

Brexit Committee

Thursday, 9th August, 2018

MEETING OF BREXIT COMMITTEE

Members present: Councillor Walsh (Chairperson);
Aldermen Kingston, McGimpsey and Spence;
Councillors Attwood, Beattie, Campbell, Canavan,
Carson, Dudgeon, Hutchinson, Lyons, McAllister,
McAteer, Nichol, O'Hara, Pankhurst and Reynolds.

In attendance: Mr. N. Grimshaw, Strategic Director of City and
Neighbourhood Services;
Mr. J. Greer, Director of Economic Development;
Ms. G. Long, Commissioner for Resilience;
Mr. J. Walsh, City Solicitor; and
Mr. J. Hanna, Senior Democratic Services Officer.

Routine Matters

Apologies

An apology for inability to attend was reported from Councillor Dorrian.

Declarations of Interest

No declarations of interest were recorded.

Scheduled of Meetings for 2018

The Committee agreed to the following schedule of meetings for 2018:

- Thursday, 20th September at 4.30 pm;
- Thursday, 11th October at 4.30 pm;
- Thursday, 8th November at 4.30 pm; and
- Thursday, 6th December at 4.30 pm

Matters Referred back from Council/Motions

Motion – Backstop Option

The Committee was reminded that the following motion regarding a Brexit Backstop Option, which had been proposed by Councillor Walsh and seconded by Councillor Carson had, in accordance with Standing Order 13(f), been referred to the Committee by the Council at its meeting on 4th June:

“This Council supports paragraph 49 of the agreed Joint Report from the Negotiators of the European Union and the British Government of December 2017 which is an approach that will ensure there is no hardening of the border in Ireland.

The Council wishes to see the ‘backstop’ option, as defined in paragraph 49, included in the legally binding Withdrawal Agreement and agrees to lobby for retaining the ‘backstop’ in the Withdrawal Agreement unless and until something better emerges. In addition, the Council demands that the full EU rights of citizens are protected, as proposed in the current draft Withdrawal Agreement.”

Councillor Carson, who had seconded the motion at the Council meeting, subsequently proposed that the Committee adopt the motion as the Council’s position.

At the request of Councillor Lyons, the proposer agreed to amend the motion with the removal of the first sentence of the second paragraph to be replaced by the following:

“This Council recognises that the ‘backstop’ option is the minimum position agrees to lobby for retaining this and furthermore any position the Brexit Committee adopts going forward.”

The motion, as amended, was thereupon put to the Committee when ten members voted for and seven against and it was declared carried.

Officer’s Reports

Brexit and Council Day One Readiness Preparation

The Committee considered the following report:

“1.0 Purpose of Report or Summary of main Issues

1.1 The purpose of this report is to provide Members with a brief summary of the work being undertaken in council to ensure the council’s day 1 readiness for Brexit

2.0 Recommendations

2.1 The Committee is asked to note the contents of this report and agree to a more detailed update report being brought in the future.

3.0 Main report

3.1 As Members are aware, the UK Government has stated its intention to withdraw from the EU on 29 March 2019. A two year transition period has been proposed to allow for consequent changes to be implemented, however there is no

agreement to date. Although there is still significant uncertainty as to the nature (and final date) of the UK's withdrawal from the EU, the council has begun preparations to ensure that the council's business will continue to be delivered as usual, regardless of the terms of the withdrawal agreement. These preparations include:

3.2 a) Assessment of impact & business continuity planning

A council-wide audit of services is currently being undertaken to identify the nature and extent of potential impact on services. (In particular regarding funding; personnel; procurement/contracts; and legislation). An assessment of risk to identified key service areas will be carried out and an action plan to mitigate the impact and ensure business continuity will be developed. Nigel Grimshaw, Director of City & Neighbourhood Services Department, is the senior responsible officer for progressing this work.

