

Northern Ireland Affairs Committee

Oral evidence: [Brexit and the Northern Ireland protocol](#), HC 676

Wednesday 21 April 2021

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Members present: Simon Hoare (Chair); Scott Benson; Stephen Farry; Mary Kelly Foy; Mr Robert Goodwill; Claire Hanna; Ian Paisley; Bob Stewart.

Questions 601 - 652

Witnesses

I: Christian Benson, Client Managing Director for HMRC & Senior Responsible Owner for the Trader Support Service, Fujitsu; Mary Scullion, Head of Delivery for the Trader Support Service, Fujitsu; Shanker Singham, Senior Member of the Trader Support Service Consortium & Customs and Trade Policy Lead, Competere.

Written evidence from witnesses:

- [Trader Support Service](#)



Examination of witnesses

Witnesses: Christian Benson, Mary Scullion, and Shanker Singham.

Chair: Good morning, colleagues, and good morning to our witnesses for our session this morning on what else other than the Northern Ireland protocol? This morning, we want to look at the trader support service, and we are very pleased to welcome Christian Benson and Mary Scullion from Fujitsu, and Shanker Singham from the Trader Support Service Consortium. Thank you for finding the time for us to cross-examine you this morning. Before we begin our meeting, does any member of the Committee have any declarations of interest to make?

Ian Paisley: I am currently involved in a legal case contesting the protocol in conjunction with a number of businesses in my constituency.

Q601 **Chair:** Let me open the batting. This is a question to the three of you. From your experience of dealing with businesses on a daily basis and on a practical basis, how, in your assessment, has the protocol affected businesses' ability to trade between Northern Ireland and Great Britain?

Christian Benson: Before we were involved, we were not engaged directly with businesses in Northern Ireland, so we could not see how they were trading. Since our service has been launched, we have made huge efforts to reach out to traders and businesses of all types in Northern Ireland and within GB, to educate them and to assist them in complying with the new rules that have come into being through the Northern Ireland protocol.

Our role in the trader support service is to ensure that trade between GB and NI is as free-flowing as possible, within the constraints of and consistent with the legal requirements of the Northern Ireland protocol. We engage with traders every day, and we see that the traders are becoming more used to the service and to the requirements placed on them by the Northern Ireland protocol. We are working proactively every day with those traders to make it as easy as possible for them to do that.

Q602 **Chair:** You mentioned engagement, and engagement is always welcome. For the benefit of the Committee, could you explain how that is done? Is it reactive? Is it proactive? Is it face to face? Are there webinars? How do you engage?

Christian Benson: We use all those things. We have conducted around 71 seminars so far with businesses and trade organisations. Those seminars have been taking place since well before the launch of the service, actually. They have been with trade associations such as the Road Haulage Association and the Federation of Small Businesses, along with trade organisations and bodies within Northern Ireland such as Invest NI, Manufacturing NI and various chambers of commerce. In addition to that, there have been over 150 one-to-one engagements. These are detailed engagements, with our most senior experts present,



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with individual businesses and with those trade associations. That ranges from the largest businesses, such as Amazon or Diageo, down to the smallest traders.

The engagement is also reactive, in that we have a contact centre. That contact centre is staffed by around 750 contact centre agents. They have taken around 38,000 calls so far from businesses seeking help. In addition, we use that contact centre to call out to traders. We have made 58,000 outbound calls so far to traders, especially where we see that they might be struggling with paperwork or forms that they need to fill in. If we see that they are taking a long time to do that, for example, we call them and help them.

We have a weekly bulletin that is sent out to all 37,000 registered traders, updating them on the latest status of the service and any changes, and pointing them towards our education website. We see that the bulletin is opened by about 30% of recipients, which we are very pleased about. It means that the bulletin is being read by a very large proportion of our registered traders.

We also have our Northern Ireland Customs and Trade Academy website, which has been accessed around 200,000 times so far. That was launched at the end of September last year. We have around 30 user guides on that website, and those user guides have been downloaded 360,000 times so far. In terms of outreach and education, I am very proud of the efforts that we have made so far. It is very proactive and it is intended to help traders in any way possible to complete their declarations and comply with the regulations according to the Northern Ireland protocol.

Q603 Chair: You mentioned the word “educate” there. I am sure colleagues will have questions about the overlay of Covid as well during the course of this session, but would it be right to characterise the position as follows?

There was clearly a dip in trade at the start of the year and noticeable disruption to supply chains. Can that be explained away as simply as this? Businesses, particularly businesses in GB, wanted to get things right—that is, they did not want to fall foul of any rules and regulations and they wanted to know what to do. The precautionary principle kicked in, maybe guided by a desire to protect and preserve their corporate reputation in wanting to get it right, and they said, “Let us understand this. Let us learn about it, and then we will do it,” rather than saying, “This is all too complicated; we are not interested. We are just going to stop selling into Northern Ireland.”

Given the timeframes—8 December, 24 December and 1 January—did the pressures of timeframe play a contributory part in that trade disruption, against a backdrop of 40 years of seamless and frictionless trade?

Christian Benson: Yes, that could well have been the case. Businesses needed to do things very differently from how they had done them



before. Yes, it could well be the case that the precautionary principle did kick in. Mr Singham is engaged with these businesses on an almost daily basis and may also have a view on this.

Shanker Singham: My average day essentially consists of multiple seminars and direct engagements with individual traders. It is quite difficult to do a comparative analysis with the year before, because we have Covid and that has substantially lowered the trade volumes. As we come out of lockdown, we will see those trade volumes rise again. The other point, of course, is that there was a significant amount of inventory stockpiling before 31 December. That had an impact.

At TSS, we were very focused on the core journey of GB to NI. We were very focused on making sure that trade flowed across the GB-NI boundary. That is why we created a mechanism where every trader, no matter how small, could essentially use the authorities that TSS has to do a relatively simple first declaration to get it over the boundary. That is why we prioritised flow, and we saw a flow of trade. We have moved over 400,000 consignments from GB to Northern Ireland in this period. That necessitates a supplementary declaration on the fifth day of the month following the month of the movement. We now help traders with their supplementary declarations.

We did everything possible to ensure that there was flow. The flow did occur, subject to Covid and the stockpiling issues.

Q604 **Chair:** Mr Benson, you have referenced, as has Mr Singham, small business. We all know that larger businesses, which have headroom, capacity and resource, are far fleet of foot and better suited to meet significant changes in the regulatory landscape. Smaller independent traders—family businesses and the like—lack that headroom and therefore find it far trickier and more challenging. We have been hearing, maybe anecdotally, about how small traders—people who sell on eBay and those sorts of organisations—have effectively, in some part, pulled the plug on selling into Northern Ireland because their profit margins do not allow it. Are you finding that differential between small and big business? What additional supports could you give to those small traders, which are often the lifeblood of a local economy?

Christian Benson: Yes, we see the differential. We recognise that smaller traders perhaps find it more difficult to comply with the administration that is now required. We are very conscious that our service is there to serve all traders and all organisations, no matter what size. We give significant time and effort to those smaller traders.

As an example from earlier this week, we received thanks from a small car-mechanic business in Northern Ireland moving goods from GB, perhaps 10 deliveries per month, with around 100 products in each of those deliveries. We have engaged directly with that trader. One of our most senior customs experts has helped him to clear his supplementary declarations and helped throughout the process using video and screen



sharing. We also advised him to join the UK trader scheme, and going forward he will be able to take advantage of the new bulking functionality that is available. This should make his job much, much easier. Just on Tuesday, I saw an email of thanks for the assistance that we have offered. We see many examples of positive feedback from traders who are receiving this assistance. They are grateful for the assistance we offer.

I mentioned earlier the engagement with trade associations, trade bodies and accountants. The seminars cannot reach everybody, but through those trade organisations we hope that their membership benefits from this education as well.

