#### **Public Document Pack**

Democratic Services Section
Chief Executive's Department
Belfast City Council
City Hall
Belfast
BT1 5GS



3rd August, 2018

#### **MEETING OF BREXIT COMMITTEE**

Dear Alderman/Councillor,

The above-named Committee will meet in the Lavery Room - City Hall on Thursday, 9th August, 2018 at 4.30 pm, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully,

SUZANNE WYLIE

Chief Executive

#### AGENDA:

#### 1. Routine Matters

- (a) Apologies
- (b) Declarations of Interest
- (c) Schedule of meetings for 2018 (Pages 1 2)

#### 2. <u>Matters referred back from Council/Motions</u>

(a) Motion - Backstop Option (Pages 3 - 4)

#### 3. Officers' Reports

- (a) Brexit and Council Day One Readiness Preparation (Pages 5 8)
- (b) Brexit- Overview of the potential impact and opportunities for the local economy (Pages 9 22)
- (c) Scenario Planning Brexit (Pages 23 26)

#### 4. <u>Issues raised in advance by Members</u>

(a) Port Health Unit – Councillor Dudgeon (Pages 27 - 28)

## Agenda Item 1c



#### BREXIT COMMITTEE

Subje	ct:	Schedule of meetings for 2018				
Date:		9 <sup>th</sup> August, 2018				
Repor	rting Officer:	Jim Hanna, Senior Democratic Services Off	ficer			
Conta	ict Officer:					
Restri	icted Reports					
Is this	report restricted?		Yes		No	Х
	If Yes, when will the	report become unrestricted?				
	After Committe	ee Decision				
	After Council I	Decision				
	Some time in t	he future				
	Never					
Call-ir	1					
Is the	decision eligible for	Call-in?	Yes	X	No	
1.0	Purpose of Repor	t or Summary of main Issues				
		-				
	To advise the Con	nmittee of the dates and times of the meetin	igs of the	e Brexi	t Con	nmittee
	during 2018.					
2.0	Recommendation					
	The Committee is a					
	Approve the	e schedule of meetings for the Brexit Committ	tee durin	g 2018	•	
3.0	Main report					
	Key Issues					
	•					

The Brexit Committee is a new Standing Committee and a regular date and time for the future meetings requires to be set so that the schedule of monthly meetings can be prepared.

The monthly schedule of meetings is very busy. The following dates have been identified as being free of any other Standing Committee, but some of these clash with Working Group meetings which would need to be rescheduled if the Committee agrees with the recommendation. Accordingly, the following dates have been identified for meetings of the Brexit Committee for the period from September to December, 2018:

- 20<sup>th</sup> September
- 11<sup>th</sup> October
- 8<sup>th</sup> November
- 6<sup>th</sup> December

#### (All meetings will commence at 4.30 p.m.)

It might not be necessary to hold a meeting each month as there might not be sufficient business to warrant summoning a meeting. If that is the case, the Chairperson will be consulted and Members advised accordingly.

#### Financial & Resource Implications

None associated with this report.

#### **Equality or Good Relations Implications**

None associated with this report.

## Agenda Item 2a



#### BREXIT COMMITTEE

Subject	<u>t:</u>	Motion - Backstop Option	
Date:		9 <sup>th</sup> August, 2018	
Reporti	ing Officer:	Jim Hanna, Senior Democratic Services Off	icer
Contac	t Officer:		
Restric	ted Reports		
Is this	report restricted?		Yes No X
If	Yes, when will the	report become unrestricted?	
	After Committe	e Decision	
	After Council D	Decision	
	Some time in t	ne future	
	Never		
•			
Call-in			
Is the d	lecision eligible for	Call-in?	Yes X No
1.0		t <b>or Summary of main Issues</b> mmittee's attention a Motion regarding a Bre	xit Backston Ontion which
		ne Council at its meeting on 4th June.	an Businessp Space, mile.
2.0	Recommendation	5	
	The Committee is r	equested to;	
	Consider the	e Motion and take such action thereon as may	y be determined.
3.0	Main report		
	Key Issues		

The following motion regarding a Brexit Backstop Option, which was proposed by Councillor Walsh and seconded by Councillor Carson, was presented to the Council at its meeting on 4<sup>th</sup> 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."

In accordance with Standing Order 13(f), the Motion was referred without discussion to the Brexit Committee.

Financial & Resource Implications

None associated with this report

Equality or Good Relations Implications/Rural Needs Assessment

None associated with this report

## Agenda Item 3a



#### BREXIT COMMITTEE

Subjec	<u>t:</u>	Brexit and Council Day One Readiness Prep	paration	
Date:		09 August 2018		
Danami	in a Office w	Nigel Grimshaw, Strategic Director City & No	eighbourhood Services	
Report	ing Officer:	Department		
Contac	t Officer:	Kim Walsh, Business Research & Developm	nent Manager	
			.coma.go.	
Restric	ted Reports			
Is this	report restricted?		Yes No X	
If	Yes, when will the	report become unrestricted?		
	A 54 O	o Destatos		
	After Committee			
	After Council I			
	Some time in t	he future		
	Never			
Call-in				
la 4laa a	laaisian alinibla fan	Call in 2	Yes X No	
Is the decision eligible for Call-in?		Call-in?	Yes A No	
1.0		t or Summary of main Issues		
1.1	The purpose of this	report is to provide Members with a brief sun	nmary of the work being	
	undertaken in coun	cil to ensure the council's day 1 readiness for	Brexit	
		·		
2.0	Recommendation	s		
2.1	The Committee is a	asked to note the contents of this report and a	gree to a more detailed	
	update report being	brought in the future.		

