

Brexit Committee

Thursday, 11th April, 2019

MEETING OF BREXIT COMMITTEE

Members present: Councillor Walsh (Chairperson);
Councillors Beattie, Campbell, Canavan,
Carson, Dudgeon and O'Hara.

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;
Ms. C. Toolan, Chief Executive of BWUH Ltd. and
Miss C. Donnelly, Democratic Services Officer.

Apologies

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

Minutes

The minutes of the meeting of 21st March were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 1st April.

Declarations of Interest

No declarations of interest were recorded.

Correspondence - Federation of Small Businesses

The Committee was reminded that, at its meeting on 21st March, a deputation from the Federation of Small Businesses Northern Ireland (FSB NI) had delivered a presentation to the Members on its proposal for Northern Ireland to be designated as an Enhanced Economic Zone.

The Democratic Services Officer informed the Members that, subsequently, a letter had been received from Mr. B. Kearney, FSB NI Regional Group Chair, indicating that FSB NI was keen for further engagement with the Committee, particularly in the event of a no-deal Brexit scenario.

The Committee agreed that further engagement with FSB NI would be beneficial and noted the contents of the report.

New Structures Established as part of UK Withdrawal

The Commissioner for Resilience informed the Committee that, under the withdrawal agreement, there was a range of new structures that would be put in place if it were to be passed. She informed the Members that a Joint Committee would be established between the UK and European Union to oversee the withdrawal agreement and its implementation and that it would have six sub-committees, one of which would specifically relate to Northern Ireland.

She informed the Committee that the Joint Committee would work at Ministerial level, the specialised committees would work at Official level and that there would also be a sub-committee that would include a joint consultative working group comprised of officials and experts.

The Commissioner for Resilience reminded the Committee that, at its last meeting, it agreed that that early engagement be made with the Executive Office, to understand how the new institutional arrangements would operate and, in particular, how the Joint Consultative Working Group on Northern Ireland would operate. She informed the Committee that, although the withdrawal agreement still hadn't been passed, the Members may wish to correspond with Mr. David Sterling, Head of the Civil Service, to indicate that the Council would like to engage formally, with regard to preparations. She informed the Members that the Department for the Economy had commissioned Queen's University to undertake a piece of work on the proposed structures and that Queen's University had asked the Council to engage with the process and that the engagement was ongoing.

Following discussion, the Commissioner for Resilience undertook to circulate a presentation that Queen's University had produced on future structures.

The Committee agreed that the Commissioner for Resilience would liaise with the Chairperson to draft a letter on behalf of the Brexit Committee to Mr. David Sterling, indicating that the Council wishes to engage with the processes that were taking place.

Update on Potential Implications of Brexit on ICC and Ulster Hall

The Committee was reminded that, at the Council meeting on 4th March, at the request of Councillor Walsh, it was agreed that a report be submitted to the Brexit Committee outlining the impact that Brexit was having on the ICC Belfast and the Ulster Hall.

Ms. Catherine Toolan, Chief Executive of Belfast Waterfront and Ulster Hall Ltd. provided the Committee with a report outlining the ongoing and potential impact of Brexit on the Belfast ICC and Ulster Hall. She provided the Members with feedback which she had received from her attendance at various trade shows across Europe and from her discussions with European Associations and Conference Organisers when considering Belfast as a venue for their conference.

The Committee noted the content of the report and, following discussion, agreed that a legal opinion be sought from the City Solicitor as to whether the report on the

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implications of Brexit on the Belfast ICC and Ulster Hall could be made public, with any confidential and/or commercially sensitive information redacted.

Day 1 Preparedness Update

The Committee was reminded that, at its previous meetings, updates had been noted with regard to ongoing work in relation to identifying potential Brexit Day 1 service delivery implication and that officers, in making preparations for a no-deal scenario, had undertaken the following actions:

- the Council's critical services had completed Brexit Resilience Measures templates to identify the potential impact of Brexit on service delivery over the period after exit from the EU and the necessary resilience measures that needed to be taken before the exit date;
- Responsible Officers had reviewed and updated their Business Continuity Plans to provide assurances around service delivery post Brexit and disseminated the plans amongst relevant staff.

