products, particularly in the context of a pandemic, to hard-working families. There were other pressures at that time with some of the ports being closed with the pandemic, and of course the fact we were out of season.

There were huge pressures on online retail. We do not have a number of online retailers as members, but certainly the Consumer Council said that at the beginning of January there were 100 GB-based online retailers that had stopped supplying. That situation has improved—I understand that John Lewis hopes to have its system back online very soon—but a lot of those retailers were getting the regulations on new year's eve and a few hours later having to implement them. There were huge challenges. It is fair to say that we are working through the problems. We have made progress on groupage, steel and second-hand cars, and we need to continue that laser-like approach to problem-solving around this. As I said at the start, we did not seek this protocol. We knew that there were going to be huge challenges.

One problem we did face in December was that there was almost—I would not say a fixation—an over-focus by the UK Government on listening and taking on board the concerns of the big UK supermarkets. The views of a lot of my members, independent wholesalers and retailers in Northern Ireland, were not taken on board in the way that the views of the large supermarkets were. We were saying to the Cabinet Office, to DEFRA and the NIO, "You need to ensure that this works as far as it can for all retailers, whether independent or multiple, large or small."

You have seen that a lot of the language is about supermarkets. Our members represent nearly 40% or 45% of the food and grocery market in Northern Ireland, so it is important that their views and concerns are heard. That situation has improved and they have engaged, but I worry about this over-focus on the needs of the UK supermarkets. That does not reflect the reality of the retail sector or the food and grocery sector in Northern Ireland. They are just over half the sector. We need to ensure that whatever solution we have works for all retailers.

Q555 **Mr Goodwill:** We have heard that there may be some opportunities for Northern Ireland producers to take advantage of this by supplying more



home-produced or home-manufactured products. I was talking to a bakery owner in County Armagh yesterday, and he was telling me that, yes, there are opportunities—he can get all the ingredients for his cakes and his superb sticky toffee puddings—but, because he accesses packaging from GB, he finds that he has had to stop production of some of his lines because he cannot package them. Mr Neill, have you picked up any issue where it is not just a case of a product being limited, but the actual ingredients or other elements needed to make that product?

Colin Neill: Yes, absolutely. It really does carry across, whether it is an end product, ingredients or indeed a product you are buying where some of the ingredients in it have country-of-origin issues. If I come at this in a pragmatic sense, will business find a way if we are left with the current protocol the way it is? We will not starve in the hospitality sector, but we will have less choice and higher wastage of product because the delivery days will be longer so our shelf life will be shorter. All that will result in higher costs to the end user.

There are opportunities. Our market will develop anyway. Covid has accelerated consumer trends by probably 10 years. We are very keen to encourage a circular economy in a lot of our products where possible, but there are also huge product ranges that are, by their type, huge volume products supplied from the historical wholesale distribution centre in GB.

Q556 **Mr Goodwill:** Turning to Mr Lynas, you are operating in Ireland, Northern Ireland and Scotland. I wonder whether you have picked up any trends whereby some suppliers or manufacturers are using the Holyhead route rather than the Stranraer route to try to ease the situation. Have we seen any evidence that this route is seen as an easier or less bureaucratic way of doing things, or indeed have some suppliers come directly from continental Europe to miss out the GB part of the journey?

Andrew Lynas: Yes, absolutely. We are doing that as a business ourselves. We have moved a lot of supply chain directly into Dublin or Rosslare from that side, purely because of the warehousing issue raised by Mr Neill around an EU good going to a GB warehouse and then back to the EU—that is, the island of Ireland. We have had to find a lot of workarounds for that. The practical reality is that that is okay if you are bringing in half a container or a full container of those goods. You can make it work, and we have in a number of examples. This is the point I made at the very start: our supply chain will become naturally more all-Ireland and European.

We will make the solution work, but where it gets difficult is on smaller product lines. A good example is a nice orange juice that we would sell in a coffee shop. We would only need a pallet or two of that. It was made in Spain, it comes to a distribution centre in GB, which is now seen as rest-of-world or as a third country, and then it comes back to us. I know we keep coming back to this point, but the Republic of Ireland is a third of our business. We do not want two separate supply chains, so we



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cannot bring that product in without a tariff of about 12.2% on that product going into southern Ireland.

We are going to have to source that elsewhere. We have had suppliers, again particularly in rest-of-world products, mainly in the cooked chicken world—your goujons or your bites—that are now bringing goods directly into Dublin or Rosslare. That works in some instances, but I have to be honest: as a food wholesaler, the Cairnryan-to-Larne route is an incredibly robust and resilient route. We use it every night going to Scotland, and we know how resilient it is. It is a brilliant link. It is our preferred option, and it was actually most of our suppliers' preferred option, purely because of the robustness of the boats.

That is an issue. We are making it work, but you just cannot get the smaller orders and more bespoke products. Our desire is always to go to Northern Ireland or southern Ireland for our supply chain. That is what we want to do, but there are products that are either not made competitively or not made on the island of Ireland. That is definitely where the challenges will come.

Q557 **Mr Goodwill:** There could be a situation where, say, an oven chip currently made in Scarborough and supplied through the Scotland-Northern Ireland crossing might not be available, so you might as well easily source something directly from Holland because of the ease of documentation and the way that some of the logistical routes are being developed.

Andrew Lynas: Yes, absolutely. In the cheese example I used, it would be as easy for me—it is something we are now genuinely considering—to go and buy that product from the island of Ireland. It is just so much easier. That is the reality. Chips are a great example. Our main supplier is Dutch. They used to drive through GB on their delivery route to come to us. They now do not. That has worked, because we buy that product by the container. It is that practical difference. There are larger items where it works. The smaller tail is where we are finding the challenge in our industry. This is not just me, but all the guys in our industry.

Chair: It does strike one as eccentric, does it not, that the climate of our island is rather conducive to growing potatoes to make chips, and we are buying them in from Holland? The world has occasionally gone mad, when you put it that way. For god's sake, do not mention chips to Mr Wilson, because he gets very anxious about chip shops. We had better be careful of that one. We had better keep that among ourselves on the Committee.

Claire Hanna: Yes, that is a good point. Who knew that the advice about going to the chippie would be disrupted as well, if they are all coming from Holland?

Chair: It has all been disrupted.



Q558 **Claire Hanna:** It has all been disrupted. Thank you very much, gentlemen, for your evidence so far. You have touched on this, but I want to talk about the grace period extension. Was three months ever going to be long enough, given that the grace period was essentially the transition period due to inadequate time to prepare? Had you communicated your concerns to the UK Government, the NIO and the EU about the lack of time to prepare?

Colin Neill: We did not know we were getting three months until it happened. We did not know what the mix was. We have communicated to everybody since. To be honest, this is the first time we have spoken in the public domain as an industry, but we have been very busy. We have met with the Northern Ireland Office; we have met with our own political representatives, some of whom indeed are in the room. We have met with political representatives from the Republic of Ireland as well.