3.3 b) Engagement with Departments in the Assembly

All NI councils have been invited to engage with Departments in the Assembly to assist in exploring the impacts, potential opportunities and any contingency planning following Brexit. The Executive Office has circulated Day 1 Planning Guidance to all councils. This sets out key principles to be used by local councils to work in conjunction with the Northern Ireland Civil Service to develop delivery plans, to ensure that all policy areas and services have been considered and that there are no 'surprises' or unexpected impacts on any government service on Day 1 following an EU exit. Council officers have attended meetings with DEARA and DfE and with TEO earlier this year and further meetings are planned for the near future.

3.4 c) Engagement with Northern Ireland Local Government Association (NILGA)

NILGA has published several papers in relation to Brexit and has been identifying practical actions to support councils. One of which is to bring together key personnel on a task and finish basis to scope the potential impact on council services, identify solutions and highlight gaps that need to be addressed at a UK level. To implement this NILGA have extended the remit and membership of their Economy, Investment and Rural Development Working Group to create an all-council team of Members and support officers who would convene regular meetings to consider relevant issues. BCC has been asked to nominate two Members to attend

these meetings and this is being progressed through the council's 'appointment to outside bodies' process.

3.5 Financial & Resource Implications

There are no specific resource implications attached to this report.

3.6 Equality or Good Relations Implications/Rural Needs Assessment

There are no specific equality or good relations implications attached to this report."

The Committee noted the contents of the report and agreed to receive a more detailed update report at a future meeting.

The Committee agreed also, in order the help identify the potential impact of Brexit on the Council, community organisations, the business and other sectors, to the holding of two workshop/events, with one event being internally focused and the other to host the external sectors.

Brexit: Overview of the Potential Impact and Opportunities for the Local Economy

The Committee considered the following report:

"1.0 Purpose of Report or Summary of main Issues

1.1 This paper provides an overview of the work undertaken to date to inform the Council's considerations of the potential economic implications and opportunities for Belfast associated with Brexit. This is in line with the Committee's responsibility for researching, monitoring and reviewing the financial, resource or operational impact upon the Council and the district as a result of the UK's leaving the European Union

2.0 Recommendations

2.1 The Committee is asked to note the contents of the report.

3.0 Main report

3.1 Given the region's unique position, as the only part of the UK that shares a land border with an EU member state (Republic of Ireland) and is involved in a range of cross-border cultural, economic and political initiatives; and assessment of the impacts will be more challenging to assess until the future relationship between the UK and EU is determined.

However, to inform our plans to grow an inclusive economy and the success of the city, the Council has undertaken and engaged with experts to provide research and views as well as engaging with key stakeholders and business to consider the potential impacts and opportunities of Brexit.

Special Meeting of the City Growth and Regeneration Committee (November 2017)

- 3.2 This meeting enabled informed discussion of the potential economic impact and Belfast's resilience to meet any challenges and take advantage of any opportunities associated with Brexit, to ensure the inclusive economic growth and regeneration of the city. This was within the context of the Belfast Agenda and Local Development Plan and the vision for the city in 2035.
- 3.3 Prof Neil Gibson (EY) and Dr Eoin Magennis (Ulster University Economic Policy Centre (UUEPC), Dr Stevie Nolan (Trademark) and Dr Katy Hayward (Queen's University Belfast) provided independent expert input. Research prepared by the Nevin Economic Research Institute was also circulated to inform considerations.
- 3.4 The key issues from this meeting were noted at the City Growth and Regeneration Committee meeting in December 2018. This included the following:
- Importance of attracting and retaining investment (particularly high value growth services such as financial services)
 - Increasing trade (focusing on high growth services sector) and exploring opportunities to encourage business to export
 - Clarity on the movement of people, which is vital for the city to secure a pipeline of talent and increase tourism
 - Strengthening and diversifying the local economy – growing the local business base and accelerating alternative models such as social enterprises
 - The vital contribution of EU funding to social cohesion, economic and cultural regeneration as well as PEACE and securing any replacement funds
 - Key interests for business lie in terms of potential changes to labour mobility and talent/workforce availability, access to supply chains, regulation and compliance, tax, customs and tariffs.
 - There are ways in which Belfast may benefit in certain sectors due to its location and proximity to Dublin; its competitive cost base may be an advantage.

- The professional services ‘axis’ of Belfast – Dublin - London offers a real opportunity to position the city.
- Ensuring connectivity (air, road, rail and digital connections) and appropriate infrastructure are crucial for growth.

