



Northern Ireland
Assembly

Committee for Infrastructure

OFFICIAL REPORT (Hansard)

Brexit: Department for Infrastructure

14 October 2020

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
Mr David Hilditch (Deputy Chairperson)
Ms Martina Anderson
Mr Roy Beggs
Mr Cathal Boylan
Mr Keith Buchanan
Mrs Dolores Kelly
Ms Liz Kimmins
Mr Andrew Muir

Witnesses:

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| Mr Graeme Banks | Department for Infrastructure |
| Ms Linda MacHugh | Department for Infrastructure |
| Ms Jackie Robinson | Department for Infrastructure |
| Mr Jim Sutherland | Department for Infrastructure |

The Chairperson (Miss McIlveen): I welcome from the Department for Infrastructure Linda MacHugh, deputy secretary of the resources, governance and EU group; Jackie Robinson, director of gateways and EU relations; Jim Sutherland, head of the Brexit planning team; and Graeme Banks from the EU exit legislation and rail safety branch. Linda, I ask you to make some opening remarks. Members will then follow up with questions.

Ms Linda MacHugh (Department for Infrastructure): Thank you, Chair and Committee members, for the opportunity to provide an update on the Department's work on EU exit. I am pleased to be joined, as you said, by some members of my EU exit team. As we look towards the end of the transition period in December, EU exit issues are moving at pace, so today's discussion is timely. I will start by giving you an overview of the work that we have done to date and of the key current issues for the Department and its stakeholders. We will then be happy to take any questions that you may have.

You will be well aware that the UK-EU negotiations on the future relationship are still to conclude, with no agreement currently in place. Although transport discussions may not be the most contentious area of negotiation, we must recognise the importance of transport and connectivity to Northern Ireland and the potential implications of a non-negotiated outcome. EU exit will also have an impact on wider operations in DFI, including on water, flood-risk management and planning. That broad range of impacts has added to the complexity involved in ensuring that there is operational readiness for 1 January 2021. That having been said, work has been continuing across a number of key policy areas for a number of years in order for us to understand the issues and to be as prepared as possible for the outcome of the negotiations, whatever that is. Before and during the negotiations, officials have

engaged with our Whitehall counterparts to ensure that issues of particular importance to the Department, and to Northern Ireland as a whole, are understood. I will touch on a few of those issues.

I will begin with transport. In the briefing that you received, the importance of securing cabotage and transiting rights was highlighted as being of particular significance to the Northern Ireland haulage industry and to cross-border transport service providers. Cabotage is the transport of goods or passengers between two places in the same country by a transport operator from another country. At present, freight and bus operators can conduct cabotage operations within the EU. Given the shared land border with the EU and the high levels of operations that are conducted in the EU, in Ireland in particular, it is important to ensure that our hauliers and bus operators can continue to operate cabotage.

The briefing note also highlighted the significance of transiting for customs and haulage. From a DFI perspective, we have a particular interest in the mutual recognition of rail safety certificates, licences and permits. At this stage, there are issues to be resolved: the arrangements that will replace the EU community licence to transport goods by road to or through EU and European Economic Area (EEA) countries; recognition of a UK licence for the Community, which is being discussed as part of the ongoing negotiations; the need for continued recognition of drivers' qualifications, such as the driver certificate of professional competence (CPC); finding a solution to the transport managers' CPC EU member state residential requirement; and the need for the European Conference of Ministers of Transport to have free reciprocal access to Ireland in the event of a non-negotiated outcome and in the absence of alternative arrangements.

The main risk identified for the water sector is the potential for disruption to the supply of critical chemicals that are required to treat drinking water and waste water. To mitigate that risk, Northern Ireland Water (NIW) has worked closely with its supply chain and the water sector across this island and in the UK. It has worked with all its suppliers to map and understand the supply chain to ensure that all risks are understood and that contingencies are in place, including maximising stock levels of chemicals. Northern Ireland Water has maintained stock at higher than normal levels for over a year now. Its contingency arrangements have been kept in place since then and were adapted to deal with the early stages of the COVID lockdown. Indeed, the water sector as a whole has continued to monitor the chemicals supply chain throughout the COVID crisis and continues to build on the work that was done last year in preparation for EU exit.

I will now turn to legislation. Throughout the UK's period of membership of the EU, legislation for much of the Department's remit — transport, water and flooding in particular — has been derived from EU directives and regulations. Consequently, the Department's legislative remit has been heavily impacted on by EU exit. The Department reviewed existing statute to develop an action plan to ensure its operability post exit. The review examined 250 pieces of legislation and identified that around 50 were required to fix post-exit inoperables. The vast majority required minor technical amendments, with little or no change to the intent of relevant legislation or supporting policies.