As I said, we thought it was not about the headline; it was about the bottom line. Could we make this work? What needed to change to do it? We went off and engaged in that manner. We said, in a proactive manner, "We need to resolve this, even just in this time period." It still will not work when we get to it. It is not about learning how to do the paperwork; it is, "Look at the paperwork; look at the problems this will cause."

Q559 **Claire Hanna:** By way of follow-up, Mr Roberts, you spoke about stability being a prerequisite, and understanding the regulations you are dealing with. In that context, would agreement between the UK and the EU around extensions, something that is mutually agreed for a timeframe, be preferable to potentially unilateral action? Do you have any concerns about, for example, legal wrangling that might follow in that regard?

Glyn Roberts: There is no doubt that it would have been so much better if there had been agreement with the EU. There still needs to be agreement with the EU. This is a short-term fix, and we need long-term solutions. Earlier in my presentation, I outlined what success looks like, at least in the medium term.

There was even a worry back in December that this grace period may not even apply to a number of our members. We had to ensure that our leading wholesale and retail members, the larger ones, were fully included in the list of authorised traders. We made sure in December that the list was submitted to DEFRA, because there were real concerns that you would see the large supermarkets' trucks not stopped or subject to the same scrutiny or inspection as those of small wholesalers and independent retailers. Of course, we had ongoing challenges then with groupage, and again we are making progress on that.

There was a worry. Again, it goes back to this over-focus in terms of the large supermarkets. As all the Northern Ireland MPs know, we have a very strong and dynamic independent retail sector, with some world-class



food companies as well. We are probably in a better place than we were. We continue to engage with it, but ultimately we do need that deal. Business needs political stability. On 1 April, if we had not had that grace period, there would have been another cliff edge. Goodness knows how many cliff edges the business community has fallen off in this last year, with Covid and the ongoing challenges around EU exit.

We need to stick at it. We need to get a deal that works. We also need to make sure that we address the concerns of Mr Paisley's and Mr Campbell's party as well, as part of that move to find a solution. Ultimately, we need a solution that works for the supply chain and—I will repeat this again—for all those hard-working families, because that is what it is all about: making sure they do not pay more for their food and making sure they can get their parcels on time.

Q560 Scott Benton: Good morning to all our witnesses. Mr Roberts, earlier in the discussion you mentioned the fact that there is some disquiet among smaller sections of the retail industry in view of the fact that the existing schemes only concentrate on the larger supermarkets and those 13 or 14 businesses that are currently able to trade. Do you think the list of businesses eligible for the current grace period broad enough? Presumably you do not, on account of your previous comments. Does there need to be a bit more transparency in relation to which businesses can trade and the publication of those by the Executive?

Glyn Roberts: Absolutely, yes. I would not say there was organised chaos, but there was huge confusion around this issue in late December. We are in a better place now. What I would say is that for those very small—I would not say niche—independent retailers there is a particular problem. Last week, I received queries from independent retailers that sell violets, right through to those that sell vitamins. They are facing particular challenges in relation to their ability to continue to source their product lines. Again, there is a challenge here. Who do we take this to in terms of a resolution? There is an ongoing issue there.

There are so many moving parts in this protocol. There are very small independent retailers that may not have the support infrastructure that the large supermarkets have. They are in a very difficult place. I know that some of the Northern Ireland MPs are dealing with this in their constituency offices, day in and day out. We have to find some way in which we can ensure that those small businesses and family-owned independent retailers are able to have their full product range available. There is certainly an ongoing challenge there in terms of how we do that. We are doing our level best to try to get answers for those businesses, but it is not easy. It is certainly not easy. That is an ongoing challenge. If you think about the sheer number of Government Departments, we have DEFRA, the Cabinet Office, the NIO, DAERA, the Department for the Economy.

There are huge gaps there in how we assist those very small businesses and very small independent retailers, which do not have the support



infrastructure that the large supermarkets have. They cannot employ the big logistics and the big consultancy firms to help them with it. They are already struggling with Covid. Some of them are not even open. They are just now getting used to operating on a click-and-collect basis. As I said, it is a perfect storm of problems. That is why we need this laser-like focus now not on the problem, but on the solution.

Q561 Scott Benton: Picking up on a few of the points you have made there, most of the media coverage at present relates to the grace period and whether that will be extended as a whole. Are the Government doing enough to work with industry and, for example, your organisation in terms of expanding the opportunity for those smaller businesses that you have mentioned to be part of that broader scheme as well? Do you see any evidence of engagement from the Government on that? Are we doing enough on that point?

Glyn Roberts: It is important that in any future discussions with the European Commission, Michael Gove or Lord Frost hears from a full range of retail representatives, not just those of the large supermarkets. We had a good meeting with Minister Walker last week where we brought together a number of those businesses, and certainly we are seeing increased engagement on that. Where we need to be is ensuring that this is not just about supermarkets; this is about all our retailers. This is about independents and multiple retailers. It is about making sure that we are dealing with all their concerns and making sure that we can get through this.

Q562 Scott Benton: My next question is probably best directed to Mr Lynas, please, if I may. Can you explain what new requirements will fall on food importers when, or potentially if, the grace period expires?

Andrew Lynas: Again, it is really useful to understand that, if I did not have a small retail business, I would not be in the grace period. Glyn is right: it was designed for large UK supermarkets. I will give you a practical example. On the 23rd, some of those OCR rules come in. If I was to bring in a lasagne, which I do, from a GB supplier, I could need multiple export health certificates for that one product. It is the same for a pizza. It becomes commercially unviable for me to do that.

The loss of flexibility needs to be understood. In my supply chain, we normally stock about three weeks' stock. I have 5,000 SKUs in the business. We have had to double our supply chain for any GB supplier; we have 202. We placed orders with them even in lockdown, because we wanted to understand the process with them. That lead time alone has doubled. Forget even the paperwork of all the customs agents' forms and different bits and pieces. I have that problem.

I will give you some live examples from our suppliers over the last few weeks. We do schools in Northern Ireland, and I have a schools supplier who is now going to charge me—I understand why—another £150 per load for his administration. He is going to get the money back on the



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customs agents and filling out the paperwork, but he is saying, "It is just so difficult for me to supply you that I have to charge you more money." I have a fixed contract with the schools, and they are going to get their goods, but that is a hit I am taking as a business. We are seeing more and more GB suppliers saying, "It is hard work to deal with you."

I would paint this picture. We hope the world switches on again in April and May in terms of hospitality. If I was going to a GB supplier and saying, "Can I get good X from you?" if he has orders from a Welsh supplier, a Scottish supplier and someone in Birmingham and he gets my order, what position do you think my order will go in? Unfortunately, we know it is going to come fourth. We know that our minimum order quantities, our MOQs, are going to get higher. Those are some of the practical realities, and I do not blame that supplier for one minute.