#### 3.0 Main report

3.4

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.

#### 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	
	<u>Financial &amp; Resource Implications</u>
3.6	There are no specific resource implications attached to this report.
	Equality or Good Relations Implications/Rural Needs Assessment
	There are no specific equality or good relations implications attached to this report.
4.0	Appendices
	None.



## Agenda Item 3b



#### **BREXIT COMMITTEE**

Brexit: Overview of the potential impact and opportunities for the local

Subject:	economy		
Date:	9 <sup>th</sup> August 2018		
Reporting Officer:	John Greer, Director of Economic Developme	ent	
Contact Officer:	Claire Patterson, Business Research & Deve	lopment Manager	
Restricted Reports			
Is this report restricted?		Yes No X	
If Yes, when will the	report become unrestricted?		
After Committe	ee Decision		
After Council I	Decision		
Some time in t	he future		
Never			
Call-in			
Is the decision eligible for	Call-in?	Yes X No	
1.0 Purpose of Repor	t or Summary of main Issues		
	s an overview of the work undertaken to date to	inform the Council's	
considerations of the	ne potential economic implications and opportu	nities for Belfast	
associated with Bre	associated with Brexit. This is in line with the Committee's responsibility for researching,		
monitoring and revi	ewing the financial, resource or operational imp	pact upon the Council	
and the district as a	a result of the UK's leaving the European Union	1	
2.0 Recommendation			
2.1 The Committee is a	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)**

- 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.
- 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.
- 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**

- 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.
- 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 <a href="#space-
- 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.
- 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**

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
	Financial & Resource Implications
3.16	There are no resource implications attached to this report.
	Equality or Good Relations Implications/Rural Needs Assessment
3.17	There are no specific implications attached to this report.
4.0	Appendices Appendix 1 – UUEPC Presentation to City Growth and Regeneration Committee
	(November 2017)
	Appendix 2 – Overview of Relevant Council Notices of Motion





# Brexit, Belfast and the City Region

**Dr Eoin Magennis** 

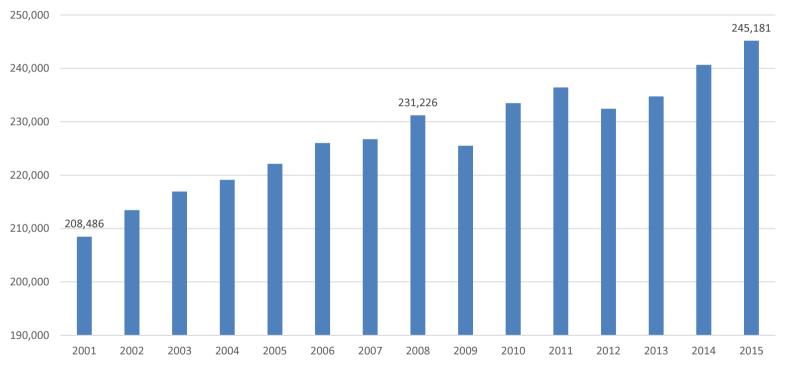
**Senior Economist: UUEPC** 

**ulster ac.uk** 2 November 2017



## Steady recovery and positive momentum in the city's economy...





Source: DETI Census of Employment & UUEPC



Driven by the city's performance in inward investment, the knowledge economy and some entrepreneurship measures

# 'Brexit': Areas for consideration for Belfast and the City Region





## **Employment outlook in light of Brexit**

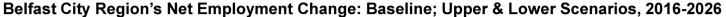
### Uncertainty is reflected in the different scenarios

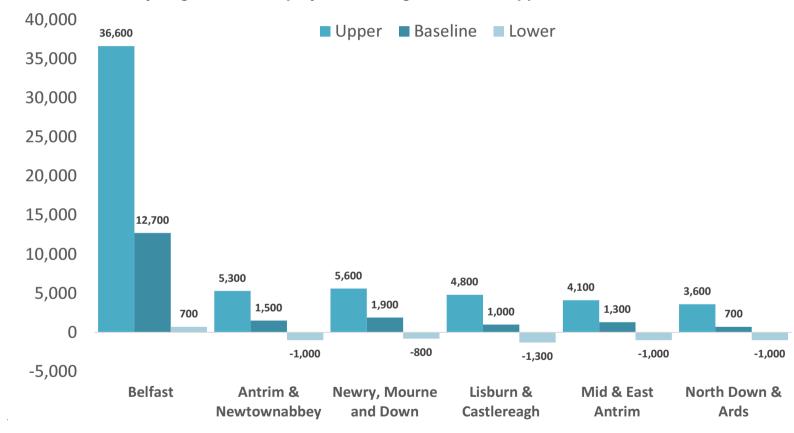
NI and Belfast City Region Net Employment Change: Baseline; Upper & Lower Scenarios, 2016-2026