Q605 Chair: Flowing from what you have said, is it your hope that the work of the Joint Committee that Lord Frost and others are undertaking may carve out some sharper definitions of “at risk”? It strikes me—and, I am sure, colleagues on the Committee—that, if a small trader is selling into an independent retailer, for example, in Northern Ireland, or selling something to an individual, the risk of it entering the wider EU single market is de minimis if at all. Is there still work to be done on the definition of “at risk” and the understanding of “at risk”?

Christian Benson: On the understanding of “at risk”, yes, there is work to be done. There is work to be done right across our service, in evolving and continually improving the service we offer. As to whether that should be the case, to be honest it is not really for me to comment on that. Our job is to implement the rules, and implement changes and easements as they come along. We can, and do, feed back to HMRC the reactions and views of traders, because we speak to them every day. We do feed back. We do make some recommendation as to how the service could be improved and what policy changes may make things easier. As I said, it is not for us to say which of those changes should be implemented. That is up to HMRC and Government.

Q606 Chair: What does HMRC do with the feedback that you feed back to it? Does it land on Lord Frost’s desk? Is it propping up a loose sash window in some office in HMRC?

Christian Benson: Would you mind asking Shanker that question? He is probably better placed to answer it than I am.

Chair: Yes, okay.

Shanker Singham: The important thing is that, on the definition of “at risk” and “not at risk”, there is already a UK trader scheme that traders can benefit from if they are not at risk. That extends not just to large businesses but to every business. Provided that you can satisfy the criteria of the UK trader scheme, you can benefit from the “not at risk” provisions. Part of the challenge here for TSS is to make sure that everyone who could be on the UK trader scheme understands the rules



and how to be on the scheme. That could cover off a significant amount of trade.

In answer to your question, we have an insight into how these processes work for traders because we have 37,000 registered traders. We do have an ongoing dialogue with HMRC on policy. We are engaged by other Government Departments to update them on what TSS is doing, because our work has implications for the work of other Government Departments like DEFRA, the Cabinet Office and so on. As Christian said, our value is that we can tell people quite clearly what effect a particular easement will have on our trader community. We are certainly engaged in that discussion.

Q607 Ian Paisley: I just want to come back on something that Mr Benson said there. He gave the very nice example of a small trader that he was able to help in terms of trading in parts. I am wondering if Mr Benson would characterise what traders have to do as burdensome in terms of the bureaucratic process that they now have to go through.

Christian Benson: Obviously, it is very different for traders than it was in the past. Our service is there to reduce the burden for traders as far as possible. In the service that we are providing, we are managing to do that successfully, as we can see from the feedback from that trader and from others.

The service is constantly evolving. We are building in enhancements all the time to make it simpler and easier for traders to raise their paperwork. As an example, last week we introduced a supplementary declaration assistant, whereby traders, through filling in a few fields, can be given guidance then on the data to enter into the supplementary declaration. We have already had very good feedback on that. Last week we provided more guidance as well on the front end of our website. That is dynamic guidance that pops up when they go to a particular field. We are doing this all the time to make the job as easy as possible for those traders.

Q608 Ian Paisley: I have an example of a business that traded in Land Rover parts. It had a lot of parts coming backwards and forwards across the UK, and regularly its invoices would be quite lengthy. He cited me one example last week of 70 items on an invoice. Each and every one of those items required him to fill in 23 drop boxes or 23 separate fields. That was 1,610 drop boxes or fields that he had to fill in for those 70 items.

He told me that the cost in time alone probably removed any profit—the narrow margin of profit he was getting out of re-trading those parts—because of the effort and time he had to put into that. That is my fear. The promise was that this would be light touch. I appreciate that you guys are doing all that you can to try to simplify and smooth this system, but it is not light touch by any means, is it?



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Christian Benson: Mr Paisley, I would encourage that trader to get in touch with us. It sounds like a very similar example to the one I mentioned to you before. There are various means by which I am sure we could help that trader to reduce the administration. The bulking, which I spoke about earlier, would reduce the need for him to enter details against each of those 70 lines. I am very happy for you to direct him to us, please. You could direct him to me, indeed, if you think that would help, or other senior members of our team.

Ian Paisley: I could make you a very busy man.

Christian Benson: I appreciate that.

Shanker Singham: I just wanted to build on Christian's response there. We are introducing functionality to make exactly that kind of trader's life as easy as possible. Our goal in TSS is to make life the least burdensome it can be, consistent with the legal requirements we are bound by as TSS.

The functionality of the supplementary declaration assistant and the mechanism by which he can bulk all his entries to one single commodity code and then do his declaration on that basis, simplifies the declaration tremendously. It also tells him exactly what boxes to fill in and what to fill them in with. It is transformative.

We also have tier 3s, our top-level customs experts within the contact centre and the Institute of Export and International Trade, who are affirmatively reaching out to traders. Christian mentioned the 40,000 outbound calls. Whenever we see somebody having difficulty with the supplementary declaration—the 23 fields you referred to were the legally required fields in the supplementary declaration—we will call them or reach them and we will help them.

I take escalations from everywhere—from the Northern Ireland Executive, from MLAs, from MPs like you. If you have constituents who have problems, please let us know. We are all available. We spend our days dealing with these issues. We have very specifically introduced functionality to make exactly that trader's life as easy as possible.

Q609 **Ian Paisley:** You say that this is going to be transformative. Are you then confirming that what is there is not by any stretch of the imagination light touch?

Shanker Singham: We have to fully utilise the existing simplifications and facilitations that are already there. If you have lots and lots of different products coming in as part of a consignment, the ability to bulk them to one single commodity code is a simplification that is part of the UCC. Until this moment, we have not been able to introduce it, but we have now introduced it.

There are other things as well that are fully consistent with the UCC—simplifications that exist—that we need to fully utilise. Speaking now in my position as an international trade and customs expert, not necessarily



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a TSS adviser, my sense is that, if you fully utilise all those simplifications and facilitations, you can make this far less burdensome. That is the job that the TSS is engaged in now. We are continuing to do that. It is an evolving service.

Q610 Ian Paisley: I get the ambition around what we want to do going forward, and I welcome that. I just want to confirm that during the last 100 days or so of this year, the first quarter of this year, it cannot be described as light touch.

Shanker Singham: I am not sure I would agree with that because, going back to the way we are doing this, which is to use a simplified frontier declaration first, the simplified frontier declaration is, as its name suggests, very simple. Any time there is a new process, people will initially react to it even if it is a slight change. The trader experience was that the SFD—the simplified frontier declaration—was actually relatively easy for them to do.

You are absolutely right to say the supplementary declaration is a different kettle of fish. It has 23 data fields and so on, and it was quite a challenge at the beginning. With the SFD, initially there was reaction to it and then traders learned the system and were able to do it. If we can do that with the supplementary declaration as well—as we are doing with the bulking assistant and other simplifications, including the UK trader scheme and so on—we can then reduce it to something that you could categorise as light touch.

Q611 Chair: Can we summarise where we are at the moment in terms of the approach or experience? I have tried to digest what the answers have been hitherto. In essence, through experience and usage, the application and requirements could best be described as evolutionary, dynamic and organic. They do not have the equivalent regulatory inviolability of the 10 commandments. In an environment where there have been no requirements for declarations et cetera, anything introduced as a result of leaving the European Union could be defined as being burdensome, because anything, no matter how light, is going to be a greater weight to carry than the day before when there was nothing. Is that a fair summary assessment of your *modus operandi*?

Christian Benson: Yes.

Chair: Thank you. I will bank the “yes”, Mr Benson, and we will move to Bob Stewart.

Q612 Bob Stewart: I am going to ask you this, Ms Scullion, because it is time you were asked something. I am assuming you can do this because you look to me like someone who can handle lots of numbers.