Glyn and Colin are right. Our fear is that Covid and the protocol come together. That is our greatest fear. We are trying to get up off the mat again in terms of hospitality and supply chain. Volume will come back, hopefully. People will be excited and will go out into restaurants and pubs, and eat and drink. Then we have this problem of how we get goods actually there. That supplier says, "I do not have time to give you an order." We have already changed 25 suppliers due to the realities of the protocol. We use about 400 suppliers, but these are companies both small and large that have said, "This is too much hassle and work." The grace period is very focused on retail, and that is one of our fears in hospitality.

Q563 Scott Benton: Mr Roberts or Mr Neill, do you have anything to add on that point in relation to the additional requirements coming in after the grace period ends?

Colin Neill: I would come at it another way. It is not about a never-ending grace period. It is not about how long the grace period is. It is about how quickly we can sit down with an honest approach and solve the problems to make it work. Having a longer grace period to kick the can down the road does not actually bear any fruit. I would much rather focus on how we can make the systems work that we are presented with so that our industry can grow and prosper, support employment and indeed do its bit for the Northern Ireland economy.

Glyn Roberts: Mr Benton, what we need is the UK's alignment with the EU's agri-food, sanitary and phytosanitary standards. We need an implementation of a digital solution that works from source to shelf and that covers the logistical and technical requirement, ensuring that we comply with the legislative requirements as well.

There is a big worry about the huge amount of bureaucracy that comes with this protocol. There is a huge amount. What we have to do as part of this solution is look at ways in which we can digitise this, make it less onerous and get back to some degree of normality when it comes to



trade between GB and NI. We have to make sure it is free and unfettered.

Q564 **Chair:** This may come as a bolt from the blue to our witnesses, but it is fair to say that there are very few people in politics who understand business. This process has underlined that. Mr Neill, you said—I jotted it down—that you wanted to focus on “how we can make the systems work that we are presented with”. We have had that as a model, have we not? We had politicians, through the Joint Committee and elsewhere, working up this thing called the protocol, presenting it to business and going, “There you are. Here is a late Christmas present. Get on and implement it.”

Certainly, the Committee was hearing evidence back in the summer of a real lack of meaningful engagement by either Brussels or Whitehall with the business community about hurdles, how things should work and so on. Having tried one model, is it your hope that, rather than just presenting the business community with something—we take Mr Roberts’ point about the need for certainty, which again is a theme we have heard right the way through—now is the time for the Joint Committee to throw open its doors, get some business leaders in to hear what the issues are, and to get some imaginative, agreeable and workable suggestions that could attenuate and alleviate the problems you have been discussing this morning, rather than having another round of negotiated things thrust upon you and then having another protocol groundhog day?

Colin Neill: What I mean by it being thrust upon us is that, at the end of the day, there is a political decision and we have to make that work. It is that approach of amending or refining it, or whatever word we would like to use. It is about sitting down with the people who do this stuff. I respect that there are a lot of intelligent people in politics. There are an awful lot of specialists throughout Government, but I have yet to meet their hospitality specialist. I am yet to meet their food-service supply specialist, like Andrew.

We need proper engagement. What we have found is that we go and tell them the problems and we get sympathetic ears, but it is about sitting down and saying, “Okay, how do we solve that?” I respect that in whatever model we are put under there will be requirements to be refined, but it is about how we do it in a way that allows business to function normally.

Q565 **Chair:** Have any of you had an overture from the Joint Committee to submit evidence either in writing or orally?

Colin Neill: No.

Glyn Roberts: If I could come in, maybe I would turn that around. There are very few people in business who understand how politics works.

Chair: I am not sure how many people in politics understand how politics works, but that is a PhD subject in itself.



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Glyn Roberts: We are where we are. Certainly one of the things we would like to see is a proper business consultative forum that goes alongside the Joint Committee. Sadly, we were not asked or invited to the meeting with Vice-President Šefčovič. That was disappointing, because he did not hear the full range of the views that span the retail sector.

We are where we are, and we hope that we will be asked to input to future meetings. It is important that they do hear from that wide range, not just the big-business lobby, if I can call it that. They need to look at how they engage with business and listen to business. We did not seek this protocol, and we are trying to make the best out of what is a very difficult and cumbersome situation. That is why—I will say it again—we need a solution that gives us long-term stability, certainty and simplicity.

Andrew Lynas: I absolutely agree. In terms of this warehousing issue of EU to GB and back to EU, there is a practical solution round that. I would imagine that for Ireland north and south that is a key issue. Colin has made the point about how lots of big brands use GB warehouses. There is absolutely a practical way around that. HMRC has talked about the returned goods relief and how we might be able to use that. I am not trying to get too practical, but you have to have the same importer and exporter. There is a solution there with HMRC and the way they might look at the at-risk element. I know they are looking at an apportionment scheme. There are ways round it.

I would agree with you, Chair. We want to minimise the paperwork and the hassle and do our best to make this work. There are some simple and practical things we could do. There is potentially some bilateral stuff that Ireland and the UK could do. Again, I am the businessman here, not the politician, but there are some really simple solutions. The warehousing issue is a massive issue that has come out of Brexit that probably none of us foresaw. There is a relatively easy solution there.

Q566 **Stephen Farry:** Good morning to all our witnesses. I would like to pick up on the point that the Chair finished off there about something that Mr Roberts said previously in relation to ideally looking at a veterinary agreement.

First, I want to ask for people's views on the letter that was sent by the Chancellor of the Duchy of Lancaster, Michael Gove, to the EU at the beginning of February. The stated longer-term solution was expanding the current scheme to cover all businesses and working through some form of authorised trader system. I want to get a sense from you as to how viable that is, given that it is often the smaller operators, which are perhaps on the margins of this, that may be faced with difficulties.

Colin Neill: I will keep it simple. It depends on what is involved in whatever scheme finishes. If there is an authorised trader scheme, is it the one that it is today, or is it one that is refined along with it to make it work for all business sizes? That is the key in this. We are not dealing



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with huge multinational companies here. We are dealing with wholesalers, large and small, and generally just local businesses.

Andrew Lynas: That would be good. I remember, going back 12 to 18 months, when there were discussions around an authorised trader scheme that would help us, potentially, on a Northern Ireland basis, north-south or even east-west. There are legs to that, but I go back to what Colin said: it is the practical realities on the ground, because the supply base wants an easy solution too. Our fear is we have to be realistic in understanding the size of the Northern Ireland market. We have to make this easy for a GB supplier, a French supplier, a pan-European supplier or a rest-of-world supplier. We want simpler solutions.

We have 500-odd staff, so we have been able to throw some manpower at this. We have found it incredibly complex and difficult. We have made mistakes and I am sure we are still making mistakes. Colin is right that a lot of the other guys in supply chain hospitality are a lot smaller. The paperwork side of things can feel daunting. We want things that are slightly easier but do not let us lose flexibility in the market. That is a big concern, especially in fresh or chilled foods. You need solutions that do not add days of extra time and hassle to our supply chain.