The Strategic Director of City and Neighbourhood Services informed the Members that emergency planning staff were providing situational reporting and weekly position statements on critical services and, where appropriate, would forward the information to Chief Officers, Heads of Service, Corporate Communications and Elected Members. He reported that officers were also working with relevant partners in relation to a central command hub and were taking a business continuity approach, considering the immediate and potential future implications of Brexit on Council services.

Concerns were raised by a Member regarding the planning process and information flow. He highlighted that it was important for the Members to be kept informed and regularly briefed as part of the preparation process.

The Committee noted the contents of the report.

Update on Support for Businesses

The Committee considered the following report:

Purpose of Report or Summary of main Issues

The purpose of this report is to outline for Members the support that is currently available for businesses with regard to Brexit.

Recommendations

Members are asked to note this update.

Key Issues

Members have received a range of advice with regard to potential impacts and benefits from Brexit. In particular, a special meeting of the City Growth and Regeneration Committee (November 2017) held a discussion of the potential economic impact. The meeting also

considered Belfast's resilience to meet any challenges and take advantage of any opportunities associated with Brexit within the context of the Belfast Agenda and Local Development Plan. This discussion was informed by a range of experts including 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). Research prepared by the Nevin Economic Research Institute was also circulated to inform discussions.

At the end of October 2018, representatives from various sectors across the city met with members at a workshop to discuss their views on Brexit and identify any concerns or opportunities.

At the same time, work was progressing on the Belfast City Region Deal. The deal was developed with consideration of the potential implications of Brexit through economic research and modelling by 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 was also involved in discussions on Brexit and contributed to the development of the deal.

The implications for businesses, identified via the work outlined above, can be broadly classified as immediate/short-term, and longer-term.

Shorter-term support

In the shorter-term, the main issues relate to uncertainty and confusion as to what the final version of Brexit will be, and the resulting practical implications, especially relating to cross border imports and exports. The committee has already heard about most of the support mechanisms that are in place. These include:

InterTrade Ireland - support for SMEs is available on their website. The main support available for SMEs is a financial contribution of up to £2,000 towards professional advice in relation to Brexit matters. This support is available to companies based on the island of Ireland. The eligibility criteria for applying for the support is:

- Applications must be from an SME (250 employees or less) and Turnover < €40M or £ sterling equivalent;
- The business must have a satisfactory trading record;
- The assistance requested must relate to a Brexit issue;

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- **Companies based in Ireland must submit a valid tax clearance access number, along with their application form.**

Additionally Inter-trade Ireland are providing:

- **Brexit events to provide advice and information;**
- **An advisory service;**
- **Information on the tariffs that would apply in the event of a no-deal;**
- **Advice on cross-border trading.**

InvestNI – are providing a range of services to support businesses in relation to Brexit. These include:

- **A “Get Ready for Brexit” website offering best practice guides, information advice and support;**
- **An online assessment tool to help businesses identify any action they may need to take;**
- **Regional workshops to help businesses understand the implications, risks and opportunities of Brexit;**
- **A Brexit Preparation Grant providing financial assistance to Invest NI customers.**

The Northern Ireland Chamber of Commerce and Industry provide Brexit advice in the form of a FAQ and checklist, and links to other sources of help.

The UK Government – provide a range of Technical documents including:

- **Step-by- step guidance on exporting and importing, which is designed to help businesses understand the key actions they will need to carry out in order to continue trading with the EU in the event that the UK leaves the EU without an agreement;**
- **General advice and preparing for Brexit (a Brexit readiness tool);**
- **Specific guidance on issues such as exporting animal products, importing high risk foods, consumer rights, etc,; and**
- **Helping EU employees to stay in the UK after Brexit (EU Settlement Scheme: employer toolkit).**

NI Direct also provide signposting to various sources of Brexit advice via their website.

