UKWA Newsletter July 2020

David McCutcheon, Chief Executive Officer of Bullet Express, has been confirmed as a new member of the UKWA management board.

UKWA has submitted a response to the government's Freeports Consultation on behalf of the warehousing & logistics industry, collated by a specially convened UKWA task force.

At UKWA's Annual General Meeting, held June 26th 2020, CEO Peter Ward reported a positive year, despite the current challenges.

In response to the government's plans for post-pandemic economic recovery, UKWA CEO Peter Ward highlights the need for more warehousing space as part of the promised 'build, build, build' programme.

Free webinar: R&D Tax Credits2020
UKWA is delighted to welcome new Associate Member, ForrestBrown, the UK’s largest specialist R&D tax consultancy.

Resurge in business during Covid-19 sees WMS investment

Welcome to our new members

Your views on the new Plastic Packaging Tax
The government will be introducing a new Plastic Packaging Tax, commencing April 2022. The tax is designed to tackle the use of avoidable single-use plastic packaging.

Brexit Update
With the continued focus on the fallout from Covid-19, it’s easy to forget that Brexit is on the horizon. On 01 January 2021 the transition period with the EU will end and the Government will be introducing a new Plastic Packaging Tax, commencing April 2022. The tax is designed to tackle the use of avoidable single-use plastic packaging.

David McCutcheon joins UKWA board
David McCutcheon, Chief Executive Officer of Bullet Express, has been confirmed as a new member of the UKWA management board.

UKWA submits Freeports response
UKWA has submitted a response to the government’s Freeports Consultation on behalf of the warehousing & logistics industry, collated by a specially convened UKWA task force.

Message from UKWA CEO
In response to the government’s plans for post-pandemic economic recovery, UKWA CEO Peter Ward highlights the need for more warehousing space as part of the promised ‘build, build, build’ programme.

Welcome to our new members

Your views on the new Plastic Packaging Tax
The government will be introducing a new Plastic Packaging Tax, commencing April 2022. The tax is designed to tackle the use of avoidable single-use plastic packaging.

Brexit Update
With the continued focus on the fallout from Covid-19, it’s easy to forget that Brexit is on the horizon. On 01 January 2021 the transition period with the EU will end and the Government will be introducing a new Plastic Packaging Tax, commencing April 2022. The tax is designed to tackle the use of avoidable single-use plastic packaging.

Free webinar: R&D Tax Credits2020
UKWA is delighted to welcome new Associate Member, ForrestBrown, the UK’s largest specialist R&D tax consultancy, whose mission is to help UKWA members access funding.
The Prime Minister has laid out his plans for post-coronavirus economic recovery, with a new mantra of ‘build, build, build’. Time now, he says, to be ambitious, to help generate new jobs, upskill employees and help young people onto the housing ladder. £5bn is pledged to build ‘fantastic new homes’ and infrastructure.

This is welcome news, but has the government understood that alongside shops, doctor’s surgeries and schools, new housing developments also need warehousing and distribution centres to support the population?

In recent times UKWA has frequently pointed out that every new home represents a new delivery point; post-COVID this is now the case more than ever before. A key impact of the lockdown has been a huge surge in online shopping and retailers will have to adapt accordingly – so will the government. The future picture should be one of mixed-use developments, with a ‘beds and sheds’ infrastructure to enable our sector to support retailers in providing the same or next-day home delivery services consumers now expect.

This will require the changes in planning use classes UKWA has long called for. Boris Johnson has pledged, ‘the most radical reforms to our planning system since the Second World War’. Time will tell whether this will yield the fresh approach we need. As the voice of the industry, UKWA will continue to push for government to address ‘nimbyism’ and build new communities that embrace logistics as a force for good in our brave new post-coronavirus world.
At UKWA’s Annual General Meeting, held June 25th 2020, CEO Peter Ward reported a positive year, despite the current challenges.

“Clearly the uncertainty during the COVID-19 lockdown was not without its challenges, but UKWA has been tireless in supporting members’ interests, providing necessary advice and guidance on safe operation and representing the needs of our industry to government,” he said. “This has paid dividends and rather than seeing 3PLs tempted to make short-term cuts in spending, we’ve actually seen a significant increase in our membership and high levels of engagement with our activities and communications.”

As one of a number of moves to reduce overheads and increase flexibility, UKWA moved to new accommodation in Trafalgar Square at the end of 2019, the year the association celebrated its 75th Anniversary and raised £75,000 for its nominated charity, Transaid.

Over the last twelve months, UKWA has continued to develop and expand the benefits of association membership and the wide range of member services, reflecting the changing nature of the sector and opportunities for future growth.