I like the idea. I like that we are looking right across businesses and sizes and we are not focusing on that big UK supermarket, but there are still elements of complexity that we have to try to wring out of the system.

Glyn Roberts: Dr Farry, that is a point well made. That was a huge concern to us in December, because we were clearly unsure whether our members would be included as authorised traders. We sought urgent clarification. We were looking at what Chancellor Gove had said in the House of Commons; it was very unclear. It talked about, again, supermarkets. Sadly, so much of this protocol is built around the large supermarkets rather than independent retail. We have to make sure it works, is adaptive and is flexible. Part of the solution means that it has to work for all those retailers, large and small.

Q567 **Stephen Farry:** Following on from that, can you give the Committee a sense of the balance in terms of how your members source their supplies between doing things directly and working through wholesalers such as Mr Lynas? Where does that balance tend to fall in the volume of the interchanges you have?

Glyn Roberts: First, the majority of our food members would source through wholesalers, whether that be Henderson, Musgrave, Costcutter, Nisa or Savage and Whitten. We then have the intersection of independent retailers on the food side that are independent delis, butchers and so on, which have their own unique supply chains, many of which are local. We then have our non-food members as well; obviously, their supply chains are perhaps even more complex at times. We are much more of a complicated beast in that regard, given the complexities of where our members source their products.



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We have nearly 300 supplier members as well within our membership, so we have always had that arrangement whereby local manufacturers, producers and so on can join Retail NI and we would help connect them up to retailers. One of our big success stories in that regard is Mash Direct. Mash Direct's route to market was through an independent retailer in Killyleagh, and look at the size of them now. We are actively working all the time to support those local buyers and producers with their route to market. In the days, months and years ahead, we have to do so much more of that. We do this independently with Invest NI. We do it because there is a real commitment of our members to source local. It is not just something to grab a few headlines. It is part of the DNA of our wholesale and retail members to support local.

Colin Neill: Probably 70% of our supply line is outwith the Province. There are locally sourced products there. Indeed, Andrew would probably supply some of the smaller wholesalers that supply on into the industry. It is a huge challenge for us. The largest UK pub chain in Northern Ireland is Wetherspoon, with four premises. There are a few of the likes of Wagamama on the restaurant side, but the vast majority are Northern Ireland independent businesses, so they do not have that huge UK buying power.

I should highlight that, while the biggest problems are faced by our food service, our beverage supply line has challenges. Again, that will limit, because there is Northern Ireland labelling to be done; there are heat-treated pallets to be bought. That impacts us buying the likes of beers brewed in GB and brought across. It will limit product range and also impact those suppliers on GB that depend on us as part of their market.

Q568 **Stephen Farry:** I appreciate it is early days with the grace period and not the full works just yet, but do you have any thoughts or reflections so far on the movement assistance scheme, in terms of full coverage of cost, for example?

Andrew Lynas: The reality at the start was that a lot of suppliers did not know about it. We have had conversations with you and others around that. They are getting better. It covers some of the costs, but the point I made to Mr Benton was around some of the admin and extra hassle. Suppliers are saying, "Look, we have to bring a vet on-site. We have to schedule you on a Tuesday." That flexibility is gone. I was out of mozzarella for two days this week because the supplier said, "I do not have a vet on-site until Thursday so you are not going to get your order until Friday. That is just the way it is, Andrew. I am sorry." Some of them did not know about it and still do not fully understand the detail. We have to push back quite a lot and say, "Here is gov.uk. Please go to this page and understand it."

It comes back to that hassle question, particularly around groupage. Glyn has made the point that we have found some solutions on groupage, and we have. The problem on the ground is that the price of groupage has



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probably doubled, at minimum. By the way, our NI hauliers have done a phenomenal job. Lots of them have run January and February with half-empty trucks a lot of the time. We are beat without those guys bringing stuff in to us, and Glyn will be the same in terms of independent retailers. The reality of the groupage and the cost that they are finding is huge. These are things that are outside the movement assistance scheme. That is what I am saying: they are not factored in, so it is extra costs.

Q569 **Stephen Farry:** That is great. I understand that. That is very useful. Do you have anything to add on that, Mr Neill or Mr Roberts?

Glyn Roberts: No. Some of those points are touched upon in the case studies that we provided in our written submission. If there are any further points, we are very happy to provide them. As you are probably aware, this is updating all the time. We are happy to keep the Committee updated.

Colin Neill: It comes down to economics. It comes down to whether we are big enough for a supplier to take on the hassle. Those of us of a certain age will remember the old film, "Passport to Pimlico". This is like putting in extra paperwork to supply Pimlico.

Q570 **Fay Jones:** Good morning, witnesses. I have a question for Mr Lynas in particular. Next month, there are some new EU rules on food safety coming into force. I wonder if you could tell me whether you anticipate that they will have much of an impact on your business.

Andrew Lynas: I presume that is the multi-ingredient side of things. I was touching on that earlier. We are very concerned about those, especially ready meals, lasagne being a great example. Although ready meals is not a huge category for us in a Northern Ireland, and even in an Irish context, we have had a number of those suppliers saying, "We are just not going to supply you." I have had two of those suppliers say, "It is too much hassle and we will not be supplying you going forward." We are sourcing them differently, or in some cases we are saying, "That product is not going to be available in our portfolio."

We are very fearful; it is a little like how we felt in late December. There is the question, "Oh, what does this actually mean on the ground?" It is about getting into the detail. There was a very good *FT* article about that a few days ago. We are digging into this, going, "What are the products that could potentially be affected? There is a pizza; that could be three or four EHCs." We are talking to the supplier and they are saying, "I am not sure I want to do that." Again, if that product is at risk, you are almost saying, "Look, we are going to source that differently in Ireland," but if you are going to source it differently for one part of your business, you are just going to get rid of it. We are very concerned about the complexity around that.

Q571 **Fay Jones:** Do you think that complexity could raise the risk of people



cutting corners or practising some sleight of hand?

Andrew Lynas: I would not say that about our industry, no. The greater concern is what Colin mentioned. We have to put in the context of Northern Ireland and our size and scale. I love and am very proud of where I come from; I love the north coast and I am very proud of it, but I am also aware that we are 2.6% of the UK population. There are suppliers where it is a hassle. I do not think there is any food safety risk or any cutting or corners. It is, "Oh, that is a lot of paperwork."

To give you an idea, we could be bringing in two or three different types of ready meal. I might only be buying 20 or 30 cases, so maybe it is one pallet; that is a groupage issue already. It could be three or four different product lines, but that could be 12 to 14 export health certificates, which each cost £150. That is more than the goods are worth. I know they get it back, but it feels like a snowball or a building picture where they go, "Let us just not do that."