As of today, the Department has five remaining pieces of EU exit legislation to take through the Assembly. The statutory rules (SRs) cover the public transport obligation (PSO) — how we fund Translink — cross-border bus services, rail safety and cross-border rail services, port services and potentially land use planning. Broadly speaking, the purpose of the amendments is to correct inoperables in retained EU law, to implement our commitments as a requirement of the Northern Ireland protocol, to implement the outcomes of the ongoing UK-EU negotiations and to make minor technical amendments.

In addition to the legislative programme that we have outlined, a key issue for the Department is the repeal of the European Communities Act 1972 and its impact on the Department's regulation-making powers across a range of policy areas that have until recently been predominantly EU-led. The Executive Office is leading on the development of an Executive Bill to provide Departments with continued regulation-making powers. A significant degree of engagement and consultation has taken place with UK Departments, other Departments here, our arm's-length bodies (ALBs), stakeholders and the Departmental Solicitor's Office (DSO) on the preparation and delivery of the Department's EU exit legislative programme. Officials will continue with that level of engagement and consultation as legislation is prepared for Committee scrutiny.

Throughout the transition period, the Department has delivered a significant programme of EU exit-related legislation to ensure that it has a functioning statute book for the post-transition period. Despite the limited time remaining, the outstanding legislation to be brought forward is sufficiently advanced to ensure that the programme will be delivered by the end of the transition period.

The Minister and officials have been in regular contact with key stakeholders to understand their issues and to share information. Minister Mallon personally initiated a series of stakeholder discussions that proved to be useful. As we move towards the end of the year, those discussions, both formal and informal, will continue.

I hope that that summary has provided you with an overview of the work undertaken to date and the programme of work to be undertaken between now and the end of the year and that it has given you some clarity on the issues still to be addressed.

We are happy to take any questions that you may have.

The Chairperson (Miss McIlveen): Thank you very much, Linda. The Committee is aware of the infrastructure omnibus Bill. Is that the Executive Bill that you referred to? Can you give us more detail on that? How will it be taken through, and what it will mean for infrastructure?

Ms MacHugh: Yes. That is the Bill that we are referring to. The issue has come about because, when we make regulations under EU directives, we are relying on the EU directive as the primary source of legislation under which you make amendments. If we cannot rely on EU directives, we need to rely on some other primary power to do that, and that is the Bill that is being worked on. Jackie, do you want to expand on that?

Ms Jackie Robinson (Department for Infrastructure): Yes. Chair, you referenced the fact that there was a Bill that, we thought, was going to be an omnibus Bill for this Department. There was a point at which we thought that that was going to be the case. We now believe, however, that the Executive Office will take that forward, and it will be one Bill that covers all Departments. That is to be welcomed. A lot of the provisions in it will come down to DFI, but the extent of that has still to be discussed.

The Chairperson (Miss McIlveen): What is the likely time frame for the five remaining SRs coming to the Committee?

Ms MacHugh: For some of them, including the final SR, that will depend on the outcome of the negotiations. Jackie, do you want to expand on that?

Ms Robinson: We have five SRs. We have a public service obligations and transport SR. We think that that will come to the Committee for your last meeting before Christmas. That is because it will be laid as a statutory instrument (SI) at Westminster only at the beginning of December and will be subject to the Interbus agreement, so, unfortunately, we will not be able to bring that SR forward any earlier. There is a railways amendment SR, on which we are looking for clarity on one point with our DSO colleagues. I still hope to have that one with you by early November, however. I hope that the port services amendment regulations will be here around the middle of November. Those are just indicative dates to give you an idea of how we have, as far as possible, spaced them out. The land use planning SR, as Linda mentioned, is one on which we are looking for a bit of clarity to see whether we actually need it. If we do need it, it is likely to come before the Committee in, again, November. No week should be too onerous for the Committee, however.

The Chairperson (Miss McIlveen): I have a number of questions. I am mindful that negotiations are ongoing and that, as such, you may not be able to give me full information. I am guessing that it will be the same for other members' questions. I just want you to know that we have an interest in those areas. If you do get further information, I ask that you forward it to us, even in writing, as that would be helpful.

One issue that I want to look at is state aid. 'New Decade, New Approach' states:

"The Executive will benefit from increased funding for capital infrastructure investment as a result of the UK Government's infrastructure revolution."

The projects listed include the York Street interchange, the A5, the A6 and the medical school at Magee. How will delivery of that commitment be affected by Northern Ireland remaining in the EU state-aid regime? How will connectivity and competitiveness among the UK regions be affected by disparities in state-aid regimes? Is there a risk that the protocol will prevent Northern Ireland from being part of national initiatives to support business and strengthen transport links?

Ms MacHugh: The answer is that we are still unclear. We know that the UK is looking at a replacement for state-aid legislation. State aid is also mentioned in the protocol, but what we are not sure about is how the two things will interlink and what the impact will be. I do not know whether there is anything further that we can tell you at this stage, because it is unclear.

