

Response to points raised in Road Haulage Association letter to the Chancellor of the Duchy of Lancaster

Thanks to the hard work put in by hauliers and traders to get ready for the end of the Brexit transition period, there are no queues at the Short Straits, disruption at the border has so far been minimal and freight movements are now close to normal levels, despite the COVID-19 pandemic.

As a responsible government, we made extensive preparations for a wide range of scenarios at the border, including the reasonable worst case. However, it appears increasingly unlikely that our reasonable worst case scenario will occur.

We know that some businesses are facing challenges with the new rules, which is why we are operating export helplines, running webinars with policy experts and offering businesses support via our network of 300 international trade advisers. This is on top of the millions we have invested in the customs intermediaries sector.

We are committed to ensuring that businesses get the support they need to trade effectively with Europe and seize new opportunities as we strike trade deals with the world's fastest growing markets.

That is why we will continue to work constructively with the Road Haulage Association and other business representative organisations, including through the weekly Brexit Business Taskforce, to get them the tailored support to tackle any outstanding issues.

CLAIM:

According to a RHA survey "Exports going through British ports to the EU fell by 68% last month compared with January last year" (Observer, 07/02/21)

RESPONSE:

We do not recognise this figure and further details from the survey have not been shared.

Flows are monitored on a daily basis by the Border Operations Centre. In the last full week (30 Jan to 5 Feb) both outbound and inbound flows (across all UK ports) were close to normal, at 95% outbound and 96% inbound, in spite of the impact of COVID lockdowns on trade.

For the same week, flows outbound specifically across the Short Straits were at 82%.

The Port of Dover's own data confirms that volumes are close to normal.

CLAIM:

Richard Burnett, Chief Executive of the RHA “told the Observer that in addition to the 68% fall-off in exports, about 65%-75% of vehicles that had come over from the EU were going back empty” (Observer, 07/02/21)

RESPONSE:

This does not reflect the data from our French counterparts, which puts the figure at closer to 50%.

It is an entirely normal part of freight flows to have empty lorries on the outbound leg from the UK into the EU – this has always been the case.

Indeed, estimates suggest that prior to 1 January, around 30% of all outbound lorries were empty.

Taking the impact of Covid-19 on economic activity into account, the current levels are not surprising when compared to normal outbound flows.

CLAIM:

“On several occasions we have offered to facilitate a roundtable with affected businesses which so far has been ignored” (Richard Burnett letter to CDL, 01/02/21)

RESPONSE:

We have had intensive engagement with the road haulage industry over many months, including through the weekly CDL-led Brexit Business Taskforce, and we are still facilitating regular calls with representative groups.

The RHA’s letter references a meeting on 24 January during which these issues were discussed.

A separate working group on the Northern Ireland Protocol has also been established to drive forward key actions, such as the very successful groupage pilot on which DEFRA and DAERA partnered with Logistics UK.

CLAIM:

“The shortage of customs agents to support the intermediaries market shows no sign of improvement... we estimate that as many as 50,000 customs brokers will be required and so far, there are only 10,000 in place” (Richard Burnett letter to CDL, 01/02/21)

RESPONSE:

We do not recognise this claim.

Recent survey data has shown the sector expected to see a near fourfold increase in their ability to process declarations and that there are intermediary businesses who currently have spare capacity.

50,000 is an arbitrary industry calculation – it is not and never has been a Government target.

The Government has also invested £84million so that customs intermediary businesses could boost their capacity.

CLAIM:

The RHA has repeatedly “warned repeatedly that there was a lack of clarity over how the new arrangements would work” and called for an extension to the transition period (Richard Burnett letter to CDL, 01/02/21)

RESPONSE:

The RHA suggested in the run up to December that key Government systems and infrastructure would not be ready in time.

In fact, all IT systems and infrastructure were ready in time and are operating effectively.

Similarly, trader and haulier readiness has been significantly higher than planned for or anticipated. This is evidenced by the excellent levels of compliance with our Check an HGV and Kent Access Permit requirements, with around 85% compliance and by the very low turnback rate at Dover and Eurotunnel, where turnbacks have been consistently below 5%.

CLAIM:

“Government is not doing enough to address” the “devastating consequences” on critical supply chains (Richard Burnett letter to CDL, 01/02/21)

RESPONSE:

The Cabinet Office monitors critical supply chains daily. Currently, all critical supply chain indicators are within normal tolerances.

While traders on the whole are managing the changes well, the government knows that some businesses are facing challenges with some of the new rules that are now in place. That’s why the government is:

- Meeting businesses from specific sectors across all parts of the UK weekly through the Brexit Business Taskforce chaired by Michael Gove
- Increasing staff and opening hours for HMRC exporting telephone and online helplines. The number is 0300 322 9434 and businesses can also speak to an adviser online at [tax.service.gov.uk](https://www.tax.service.gov.uk)
- Running regular webinars with policy specialists
- Providing the [Brexit Checker Tool](#) on gov.uk which gives businesses a personalised list of actions that they need to take
- Offering face-to-face support for exporters in delivered via a network of around 300 International Trade Advisers (ITAs);
- Setting up a taskforce with businesses and the devolved administration in Scotland to understand and address any practical issues facing Scottish businesses, including the seafood sector

- Offering support to businesses moving goods between Great Britain and Northern Ireland through its Trader Support Service

CLAIM:

New guidance on groupage (where lorries pick up multiple consignments of SPS relevant products from different locations) was drafted following “limited engagement with the industry and feedback from operators” and the new model has “not been stress tested” (Richard Burnett letter to CDL, 01/02/21)

RESPONSE:

This is wrong. Industry participated in workshops with DAERA and Defra to develop the guidance. They were also involved in pilot runs into NI with the final guidance reflecting that experience. The guidance itself was shared with stakeholders for comments well in advance of publication and will continue to be refined in the light of experience.

The new guidance gives much needed clarity on what is required to be compliant with EU law and provides options as to how they meet the required SPS checks.

CLAIM:

New groupage guidance “falls well short of addressing the many issues being experienced by traders, hauliers, manufacturers and consumers” (Richard Burnett letter to CDL, 01/02/21)

RESPONSE:

We have been clear that there are outstanding problems with the Northern Ireland Protocol that need to be resolved to ensure trade continues to flow smoothly and there is as little impact as possible on the everyday life of communities.

We will continue to work constructively and pragmatically with the European Commission to restore confidence in the operation of the Northern Ireland Protocol.