Colin Neill: Andrew has covered it. We have a very professional industry here and I do not think anyone is going to try sleight of hand or to cut corners. It is going to come down to a case of having to make practical decisions to say, "That is not do-able anymore. Is there a substitute product on the island of Ireland or through the European supply line—yes or no? Does that come with extra cost?"

Glyn Roberts: I concur with what Colin says.

Q572 **Claire Hanna:** I have a quick follow-up to Mr Lynas. To what extent would UK alignment on veterinary or SPS address the concerns that you have outlined in terms of those complexities? What portion of those problems, checks and supply issues would that address?

Andrew Lynas: That is a great question. Off the top of my head, I do not know, but it would definitely go a long way. To agree with the suggestion of your question, that is a really helpful part; greater alignment there will take out paperwork and hassle, so that is always a win for us in the supply chain world.

Q573 **Claire Hanna:** Have you had the opportunity, through network bodies or engagement, to make that suggestion and indicate the extent to which it would make your lives and your frictions easier?

Andrew Lynas: No, not really. I just do what Colin tells me to do, most of the time.

Claire Hanna: Go to the Executive?

Andrew Lynas: Yes, absolutely. Part of the reality of this is the double-whammy. We said this to a number of you: thank goodness we were in lockdown, because we have been able to get our heads round it. I have five people in my supply chain and four traders. This is all they have done for the last three months. My head trader says he is now a Brexit expert, but he is just trying to get his head round it.



We have had some engagement and we have appreciated that different parties have listened to us, but I go back to the Chair's point. We need greater engagement on the ground: "Here is the reality of how we can fix groupage. Here is the reality of how we can fix warehousing. Here is the reality of how we can reduce the EHCs that are going to come forward." I come at this as a businessman who thinks that bitesize chunks are often a better way: "Let us solve that problem and then let us solve this problem."

Q574 Mr Goodwill: Mr Lynas mentioned an item like a pizza, with a small number of ingredients but animal-origin products and so on. What is the situation for products only available for a very short time, such as Christmas puddings, for example? Will it be impossible to get a GB-produced Christmas pudding next Christmas because of the complexities of all this paperwork for something that is just on the shelves for three weeks?

Andrew Lynas: Yes, possibly. I hope he is not deeply offended, but we have a fantastic Northern Irish product that I would much rather sell in that particular moment.

Mr Goodwill: That is good to hear.

Andrew Lynas: That is not a product that will worry me, but you are absolutely right about limited-time products. It goes back to that complexity. If you have a product that has a four-week or six-week window, such as Easter and certain other periods, you will change your supply chain. Colin is right: we will react and respond to whatever we are thrown in terms of legislation, the Government and the protocol. The outworking of that will be a much more all-Ireland and pan-European supply chain. That is the reality of what I have faced in the last six to eight weeks. We are dealing with it, but those are some of the challenges.

Mr Goodwill: I hope that was not a flippant point, but these situations will spring up, and they will jump up and bite us.

Q575 Chair: Mr Lynas, is your message to GB business threefold: "First, learn what it is you need to do; secondly, do not passport the costs on to us, because that has an impact on Northern Irish cost of living; thirdly, if you do try that, we will find other sources of product where we can, and you will lose our business"? That should concentrate the minds of most, if not all, GB businesses selling into NI, should it not?

Andrew Lynas: It will in some cases. For the larger suppliers that is our message, and we are working well with different buying groups. Lots of other members in hospitality are the same as me. I am less concerned with those larger items such as mozzarella cheese. I am concerned about the long tail, with the much smaller items where it is niche. I may have 20 customers who want to use that, and Glyn would probably have the same reality of an independent retailer, such as a small cheese manufacturer who wants certain types of cheese.



We recognise that sometimes in the pecking order I am near the bottom, just because of the scale and size of our population. We are 1.8 million in Northern Ireland. I agree on the first two—please learn and please do not pass on the costs—but there have also been honest dialogues with suppliers, saying, “This takes more work and effort in my business to do.” We are cognisant of that. We are working with them. I am saying to them, “Okay, we will order once a month and we will order three pallets,” but that is hurting my cash flow. That is the reality of business; I am accepting it, but it is hard. It is okay on one or two items, and it may be okay for a business of my scale, but that is a problem.

Q576 Ian Paisley: I really appreciate the evidence that we are getting from our witnesses today. It is very helpful and very detailed. I want to stay with you, Mr Lynas, about the points that you have been pursuing; I am sorry to keep you on the stand. Could you quantify for us the cost this is putting on your business, both in manpower hours and percentage of cost to the business?

Andrew Lynas: Yes. We have talked about it in our business, and our sense—again, this is a guess right now—is that we will probably add about £50,000 a year in pure admin cost. Our sense is that it will take one or two extra people. We may well bring some of that customs agency in-house, because there is a real degree of expertise and understanding around that. If we are dealing with circa 200 GB suppliers, we have to do a supplementary declaration every month for them. It is early days, but our sense is that it will probably be around £50,000.

Q577 Ian Paisley: As you said, your business can probably tank that cost, but there are other people below you, not at the same scale, who could not do that. Do you fear that, for some of your peers in the sector, this pressure could put them under?

Andrew Lynas: There is so much paperwork. I go back to what Colin said earlier. Our fear is that we get less choice and more cost. That is not good, because the reality of the hospitality supply chain is that we work on very thin margins. In one sense, you are right: we will suck up that cost as a business, but many businesses cannot, and at some point the end consumer will have to pay for this, to some degree or another. That is our fear.

We like to think we are doing this right, but I am sure we are getting some of it wrong. I used that cheese example: there are eight different bits of paperwork, and we are working with the GB suppliers. We are fearful that we get something wrong. We want to do everything by the book, be it with HMRC and supplementary declarations or whether something is or is not at risk. There is a frustration that there is a system that should be in place from HMRC around getting your money back on goods that are not at risk. It is not set up, and the reality is it will probably not be set up until the summer. For a business like ours, we are going to have to pay out goods at risk. When are we going to get that money back?



Q578 **Ian Paisley:** There is no doubt that Northern Ireland businesses are going the extra mile and are very frustrated. Your answers are giving us a sense of that. To stay on this line, I have heard from all the witnesses that, essentially, GB companies are saying or implying, for multiple reasons, "We really do not want to supply to you any more. This is too complex. This is too costly. You are a small percentage of our scale. The hassle is too much." They are saying that to you for two reasons: first, the protocol is causing them these problems because of the added burden and the friction; secondly, you are based in Northern Ireland. Do you get a sense, therefore, that that is discriminatory practice to your company from other GB companies? I am talking about business discrimination, not political discrimination. I want to be clear about that.

Andrew Lynas: I always tread carefully on this, because at the end of the day I am a businessman. I go back to the Chair's point, which was very valid. A lot of GB suppliers want to deal with us and there is a strong desire to. The challenge is on the smaller end, the lower quantities of goods. We have to think smarter and be more open to ideas around, "How do we get that half-pallet?" That would be my greater fear. In the larger GB suppliers there isn't that. We can work with them and we can get through the paperwork hassle.