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The Irish Government – provide a range of advice and support for businesses. As well as more general Brexit information. Whilst this information is aimed at Irish businesses some of it may also be of use to those business who export to and import from Ireland. For example, there is information about road haulage.

Council – are signposting businesses to our services and other sources of advice via our website, the City Matters Magazine, and through our business networks.

Officers are also working with partners to host an information day on the UK Settlement Scheme, as requested by the Brexit Committee. As well as being supportive of local residents, this will help local businesses in the short term by helping them to retain EU Employees.

For certain sectors we are providing more direct support and specific online guidance. For example, Brexit may affect local food producers/exporters. Consequently, the Council's Port Health Unit have been working closely with DEFRA, DAERA, the Food Standards Agency and local importers to develop and roll out a new UK IT system for the pre-notification of import of high risk food to replace the existing EU TRACES system which may no longer be available, we have also gathered and analysed data to estimate and prepare for additional checks that may be required for transited products (imported foods travelling through the EU destined for the UK)

In a no deal scenario every export consignment of animal origin destined for the EU must be certified as meeting the necessary health requirements. Whilst this is primarily a DAERA responsibility, council EHOs may certify fish, eggs and products containing. We have been assisting DAERA by contacting businesses to establish their certification requirements and establishing procedures for businesses to apply to Councils for certification by EHOs where possible. We have been working closely with DAERA and the FSA to support the organisation and delivery of workshops and taking opportunity to signpost government advice to help businesses understand the potential changes and how to prepare for a no deal BREXIT. Guidance for the food industry has been provided on the Council's website - online guidance.

We are providing additional training for EHOs both inland and at Port on the new IT systems and processes and to ensure we have sufficient trained officers to deliver additional services on exit.

Longer-term support

The Belfast Agenda set out the key challenges for the city – the need to grow the population, increase the business base and the value of

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exports, whilst encouraging innovation and tackling the levels of economic inactivity in the city. While there are different opinions about the eventual impact of Brexit, in basic economic terms any impacts or opportunities are likely to involve either a decrease or an increase in:

- **Business start rates;**
- **Business growth rates;**
- **Export opportunities and potentially different export destinations;**
- **Levels of investment;**
- **Employment levels;**
- **Demand for different skill sets.**

In addition to major programmes such as the Belfast Region City Deal, the council has been increasing the support it offers in all of these areas over the last few years and now has a range of interventions and strategies in place. The City Growth & Economy Committee approved the programmes of work for Growing the Economy, Working and Learning, and International Relations for 2019/20 on 6th March, 2019. These include a range of programmes to help:

- **People to start a business via training, mentoring, awareness of opportunities, access to financial support, and space to start to trade;**
- **Growing an existing business via better management, marketing & sales, procurement, and accessing new export markets, etc.;**
- **People to invest in Belfast and so support local businesses and jobs. Additionally we will be delivering the International Relations Framework as well as targeting investors through activities such as MIPIM;**
- **Employment Academies across a range of sectors including transport, tourism, health and care, construction etc.;**
- **Youth initiatives to tackle educational inequalities and to provide coherent pathways to training and employment;**
- **Support for the long-term unemployed and economically inactive.**

However, the exact nature of Brexit is still unknown and so therefore are the final impacts. Hence there may be a need to tailor and adapt our approaches to address problems and opportunities as they emerge. Depending on the scale of the impacts, it may also become an option to change the level of support that council provides to particular areas. Officers will continue to work with the city's major

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stakeholders and members to monitor these changes and discuss options for emerging issues as appropriate.

Financial and Resource Implications

There are no immediate financial implications relating to this report.

Equality or Good Relations Implications/Rural Needs Assessment

There are no implications relating to this report.

The Committee noted the content of the report.

Chairperson