Chair: Is that a compliment, Bob?

Bob Stewart: Yes, it is a compliment. I am trying to be gentle with a witness but actually slightly derogatory about all men, including myself.



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Can you give us any assessment of the volumes of trade and the pattern of trade for the first part of this year? It is very difficult. Mr Singham has already said that last year is difficult to compare. Do you have any feel for how trade has been affected since 1 January?

Mary Scullion: I am happy to take that question. Thank you for inviting me to answer. For us at the consortium, because we have been involved since August, when the procurement for this solution started, we do not have the figures that show the volume of trade this time last year or, indeed, pre-Covid, as I suppose you are now talking about.

We understand, as Mr Singham has said, that some organisations, as a result of knowing that the rules were going to change, did stockpile. In Northern Ireland, we still have the closure of non-essential businesses. They have not yet opened up again, so clearly those people are not trading. We have that Covid factor, so it is very difficult to say how businesses have been affected, because we have had not just the leaving of the European Union but the cessation of business because of lockdown.

It is important to stress that, in those 100 days since we started the service, we have moved 469,000—close to half a million—consignments. The trade is happening. In January, it probably was quite quiet, but we are seeing it steadily increase since then. I know we have provided help to people. In terms of ease of trade, an amount of the feedback that we have received says to us, “Now I have done this once, I actually find that I can do it again. I am confident now that I can do it again.”

Speaking personally, my husband is a small businessman here in Northern Ireland and has had occasion to raise SFDs and supplementary declarations. He definitely feels more confident that, having done this once, he can certainly do it again now he understands what it is about.

In terms of the volume of business, we are seeing a large increase in the number of simplified frontier declarations and the number of supplementary declarations, certainly since the early days of January. Again, we have to factor in the Covid impact, but it is uncertain. Close to half a million consignments would suggest that we are keeping things moving in the way we have been charged to do. We are proud to have helped people to manage to achieve that.

Q613 **Bob Stewart:** I totally understand how difficult the question is to answer. I suspect that Mr Benson and Mr Singham would have to answer in much the same way. Fundamentally, let us just say that there is a feeling that things are neither as bad as they could be nor as good as they could be. You are not quite sure, but you think that business is just about coping—is that the feeling you get?

Mary Scullion: It is very hard to give a black-and-white answer like that. Our sense is that businesses are coping, to varying degrees, I am sure, but the kind of feedback we are getting about the help we have been able to give them would suggest that those we deal with are definitely feeling



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more confident than they did before. As Christian has said, the car mechanic example from this week is only this week; we also have examples from previous weeks. It is very satisfying to be able to help people to the extent that they begin to build their confidence in what they have to do.

Q614 **Bob Stewart:** That is very kind of you. Thank you so much for answering. Does Mr Singham want to say something?

Shanker Singham: If you look at the freight statistics that are available now for the first quarter of the year, if you look at things like Cairnryan-Larne et cetera, some of the routes are down by sometimes 5% or 10%, but some other routes are actually up. Heysham-Warrenpoint, for example, is up by 20%. The freight statistics show that trade is flowing. That is definitely what they show. Liverpool-Belfast is down only 10% year on year.

When you factor in Covid as well, you start to see that trade is flowing. That is not true of every route, but it is true of the major routes.

Q615 **Chair:** You mentioned factoring in Covid, and you are right. You also referenced stockpiling earlier. Is it a legitimate expectation to presume that things that have been stockpiled have now been used or sold, et cetera, and therefore stockpiling is no longer an issue? Is that fair?

Shanker Singham: That is a fair assumption.

Q616 **Stephen Farry:** Good morning to our witnesses. I just want to follow up on Bob's questioning and raise two points. The first is about the historic unreliability of data in terms of internal UK flows. How can we make really accurate comparisons with what has happened in the past to inform how things are working out or not working out, as may be the case?

Secondly, I appreciate that it is early days but can you give us some sense of the breakdown between what would be viewed as goods at risk versus goods not at risk? Does that meet your expectations or your initial modelling as to what you are likely to expect in that regard?

Shanker Singham: It is certainly fair to say that we expected more traders to be registered on the UK trader scheme than were initially registered, although that number is climbing now. Part of the reason for that is that the scheme came in late in the day and people were quite unfamiliar with it. We did a lot of education, and we continue to do a lot of education, around the UK trader scheme.

Some of our material is very focused on getting traders to understand what the best way is for them to submit their declarations. Should they be on the UK trader scheme? Should they be declaring not at risk? Should they be using a waiver, which they are allowed to use if it is within their state-aid ceiling? They do not have to pay a tariff if they are within that ceiling. There are a number of things they can do, and they need a strategy. That is what we help them with and that is what our tier



3 group helps the trader to understand. Part of it is just educating about the UK trader scheme itself. I would estimate that there is still capacity there. We do need to get the word out to people who are trading GB-NI that the UK trader scheme is the scheme that enables you to register as a not-at-risk trader.

It is difficult to give you a direct answer on exactly what the percentage should be because, as you very rightly pointed out, the internal statistics that we have are quite limited. We have never had to compile really strong statistics on these types of flows before. My sense is that it is a significant percentage. For example, of our 37,000 traders, I would estimate that probably 5,000 or 6,000 should be not-at-risk traders—they should be on the scheme. Because of the nature of trade between GB and Northern Ireland, where you have a very long tail of very small businesses, it is not even an 80/20 rule, where 20% of the trade takes 80% of the volume and value. It is a fairly small group of traders who cover off pretty much all the trade.

Where our focus needs to be in TSS is on making sure we educate people about the UK trader scheme and making it as easy as possible for them to register for it. Then we will find that not-at-risk percentage accords with what is actually happening in GB-NI trade.

Q617 **Scott Benton:** In evidence to this Committee over the last few months, we have heard a plethora of different issues raised with regards to the protocol, with many businesses citing the complex processes involved and in some cases a lack of knowledge within some businesses. When businesses first contact you, how aware do you think they are of what the protocol entails? May I ask Mr Benson to answer that question, please?

Christian Benson: Traders have a range of understanding of what the protocol involves. During the early days, our job was about assisting traders to register, first of all, with our scheme. When the declaration service went live, the focus shifted on to helping traders raise those declarations. With the introduction of supplementary declarations, the focus shifted again. Over time, as Ms Scullion has said, we are seeing traders become more and more comfortable with the service. We still receive calls from traders who are moving goods for the first time, and we deal with those probably very well now, because we have plenty of experience in advising them.

It is fair to say that, over time, the experience of the agents we have in our contact centre has improved and increased as well. During the early days, I recognise that some traders may have experienced challenges interacting with our contact centre, but we have put in place very robust processes and have a culture of continuous improvement. Mr Singham and our other senior experts undertake twice-weekly training of our tier 3 agents. Those tier 3 agents then educate our tier 2 agents, so we are confident that the quality of the advice we are providing is improving all the time.



Q618 **Scott Benton:** Notwithstanding some of those businesses that are looking to move goods for the first time, among some of those regular businesses that are doing this week in, week out, are there any particular misconceptions or problems that are still persisting several months later?

Christian Benson: Not that I am aware of, no, beyond what Mr Singham was talking about in terms of the UK trader scheme and businesses' ability to apply for that scheme. Again, as Mr Singham said, part of the education service and the advice we provide is to encourage traders to look at that and sign up to that, to make their job as easy as possible.

Perhaps Ms Scullion may have a better view on some of those specific issues.

Mary Scullion: As I sit here, nothing comes to mind as a standout issue that we are conscious we have to address at this exact moment in time. What we have is a well-trying and trusted system. We examine the interactions we have, and, through the work Mr Singham and the stakeholder engagement team do, we identify where there are particular pain points. As a result of that, we have hundreds of knowledge articles. Our tried and trusted system is that, where we see an emerging theme or a topic that we feel needs more help, we develop knowledge articles that we can use both in our contact centre and to issue out to our trader population via the weekly bulletins.