My concern is on the choice and the cost at the lower end. Groupage has come a stage forward, but if the price of groupage is going to double or more, that is something we have to address. That may be a UK Government scheme that says, "We are going to have to help Northern Ireland businesses pay for that," be that the small cheese supplier or retailer that Glyn represents, or the likes of myself. It is on the smaller end of the scale where GB suppliers need help.

Q579 **Ian Paisley:** The reason I asked the economic discrimination question is that under the ECHR you cannot be discriminated against for economic reasons. It appears to me that all the evidence we are receiving is that an economic reason, stimulated by the protocol, is causing a discrimination in how GB businesses practise with Northern Ireland businesses. It is more of a rhetorical question, but I am wondering if that is a line that we should pursue: if there is economic discrimination, it is against your and other business-people's convention rights, and indeed the consumer's convention rights, in Northern Ireland.

You mentioned the paperwork hassle. That is a very valid point. I do not know if you are aware of the comments that Denis McMahon, the Permanent Secretary of the Northern Ireland Department of Agriculture, Environment and Rural Affairs, made about the regulatory checks. He said that the number of regulatory document checks currently required by the protocol, with the grace period still in effect, equates to 20% of all similar checks across the whole EU. The chief veterinary officer reiterated that by saying that the number of agri-food certifications needing to be processed in Northern Ireland will be close to the number currently processed by the EU as a whole. Were you surprised at the sheer weight and tsunami of checks that are being carried out?



Andrew Lynas: Yes, I was. Across the piece, we were surprised at that. On both sides, you have to remember the deal was reached in late December, and we have been working through that and engaging since early January. It is only as you unpick this. Colin and I have both made the point that the warehousing issue is one that none of us foresaw—the EU-GB, but now third state, back to EU. My late father was very pragmatic; maybe it is a quality that he has given to me and to the hospitality supply chain. We are pragmatic. We are saying, “Okay. Give us solutions and let us take these off in bitesize chunks. Let us not try to fix the whole thing in one moment. Let us try to think, what do we do on the paperwork to lessen it? What do we on the veterinary side? How do we take these one by one?” That is a way forward.

One of my fears but yet greatest excitements is that our industry is going to switch on in about eight to 10 weeks. We have a substantial fear that there could be a lot of issues coming down the road as hospitality really cranks up. How do we navigate that?

Q580 **Ian Paisley:** You are absolutely right; your late father was a wonderful man and is greatly missed in Northern Ireland today. Mr Neill, I welcome what you have said and your candour about not wanting the protocol and the impact it has had. If you had the ear of the European Union and Mr Šefčovič, what would you actually say to him at this point about what the EU should do? We have heard about what Britain should do, and we will come to that, but what would you be asking the EU to do to help at this point?

Colin Neill: Sit down in a problem-solving mode. As Andrew has said, you take each issue and accept the fact that, while it may be a European law, it is having unintended consequences that we need to resolve. As I have said, we are a practical industry. People need to approach this in a practical manner and say, “How do we give the assurance that is needed but reduce all the burdensome paperwork and the costs that are going to end up there?”

Q581 **Ian Paisley:** You heard the quotations that I put to Mr Lynas from the chief vet and the Permanent Secretary of the Department of Agriculture, Environment and Rural Affairs. Were you and your industry surprised by the sheer weight?

Colin Neill: With the number of calls I am getting, I am not surprised. I knew that it was going daft, but statistically, yes. When you get to that level you think, “Gosh how can that be? We are not that big.”

Q582 **Ian Paisley:** Does it leave you and your industry feeling that Northern Ireland businesses are being treated as some sort of proxy in a dispute between the EU and the United Kingdom?

Colin Neill: No. Again, we are back in that practical world. What we see are suppliers and products that we need. I do not think any supplier wants to stop or is overtly saying, “I want not to sell you anything because you are over there.” They work on economics. They are doing



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their sums and going, "I do not have the manpower, time or expertise for the volume of sales that I do there. It is not a market I wish to pursue." They probably look at mainland Europe and go, "We are selling a pallet of cheese there a week. It is not worth the effort."

Q583 Ian Paisley: Mr Roberts, it is good to see you here today as well. Mr Lynas has given us some indication of this, but could you talk us through some of the implications and practical things you have to do on an invoice to actually make it work? I was led to believe by one sole trader that for every item he had to do 23 drop-boxes on the application, to get an item through on one of his invoices. Can you give us an idea of the impact this is having on your sector?

Glyn Roberts: When you have friction and you have delay, you have cost. The worry is that ultimately the cost will be passed on to the consumer. We are operating under this just-in-time supply chain, and in many respects the just-in-time supply chain is even more sensitive for local independent retailers as well. The levels of bureaucracy and red tape need to be addressed, and that is why the solution to this lies in that digitised remit or solution that covers from source to shelf, which reduces that paperwork. That is one of the very few solutions.

If you were to ask me the question of what we would say if we had the European Commission in a room, we would say, "Go the extra mile. Get that long-term deal. Listen to the concerns of business. Listen to the concerns of local political parties as well. Let us get a long-term solution that works." What does success look like? It is free and unfettered trade between GB and NI, a reduction in bureaucracy and a digitalised solution that enables us to move forward and build that new relationship with the EU and start to focus on the post-pandemic recovery. All those things are there. In our evidence today we have been very careful to signpost some of those solutions—not to go back and rehearse the problems, not to go back to the blame game, not to go back to the referendum of 2016. It is about the here and now, where we are, and how we can move forward and get workable solutions that work for businesses large and small and for retailers independent or multiple.

Q584 Ian Paisley: If you consider it like a heart monitor, there have been a number of spikes along the way since 1 January. We have had the EU unilateral action on invoking article 16 and then stopping it. We have had the UK spike of taking unilateral action itself on extending the grace period. We now have the EU legal action. It looks like that spike and trough is going to keep going until someone blows the whistle and says, as both yourself and Mr Neill have said, "Let us sit down and sort this out in the spirit of wanting to sort it out."

You will pick up on community tensions and on issues that affect the community. I have received complaints from a number of people about parcels arriving in Northern Ireland. You mentioned parcels in your earlier evidence. Apparently, this sort of sticker—I do not know if you can see it—is now arriving on parcels from GB, which says, "Foreign parcel,



Northern Ireland". Do things like that add grist to the mill of the tension that you are picking up from people? This is really salt in our wounds.

Glyn Roberts: It clearly does not help. Sometimes I query why so many online retailers stopped straightaway sending parcels, because obviously some of that was covered in terms of the £135 because it was going directly to a consumer. I was surprised. I have to say that the situation seems to be improving. The consumer is key in all this. I had very good engagement with the new chief executive of the Consumer Council in Northern Ireland, who was making those points exactly. It is important.