“While we are mindful of the difficulties faced by our members, we continue to be confident about prospects ahead,” Peter added. “The acceleration of e-commerce during the pandemic and lockdown will no doubt generate significant new opportunities for our sector. However, I understand fully that for many the immediate focus is on survival, given the reduced activity during lockdown. Therefore, we will continue to highlight this to government and press for additional support for the sector.”
David McCutcheon joins UKWA board

David McCutcheon, Chief Executive Officer of Bullet Express, has been confirmed as a new member of the UKWA management board.

He joins new board members – Ian Henderson, Group Property Director at Wincanton PLC, Gary Whittle, Commercial Director at Meacher’s Global Logistics and Neil Bowker, Commercial Director of Bowker Group, who has been formally elected Vice Chair of the UKWA management board.

Commenting on David’s appointment, UKWA CEO Peter Ward said, “Since becoming a member of UKWA, Bullet Express has been an active and engaged supporter of the association. I am delighted to have such a strong industry advocate in Scotland and look forward to working with David as we navigate these extraordinary times.”

David says, “It’s the tremendous opportunities in this great industry which led me to become involved with promoting our business and the sector in general through organisations like UKWA. I’m delighted to become a board member and welcome the opportunity to work with UKWA Chair Nicola Ridges-Jones and CEO Peter Ward, along with other colleagues on the board, and hope to make valuable contribution to the future of the association.”

Former UKWA Chairman Tony Mohan and Douglas Fearnley have both stepped down from the board after many years of providing exceptional support and service.
UKWA has submitted a response to the government’s Freeports Consultation on behalf of the warehousing & logistics industry, collated by a specially convened steering group and based on UKWA members’ feedback, gathered via an online survey.

UKWA supports the key principles of Freeports, recognising the potential benefits of simplified customs procedures aligned to tariff and tax exemptions and other financial incentives to entice the development of hubs geared to international trade.

However, the overall view is that while Freeports have been successful in other parts of the world, notably in emerging markets, they will likely be less beneficial in a mature market such as the UK. UKWA highlighted that whatever the outcome of negotiations for a Free Trade Agreement with the EU, the UK’s current trade with the EU will require customs declarations and processing, which will be a massive burden on export and import traders. Therefore, the Association is calling for government to prioritise the protection and sustainability of the UK’s existing export and import trade, namely manufacturing industries and companies that provide jobs for many thousands of employees.

“For existing businesses with well-established supply chains, UKWA believes the current definition and location of Freeports is unlikely to prove attractive,” says Peter Ward. “We have challenged the proposed geographic basis for Freeports and suggested instead a more zoned approach, to include multiple ports/airports and other transport nodes; we have also recommended industry-specific schemes aimed at specific locations or regions.”

He concludes “It is essential that the government understands the importance of this sector and provides the necessary support to ensure it thrives and expands to serve the needs of new businesses established within proposed Freeport/Freezone areas. We would like to see further consultation with industry representatives to address the imminent and long term challenges, while capturing opportunities for increased international trade.”
UKWA is delighted to welcome new Associate Member, ForrestBrown, the UK’s largest specialist R&D tax credit consultancy, whose mission is to help UKWA members access funding to invest in new technical staff, business growth and tackle ambitious R&D projects.

As the Association’s chosen R&D tax credit partner, ForrestBrown can help members make the most of this under utilised tax opportunity, whether they are new to R&D tax credits, already claiming or simply unaware of the incentive.

Find out how your business could benefit. Join our free webinar, Tuesday 4th August, 12.00-12.30

Hear UKWA CEO Peter Ward discuss with ForrestBrown’s experts, Adam Kotas and Gareth Randle:

• How to access this funding quickly and accurately
• How much the incentive could be worth to your business
• How to unlock more value from a current claim
• How to use R&D tax credits for long-term financial resilience

“We want to make sure that UKWA members are fully aware that R&D tax credits are available to help them develop their business. There are many challenges ahead right now - from cashflow to making workplaces COVID-secure and, crucially, investment in new technologies as the industry continues its digital transformation, says Jack Wanstall of ForrestBrown.

“R&D tax credits can help manage all of these challenges. The incentive is a quick, debt-free source of cash and claiming – when using a specialist adviser like ourselves – requires a minimal time commitment to benefit.”

To sign up for R&D tax credits webinar: ‘The funding you need to thrive in 2020’, register below.

Register for webinar
Welcome to our new members!

AARON & PARTNERS
TRIDENT WORLDWIDE LTD
3PL WOW LIMITED
CAM STORE LIMITED
EPAC FULFILMENT SOLUTIONS LTD
FORRESTBROWN LIMITED
GOLDSTAR HEATHROW LTD
GREATBATCH LIMITED
HI-LEVEL MEZZANINES LIMITED
PRINCIPAL LOGISTICS TECHNOLOGIES LTD
QTS LIMITED
SPACIAL INSTALLATIONS LTD

aaronandpartners.com
trident-ww.com
3plwow.com
cam-store.co.uk
epac.com
forrestbrown.co.uk
goldstarheathrow.com
letterboxdistribution.com
hi-level.co.uk
principalsystems.com
qts-ltd.co.uk
spacial-installations.co.uk
Your views on the new Plastic Packaging Tax

The government will be introducing a new Plastic Packaging Tax, commencing April 2022. The tax is designed to tackle the problem of plastic waste and will directly affect businesses that import plastic packaging in the UK, including imported filled packaging – in other words, a significant number of UKWA members.