## **Employment outlook within the City Region**

### Belfast City is the driver of growth under all scenarios







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#### Appendix 2

#### **Overview of Relevant Council Notices of Motion**

A number of Notices of Motion, which have been considered by Members and outline the Council's position in relation to Brexit and the ongoing negotiations between the UK and the EU. These include:

- Welcoming and valuing 'the contribution of newcomers and immigrants to the
  economy, society and culture of the city and commits to acting decisively to prevent
  hate crime and prejudice and to build a city that is open, welcoming and safe for
  everyone who lives and works here' (July 2016).
- Calling 'upon the European Commission to agree a special designated status for the North of Ireland, following Brexit. This special status should incorporate provisions included within the Good Friday Agreement in particular Strand Two, and uphold the human rights and equality protections currently in place which are derived from our current membership of the European Union' (June 2017).
- Recognising 'the critical importance of the EU Single Market to the economy of the
  City of Belfast and calls for a special deal to be put in place for Northern Ireland in
  context of Brexit that would facilitate continued participation in this Single Market'
  (November 2017).
- Agreeing to "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." (March 2018)
- Agreeing "the ever growing importance of relations between Belfast City and Dublin City as the main economic drivers within each jurisdiction. Furthermore, regardless of the outcome of negotiations around Brexit, it is imperative that relations continue to flourish between both cities, to the mutual benefit of all along this increasingly significant economic corridor." And "Accordingly, this Council agrees to establish a joint plan around co-operation regarding working relationships within the economic corridor. Going forward, this Council commits to ensuring key areas of progress and

collaboration focussing on: A complementary approach to inward investment and job growth; Achieving Inclusive growth; and Developing Infrastructure and connectivity." (May 2018).

• Supporting "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." And wishing "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." (July 2018 - referred to the Brexit Committee)

## Agenda Item 3c



#### **BREXIT COMMITTEE**

Subject	l.	Scenario Flanning - Diexit	
Date:		09 August 2018	
Reporti	ng Officer:	Grainia Long, Commissioner for Resilience	
Contact	t Officer:	Lynsey Cameron, Chief Executive's Depart	ment
Restric	ted Reports		
Is this r	report restricted?		Yes No X
If	Yes, when will the	report become unrestricted?	
	After Committe	e Decision	
	After Council D		
	Some time in the	ne future	<u> </u>
	Never		
Call-in			
ls the d	lecision eligible for	Call-in?	Yes X No
is the u	lecision engible for	Can-in:	163 110
1.0		or Summary of main Issues	
1.1	The purpose of this	report is to propose that Members set aside	time in the Brexit
	Committee Progran	nme of Work for scenario planning.	
2.0	Recommendations		
2.1	The Committee is a	sked to note the contents of this report and a	agree to use the resources
	available to the Cou	uncil from its membership of 100 Resilient Cit	ies to undertake scenario
	planning to prepare	for UK withdrawal from the European Union	
		·	

3.0	Main report
3.1	In making its decision to establish a Brexit Committee, the Council and the SP&R Committee recognised the importance of understanding the full implications of Brexit for the city's resilience.
	"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."
3.2	Urban resilience is 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 experience. In other words, it strengthens the city's capacity to identify risks and opportunities before they happen, to be better prepared when they occur, and more capable of recovering or bouncing back from shocks.
3.3	Cities that are resilient tend to be better at planning for the future and use a range of methods for doing this. Scenario planning, i.e. considering plausible situations arising from a risk or opportunity, has 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 remain a range of potential outcomes, and the current context is therefore highly uncertain.
3.4	Belfast's membership of 100 Resilient Cities gives the city access to key resources to build the city's decision-making capacity. Among those is its 'City Solutions Catalogue', which is a suite of resilience-building tools and services, provided by partners from the private, academic, public and non-profit sectors. This is an invaluable resource to the city of Belfast and can be accessed to help the city consider a particular risk or opportunity.
3.5	It is 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 UK withdrawal from the EU. Initial conversations with 100RC have confirmed

	that if approved by the committee, this work will be commenced within weeks. A model of
	scenario planning will be designed relatively quickly and available in time for the next meeting
	of this committee for members to consider.
	Financial & Resource Implications
3.6	The cost associated with commissioning this work is met through our membership of 100 Resilient Cities. Therefore there are no additional resource implications for the Council.
	Equality or Good Relations Implications/Rural Needs Assessment
3.7	There are no specific equality or good relations implications attached to this report.
4.0	Appendices
	None.



### Agenda Item 4a

Port Health Unit – Councillor Dudgeon

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.