As we see a particular issue arise, we tend to say, "We need to deal with that", and we develop that knowledge article. We publish it, train our teams in it and proactively advise on it in our weekly bulletin. We have a well-trying and trusted system to identify those themes that you refer to, Mr Benton.

Shanker Singham: In answer to your question about where we see an issue, there is some confusion in the minds of the traders about what is a legal requirement under customs law and what TSS is trying to do. Sometimes they confuse the two. What we can do, within the constraints of the legal requirements, is to make their lives as easy as possible. That is why we exist, so that is the focus of what we are trying to do.

As Ms Scullion said, it is very much issue by issue. Things will crop up. In customs, there are very specific and in-the-weeds issues that crop up. When they do, our typical route is to resolve the issue and then produce a knowledge article. We share that through our seminars and our tier 3 reach-outs to traders, to educate them about the particular approach. There are literally thousands of issues that that might apply to.

Q619 **Ian Paisley:** I must say this is really helpful evidence. I appreciate the way the witnesses have given it. To go back to something Mr Singham said about the distortion of trade, how much of that is a result of the impact of the protocol on the Dublin port?

Shanker Singham: If you compare February to February, which is not an ideal comparison because of Covid and stockpiling, as we described,



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the NI-GB freight statistics are up 2% from February of last year. Where there is a decline—you are absolutely right—is the central corridor. The Holyhead-Dublin and Pembroke/Fishguard-Rosslare routes are down. Our sense of it is that quite a lot of that is because of the perception about the regulatory checks that are conducted at Dublin port and the Irish ports.

TSS has a regular weekly engagement with the Irish Revenue Commissioners, the Department of Agriculture, Food and the Marine in Ireland and the Department of Foreign Affairs in Ireland to try to ensure that those processes are as simplified as possible, and certainly simplified to the level of other member states. There is a suggestion that sometimes the processes in Dublin port are more restrictive than in other member states of the European Union, particularly France, for example. That obviously should not occur.

Those processes will improve, but it is the same issue as we discussed before: GB-to-Ireland trade is different now, because the UK is out of the European Union. Officials in Ireland are also learning how to implement the new processes. We need to build capacity and redundancy there so that, as you described, the distortion is not as significant as it currently is and we get that back in train.

We have now launched a TSS transit service, so we support hauliers who are going from GB to NI via the Irish ports and also via the indirect route going the other way—Northern Ireland to GB via Irish ports. The TSS does support that. Our engagement with the Irish authorities is very much to make those two routes as easy as possible. We have certainly taken responsibility—

Q620 Ian Paisley: I do not know if I am saying that the distortion is not as significant as we might suggest. I am actually suggesting that the distortion is masked by the impact of what has happened as a result of some of this. For example, Eamonn O'Reilly, the head of Dublin port, this week produced his quarterly figures. He has not said this is due to Covid; he put the blame fairly and squarely on the protocol. His trade is down by 15% and roll-on roll-off services are down by 29%. The only thing he can put down to Covid is a 23% fall in the sale of petrol products into the Republic of Ireland.

He is very much laying the distortion and the impact of this at his port on the protocol. That is then having a roll-on effect on our ports in Northern Ireland. That might be masking some of the issues that could come our way in the months ahead. I do not know if you want to respond to that.

Shanker Singham: I am not sure the protocol is the right target for his concern, because, if the trade volumes are going down at Dublin port and those people servicing Dublin port are affected by that, it can only be ascribed to Irish processes, because there are more burdensome processes at the Irish ports than traders are receiving on the GB-NI boundary.



On the regulatory side of things, it is the same regulatory process that should be involved. There should not be a significant difference, but we know that there is. The goal of our engagements is to make our transit service work effectively. The more effectively our transit service works for Holyhead-Dublin and Pembroke/Fishguard-Rosslare, the more he will see that business return. We play a role in doing that.

It is not a good situation to divert everything up to the GB-NI direct routes, because obviously there are storms in the Irish Sea and there are reasons why you may have to use the central corridor. You want to bring the central corridor back, and you also want to bring the GB land bridge back, which will have a big impact on this as well.

Q621 **Ian Paisley:** Do not get me wrong, Mr Singham: I would love to take lots of business off Dublin port and Larne and bring it into Belfast, but I get the point you are making.

I have a question for all the witnesses. Are you expecting that the end of the grace period will significantly change the volume of the work you have to do in either a positive or a negative way?

Mary Scullion: If I could answer that just in terms of operations, perhaps Mr Singham will then pick up the answer after that. Operationally, we have found that, each time something ends or we do a new release of functionality—for example bringing in the supplementary declaration functionality—it increases our volume. It does so in two ways. First, it increases the inbound queries and cases that are raised with us, where we have to coach folk through whatever the new piece of functionality or the new regulation might be. Secondly, it increases the outbound campaigns we do, because we plan our outbound campaigns based on what is happening—either what we are releasing or what is happening in the marketplace.

We experience peaks and troughs. As easements disappear or grace periods end, we expect that we will see a spike in our interactions. We are well resourced for that. We have 1,000 people working on TSS; we have 700 agents of the various tiers, from tier 1 right through to the tier 3 experts. We would anticipate a volume, but the exact name of that volume is hard to predict at this moment in time. To answer your question, yes, there will be peaks and troughs, as we have seen to date, and those may increase in size.

Q622 **Ian Paisley:** Evidence has been produced that there are now more checks done in Northern Ireland than in Rotterdam. Were you expecting it to be as significant as that?

Mary Scullion: We are not doing the checks ourselves. That is obviously not within the remit of TSS. While we would notify that goods are moving, we do not support the actual check process itself at this moment in time. We do not have a prediction of numbers of checks against Rotterdam, not operationally anyway. Perhaps Mr Singham has some views on this as well.



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Shanker Singham: As Ms Scullion said, the TSS's obligation is to educate traders on things like sanitary and phytosanitary—SPS—checks. Those are the regulatory checks that you were referring to. We do not do them ourselves. They are not operationally done by us, but we certainly educate traders about them.

Because of the intensity of trade, particularly agricultural trade, across the GB-NI boundary, once the grace periods are gone, there will be a significant requirement for export health certificates, TRACES and registrations that have to occur now but in a slightly more simplified form. That will certainly occur.

To answer your question, though, on what we have to do in anticipation of a change in an easement, there are many, many grace periods. You could be talking about the supermarket easements; you could be talking about the medical goods easement; you could be talking about the fast parcel operator easements. They all change at different times, which makes our life quite complicated. We need to work with the traders that are affected by the changes in those easements, to gear them up and get them ready so that when the easement goes, they are ready to trade.

We have an ongoing engagement directly with the supermarkets. As TSS, we are talking to every single supermarket. We have a strategic plan with every single individual supermarket. Obviously, all their businesses are different. Because of the sheer volume of trade that they cover and because of these issues with SPS and other regulatory checks, it is incredibly important that we gear that up so it is done as simply as possible.

Many of the different facilitations that we have talked about—this is partly why the issue is complex—interact with each other. Most of the supermarkets, for example, are on the UK trader scheme. They are not at-risk traders. Part of it is making sure that they fully utilise all the different simplifications and facilitations available, so that they have an easier time when it comes to do the—

Q623 **Ian Paisley:** I imagine that the peaks that Ms Scullion mentioned are more to do with smaller traders. That is what the expectation is. The smaller traders will see the end of the grace period and feel differently to the larger businesses.