Belfast Region City Deal

- 3.5 The Belfast Region City Deal is both a vehicle to improve prosperity and quality of life in the city-region as well as making the city-region more globally competitive. The emerging City Deal will create opportunities for innovation, skills and infrastructure that will play a key role in strengthening the City’s position as the regional driver and in mitigating potential impacts of Brexit.
- 3.6 In developing the City Deal proposition a Belfast Region Industrial Strategic Framework has been developed to provide context and coherence for the proposed programmes of work that will be delivered. This draft Framework was presented at the Strategic Policy & Resources Committee in June 2018 and is available at [SP&R June minutes](#).
- 3.7 The Framework provides a shared vision for sustainable and inclusive growth of the Belfast Region based on a robust analysis of the competitive strengths and the key economic challenges. This includes consideration of the potential implications of Brexit that has been informed by economic research and modelling from the UUEPC. The Economic Growth Forum, which includes representatives from the city’s anchor institutions, and business representative groups such as the CBI and Chamber of Trade have also held focused discussions on Brexit and contributed to the draft Industrial Strategic Framework.
- 3.8 While caution must be applied when relying on economic forecasts and modelling; it is clear that in terms of the employment projections, Belfast has a critical role as the economic driver for the city-region in each of the potential scenarios presented, emphasising the importance of giving specific consideration to Belfast’s position and its specific economic eco system. A copy of this presentation is attached as Appendix 1. As the negotiations continue between the UK government and the EU, this work will be refined and refreshed as part of the ongoing work on the Belfast Region City Deal.

Inclusive Growth Framework

- 3.9 The City Growth and Regeneration Committee noted that the Council's role was vital in continuing to show leadership to drive inclusive economic growth, particularly given the uncertainty in the political, economic and global environment. The Committee will be aware that Metrodynamics have been commissioned to develop an Inclusive Growth Framework. A Members workshop took place in June 2018 to help define what Inclusive Growth means for Belfast. The development and implementation of this framework will take account of the economic climate and ambitions for Belfast and Brexit will inform considerations in shaping its development during autumn 2018.

Commissioner for Resilience for Belfast (100 Resilient Cities)

- 3.10 The growth and diversification of the Belfast economy is critical to maintain its resilience in order to manage future economic changes, potential shocks and stresses.
- 3.11 The appointment of the Commissioner for Resilience in May 2018 to champion the development and implementation of a Belfast resilience strategy will have a key role to play in shaping the city's future approach in the post-Brexit environment. This emphasises the importance of continuing to attract investors, employers and visitors to ensure economic prosperity for the city and the region as a whole.

Ongoing programmes of work

- 3.12 The Committee should note that the Council has also highlighted the issues and opportunities of particular relevance to Belfast in response to the Northern Ireland Affairs Committee request for suggested topic areas for the next Brexit and Northern Ireland Inquiry in February 2018. As agreed by Committee, this response also outlined that the Council had considered a number of Notices of Motion, which were subsequently carried. It also expressed concern about the impact on the NI economy, the impact of a hard border as well as concern about the loss of a number of E.U. programmes that were specifically focused on targeting social inclusion and the cohesion of communities, particularly through skills and employment, and through the loss of INTERREG programmes. The NI Affairs Committee has taken a themed approach to its Brexit and NI Inquiries and have selected agriculture as their Inquiry topic. A summary of the various Notices of Motion considered by Council and subsequently passed in included in Appendix 2.