The Chairperson (Miss McIlveen): OK. At this stage, do you know who will be responsible for submitting local state-aid notifications to the EU after 1 January, or is that, again, still unclear?

Ms Robinson: It is unclear to me definitively, although it may fall to the Department for the Economy to take on that role. At this stage, however, I am not sure.

The Chairperson (Miss McIlveen): OK. Are there concerns about disruption to projects?

Ms MacHugh: From a departmental perspective, if it does not impact on them now, I doubt that state aid will impact on our roads projects once we leave. Until we get clarification at the end of the negotiation process, however, we cannot say definitively.

The Chairperson (Miss McIlveen): I will move on to common frameworks. How will any future regulatory divergence between the EU and Northern Ireland and the rest of the United Kingdom impact on the viability of the common frameworks right across the United Kingdom? How will any risks of divergence be identified and managed? Are you aware of the implications?

Ms Robinson: One purpose of the common frameworks is to help us manage divergence. I often refer to this as being like a doughnut. The common frameworks will give us the areas in which we cannot diverge. There is then that bit on the outside where there is an element on which we can diverge but still stay within the general rules. Outside of that, there can be no divergence, because there may be an impact on, for example, free trade agreements.

Another purpose of the common frameworks is to allow that system to develop. We have a number of common frameworks in the Department that are going forward. It will become clearer as they start to roll out and we start to look at the implications. You will be aware that one common framework on hazardous substances has already been cleared. We will be engaging with the Committee on the provisional common frameworks, which relate to commercial transport; motor insurance; driving licences; intelligent transport systems; operator licences for road transport; and interoperability of the rail system. We will potentially have provisional common frameworks in place by the end of the year. We will then look to more detailed frameworks next year, but we will continue to engage with the Committee as the process goes on.

The Chairperson (Miss McIlveen): As you work through those, have you received any specific instructions from the EU on the protocol obligations?

Ms MacHugh: Not from the EU. The main relationship is between the EU and the UK Government, so the EU tends not to deal directly with us in the Department. From looking at the common frameworks, I know that it is important that the needs of Northern Ireland be reflected in whatever common frameworks are established, particularly on things such as transport, where we need to ensure that rail services can continue North/South. It is not just about keeping in line with east-west standards. It is our role to make sure that, whatever common frameworks are developed, our position is clear and provided for within them.

The Chairperson (Miss McIlveen): OK. Thank you.

Mr Hilditch: Thank you, Chair. Members will have many questions across the whole gamut, but I will concentrate on just a couple of matters. We have had some details about how the Department is to take through a harbours Bill under the accelerated passage procedure. The legislation was last updated in 1989. Remind us again of how much the loan limit will increase by. Is it thought that the loan will be used to provide infrastructure?

Ms Robinson: The ports Bill as currently drafted will increase the limit from £35 million to £90 million. That is an upper limit for the Department to provide grants and loans to the ports to allow them to pay infrastructure bills.

I want to be very clear that I do not think at this stage that the limit in the Bill will be used for any of the infrastructure that is required for post-EU exit, specifically around sanitary and phytosanitary (SPS) requirements. It may be used, however, where a port decides that it wants to expand its business in a post-EU world and comes to us seeking a loan or grant for that. That is very different from being used to pay infrastructure bills, however.

Mr Hilditch: That clarifies the other questions that I had on that part of the Bill. As a side issue, how does the recovery of that money work?

Ms Robinson: If it is a grant, the money is not recovered, because it is a grant. If it is a loan, whenever the amount is being decided, the port authority and the Department do work to look at the time limit over which that loan is to be repaid, and the money then comes back in.

Ms MacHugh: It is important to remember that the £90 million limit is cumulative, so anything that a port borrows counts. Over a number of years, the amount will clearly build up. It is not that a port is suddenly going to get an extra £55 million to spend in a year.

Ms Robinson: That comes back to your loans point. Although loans may be repaid, the money repaid does not come off the total amount used.

Mr Hilditch: How will railways legislation in GB differ, if at all, from the framework in Northern Ireland from 1 January?

Ms Robinson: I will pass over to Graeme, as the rail specialist, to answer that one.

Mr Graeme Banks (Department for Infrastructure): After 1 January, the rules are that there will be no immediate divergence between the notified national technical standards for rail travel in the UK and the rail safety regime in Northern Ireland.

The Northern Ireland protocol sets out that Northern Ireland will continue to apply the technical standards for interoperability, which are the EU-set standards. There is the potential for the UK Government and the Office of Rail and Road, as the regulator for GB, to decide that, if they need to change in a particular way to suit the rail system in GB, rail standards may diverge from the European Union's standards, which will apply here in Northern Ireland. Immediately on 1 January, however, there will be no difference in the technical standards for interoperability.