Shanker Singham: The big grace period you are talking about there is the so-called STAMNI easement—the easement for authorised traders and supermarkets—which has been extended and will end in October. The smaller traders are not on that scheme, so we are helping them now with the processes they need to go through. For that particular easement, it is the bigger traders. For the medical area, which expires at the end of the year, it will be the pharmaceutical companies and so on.

Q624 **Ian Paisley:** You mentioned the central corridor, which is very important, especially if there is a freeport development either on the



Anglesey side, the Welsh side, or on the Northern Ireland side. How can we revive that central corridor to take advantage of a freeport if it eventually comes to either Wales or Northern Ireland, or both?

Shanker Singham: Speaking again not necessarily as a TSS adviser but in my role as an international trade and customs expert, I have worked on a lot of special economic zones around the world. When you look at a special economic zone, you ask the question, "What is the problem that the special economic zone is seeking to solve?" If you looked at a place like Anglesey or the potential ports in Northern Ireland, you would say that there is a very obvious way that they could be used, through customs and trade facilitations that are available to freeports and special economic zones, to smooth the flow of trade and, exactly as you said, to make that corridor more attractive to traders.

Were that to happen—obviously that is outside the remit of the TSS—I could absolutely see the central corridor trade numbers going up. That is the whole idea behind what a freeport in Anglesey would achieve. In particular, within the central corridor, the Holyhead-Dublin route is particularly down. Therefore, the freeport would be attempting to solve that problem by introducing the kinds of customs and trade facilitations that are available.

Again, there are a lot of things available under existing law. For example, the border control post in France is in Boulogne, not in Calais. There are things you can do to make the flow of trade easier that do not require, frankly, any change to the existing legal arrangements. It is really important that we fully exploit all of those. If Anglesey becomes a freeport, clearly there will be huge benefits for the port of Holyhead.

Q625 **Stephen Farry:** I want to raise a point based on some of the things that Ian was raising. I appreciate that this did not all go in the right sequence, but was there potentially a missed opportunity, whenever the TSS was being designed, to cast the net a bit further and to try to capture more of the work around SPS and export health certificates, in order to provide a more streamlined service?

Christian Benson: TSS was a service that was procured by HMRC to facilitate the customs process. In terms of an opportunity being missed, it is not really for me to say. We responded to that procurement notice—to that tender—with a solution service that we thought gave the best chance of success. As Shanker says, part of our remit is the education of traders. We increasingly see traders turning towards TSS to provide broader advice and guidance, not just on customs—the actual service we are providing. We do provide that training and guidance, including around SPS. As I have said, it is not really for me to say whether the opportunity was missed, I am afraid.

Stephen Farry: That is fair enough.

Shanker Singham: Mr Farry, you are absolutely right that traders do not differentiate in their minds between all these different processes.



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They do not say, "This is a customs process so let us talk to TSS about it. It is an agricultural thing, so let us talk to somebody else about it." We receive, at the coalface, requests from traders on everything.

In answer to your question, maybe to give you a bit of comfort on the processes themselves, we are fully engaged with other Government Departments when traders have issues. We have multiple meetings a week with DEFRA, for example, so that we raise trader issues that come to us and can get resolution of those issues. We are joined up with other Government Departments, just as we are with the Irish Revenue Commissioners, DAFM and the Department of Foreign Affairs.

Q626 **Claire Hanna:** Just to pick up on that last discussion, Mr Singham, could you quantify, of the queries that come to you—I appreciate that they are not all customs—what proportion would be addressed or eased in the event of the type of SPS and veterinary arrangement that Mr Farry referred to? What percentage of the frictions and the queries could be disappeared?

Shanker Singham: Right now, on the SPS and the agricultural side of things, you have the MAS system in DEFRA. DEFRA pays for the certifications that traders need, whether it is an export health certificate or another regulatory requirement, which is not insignificant. A phytosanitary certificate can be £1,000. Paying for the certificate is an important benefit and that comes directly from DEFRA.

The way the system works is that, once you have your particular regulatory certificate, there is a process, particularly for GB-NI trade, whereby you register that on the TRACES system. That produces a document and you have to take that and enter it in the TSS portal. There is an interconnection between our service and those different processes and certificates. It would require a change in the contract to include that within TSS, but there are lots of other processes as well. Beyond agriculture, there is GVMS—the goods vehicle movement service. There are lots of other things.

Q627 **Claire Hanna:** I understand, and yes, you are right that the processes are in place to manage them and to ease the burden on businesses. I suppose I am just trying to understand what proportion of all the processes that your clients and, therefore, your service is handling would not be required any more if we did this.

Shanker Singham: They would be required. All these things would be required. Ultimately, it is the Government's decision as a whole, across the whole of Government. If they were to make it, certainly we would have the ability to interface with those different systems. It would require quite a lot of build on our side.

Q628 **Claire Hanna:** I am possibly not formulating my question correctly. Maybe to Mr Benson or Ms Scullion, of the queries that you receive from your clients, what proportion of them relate to checks and frictions that



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they are dealing with as a result of divergence between GB and the EU, relating to SPS and veterinary issues?

Mary Scullion: If I might pick that up, I do not believe we have that analysis to hand. We have not looked at our queries in that way.

Q629 **Chair:** Might you be able to and give us a note on that?

Mary Scullion: I am quite happy to take it away to see what we can look at in terms of analysis of the nature of those.

Q630 **Chair:** That would be very helpful. On that point, while I am handing out the homework, a note fleshing out the figures that Mr Benson gave us earlier—about queries, proactive, reactive, how many webinars and how many engagements—would be enormously helpful, just for the first quarter figures, if that is not either too onerous or impossible for you because you are not allowed to share it with us. I would hope that it is not and you would be.

Mary Scullion: Yes.

Christian Benson: We have shared some of those figures already in the briefing note that we provided. We can provide further detail, including Ms Hanna's request. We will go away and look at whether we can, first of all.

Q631 **Chair:** Yes, perfect. You can do no more than that, so we are grateful to you for that, Mr Benson and Ms Scullion. Mr Singham, I think you were indicating that you wanted to come in?

Shanker Singham: I was going to respond to Ms Hanna's question. It is fair to say that we get a lot of SPS inquiries, so much so that we have two dedicated tier 3 customs agents, whom I work with on any SPS-related issue. They staff up the interactions we have with DEFRA. They also staff up the interactions we have with the supermarkets. Most of the supermarket inquiries, as you can imagine, are on SPS-related issues.

I would say, though, and this is quite an important point, that divergence between the UK and the EU does not lead to the requirement for export health certificates and all those regulatory checks. That is going to happen anyway. The only way not to have that happen is if the UK and the EU were still in the single market. The fact that Northern Ireland is a regulatory zone means you will always need an export health certificate and you will always need regulatory control.

What would help, and I know it is being discussed at levels well above TSS, is some sort of UK-EU veterinary agreement, such as New Zealand has with the European Union. Again, that does not take the requirements away. What that would do, and it is really helpful, is lower the intensity of physical checks. For New Zealand-EU, for example, the physical check is down to 2%. The documentary check is down to 10% or so. You could lower that through a veterinary agreement. You would not take away the need for the actual process, but you would make it easier.



Q632 **Chair:** Mr Singham, I have certainly heard that the EU estimates that it would see, if you were to percentage out the burden, a reduction of about 85%, were there to be some sort of agreement, whether it is entire or analogous to that with New Zealand. Is that a figure that you would recognise, would challenge or would agree with?

Shanker Singham: The best way to look at that is to look at the volume of checks at Dublin port and the Irish ports. You have to differentiate the type of checks. There are physical checks, documentary checks and then paperwork. In all cases, you will have to do paperwork. Even in the New Zealand-EU veterinary agreement, you have 100% paperwork. You need to do your export health certificate, your TRACES registration, your CHED form and all of that.

