

Minutes of the Maritime, Road and Rail Policy Group Meeting

Minutes of the Maritime, Road and Rail Policy Group Meeting held via Zoom on the 8th December 2021. The meeting commenced at 9.30 am.

Agenda item 1 – Competition Statement

The Chair read out the Competition Statement at the commencement of the meeting.

Agenda item 2 –Agree the Minutes of the meeting of 14th July 2021

The meeting agreed that these were an accurate reflection of the meeting and the Chair asked the Secretariat to sign them.

Agenda item 3 – Matters arising from the meeting of 14th July 2021

The Vice Chair of the Surface PG was proposed and duly elected by the Policy Group.

Agenda item 4 EU Exit and related matters

Amended timetable for EU Exit

The meeting was reminded of the following key dates;-

- 1st January 2022 will see the introduction of full Customs controls for goods all inbound movements from the EU. All goods will require a customs declaration (pre-lodged in certain cases) or be declared to EIDR.
- GVMS (in effect a virtual inventory system) will become mandatory for non-inventory linked ports
- All POAO must be declared via a simplified (15 data element) declaration

Particularly regarding the GVMS systems there were concerns regarding the lack of testing of this new system. Members had raised concerns regarding changes to the Rules of Origin for EU/UK goods and there were concerns regarding the lack of security to the EIDR regime relative to GVMS movements, which potentially could result in non-compliance.

1st July will see the requirement for S&S GB Safety and Security declarations to be submitted, Additionally full IPAFF declarations for POAO will be required and inspections at a BCP would be implemented as mandatory..

Overview of SPS Procedures

The meeting heard that it was essential to link the IPAFF and Customs declaration by quoting the reference provided by the former in box 44 of the latter. The IPAFF declaration should be sent to PHA at Dover or Sevington. However, it was noted that PHA at these sites were unsighted as to goods coming into the UK , because they had no access to the GVMS system.

The meeting heard that DEFRA should have done more to push for easements to facilitate the movement in SPS goods between the EU and UK.

A significant change to French VAT law was advised to the Meeting, in brief their Customs would no longer collect VAT, that responsibility now moved to their Revenue. For DDP shipments where there was no importer of record established in France , UJK companies had two options:-

- Register themselves in France for VAT (takes three months)
- Appoint a Fiscal Representative in France.

Implementation of CDS

The meeting noted that CDS had been implemented in Northern Ireland to comply with the Northern Ireland Protocol. There had been significant issues in the provinces with CDS as it had not been fully tested .

Three key dates were noted by the meeting:-

- For imports migration from CHIEF to CDS had to be completed by 30/09/2022
- Export migration had to be completed by 30th March 2023
- CHIEF would be finally shut down on 30th June 2023

Agenda item 5 RHA update on EU matters and driver shortages

The RHA shared similar concerns to BIFA regarding the implementation of new frontier procedures on the 1st January 2022. The Association noted two particular concerns:-

- That HMRC, DEFRA and PHA were not joined up and the last entity as previously advised not linked to GVMS. This would be a particular concern when checks were required on SPS goods after 1st July at a BCP.
- Lack of information regarding the number of EU hauliers signed up to the scheme which it was believed was relatively low.

With regard to GVMS, whilst Government had initially launched the scheme expecting hauliers would create the GMR reference, in many cases it would appear that forwarders had decided to undertake the role.

Regarding the driver shortage, publicity and better pay there had been a net gain of approximately 15,000 drivers entering the sector.

Forwarders in particular noted a shortage of drivers to deliver containers to and collect them from ports. This was leading to delays and increasing costs.

Agenda item 6 –Rail Freight Group Update.

A copy of the update can be viewed at <https://us02web.zoom.us/rec/share/W0Z1xZ0pYYaYM7Pppa5ruwVlxHFptETXXvv9XKJiadChNKH7ubJsOetFG7AjYhEx.8RqjXNm8TI0XZq2f>. (The login code is lb=UDd2? , the first part of the code is an upper case I not a lower case L.)

Agenda item 7- The deep sea container market -updated overview

The meeting noted the very high profit being made by the worlds major shipping lines , whilst at the same time providing very poor service levels. Forwarders financial results were more mixed, the larger ones seemed to be enjoying good profit levels, which was not always the situation for smaller ones.

The meeting was advised that more freight was travelling by rail from China to Europe – causing shortages of rail space, equipment and forcing rates up. As demand and rates for Europe were particularly high obtaining space for destinations en-route, which paid lower rates was problematical.

Agenda item 8 – Dangerous Goods Update

Specific issues regarding shipments to China were noted as per the attached summary. This is a long established issue, but it seems to be getting worse. There were differences between individual Chinese States and within ports between different quays/terminals.

In inbound consignments there were issues in particular with undeclared lithium batteries which were only discovered when a container had reached premises for unloading.

Agenda item 9- Personnel shortages within the supply chain

It was noted that staff shortage was a significant issue for many different sectors of the UK economy. In transport there are indicators that warehouse staff retraining as drivers, creating a shortage of the former. Members reported that large retailers, supermarkets, and e-commerce traders could offer higher wages than forwarders, and thus were attracting the latter's staff.

It was noted that for the foreseeable future that there would be too few staff to do all the available jobs in the UK. Brexit had made the situation worse.

Our sector was not seen as being attractive to new entrants – the hours were long and often unsocial. Members reported that they still believed that people were leaving the sector “in droves”. COVID and Brexit had made the work more stressful than ever before, relatively simple tasks such as booking haulage had become much more time consuming increasing the workload.

Also, it was noted that many school leaver/students electing to go into higher education thus raising their aspirations and reduced their willingness in jobs which might be regarded as manual/lower skilled. In effect the potential pool of potential candidates was permanently reduced.

Some Members reported moderate success with apprentices, but it needed significant commitment and effort from employers to ensure a positive outcome.

The Regional Consultant for Anglia, London East and KES noted:-

- Anglia:- due to high employment levels and the nature of the work that the forwarding community and port had always experienced difficulties recruiting staff
- London East:- forwarders were in competition with high wage employers at London Gateways and London which made recruitment difficult
- East Kent:- Historically higher unemployment rates had made recruitment easier. However, increased demand for staff at Sevington etc had reduced the pool of available staff,

The meeting was reminded that BIFA was developing a schools engagement programme and can assist Members with training apprentices.

Effectively the sector was having to tackle the twin issues of an increase in demand for its services at a time when the availability of staff had declined.

Agenda item 10- Any other business

No any other business was tabled for discussion

Agenda item 11 Date of Next meeting

This will be held on the 24th February (online)