Mr Hilditch: OK. Does the public service obligation fall under the state-aid regime or is it separate?

Mr Banks: The public service obligation is an exemption to the state-aid regime, and that allows the Department to fund Translink. That is in annex 5 to article 10 of the protocol. That will continue to apply post the transition period.

Mr Hilditch: Finally, is there any prospect of commuters in Great Britain being able to benefit from greater concessions than those required to be offered to Northern Ireland folk?

Mr Banks: Again, that will depend specifically on the concessionary fare schemes that will apply. I am not aware of the particular schemes in GB, but it will be within the power of the Assembly and the Minister to make amendments to the scheme here in Northern Ireland if they want to vary it.

Mr Hilditch: We therefore do not have to seek parity. We can just do our own thing.

Mr Banks: No. The Minister has the power already to vary schemes within EC regulation 1370/2007 and the public service obligation. Concessionary fare schemes can be varied as a result. It will therefore be in the gift of the Minister here to make those amendments, if she so wishes.

Mr K Buchanan: Thank you, Linda, Jackie, Jim and Graeme. I want to ask about cabotage and transit, Linda. We are coming close to December. How advanced are the talks on getting recognition for cabotage?

Ms MacHugh: Again, that is part of the EU-UK negotiations, which we are not party to. We are waiting with bated breath for the outcome of those so that we can then make any arrangements that we need

to, whether there is a negotiated outcome or not. If there is no negotiated outcome, however, it will be very difficult, if not impossible, for hauliers and Translink to operate cabotage.

Mr K Buchanan: I did not hear you properly earlier, Jackie, but you referred to driver qualifications such as the CPC. Where do you see that being at the end of December? Do you see those qualifications transferring across?

Ms Robinson: Again, that is still at the negotiation stage. It is impossible for me at this stage to say what is going to happen on 1 January.

Mr K Buchanan: OK. I will move on to water and chemicals. There is a piece in your paper about the supply of chemicals. Do we know what percentage of chemicals, whether they are for water treatment or sewage treatment, come through Europe? Are they manufactured in GB? Are there any percentage figures available?

Ms MacHugh: It varies greatly, depending on the type of chemical. Some come directly from Europe, some are produced in either GB or NI and some are produced in Ireland. Northern Ireland Water has done a huge amount of work in order to understand not only from where its chemicals come but from where its chemical suppliers get their raw materials. We therefore have a really good understanding of the supply chain. NIW has also, really importantly, worked across the water sector as a whole. The water sector in the UK has done a massive amount of work on that. One thing to its advantage is the fact that the chemicals that come from Europe through GB do not tend to use the short straits, such as the Dover to Calais-type routes. At the end of the transition period, that is where it is thought that most of the delays might occur. The chemicals tend to come through the ports on the eastern seaboard, through places such as Immingham, where it is anticipated that there will be less of a problem. That is the first thing.

Northern Ireland Water has been looking not only at the routes that its current suppliers take but at whether there are any alternatives, or plan Bs. It has also, as I said, built up a big reserve of chemicals. Clearly, some of the chemicals are volatile, so there is a limit to how many weeks' worth you can keep at any one time in any one place, but, typically, NIW has about seven weeks' supply so that, if it hits any issues early on, those can be resolved and it will still have that supply. The sector in the UK is also working on a mutual aid scheme so that, if one company runs out, it can seek help with supplies from another that may have more of a supply than it does.

Mr K Buchanan: Does NI Water follow the just-in-time principle of storage, or does it store chemicals for the maximum of their shelf life?

Ms MacHugh: As I said, it has about seven weeks' supply of all —.

Mr K Buchanan: Seven?

Ms MacHugh: Yes, seven. It has about seven weeks' supply of all its chemicals. Either it does or its Northern Ireland-based supplier holds the supply on its behalf.

Mr K Buchanan: Does NI Water purchase all its chemicals through an NI supplier, or does it purchase some from further afield?

Ms MacHugh: It is a real mix.

Mr Boylan: Linda, I was slightly worried by what you said in response to the cabotage question. If we do not adopt what comes from Europe and if England is going to bring in new laws, that will leave our hauliers at a disadvantage. We need to be mindful of that. We have a statutory duty to protect our hauliers. I am slightly concerned about that. I understand the issue of deal or no deal. It is not a Noel Edmonds thing; it is very important. We need to be very careful that we protect rights, jobs and opportunities.

How has COVID affected the Brexit preparations? What do you consider to be the Department's biggest challenge when it comes to Brexit? DAERA will be responsible for the screening of animals, food products and all those things at the ports. What preparation work have you done in tandem with DAERA? It says that its readiness programme for SPS requirements may fall short. Would you like to comment on those three points?