New Zealand sees documentary checks around the 10% level and physical checks around the 2% level. What you see in the Dublin port for GB-Ireland trade is typically around 4% to 5% physical checks and typically around 30% documentary checks. Yes, if you extrapolate those numbers, you will see something of the order of magnitude that the EU numbers you have quoted suggest, or potentially even higher. Yes, that is the way that all would work.

Q633 **Claire Hanna:** I will maybe come back to that and some of the other numbers in your submission. You told us that 37,000 traders have registered, of which 58% are from GB, 40% from NI and 2% from the Republic. Is that in line with your projections in terms of the overall number and the location breakdown? Do you expect any more to register, further to the Chair's comments about how some people might have been waiting to see how it all worked out?

Mary Scullion: The initial projection that we had for the number of trader organisations we expected to register was pretty much around the 20,000 to 25,000 mark. As we have said, we have 37,000 registered. We were acutely conscious that, because in this small part of the world everyone knew about Brexit, the need to be prepared for Brexit and the uncertainty businesses in Northern Ireland had about how they might be affected, there was always a concern that in GB the percentage of business they did with Northern Ireland might be quite small and, therefore, that was not immediately on their radar.

We have been very pleased with the division that we have had, in that 58% of our traders are GB traders and have taken the time to engage with us, to access our material and so on. In no small part, that is down to the work of the likes of Mr Singham and the stakeholder team we have, who have reached out to the various trade organisations and through them to individual businesses. We are pleased at the level of registration we have from GB because, obviously, it impacts Northern Ireland traders, but it also impacts the traders that do business with those Northern Ireland traders.



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To answer your question about whether we would expect more registrations, 30% of our registrations have been done since 1 January and there has been a steady registration. Yes, we would expect more traders to register, whether that is as a result of lockdown easing and more non-essential businesses opening, or whatever it might be. While perhaps not the peaks we saw in the early days, we would expect a steady stream of registrations.

Q634 Claire Hanna: Turning to staffing and the queries, you outlined to Mr Benton the number of staffing queries and your escalation processes. Of the queries you receive, what percentage gets successfully resolved? Also, what do you define as being successfully resolved? Is it that the information is given to the client, or is it that you know their movement or transaction is successfully completed?

Mary Scullion: On successful completion, 90% of our declarations go through in 15 minutes. We are a digital-first service, so not everything needs an intervention. The declaration can be used and go through the system without an agent having to have a discussion as such. That is a 24/7 service, but 90% of our declarations go through within 15 minutes. In terms of our contact centre and how things get resolved, they answer all our calls, at a rough average, within six seconds. The average duration of those calls is about nine minutes.

I do not have the percentage to hand, but a high percentage get closed at first encounter and others may take longer to resolve, because it may involve some interaction. Mr Singham referred earlier to where we do things like screen sharing to actually walk someone through. Obviously, that call is going to take longer to close. It is not going to be closed in the average nine minutes. Our percentages of aged calls—those that remain open for quite a long period of time—are quite low.

Christian Benson: Just to provide a bit more information on that, since the service launched, we have received 150,000 inquiries. During the last weeks, 90% of those inquiries have come through the website rather than the contact centre. Of those 150,000 inquiries, 97% have been resolved. As Mary said, most of those are resolved within 24 hours, and 95% have been closed. We do not close the inquiry until we have heard back from the trader that they are happy with the resolution we have provided.

Q635 Claire Hanna: That was what I wanted to understand. Some of our previous witnesses raised concerns that staff may not have had sufficient experience or training, and that advice could take a while or be inconsistent. To be fair, this was a number of weeks ago and we are all on a learning curve. What are the experience requirements? You spoke about regular briefings, but what training do your agents undergo?

Christian Benson: All our agents have undergone significant training. A lot of that was done before the service went live. We were awarded the



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contract in September. We had three months to recruit and train 750 agents. All those agents were trained before they started taking calls.

As Mr Singham said earlier, the training is ongoing. We train our tier 3 agents on a weekly basis. There is a seminar with Mr Singham and other very senior experts, where we brief our tier 3 agents. Those tier 3 agents all have seven-plus years of experience, some of them significantly higher. Our tier 2 agents all have two-plus years of customs experience. The tier 1 agents have typically been recruited without customs experience, and they are the agents who handle the initial calls through the triage and then escalate where appropriate.

Q636 **Claire Hanna:** What proportion do get escalated through the tiers? What proportion of queries are not resolved by tier 1?

Christian Benson: That is not information I have to hand, I am afraid.

Chair: Shall we add it to the homework list?

Christian Benson: Yes.

Shanker Singham: One of the issues is that the trader does not necessarily know what their inquiry is, especially small traders who have not dealt with this kind of system before. We have worked internally to improve the flow, because the tier 1s deal primarily with registration, inquiries like, "I do not know what my password is" and this sort of thing. These are people who have less than two years' customs experience.

We have worked on getting the tier 2s and the tier 1s to engage more with each other, so that they understand and can triage better the inquiry that comes from the trader. The tier 2s typically have, as Mr Benson said, more than two years' customs experience. The tier 3s have over seven. There are about 50 of them. I train them, along with other senior experts from the team, twice a week. We have sessions twice a week with the tier 3s.

There is another layer even beyond that, the so-called tier 3Ss. They will have significantly more experience—sometimes 30 years of customs experience, sometimes in a particular industry. There are about eight or nine of those, whom we bring into those 150 engagements. By the way, each of those engagements is not a single event. It is a whole stream of work. We bring them into that engagement. They are more focused on the actual industry sectors. You might have a tier 3S who has very specific knowledge of the haulier sector or the supermarket SPS sector, whatever it happens to be. We are developing deeper knowledge and deeper experience in all those people.

Those people are engaged in the outbound process, which is helping the traders to do their supplementary declaration, for example. That group of eight or nine also is very involved in training the other tier 3s and then pushing that training down to the tier 2s. The complexity of this is that you have not only the customs world, but the body of law that is the



Northern Ireland protocol. You have to marry the two and there are lots of interaction effects there. It is an ongoing process of training, but part of it is making sure that the trader gets to the right person when they make that initial phone call. Certainly, we have increased that. Mary has been very involved in that process.

Mary Scullion: I will make a point in support of the moving through the tiers. There are a much higher percentage of tier 2s than there are tier 1s. We tend to have a perception that you have more tier 1s, then a level of tier 2s, tier 3s and so on. Only about 10% of our agents are tier 1s. As Mr Singham said, at this stage they are used for password resets and in the early stages for the trader registration. The highest percentage of our agents are actually the tier 2 agents. When a trader calls, sometimes they will get a tier 1, who might resolve it but might pass them on to a tier 2. Often, they will get directly through to a tier 2 agent. That is just to make sure that we understand that the bulk of our agents have two-plus years' experience.

Q637 **Claire Hanna:** I know colleagues are going to pick up on lessons and how you are able to feed those through. Mr Singham, you were previously involved with the alternative arrangements group that was proposing technological solutions for a land border on the island of Ireland. Have those ideas and technologies come to fruition? Are they now being utilised in the border that we do have?

Shanker Singham: Yes, the alternative arrangements commission work was not just technological. Most of it was customs and trade facilitations, and technical as opposed to technological things. That was the work of probably 40 or so of the world's leading customs and trade experts, under my direction. We concluded in the alternative arrangements work that this was the only way we saw of solving the issue of the Irish border that did not involve the GB-NI boundary in the same sense.

I will say that even the alternative arrangements proposed a single SPS zone on the island of Ireland. We did not see a way around that. Given that many of the issues are SPS-related issues on the GB-NI boundary, even going back to alternative arrangements, were Governments to do that, would not solve any of the SPS-related problems, because that is what we proposed. In my view at least, there really is no other way of doing this. It is a question of either making the protocol the least burdensome possible in terms of how traders use it, or going back to alternative arrangements and still having these issues of SPS.