- 3.13 The Council is continuing to engage with business and others to monitor and understand their issues to inform future messaging and support.
- 3.14 Irrespective of the potential impact of Brexit, the key challenges for the city remain – the need to grow the population, increase the business base and companies exporting, encourage innovation and tackle the levels of economic inactivity in the city. While there is may be a need to tailor and adapt approaches, the delivery of the Belfast Agenda ambitions and programmes of work remains key to drive inclusive growth and position the city for the future. Our approach to delivering these strategies, programmes and plans (such as programmes aimed at encouraging business to start up and grow, targeted interventions to support social enterprise, the emerging Enterprise Framework, Employability and Skills programmes, strengthening the city’s tourism potential and international relations) will continue to develop and refine as the future relationship between the UK and EU becomes clearer.
- 3.15 Officers are continuing to monitor developments and the Committee will note the recent UK government White Paper published in July 2018 ‘The future relationship between the United Kingdom and the European Union’ which is available at: <https://www.gov.uk/government/publications/the-future-relationship-between-the-united-kingdom-and-the-european-union>
- 3.16 **Financial & Resource Implications**
- There are no resource implications attached to this report.
- 3.17 **Equality or Good Relations Implications/Rural Needs Assessment**
- There are no specific implications attached to this report.”

The Committee noted the contents of the report and agreed that a report be submitted to a future meeting considering possible scenarios for the Belfast services industry if Article 56 ‘freedom to provide services’ of the Treaty on the functioning of the EU does not apply to that sector following the UK’s departure from the European Union.

Scenario Planning – Brexit

The Commissioner for Resilience reminded the Committee that, in making its decision to establish a Brexit Committee, the Council and the Strategy Policy and Resources Committee had recognised the importance of understanding the full implications of Brexit for the city's resilience and had adopted the following position:

“As one of the world's one-hundred resilient cities, with economic resilience being a key focus, it is imperative that we understand the full implications that Brexit could bring.

To enable this, the Council will immediately establish a formal Brexit Standing Committee, made up of Elected Members, with appropriate officer support, to undertake all necessary work required to bring forward a report with recommendations to explore the impact of Brexit on Belfast and its citizens.”

The Commissioner reported that urban resilience was the capacity of individuals, communities, institutions, businesses and systems within a city to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experienced. In other words, it strengthened the city's capacity to identify risks and opportunities before they happened, to be better prepared when they occurred and more capable of recovering or bouncing back from shocks.

Cities that were resilient tended to be better at planning for the future and used a range of methods for doing this. Scenario planning, that is, considering plausible situations arising from a risk or opportunity, had proven to be effective in enabling cities to design potential solutions during times of uncertainty. As the UK continues its negotiations on EU withdrawal, there remained a range of potential outcomes and the current context was therefore highly uncertain.

She pointed out that Belfast's membership of 100 Resilient Cities give the city access to key resources to build the city's decision-making capacity. Among those was its 'City Solutions Catalogue', which was a suite of resilience-building tools and services, provided by partners from the private, academic, public and non-profit sectors. This was an invaluable resource to the city of Belfast and could be accessed to help the city consider a particular risk or opportunity.

It was therefore proposed that the Commissioner for Resilience commissions 100 Resilience Cities to design an approach to scenario planning for the city to consider the risks and opportunities associated with the UK withdrawal from the EU. Initial conversations with 100 Resilience Cities had confirmed that, if approved by the Committee, this work would be commenced within weeks. A model of scenario planning would be designed relatively quickly and available in time for the next meeting of the Committee for Members to consider.

The Committee noted the information which had been provided and agreed to use the resources available to the Council from its membership of 100 Resilience City's to undertake scenario planning to prepare for UK withdrawal from the European Union.

Issues Raised in Advance by Members

Port Health Unit – Councillor Dudgeon

In accordance with notice on the agenda, Councillor Dudgeon proposed the following:

“This Committee agrees in the light of the particular Brexit-impacted functions performed by council staff in our Port Health Unit to an urgent review of its role after March 2019.

The Port Health Unit at Belfast Harbour Estate is currently approved to act on behalf of the EU as a Designated Point of Entry. It also currently controls high-risk products of non-animal origin imported from outside the EU and is approved as a Border Inspection Post for the examination, sampling and clearance of third country imports of products of animal origin.

Given the changes after Brexit when the Unit may have to inspect direct imports from all the current EU states, as well as non EU countries, the proposed review of its role and options will need to involve forward planning for various outcomes.”

After discussion, the Committee agreed to undertake a study visit to the Port Health Unit and noted that, whilst a Council-wide audit was being undertaken to identify the nature and extent of potential impact on services, that a separate report be submitted on the potential impact on the Port Health Unit.

Chairperson