Ms MacHugh: The first thing to say is that COVID has not helped. To be fair to the transport and water sectors, the work that was done at this time last year to prepare for the first EU exit stood us in very good stead when we went into emergency mode for COVID. As I said, certainly on the water sector, all of that understanding of where the pinch points were in the supply chain and how to mitigate that stood them in good stead. Throughout the COVID crisis, they have continued to respond to that and to understand if there are any problems that arise out of COVID, and that has been monitored across the whole of the water sector.

With regard to emergency planning, we are looking ahead to what happens if we are in the jaws of a major second wave and we have EU exit to deal with, and how we deal with those concurrent potential emergency situations. So you are quite right to raise it and it certainly has not helped the position, but we are trying to mitigate the risks, as much as possible, of both COVID and any impact that comes from the EU exit.

I am going to ask Jackie in a minute what she thinks that her biggest challenge is, because she has been working on this for a lot longer than I have. To be honest, I think that the biggest challenge is to understand the impact of whatever negotiation is forthcoming, whether that is a negotiated deal or not. I think that, at the moment, our biggest challenge is not knowing, quite frankly.

Ms Robinson: Yes, I agree with Linda. I think that trying to get to grips with what any negotiated outcome may look like is probably the biggest challenge. How that works with the protocol is another big challenge for us. However, from a specific DFI point of view, my biggest concern is probably around hauliers and how that is going to work in the post-Brexit situation.

Mr Boylan: What about the issue of working with DAERA and the challenges that it and you may face around the ports?

Ms Robinson: I take your point, and I do not want to go into answering on behalf of DAERA so, taking that into account, my concern around that is about infrastructure not being available and the impact that that will have on our ports and their future viability. No matter what the delay is going to be, there will be an impact on our ports, and obviously we have responsibility, especially for our trust ports, so that is where my big concern would be around that.

Mr Boylan: Finally, Chair — I am sorry that I have to go off, because I made another arrangement — this is to Jackie because she has been dealing with the European stuff in particular. Over the last number of years there has been a lot of good legislation that has come through Europe as we have adapted environmentally and through some of the road safety stuff. We probably would like to keep that adopted in what you are seeing with what is coming through now. Do you feel that we will retain some of those good measures that we have done in the past?

Ms Robinson: I am an official of the Northern Ireland Civil Service (NICS); officials advise and Ministers decide, and it will be up the Ministers to make any decisions *[Inaudible]* retaining any *[Inaudible]* by way of *[Inaudible]*.

Mr Boylan: Again, it is up to this Committee to scrutinise that role, but thank you very much.

Ms MacHugh: What I can say, though, is that, from 1 January, we have done everything that we can to make sure that the current standards will move forward. I think that the focus of a lot of the adaptations and the changes to legislation is to make sure that what we have currently got is operable post-exit and that we are not suddenly left with legislation that we cannot implement. That has been the real focus. It is not to change, adapt or to lessen; it is to maintain the standards that we have always had.

Mr Boylan: I appreciate that, and I will finish off on this point. I appreciate what Jackie said with regard to the NICS, but the issue is even down as far as the likes of child car seats and regulations that come through Europe, which most people support. That is the kind of detail on some of the stuff. I do not see any problem, and nor does the Committee, with the idea that those measures should still be retained. That is all, and I am asking it in that context. There are a number of other things that we have done with regard to regulations and directives down through the years, but I will not ask you to answer that. Thank you very much, Chair.

Mr Beggs: Thank you for your presentation. I want to focus on the section on haulage and cross-border transport services. In it, you highlight two areas of immediate interest that require high-level attention: cabotage, as has been mentioned, and transiting rights. I agree that those are important areas to be resolved so that there are not undue delays for hauliers. Do you not agree, however, that there are even more significant risks with regard to east-west movements which require even more urgent intervention at the highest level, given that far more goods move east-west? That could affect hauliers, the distribution of goods, and even food in supermarkets. I do not know whether any of you watched 'Spotlight' last night, in which the Northern Ireland Retail Consortium expressed alarm. The Food and Drink Federation highlighted its concerns about the system not being in place, and that many suppliers might well find out about the new Irish Sea border when their lorries arrive at Cairnryan. We could then have huge costs associated with getting food onto supermarket shelves. There could be veterinary inspections of pizzas in order to determine where all the components have come from. We may not realise it, but most of our online purchases from online distributors come through GB websites, and the goods are then brought here for distribution. That will gum them up as well. Why do you not highlight the fact that there is a need for immediate interest at the highest level in east-west haulage and distribution?

Ms MacHugh: That is all wrapped up in the protocol. We have clearly said that it is imperative that we understand the implications and impacts of the Northern Ireland protocol on that east-west movement.

Mr Beggs: You have not highlighted all that in your briefing.