Of course, to add to the overall complexity, it was only yesterday that we got the green light for click and collect. There was an added problem here because our Executive were way behind the rest of the UK. They made the mistake of axing click and collect. It meant that there was even more, because you had more households relying on online parcels and receiving online parcels because we did not have click and collect here. That added another layer of difficulty to the problem, but even that situation is improving.

The numbers are coming down, but it all goes to say that a lot of these companies and GB-based suppliers simply were not ready. Something that we highlighted to the UK Government is the need to do more to ensure that these GB-based suppliers are ready for this new regime and for what the regulations and red tape involve. Shoppers and consumers in Northern Ireland deserve the same rights as any other part of the UK and should be treated as such.

Q585 **Ian Paisley:** Forbid it to happen, but if this problem continues to gestate, would you consider defending your convention rights on being discriminated against economically in the way that you have been? Would you consider pursuing that as an angle?

Glyn Roberts: Do you mean in terms of legal?

Ian Paisley: Yes.

Glyn Roberts: I am not terribly sure. We would have to take that guidance from our members. I serve at the pleasure of my board and my members, so it would be a call for them to make, but we are in problem-solving mode. Whether it is the UK Government, the European Commission, the Northern Ireland Executive or the Irish Government, all of us need to be in that problem-solving mode.

Ian Paisley: Thank you very much. It has been very helpful.

Q586 **Chair:** Mr Roberts, could I take you back to a phrase that you used in answer to a question from Mr Paisley? You spoke about identifying digitised solutions. Of the paperwork—I use that that term in its loosest sense—that needs to be completed, how much of it is physical ink on paper and how much is finger on keyboard?



Glyn Roberts: That is a very good question. I do not even know where to begin to answer a question as complicated as that, because it varies from retailer to retailer and product range to product range, and indeed the size of the business as well. I will try to clarify that and get you a better idea.

Q587 **Chair:** Yes, if you could, that would be good. It strikes one that if something can be done digitally, it should be. We are hearing patchy stuff: some people are saying it is quite a high level of digital; others are saying the converse. You are right that it depends upon sector. If you could undertake to provide us with some written information on that, it would be enormously helpful.

Glyn Roberts: One thing that we have heard from our members large and small is that the digital process is an integral part of the solution. We need to make it simple, affordable, easy to access, easy to understand and easy to process. As I said to Mr Paisley, friction means cost.

Q588 **Chair:** Yes, absolutely. In the absence of an aligned veterinary agreement, a dynamic veterinary agreement or something of that nature, there are always going to have to be non-digital checks.

Glyn Roberts: That is why we need that veterinary agreement. We need alignment with the EU's agri-food, sanitary and phytosanitary standards. Those are well accepted, across the board, as ingredients of what a deal and a long-term solution would certainly look like, yes.

Q589 **Chair:** I am going to ask you a political question on which you may wish to take the fifth. Would you think that was a betrayal of Brexit?

Glyn Roberts: All I would say is that we have the type of EU exit deal that the UK Government wanted. It probably would not have been the type of outcome I would have wanted or our members would have wanted, but the reality is we are where we are. That is maybe a cop-out rather than a political answer, but we simply have to make the best out of what is a difficult situation and try to move forward. We did not want this protocol. If we had had a solution where the UK was more aligned overall with the single market and the customs union, that clearly would have been better, but that is not what we have on offer. We have this protocol and we have to get significant changes to it. We have to make sure we can address the views of business.

Q590 **Chair:** Such a solution would address quite a lot of what people have been talking about in some respects this morning. Can I ask about tariffs? This is a quick question to Mr Neill and Mr Roberts. Are you and your members being charged tariffs on any of the goods that you import from GB to NI?

Colin Neill: I will defer to Andrew.

Andrew Lynas: The hospital pass has been given. Yes, there are some instances. Because we have been in a Covid situation, we have not been



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buying as much. We probably have enough stockholding for our Republic of Ireland customers right now, but there will have been some instances because of the at-risk piece for us, so not because of NI, but we will have to have paid the tariff up front because of some at-risk goods.

Q591 **Chair:** Is that broadly on the percentage of stuff imported that is destined for the Irish market?

Andrew Lynas: Yes. The challenge is that there is no apportionment yet. If I buy 100 cases and I have two for southern Ireland, I am paying a tariff on 100.

Chair: I understand.

Glyn Roberts: We have the benefit of nearly 2,000 members. I cannot give you a definitive answer to that, but I will certainly endeavour to get you a clear answer.

Chair: That is super. I do not want to give you too much homework, but that would be very much appreciated.

Q592 **Mr Goodwill:** I would like to ask a little about the UK trader scheme, which, as I understand it, is for not-at-risk goods and gives a four-month provisional authorisation. How widespread is the take-up of the UK trader scheme?

Colin Neill: What we have seen is probably that it has been available to the larger suppliers—the likes of Andrew that do a mix of retail—but I would not see it being right down through the smaller wholesalers.

Q593 **Mr Goodwill:** As I understand it, going forward there may be a requirement to have a premises in Northern Ireland to work within the scheme. If you are a large multiple with lots of shops and warehousing around the place, that is not a problem. Will there be some traders currently operating provisionally that will have difficulty for that very reason?

Colin Neill: Yes, there is going to be a degree of that, although I am not sure to what level. Someone falls at every hurdle. That is just the nature of the beast.

Q594 **Mr Goodwill:** These provisional authorisations are due to expire at the end of April. Is there any indication that they may well be knocked forward and that we can have a little bit more grace period on that particular aspect as well?

Colin Neill: We tend to find out in the tabloid headlines on actions from Government.

Q595 **Mr Goodwill:** Welcome to my world; you are not the only one. That is very helpful. I will move on to another issue, which is the Government's trader support service, which is confined to customs advice. This was set up very quickly because the agreement was only just made before the new year, when the new regulations came into place. What is your



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experience of using the Government's trader support service to support you meeting the customs requirements part of the protocol?

Colin Neill: I can give you a general answer and then may pass it to Andrew, who has practical knowledge. My experience is of really helpful, nice people, but even they do not have all the answers. Sometimes when they have been contacted, their advice has been, "Look at the website." It is a bit like lawyers; they do not want to give you the final legal interpretation. In general, they are doing their best. Andrew will have more detail from his own experience.

Andrew Lynas: I have a pretty similar answer. They have tried to help but a lot of times we are saying, "Go to your customs agent," and our suppliers will have appointed a customs agent who is pretty knowledgeable in that world, so they are dealing with bits and pieces of that.

Again, as we have looked to the trickier solutions and the warehousing issue where we are talking about returned goods relief, it gets technical, because we thought, "Oh, that is the solution," but then we delved into it and we were told, "No, unless haulier A takes it from Europe to GB and then haulier A takes it again to Northern Ireland, you cannot actually deal with the tariff issue there." For this Committee, I am sure, and for many businesses—not just food—there are complexities. They have certainly been helpful to my trading team who have talked to them. Again, for the really nitty-gritty issues, they are saying, "We will have to come back to you on that."