The tax will apply to plastic packaging containing less than 30% recycled plastic content and will be charged at £200 per tonne. A minimum threshold of 10 tonnes will prevent excessive administrative burdens being placed on the smallest businesses.

The government has launched a consultation on this initiative and is seeking views from interested businesses, including importers and exporters of goods in plastic packaging, fulfilment house operators, freight forwarders, trade bodies and others impacted by the tax.

As the voice of the industry, UKWA is proposing to convene a steering group and prepare a co-ordinated response on behalf of the membership, submitting views to government on the treatment of imported filled and unfilled plastic packaging, definitions, exemptions and reliefs.

The closing date for the consultation is 20 August 2020, therefore we will be contacting members shortly to invite feedback via a short survey on the introduction of the proposed plastic packaging tax.

Please take the opportunity to have your say and support us in supporting you!
With the continued focus on the fallout from COVID-19, it's easy to forget that Brexit is on the horizon. On 01 January 2021 the transition period with the EU will end and the UK will operate a full external border as a sovereign nation.

Back in February this year, the government announced its intention to implement full border controls on exports and imports to and from the EU. However, recognising the impact of coronavirus on businesses’ ability to prepare, it has now been announced that new border controls will be introduced in three stages, up until 1 July 2021, giving industry extra time to get ready.

For certain ‘controlled goods’, such as excise, the government’s core model will take effect from 01 January - requiring full customs declarations and, with hopes fading of a Free Trade Agreement, payment of duties and taxes.

For excise and other controlled goods, little will change procedurally from current Rest of World imports. However, once excise goods have been customs-cleared at port, but are intended to remain under excise duty suspension, the goods must be subject to the Registered Consignor system. Only registered consignors are permitted to move excise goods in excise duty suspension and use the Excise Movement and Control System (EMCS) at import. This may be a change of procedure for some UKWA members.

HMRC has also confirmed to UKWA that the new rules that will allow most businesses to use duty deferment without needing to obtain a Customs Comprehensive Guarantee will include deferred excise duty at import. This represents a significant saving and cash flow benefit for UKWA members and grocery retailers involved in the large-scale distribution of EU imports of alcohol.

UKWA is urging members to prepare for the new procedures, which are explained in the government’s recent policy document ‘The Border with the European Union - Importing and Exporting Goods’.

For other support materials, guidelines and fact sheets on leaving the EU, visit the UKWA website.
An order fulfilment start-up has grown its customer base from zero to 25,000 orders per month, in under 10 weeks and during the height of the COVID-19 crisis.

Resurge specialises in firms and start-ups positioned for significant growth and during the pandemic has helped rescue small to medium sized providers affected by labour shortages and health issues, plus those left homeless by Amazon’s move to shipping essential items only.

The secret behind Resurge’s success has been its ability to seamlessly and remotely onboard an innovative, cloud-based WMS solution, SnapFulfil. Resurge’s co-founder and Chief Strategy Officer, Brian Kirst, says: “The demand for our more progressive 3PL services has exceeded our expectations during these challenging times. However, we were able to respond really quickly by bringing forward our investment in a cloud-based WMS that has the flexibility and scalability to adapt and grow with us as a business and our customers’ strategic expansions.

“We have worked with SnapFulfil previously and we completely trusted them to get our remote implementation right the first time and in just a matter of weeks, which they did without any issue. Plus, they bring a level of support which, in my experience, goes way above and beyond the industry standard.”

The New Jersey based company’s investment and progress means it is now well placed to rapidly scale up from 80,000 orders per month by September to 125,000+ by November/December holiday season time.

“We attribute our success to having the right WMS in place and SnapFulfil has bespoke functionality totally relevant to our business as a progressive type of 3PL. What’s more, it gives us confidence and credibility to pursue prospects that might not otherwise select such a new style third-party logistics and D2C fulfilment associate,” Brian added.

Even with most of the US under a stay at home advisory when Resurge was due to go live, SnapFulfil was able to offer remote support including regular online training meetings to ensure the team could access and test the solution. SnapFulfil CEO, Tony Dobson, says: “The worldwide travel restrictions mean that we now have a tried and tested remote training and go-live support package. Our DNA is ‘in the cloud,’ and so our geographically dispersed project teams have really mastered remote implementation.”

With Resurge being an early adopter of SnapFulfil’s newly redesigned rules engines and extra new functionality, the latest partnership initiative means Resurge can now self-configure and implement certain improvements and amendments themselves, for even greater responsiveness and control.