Ms Robinson: It is probably something where —. If you are thinking about Amazon deliveries and the like, which I think is what you are talking about, the Department for the Economy is leading on that sort of thing. Obviously, the Department of Agriculture, Environment and Rural Affairs is leading on SPS checks at borders. In our briefing, we were trying to stay within our ambit as Department for Infrastructure officials. Maybe that is why it was not touched on in the briefing.

Mr Beggs: Do you understand that everybody needs to talk together and fully understand the implications that are coming? Everyone has thought about the cross-border problems, but there has been very little understanding of the problems that are coming and which could literally hit our supermarket shelves unless reasonable accommodation is made for east-west distribution.

Ms Robinson: Just to be very clear: while we did not cover that in our briefing for the reasons that I have already stated, we are in very close contact with officials in all other Departments. We are working on and are aware of those issues. We are trying to keep within the confines of this Committee.

Mr Beggs: I do not fully understand. Surely, our hauliers will be gummed up at ports unless good, light-touch arrangements are put in place early. Otherwise, the whole distribution system and everything else will fall apart.

Ms Robinson: In relation to freight and that east-west movement particularly, I am sure that you will be aware that, yesterday, the UK Government put in place a contract on short straits ferry capacity.

Mr Beggs: Sorry; can you elaborate, please?

Ms Robinson: They put in place contracts with a number of providers which will cover the short straits areas. That is to ensure provision of goods, especially critical goods and medicines, into the UK. For some time, we have been looking at capacity on Northern Ireland ferry routes. At the moment, our estimate is that capacity is sufficient. There is a bit of an issue around where capacity — our overall capacity on those ferries is probably sufficient. There is maybe a question mark over whether there is sufficient capacity on certain ferries, especially those that are used for just-in-time deliveries. We are looking at the potential for displacement of ferry routes — whether people who normally use the Holyhead to Dublin routes will start to use the Belfast to Scotland routes — and the implications of that. That is a work in progress, and we are continuing to monitor that situation. We have been talking to the Department for Transport in London, and, if we do become concerned about it, we can go back and ask for a specific contract in relation to those Irish Sea routes.

Mr Beggs: I am aware that there is capacity on the route, but my greatest concern is the gumming up of the ports because of bureaucracy and documentation and goods that may have to be checked. Will you accept that that is the greatest risk at the moment?

Ms Robinson: Yes, I accept that it is a very significant risk.

Ms Anderson: Thank you for your presentation, for being here today and for the information that we received. From the questions that were raised to you, it is obvious that maybe people did not realise what they were voting for when they voted for Brexit. Unfortunately, there are consequences to our being dragged out of the EU, and I would not mind delving into those with you. You speak in the document about preparedness planning and remaining alert to the possibility of the new-found phrase of "non-negotiated outcome". I call it a crash and having to pick ourselves out of the rubble. Can you elaborate on what is meant when you talk about cabotage being very difficult if there is a crash out — if there is not a negotiated outcome — at the end of this year? I assume that you have done some scoping that we can have to assist us with our role of scrutiny so that we can have information on the implications of what that would be like.

Ms Robinson: I will start with preparedness planning. We are, obviously, as a Department, preparing. We are starting to put in place arrangements and starting to think about what may happen in the event of a non-negotiated outcome, and we will put those in place. As Linda has already said, with the added complication of COVID and the potential to need to ramp up our contingency and emergency planning measures in relation to that, it does become a very difficult space, but we are doing what we can.

Ms Anderson: But with regard to the scoping out of what may happen, we have been facing the possibility of a crash out since we were dragged out. What work has been done that can be shared with members of this Committee to allow us to scrutinise the implications of what this crash may look like for, for instance, cabotage when we think about the number of trucks and other vehicles that will be working either across the border or east-west?

Ms Robinson: I will start off with public transport, because obviously there is a cabotage element there. We do have a contingency arrangement in place, and that relates to the Interbus agreement. On 1 January, if there is no negotiated outcome, all current community licences and authorisations will fall and the UK will accede to the Interbus arrangement.

Ms Anderson: Will that be immediate when they fall from 1 January?

Ms Robinson: We hope so. The protocol for the Interbus agreement covers regular and special services — that is, scheduled services. It has been negotiated between its contracting partners, but it has not yet been ratified. We are still waiting for the ratification of that.

Ms Anderson: So there could be some kind of a gap between 1 January, when the current arrangements fall, and when these new arrangements come in. What are the implications for those arrangements? I think that we need to know that, because people will come and ask us. We will be lobbied, and we need to be showing, first, that we have the information and, secondly, that we are interrogating it.

Ms MacHugh: On that specific bus point, there is a potential risk. There needs to be an extension to the Interbus agreement to allow cabotage, and, if that is not signed up to by three member states by the end of the year, then, for example, Translink will not be able to pick somebody up in Cavan and take them to Dundalk or wherever.