On your question of technological things that are being done, it is true to say that, particularly with respect to SPS issues, there is a lot of digitisation that is possible right now. In fact, many of the supermarkets are using digitised systems and can track literally to the level of the bread roll as it is going from GB to Northern Ireland. There are many entities providing that kind of mechanism. Digitising the process is a really important thing to do. What I would leave with the Committee is that, in my experience, that technology is not off in future; it is stuff that



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supermarkets are using right now. We should take full advantage of those kinds of things, to the extent that they can make the SPS requirements easier for traders.

Claire Hanna: Thank you very much. It has been very helpful.

Q638 **Chair:** Ms Scullion, you have talked about staff, tiers, sections, silos et cetera. What do you have in place to provide a dynamic, iterative learning-share experience between those people who are assisting, instructing and educating business? How do you build that canon of collective learning to share, so that problems are more easily resolved?

Mary Scullion: Being a technology company, we obviously adopt technology solutions, frequently to support that kind of sharing and learning. It is important to stress that this contract for us is pretty unique, in the sense that we did our bid virtually. We did the setup, training and operation of this contract completely virtually. Many of our agents are based at home. Because of the restrictions, we have not dragged people into a central location. It has been key that we have built that support for those people who are working on the contract.

We have products like Yammer and Slack, which are technology-sharing platforms that the teams use to share knowledge. Obviously, you will have various groups, like the tier 2 and 3 agents and the specialism-type group. You can operate these technology platforms in that way.

Q639 **Chair:** Sorry, can I just try to better understand that? I am not a digital technology man, as anybody who knows me well would attest. If one of your agents has the eureka lightbulb moment, or comes across the Schleswig-Holstein-type problem, there are platforms that people can enter what it is, agents can see it and they can say, "Actually, I have the answer to that"; "I had that problem and I solved it that way"; or "Have you tried it this way?" Is there that sort of dynamic network?

Mary Scullion: Yes, there is. We do not just rely on the technology. Each of the groups of agents will have team leaders; there will be regular check-ins; and there will be the usual one-to-ones and, as Mr Singham alluded to earlier, even sessions, like the twice-weekly sessions, where we plan to get together, rather than just the eureka moment. The platforms support the eureka moment, but there are planned engagements every week and every day. Even with HMRC, whenever we get a new release, we have daily stand-ups about the issues we are seeing. We plan some get-togethers and we have platforms that support that kind of ad hoc or sporadic discussion: "I have this great idea. Why don't we progress it?" We attack it on two fronts in that way.

Chair: That is really good.

Shanker Singham: To give you a sense of what happens in our bi-weekly sessions with the tier 3s, where we are doing the education and training, a lot of it is devoted to asking, "What questions are you



receiving?" We share knowledge, share ideas and develop that on a literally moment-to-moment basis.

Q640 Mr Goodwill: We have heard some quite encouraging evidence about simplifying and streamlining the supplementary-declaration issue through the bulking of car or Land Rover parts, and looking to the model that New Zealand and the European Union have for animal and plant products. Two specific areas have been raised with the Committee. The first is to do with soil—that is, either soil that is part of a product such as a nursery plant, or indeed soil-contaminated machinery. There was a case of a JCB that could not be sent across the Irish Sea. Do you have any specific solutions to that? Is it now being streamlined? I know one plant nursery in North Yorkshire just discontinued sending product to Northern Ireland, or it had when it was first reported, because it was just too complicated. Mr Singham indicated he might be able to answer that.

Shanker Singham: Yes, just because I took the escalation for the second-hand tractors that had GB soil on them and, therefore, had difficulty doing their phytosanitary certificate. In discussing this, some of this was a result of possible gold-plating of internal UK regulations, so inspectors essentially saying that the tractor had to be absolutely as new, as opposed to free of dirt, which is a much more pragmatic standard, as long as you are not bringing a second-hand tractor across that is absolutely caked in mud. The reason for that is that Northern Ireland is obviously part of the EU SPS zone. As long as you are not doing that, you ought to be able to get the relevant phytosanitary certificate.

There is a difference between agricultural machinery and construction machinery. The standard is higher for agricultural machinery. That is why there is a difference between the JCB and the second-hand tractor. It is easier for the JCB to go into Northern Ireland; it is harder for the second-hand tractor to do that. For both those things, if there were pragmatic approaches from our own inspectors, a lot of these problems could quite easily be resolved.

That became a very important and sensitive issue because of the volume. Two-thirds of the tractors in Northern Ireland are purchased second-hand from GB. Obviously, it is an incredibly important issue for the farmers of Northern Ireland. There certainly are solutions to that, but they require a level of pragmatism and daily communication between DEFRA and DAERA.

Mr Goodwill: I suppose I should declare an interest. I was recently in conversation with a gentleman from County Cork regarding one of my own tractors, which I am seeking to sell. I hope we do not get tied up.

Chair: I presume, Mr Goodwill, that you will pressure-wash it. You will put a bottle of wine and a bunch of flowers on the driver's seat, and send it over with a red ribbon, knowing your traditional Yorkshire generosity.

Mr Goodwill: The deal has not been concluded yet.



Chair: That could seal the deal. You never know.

Q641 **Mr Goodwill:** The other issue that was raised with us recently was in respect of lease cars, because obviously a vehicle is a good at risk. If that vehicle is transported to Northern Ireland and sold to a customer, it can be clearly demonstrated that that has not been sold to a customer in the Republic of Ireland. As far as lease cars are concerned, the title of the vehicle does not change. In effect, it still belongs to the leasing company that may be based here in GB. The leasing companies indicate to us that it would make their trade almost impossible if they could not recoup any tariffs that were paid. Is there a solution to that problem? It occurred to me that maybe just having a brass plate on the wall somewhere in Belfast and having a subsidiary there might solve it. Is it something you are aware of and is there a solution?

Shanker Singham: There are several issues in that question. First, can they actually take advantage of the UK trade scheme? What you were alluding to at the end of the question was the requirement that you have a Northern Ireland facility in order to be on the UK trader scheme, which most of those companies would not have. There has been an easement on that point. There is a delay until October of the requirement for a physical Northern Ireland facility. As long as that trader is using what is called an indirect representative, which TSS is—if they are doing their declarations on TSS, they are using an indirect representative in Northern Ireland, which we are—they would qualify. They would not be disqualified from the UK trader scheme because they do not have a Northern Ireland facility.

The first thing I would recommend is to immediately register and get on the UK trader scheme. If you have sufficient control over your GB-NI movements, you should be able to take advantage of it and therefore not be at risk. Since that is a movement entirely within the UK customs territory, there would never be a duty applied.

For the at-risk trade, because a lot of these companies also service Ireland, there is a VAT issue there that we are very well aware of, which is complicating the sales to Ireland. The Irish Government have recently issued guidance on the VAT issue, to make it easier for those traders. That is a live issue that we are working on now. If you want to put your constituent in touch with us directly, Mr Goodwill, we can help to resolve any issues they have. We can walk them through the UK trader scheme and what the requirements are.

Mr Goodwill: It was the Society of Motor Manufacturers and Traders that raised the issue generally. We are talking about many thousands of vehicles that it has concerns about. It sounds like you are on the case, so thanks very much indeed.

Q642 **Chair:** You were talking in your questions Mr Goodwill, about the tractors and JCBs cause célèbre. Could one of our witnesses very briefly either shoot the fox or keep the fox alive, depending on what your answer is,



with regard to concerns we have heard anecdotally about Ministry of Defence movements?

Shanker Singham: That is actually a live issue. That is a case we are working on now. First of all, can you clarify exactly what the issue is? We have a number of MOD issues.

Q643 **Chair:** From memory, it was that the MOD had to provide in triplicate eight years in advance—not literally—if it wanted to move an Army Land Rover from A to B, from the mainland over to Northern Ireland. The MOD was almost being caught up in all of this, which was slightly bonkers for a Department of State.

