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The Lord Jay of Ewelme GCMG
Chair, Northern Ireland Protocol Sub-Committee
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Dear Michael,

I wanted to take the opportunity to provide a written update to the Committee following the switch on of the new Windsor Framework arrangements for the movement of goods on 1 October. From that date new green lane arrangements were rolled out, with a range of new schemes coming into effect to support internal UK movements: the UK Internal Market Scheme (UKIMS) that replaced the UK Trader Scheme (UKTS) on customs; the Northern Ireland Retail Movement Scheme (NIRMS) that replaced the Scheme for Temporary Agrifood Movements into Northern Ireland (STAMNI) and the new NI Plant Health Labelling Scheme (NIPHL) was launched.

As you know, we consider that the Framework offers the best way forward for people and businesses in Northern Ireland and across the United Kingdom. We are committed to seeing it given effect in a way that protects Northern Ireland's place in the Union and ensures the smooth flow of trade between Great Britain and Northern Ireland.

The work the Government has undertaken to date to implement the Framework reflects those aims. As we set out in our recent Government response, there have been intensive efforts across Government departments in the run-up to 1 October. This has been focused on supporting trader readiness: maximising uptake of these new schemes; building understanding of the steps involved in moving goods and pre-emptively dealing with potential practical issues to avoid concerns on the ground. While those efforts will continue in the weeks and months ahead, I wanted to provide an update on encouraging progress so far.

1. Support for businesses

The Government has continued to engage stakeholders across key sectors to ensure that businesses small and large across the United Kingdom benefit from the new arrangements. Those efforts have been at the heart of our work to refine and reflect on the operation of the new arrangements in the run-up to 1 October and beyond. In addition, we have underlined our commitment to continue providing specific support where necessary. On 28 September, the Government committed to ongoing support for traders through the Movement Assistance Scheme and Trader Support Service.

As promised in the 27 February Command Paper, the Government has also confirmed that there will be £50 million in additional support available for agrifood retailers adapting to the proportionate labelling requirements that have come into force for the subset of products where that is required. These efforts will remain a priority for the Government over the coming months.

2. Customs

The UK Internal Market Scheme, as we noted in our Government response last month, significantly expands the range of businesses able to benefit. This has been reflected in the numbers of businesses signing up to make use of the scheme. There are now more than 6,200 businesses registered - 2,200 of which (more than a third) are companies who were not members of the previous UKTS scheme. This list is dynamic, meaning more businesses moving goods in Northern Ireland will benefit over time. This is in addition to the availability of the new reimbursement scheme, available to refund any duties for internal UK movements for those not moving via UKIMS. We are encouraged by the very strong take up of UKIMS.

The new scheme, reflecting the significant work since February, came into operation without any technical concerns, and has supported the ongoing smooth flow of goods. We will continue to work with businesses to identify the opportunities of the new scheme and to support further uptake. Preparations are also well underway for the next phase of the green lane, and the benefits it provides to UKIMS traders, due to take effect from October 2024. From that point, as well as being freed from unnecessary duties, traders will be able to use a dataset based on ordinary commercial information, removing the need for a range of information (including a commodity code for each movement). We will be working with businesses ahead of those new arrangements taking effect, again to maximise uptake and benefit for traders.

3. SPS

As of 1 October, the new NIRMS system enables products made to UK food and drink safety standards to move into NI on the basis of a single general certificate rather than a range of individual vet-signed documents. We are grateful for the intensive and collaborative work undertaken by many businesses, the Department for Agriculture, Environment and Rural Affairs (DAERA) and DEFRA to ensure a smooth roll out of the new green and red lane arrangements.

The broader eligibility of the new green lane system, coupled with the certainty provided to businesses, mean that we have seen welcome signs of new traders taking advantage. For example, significant wholesalers such as Booker have written to customers noting that they are now able to, *“bring back some of your favourite products that we had to remove due to the previous Northern Ireland Protocol”*. Consumers in Northern Ireland are also able to see the broader reach of the green lane, with for example shelf labelling in place in major food service outlets like Greggs, which were excluded from the scope of the old grace periods.

The green lane has operated smoothly to date, and we are absolutely committed to working closely with businesses to address any issues that arise. Pragmatic and collaborative working with traders will remain central to our approach, and we are committed to maximising uptake of the new green lane, building on the positive start that we have made. We will set out more detail on the roll out of labelling requirements through Great Britain in the coming months, though we note that some retailers have in essence already completed the GB-wide rollout of labelling for meat products.

Similarly, the brand new NIPHL scheme has nearly 150 businesses registered. It provides an accessible means for growers and traders to move plant products to Northern Ireland without a cumbersome phytosanitary certificate. This provides the basis for seed potatoes to be once again able to move into Northern Ireland in the usual way this winter. As seasonal movements increase in the month ahead, we will work closely with stakeholders to maximise uptake and address any issues that arise.

4. Ongoing engagement

We recognise that ongoing close working with traders is required but the Government welcomes the fact that these new arrangements have been able to support the smooth flow of goods into Northern Ireland as intended, and that there has been strong uptake of the new schemes. As we have done so far, we will be pragmatic in supporting businesses and traders in their transition to taking advantage of these new arrangements.

We will remain focused on ensuring that the schemes work in the interests of people and businesses in Northern Ireland. Although the Government's response to the Committee's work in this area noted the various areas where we disagree, we nonetheless recognise the important and valuable work the Committee carried out. This contributed to helping us fine tune plans for roll out and address practical concerns.

As my colleague the Secretary of State for Northern Ireland has said, we also continue to work intensively on seeking to address the concerns of the DUP and others, and we aim to finalise a package of policy and legal proposals as soon as possible.

5. Next steps

The Government recognises, however, that the continued lack of a Northern Ireland Executive and Assembly means that local, democratically elected representatives are not able to have a say in these new arrangements. We are also mindful that, in some areas, such as the Stormont Brake, the safeguards in the Framework cannot take effect without a functioning power-sharing government at Stormont. Although they were non-contentious and straightforward, it is disappointing that we could not hold an Assembly vote on the two EU laws recently added to the Framework. This was a clear example of how a restored Assembly would be guaranteed a legally mandated, cross-community vote, whereas with the boycott in place there is no say for Northern Ireland on the way forward.

This is just one of the reasons why the overriding priority for Northern Ireland now must therefore be to see a new Executive restored. We are conscious that some sought to justify not forming an Executive by virtue of concerns that the October arrangements would be disruptive and unworkable. With these arrangements now in place, without those concerns materialising, there is an opportunity to move on to focusing more broadly on a plan to make Northern Ireland work - which is fundamental to the long-term future of the Union.

The Government remains deeply concerned that the lack of an Executive and Assembly is leading to broad and growing divergence between Northern Ireland and Great Britain on issues of importance to the everyday lives of citizens from the cost of living through to public sector pay; from medicines legislation to NHS waiting lists. We would be happy to provide further detail on this to the Committee, and would welcome any scrutiny the Committee wishes to undertake on the key question as to whether outstanding issues with the Framework are such as to justify an ongoing absence of devolved leadership on these critical issues for public services in Northern Ireland.

Thank you for your continued interest in and engagement with the Windsor Framework and its implementation. I am copying this letter to the Minister of State for Northern Ireland, and to the Chairs of the Northern Ireland Affairs Committee, European Scrutiny Committee and European Affairs Committee.

I have placed a copy of this letter into the Libraries of the Houses of Parliament.

Warm regards

Lucy Neville-Rolfe

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