Ms Anderson: That is quite significant, and that is information that we need and that Joe and Jane Public will need. People will be alarmed to discover that. In three months, given that we are coming so close to potentially going over a cliff and that there may not be such an agreement in place by 1 January, on top of everything else that people are dealing with, we may have a situation in which, for instance, Translink cannot pick people up and take them from one destination to another.

Ms MacHugh: That is why the Interbus agreement and its extension is so important and why we are doing everything that we can to press for that to be agreed and ratified on time.

Ms Anderson: I will leave that with the Chair. I think that that is something that we will want to come back to and get more information on.

I also want to ask about the purification of water. We know that seven weeks is not a long time and that the chemicals are dangerous. What has been the scoping out of the cost for NI Water in the event

of a no deal? When its representatives were in front of the Committee, they told us that, in the event of a no deal, the cost of those chemicals would go up. Do you have information on what that would be?

Ms MacHugh: No. It is actually very difficult to estimate that at this point. It goes back to the point of the implications of the Northern Ireland protocol. Will it delay or add costs to the transportation of those chemicals from GB into Northern Ireland? What will the impact be on the chemical supplies that it gets from Ireland? None of that is known.

Ms Anderson: If we have a supply chain from Ireland for those chemicals that come from the EU, and if the Internal Market Bill does not damage the protocol in any way — we know that it will — there will be issues with the transportation of those chemicals here and a cost to NI Water.

Ms MacHugh: Yes. Some of the chemicals are actually produced in Ireland.

Ms Anderson: Yes.

Ms MacHugh: Until we know exactly what new methodology and paperwork are required, it is nearly impossible to estimate an additional cost.

Ms Anderson: Can there not be planning, preparing or scoping out of what that would be in the event of, for instance, a crash out in a couple of weeks?

Ms MacHugh: People in NI Water are looking at it and trying to get their heads around exactly what new paperwork is needed. However, until there is a negotiated outcome or we reach the end of the negotiations —.

Ms Anderson: So they would have to look at that by 1 January.

Ms MacHugh: Yes.

Ms Anderson: Can it be done in seven weeks? That is all the chemicals that it has in its stock for the purification of our drinking water.

Ms MacHugh: I do not think that it will mean that no chemicals will be getting to Northern Ireland Water. We estimate or expect that the cost —.

Ms Anderson: The cost is what I am trying to get at.

Ms MacHugh: The cost of it will rise, but is not that there are going to be no chemicals.

Ms Anderson: No, but it is the cost of those chemicals. NI Water is struggling as it is —

Ms MacHugh: It is.

Ms Anderson: —with the financial package that it has in trying to deliver sewage treatment and everything else. That will be an additional cost, and we need to know that.

Ms MacHugh: Yes. So much relies on what the negotiated outcome or non-negotiated outcome will mean for the transportation of those chemicals —.

Ms Anderson: Chair, I think that we should go back to that for forecasting purposes.

This is my last question. You mentioned key stakeholder meetings. I would not mind getting some information about those. You said that those meetings took place across the departmental remit in August and September. I am concerned about the hauliers. They have been mentioned, and they have huge concerns about what will happen on 31 December. Can we get information about who was at those meetings?

Ms Robinson: We had a first series of face-to-face meetings with the Minister way earlier in the year. Those had to be ended abruptly because of COVID restrictions and were rearranged in August and

September. I think that I am right in saying that the last one was with Northern Ireland Water yesterday, but I will maybe pass over to Jim for a bit more detail on the membership of those engagement sessions.

Mr Jim Sutherland (Department for Infrastructure): Surely. The stakeholder meetings were organised on a sectoral basis. We talked to the road transport stakeholders as a group, and that included discussions with the former Freight Trade Association and the Road Haulage Association; they took part in that. We had separate discussions with the ports, and all the Northern Ireland ports were involved in those discussions. Similarly, we had discussions with the airports. We have also had discussions on consumer-related issues. We have had a wide range of conversations. Those have been reasonably well attended. I cannot remember the participants off the top of my head, but I know from being at them that the meetings were very useful and informative for us. There were messages that came out consistently across all the sectoral groups. A lot of those related to the absence of clarity on some issues and the timescales that stakeholders are up against in preparing for the post-EU environment. Those kinds of issues have come to the fore on more than one occasion.

Ms Anderson: OK, Jim; thanks for that. Chair, it would be helpful if we could get a list of the attendees at those stakeholder meetings and, where possible, a readout of those meetings like Jim has just given us.

Mrs D Kelly: I will be brief, because my question has been answered. From the questions and the briefing, it seems to me that, in the Brexit preparations, a collective organisational response is required from Economy, Infrastructure and one other that I think you mentioned. I just want some reassurance that, whilst each Department is looking to itself as regards the impact of Brexit, there is collegiate working across various Departments.