Q596 **Mr Goodwill:** Do you get the impression, which I have built up listening to this evidence session, that, with the whole emphasis of the bureaucracy surrounding products that may propose a risk to animal or plant health or where tariffs may be an issue, we are on a very broad spectrum where the vast majority of goods will not present a risk? Would you agree that we should be focusing on specific products where different rules are developed in GB compared to the rest of the European Union, or where there is a tariff issue? It would be more productive to focus where there are particular risks, rather than this completely wide front of battle.

Andrew Lynas: That would be our desire, because you become more clearly focused on those particular areas. Regardless of the challenge for our industries, we trade significantly north-south, so we want one supply chain solution. I am a businessman and I am pragmatic; I will go with the easiest solution, and if the easiest solution becomes all-Ireland or pan-European, I am going to pick it.

Q597 **Mr Goodwill:** Speaking as a farmer myself, I am not using any chemicals or practices that I was not using before the end of December. That might change if, for example, gene-editing becomes part of the crop that we are growing, but at the moment we seem to be addressing a problem that is not there. Do you agree?



Andrew Lynas: I do not have the technical knowledge on that particular area that you have, but, yes, it does feel slightly like that.

Q598 **Mr Goodwill:** It is the same cheese on 1 January as it was on 31 December.

Andrew Lynas: Yes, but I am also acutely aware that, regardless of whether you are pleased or despairing, we have left the EU. The UK has left the EU and we have a situation that we have to pragmatically sort out. I genuinely believe there is a solution here.

Q599 **Chair:** I wanted to ask our witnesses for their assessment of the understanding of their issues. I think it would be correct to summarise that we have heard that Westminster is trying to sort things out and has an understanding of the complexities of a lot of the issues with regard to the geopolitical situation of the island of Ireland, for want of a better phrase. Do you think that there is a concomitant understanding within the EU of those sensitivities or issues? That is to anybody feeling brave enough to look into the crystal ball and give us an answer.

Colin Neill: It may be about mindsets. People have come to this from certain sides on, "How do we enforce this?" rather than, "How do we make it work?" If you come at it from a business, practical sense, it is about, "How do we make this work?" If you come at it from a regulatory point of view it is, "How do we enforce these rules?" It is changing that tack that will be the key.

Glyn Roberts: One of the suggestions we had, about the European Commission opening an office in Belfast, is so that we have a point of contact to deal with ongoing issues and problems. We could have such an office there, on the same basis as the Americans and the Chinese both have consulates in Belfast. If we had something like that, it would make it easier to have a point of contact with the European Commission, dealing with ongoing problems, and also starting to focus on what that long-term relationship is. I am not in any way coming at it from a political point of view; I am purely thinking in terms of that if we had an office there.

Likewise, I am not sure if the European Commission has full diplomatic recognition in London yet, but there could be some offices in Edinburgh, Cardiff and Belfast on the same basis as other big, global players have consulates. That would be very helpful. I do not mean it in terms of any political point of view or as a staging post. It is purely that having a point of contact there would be very helpful.

Q600 **Chair:** I was interested in what you said at the top of the meeting about that. That takes me to this question, which I am keen to ask. We have spent a lot of time this morning—and there has been a lot of media comment over the last several weeks—on the problems, issues, hurdles and creases that need to be ironed out and so on. There is this unique trading opportunity now for Northern Ireland, is there not, with the foot



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in both camps, in terms of the UK internal market and the EU single market? There are rights and privileges accrued to businesses in Northern Ireland that many business in my constituency, North Dorset, and a lot of people in English constituencies would give their eye teeth for. Do you think that has been ventilated enough and the benefits have been understood enough, once the dust has settled over these issues?

Mr Roberts, aligned to what you were saying about the EU office in Northern Ireland, given the fact that there is a foot in both camps, do you see that as an argument that might augment the call for an EU office in Northern Ireland, which could also then help with the trust bit about interpreting rather than just enforcing?

Glyn Roberts: Principally, when we were in the EU and we had the European Commission office here, whenever I had an issue I was able to pick the phone up to a local director or a local office manager in that office who was always very helpful in dealing with problems. Obviously, we do not have MEPs and we do not have any other reps, so that would not be the full answer to all our problems, but it might be a start.

We now need to think of the bigger-picture and longer-term stuff. There is an opportunity for Northern Ireland to be the gateway to the European Union, but also an internationally focused region as well. You will recall that Hospitality Ulster, Manufacturing NI and Retail NI produced our *Vision 2030*, which talked about a 10-year plan for Northern Ireland, which we launched at Westminster in 2019. One of the key messages we had there was this vision of making Northern Ireland an ecosystem of innovation and the best place anywhere in these islands to locate and start a business. That vision is now more and more important, particularly as the post-pandemic world will be very different.

We have opportunities. I am optimistic for the post-pandemic economy. It will be tough in the short term, but I believe we have a vision of Northern Ireland being an outward-looking, internationally focused region, which has something to give but is also the best place anywhere in these islands to locate and start a business, given our links with the European Union and the relationships we have built with North America, today of all days being a fantastic PR job for Northern Ireland and the island of Ireland. I am optimistic.

We now need to ask ourselves, "What does that future look like?" When the Executive can move on, away from dealing with this crisis moment with the pandemic, and start to chart that way forward, I am optimistic. We have world-class hospitality, retail, producers, and manufacturers. We have a really good story to tell the rest of the world. I hope we can get to that point sooner rather than later.

Andrew Lynas: There will be opportunities. This is not confirmed, but there is a QSR brand that we deal with that I may well be delivering their Malta goods to, believe it or not, because of the connection that we are still in the EU. There will be opportunities.



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I go back to Glyn and Colin's point: we are 20% of the checks but we are 0.02%, or whatever we are, of the population; we need to come down to a more realistic number there. Covid has sucked a lot of the oxygen out of this. I understand why. As an industry, with Colin leading it, we have been life support to hopefully going back full-tilt, but it has sucked a lot of the oxygen out, both at an EU level, to your previous question, and probably at a UK level.

I know you are all politicians, but if we can take as much politics out of that and say, "There is an opportunity if we can deal with some of these issues," it uniquely places Northern Ireland in that. There will be more opportunities like that. It is hard to see that right now because we are in the middle of this double-whammy of some of the protocol issues and Covid. You cannot decouple them, because our industry right now, like Glyn's—I promise this is the one political point I will make—does not have any dates or data to open up, and that is deeply frustrating.

Chair: Yes, I share that. Can I, on behalf of the Committee, thank our three witnesses? It has been very informative. It has given us a lot of food for thought, forgive the pun. We are very grateful to you for your time. I am sure we are all focused on trying to get this right in a collaborative, trust-based way as quickly as possible, because we are talking about economic stability, jobs, opportunity, standards of living and all the rest of it. Thank you for your time and thank you for feeding into this inquiry. It has been hugely helpful.