Shanker Singham: Yes, and there are simplifications for own use, in any event. Even if it is not a Department of State but somebody using that for their own use, which clearly the MOD would be doing, there are very specific exemptions to the requirements in that case. If you would share exactly what the concern is, we can certainly look into it.

Chair: That is appreciated. Thank you very much.

Q644 **Mary Kelly Foy:** I just want to touch on the Covid pandemic. Although the volumes of trade have lowered during the pandemic, as expected, who knows what volume of work the service may have had if there had not been a pandemic? Has the pandemic meant that the services you are able to provide have reduced? Has it limited them? Are you able to grow and change as the pandemic restrictions are lifted?

Mary Scullion: We do not believe that the pandemic has limited the service we can provide. Our service is a digital-first service. Declarations are raised and processed electronically. Our contact centre is virtual, but it is not a face-to-face contact centre, and nor was it planned to be. Inasmuch as we have mastered how to create a virtual contact centre and provide the support that I mentioned to the Chair earlier, we have done those things, but it has not limited the service we can provide.

Even in terms of growing additional things that we may cover with that service—we talked earlier about other things that might come under the remit of TSS—we do not believe we are limited because of the Covid pandemic. We could do that in a virtual way, in the same way that we provide what we have done to date. Mr Benson and Mr Singham may have a view, but it is my opinion that the pandemic has not limited us in what we have provided.

Shanker Singham: I would actually say that, in some ways, not the pandemic itself but what we are doing now—the Teams or Zoom environment that we all live in—has enhanced our ability to reach traders. If you think about the 75 seminars we have done since around December, reaching 3,500 organisations, there is no way you could do that in a real-world setting, where you have to go to Belfast, book a hotel or whatever you would have to do—which is in fact what we did for the alternative arrangements commission. With the sheer volume and the



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sheer ability to reach large groups of people, it is hard to see how we could do more, to be honest.

Christian Benson: The Covid restrictions, in a strange way, also helped us right at the beginning of the project, in that we had to recruit 750 contact-centre agents very quickly. If this had been pre-Covid, we would typically have tied them to various geographical locations and it would have been more difficult to recruit that number. As it is, 20% of those agents are based in Northern Ireland, which is obviously good for the Northern Ireland economy.

To your question around scale once Covid restrictions ease, the service and technology have been scaled to deal with volumes of trade, inquiries and declarations far in excess of what we are currently dealing with. We are confident, in both the resourcing and the technology, of being able to deal with far higher volumes than we are doing currently.

Mary Kelly Foy: That is the bit I was trying to get at, at the end of my question: the anticipated extra volume once restrictions are lifted.

Q645 **Chair:** I want to come on, finally, to system design and IT. We have heard evidence from a number of businesses that have referenced a lack of compatibility speed; a sort of “Pick your own code and justify it”, rather than a system-led process for users to use; and concerns about compatibility with EU IT, in order for them to have real-time data and figures, as and when they may need it.

One example from a witness that sticks in our minds was that they managed to fill out the form correctly the first time round and thought they had done the same thing for the second one, and then had it all rejected and had to go back to first base. They are kicking themselves that they cannot remember how they did it correctly the first time—that is, it is almost a little too hit-and-miss. Could you give us some oversight, please, of the functionality of the IT system as it currently stands, what improvements you might have in hand, and the compatibility with the systems of the EU, which the EU will require for the UK Government to demonstrate best endeavours, good faith, et cetera, in making the protocol work? That is an incredibly important point.

Christian Benson: To the first point about being able to enter information almost freeform, as I said earlier, this is an evolving service. In the last couple of weeks, we have introduced data-validation functionality, which means that there are checks on the data that is entered before it gets submitted, to ensure that, where a field is mandatory, it is filled in, for example. There are additional checks on the data going in there. This is happening all the time. Those improvements are happening all the time and we are seeing error rates drop all the time. Where incorrect data has been entered, declarations were being rejected, but we are seeing that rejection rate fall all the time as we introduce more.

Q646 **Chair:** What is your percentage trajectory on that?



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Christian Benson: The percentage trajectory, I am afraid, you will have to add to our homework.

Chair: It is growing. You are going to be working over the weekend.

Christian Benson: We can show you a chart on that. We have the data. It is just that, unfortunately, I do not have it to hand.

Q647 **Chair:** That is helpful. Thank you. And on compatibility?

Christian Benson: On the compatibility with EU systems, at the moment there is no requirement for us to interface or integrate directly with any EU systems. I am aware that HMRC is now making data from TSS available to the EU, to comply with the requirements from the EU to see that data. I am not aware of any issues around compatibility.

Q648 **Chair:** Are you aware of the issues with the consignment-first process, where completed journeys are not showing up on the GVMS system as having arrived? Is work being done to solve that issue? We have heard evidence on it.

Mary Scullion: It is fair to say that, in the early days, there were some issues where journeys did not appear to turn up in the GVMS system. We triaged and diagnosed these issues and have worked closely with both the GVMS team and traders to ensure that the correct data is being entered, in terms of the EORI numbers and so on. We believe that, largely, the issue that resulted was perhaps an education issue rather than a technical issue, and more from the way the GVMS system was being used. We have produced education on how to use the GVMS system with the data provided by TSS. We keep an eye and monitor that as we need to.

Q649 **Chair:** We have also been hearing from some businesses that have had the issue that it is difficult to track consignments in TSS, because traders are identified only by their EORI number, rather than by their company name. There is a book or a play, isn't there? "I am a name, not a number". Is there any way that can be addressed? Businesses can then follow things by their company name rather than by their reference number. It would certainly make it more personal and user-friendly.

Shanker Singham: The issue is really how you connect the supplementary declaration request to the simplified frontier declaration. We have introduced new functionality. There is a whole range of things that TSS is doing to make its portals more intuitive, more user friendly, have new pop-ups and all these things.

One of those things is to ensure that historical tracking is easier between the SFD and the supplementary declaration. We are doing that now and that should improve the experience of traders. It should help them to have a historical record. We are also ensuring that you can save your supplementary declaration in draft, so that you can go back more easily.



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Previously, you could not do that. That falls in the bucket of a lot of increased functionality, to enable them to make that connection.

Q650 **Chair:** Is TSS going to be involved in delivering the tariff reimbursements once that system is up and running? When is that likely to be?

Christian Benson: I understand that tariff reimbursement is a process being handled by HMRC and not currently planned to be processed by TSS.

Chair: Thank you. That is very useful.

Q651 **Ian Paisley:** How much is this system costing the United Kingdom Government?

Christian Benson: The numbers around the contracts are publicly available. HMRC and Fujitsu have entered into a two-year contract. The value of that contract is just over £200 million. HMRC has the option then to extend the contract by a further year, and then a further year beyond that. That has not currently been purchased or even discussed yet.

Q652 **Ian Paisley:** Would the alternative arrangement proposals be cheaper or about the same?

Shanker Singham: It would be about the same, or maybe even more expensive, because you have to have a process around them. The process would be very similar. The problem is that you cannot get away from the issue of customs declarations of some type being required. That is where the cost is going to lie.

Chair: Thank you very much indeed. Witnesses, can I thank the three of you so much, first of all, for the detail and the clarity of your answers? It should have given us all enormous comfort that you are clearly all over the detail. Also, I am very encouraged by this iterative, organic learning in real time and responding approach, rather than rigidity. That should give traders and those who are involved in commerce some considerable comfort. We look forward to receiving your homework and hope that you will get an A*. You have certainly had an A* from this morning's session. Thank you very much indeed for your time. I am tempted to say, "Carry on the good work", which is what you clearly are doing. We are very grateful to you for that. Thank you.