Ms MacHugh: There definitely is. We have all been involved, at various levels, in both inputting to the legislative programme and understanding how we all interact, and then looking at the mitigations and making sure that we are all working as one. There has been a very high degree of interdepartmental work going back a number of years, and that is continuing.

Mrs D Kelly: Thank you.

Mr Muir: As with Mrs Kelly, a lot of my queries have been answered. It was a very comprehensive briefing. I had read through it before, when you were meant to be here but our business did not permit it. Just one thing: there has been some discussion of an infrastructure omnibus Bill. I do not think that it is referenced in these papers, but it has been referenced in other papers. There is a very short timescale to get legislation through before the end of this calendar year. Time is really not on our side. Do you have any idea when that will be tabled? Will it be done through accelerated passage, or will it be given proper scrutiny through a proper legislative programme?

Ms Robinson: When we put down a marker for an omnibus Bill — and it was just a marker — we were not sure how the Department as a whole was going to manage the absence of the section 2(2) powers under the European Communities Act 1972. Since that time, we have got clarity. TEO is going to take forward a single Bill that will encompass the issues across all Departments. While I still maintain that it was right at that point in time to put that marker down, we now no longer need that Bill.

On your point about the need for accelerated passage, that Bill does not have to come in on 1 January. Those are powers that we will use at stages going forward as there is potential for divergence or as we want to make changes to the legislation. Do not be overly concerned about 1 January. We have been focusing on the stuff that we needed to do in legislation to make sure that we have a functioning statute book. The Bill itself will come in next year.

Mr Muir: Thank you very much. I want to thank the officials for the significant amount of work that is being done through the Northern Ireland Civil Service, arm's-length bodies, harbours, ports and all the rest of it. I do appreciate it. All of this is the outworking of Brexit. The protocol is not ideal, but it is the implication of Brexit, so we are dealing with the consequences of that. Northern Ireland voted to remain within the European Union, but we are dealing with the consequences of Brexit. I do appreciate the work that is being done. This was not of your making.

Ms Kimmins: Thanks for the briefing. Apologies if I cover anything —. My phone is hopping here, as I am sure everybody's is. *[Laughter.]* I am trying to keep focused here but, obviously, with this morning's

announcements, there is quite a lot happening. A number of the points that I was going to raise have been covered as well.

Leading on from my colleague Martina Anderson's question and Jackie's response about the Interbus arrangement, I have met some of the haulage sector over the last number of months, most recently this week, and there are obviously a lot of issues that need to be clarified there. One of the things that we discussed was, if arrangements are finally agreed on, how long will it take to adopt and put them in place? For example, the arrangements to replace the EU community licence to transport goods. One of the things that they said was that they understand about the movement of goods, but what will that mean for how they are being moved, as in the road hauliers and things like that.

Ms Robinson: As soon as we know what the outcome of the negotiations is, we will, as quickly as possible, make every effort to get anything that needs to be put in place as the outworking of that. Where that requires legislation, we will obviously need to come back to the Committee, but we will do that in as good time as we can. We are working as best we can to mitigate any issues.

Ms Kimmins: I suppose it is about the uncertainty as well. On the issue of drivers' qualifications, which is obviously a concern, is work going on to continue the recognition of drivers' qualifications — for example, the driver certificate of professional competence and that type of thing?

Ms Robinson: Again, that is still in the negotiation space. We would like to have mutual recognition, but that has not, to this stage at least, proved possible.

Ms Kimmins: Those were my only two questions. Most of the other things I had were already —.

Ms MacHugh: You are right. Think about a lorry with goods. Can the goods get across? What about the vehicle? What about the driver?

Ms Kimmins: I met some of them yesterday.

Ms MacHugh: You have to get all three of those lined up before something can actually cross a border now.

Ms Kimmins: It is a huge concern. A lot of the hauliers have been impacted by COVID in different ways, and we talked about that at length before. Some are doing better, and others have been completely decimated because of essential goods and non-essential goods and all that. Those who have been badly affected now have Brexit coming down the line. One of them said to me that the period between October and Christmas is their quiet period, and they have not even had a chance to recover from the loss of business from COVID. They are now into this, and then Brexit is hitting them straight in the face, so it is doubly compounded.

Ms Robinson: It affects backloads as well. They may have all the licences and the necessary stuff to take a load out, but they rely for their profitability on the backload that they bring back.

Ms Kimmins: They are saying that, at the minute, they are running empty trucks to pick up loads to take back. It is a cost that means that, technically, they are haemorrhaging money. That is grand. Thanks very much.

The Chairperson (Miss McIlveen): Thank you. No members have any further questions at this stage, so thank you very much for your briefing. Obviously there is a bit of information required following on from the questions. Committee staff will review the recording and write to you. Thank you again.

Ms MacHugh: Thank you very much.