



Northern Ireland
Assembly

Committee for The Executive Office

OFFICIAL REPORT (Hansard)

Brexit: Antrim and Newtownabbey Borough
Council

4 November 2020

NORTHERN IRELAND ASSEMBLY

Committee for The Executive Office

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Members present for all or part of the proceedings:

Mr Colin McGrath (Chairperson)
Mr Doug Beattie (Deputy Chairperson)
Ms Martina Anderson
Mr Trevor Clarke
Mr Trevor Lunn
Mr George Robinson
Mr Pat Sheehan
Ms Emma Sheerin
Mr Christopher Stalford

Witnesses:

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| Councillor Robert Foster | Antrim and Newtownabbey Borough Council |
| Mr Clifford Todd | Antrim and Newtownabbey Borough Council |

The Chairperson (Mr McGrath): Hopefully the technology is working well for us. We should have with us from Antrim and Newtownabbey Borough Council Councillor Robert Foster, chairman of the operations committee, and Clifford Todd, head of environmental health. You are both very welcome. We thank you for coming along. I advise you that the session is being reported by Hansard and that a transcript will be published on the Committee web page. We will let you give a short presentation and then let members ask questions on it. We will stick to the allocated 25 minutes because we are hearing from six councils this afternoon. You are the first. We will pass over to you to set the standard.

Councillor Robert Foster (Antrim and Newtownabbey Borough Council): Thank you very much, Chair. Before I start, you may not be aware, but your deliberations prior to our joining were audible to us. I am disappointed that Trevor does not want to ask me a question. *[Laughter.]*

The Chairperson (Mr McGrath): Caught, Trevor.

Councillor Foster: I will remember that, Trevor.

Good afternoon, Chair and Committee members. I am chair of the council's operations committee. I am an Ulster Unionist councillor for the Macedon district electoral area (DEA). Thank you for the opportunity to address the Committee on this very important matter. I am here with Clifford Todd, who is Antrim and Newtownabbey Borough Council's head of environmental health. Clifford will present shortly on issues for the council's regulatory role with food businesses that we see arising from the UK's exit from the EU. We sent a short paper setting out the issues that I hope is useful in your deliberations.

I begin by commenting on the wider impact of Brexit for businesses in our borough. That is important, as we have the highest number of transport and logistics companies in Northern Ireland. Implications for those businesses include potential delays or queues, uncertainty around potential checks and processes, the potential for customers or suppliers outside Northern Ireland not being aware of, or up to speed on, requirements, and, finally, potential impacts on costs. The borough also has a number of key manufacturing companies, including Sensata, CRC Global and RLC, all of which may be impacted through supply chains, production costs and uncertainties around demand for their products. That may lead to future decisions on location, for example.

Conversely, it is important to say that some companies that have invested recently in the borough anticipate the emergence of opportunities for Northern Ireland as a result of Brexit due to a unique trading position. For example, Errigal Contracts has purchased the Enkalon site in Antrim, which Trevor will be aware of, and the Mosco group has bought the Schlumberger site in Newtownabbey.

Finally, as part of the UK Government's vision, post Brexit, an ambitious free ports policy is proposed. Around the world, free ports operate as secure customs zones and are usually located at ports at which business can be carried out inside the country's land border but where different customs rules apply. It is anticipated that the UK free port model will maximise geographic flexibility to reflect best the different assets and needs of regions across the UK. The Government have designed that model to apply effectively to areas with seaports, airports and rail ports and to regions featuring multiple ports. No mode of port or area is excluded. The UK Government are working with the devolved Administrations on establishing at least one free port in Wales, Scotland and Northern Ireland. That could create an opportunity for the ports of Belfast, Larne and Warrenpoint, and, given its accessible location and significant supply of land with development potential, Belfast International Airport, which is in our borough.

Thank you, Chair, for allowing me to address you. I will hand over to Clifford Todd.

Mr Clifford Todd (Antrim and Newtownabbey Borough Council): I am conscious that the potential impact of the United Kingdom leaving the European Union is wide, but I want to take a few minutes to highlight some of the uncertainties that environmental health faces in trying to advise and support businesses in the borough.

The major challenges for us relate to the movement of products of animal origin. That will have a greater impact in council areas with a border control point. I am sure that you will hear more from those councils later this afternoon. The precise level of detail that will be required by businesses to comply with the new control regime due to commence on 1 January 2021 remains unclear. That regime relates solely to the movement of products of animal origin from Great Britain to Northern Ireland. Currently, each consignment would require a pre-notification to the destination port and be accompanied by the appropriate documentation, which, at this stage, is likely to include an export health certificate. That process may be mitigated to some extent by the proposed trusted trader scheme. However, I understand that that is still under discussion and subject to agreement with the European Union.

Our environmental health staff have been working closely with DAERA colleagues and with other delivery partners to assist businesses in whatever way they can, but that can only really be achieved when the final detail of the transition programme is made available. As with many of these preparations, time is of the essence. As you can see, the uncertainty around the process raises question about the resourcing that will be required by businesses and councils to ensure compliance with the scheme and, ultimately, the movement of food products. For some businesses, that will include the printing of labels with new identification marks that would be required to be applied to, and accompany, certain products of animal origin that are placed on the GB, NI, EU and non-EU markets at the end of the transition period. Our businesses are already enquiring if they can start printing labels bearing the identification marks. However, that is not straightforward as, without a negotiated deal in place, those marks might be changed or not required, and the businesses might incur unnecessary printing costs.

Similarly, the lack of clarity on the checks required on the movement of such products makes it difficult to estimate with great certainty the demands that may be made on the council's environmental health service. It is, therefore, essential that the costs incurred by the council are fully funded through cost recovery or government grants. As I have indicated, due to the current high degree of uncertainty, it is essential that the funding be flexible and kept under review so that it can be increased if actual cost exceeds current estimates. Unfortunately, it is not possible, at this stage, to estimate what those costs

will be as it involves additional requirements, including monthly inspections and increased sampling for those businesses that may be planning to export through Great Britain to the European Union.

Finally, as it is unclear whether all the necessary arrangements will be in place on 1 January, or that a deal will be agreed, clarity is required on the contingency arrangements to ensure that trade is not adversely affected and to avoid unnecessary delays at the point of export. Food labelling changes, for example, and changes to packaging may not be in place, as those issues are still subject to negotiation.

Councillor Foster: Chair and members, thank you again for your time this afternoon. We are open to Q & As from the Committee. I believe that it will be Martina first, having listened to your deliberations before we started. *[Laughter.]*

The Chairperson (Mr McGrath): Yes. Martina, we pass over to you for a question.

Ms Anderson: Thank you both for attending, for the presentation, and for the information that you sent round. I am not going to touch on the issue of free ports because it is still a bit of a half-baked idea to mitigate Brexit. Councillor Foster, you talked about the loss of funding. Has the council calculated the kind of funding that will be lost to farmers, groups and organisations through, for example, the European social fund? You talked about trade. I wonder whether you have done a calculation, given that £3.5 billion of European funding will be lost to the North. How much will that mean for your council?

Councillor Foster: We have not done a calculation on that. It is a finger-in-the-air thing. I do not even know who you would make a funding application to and say that you were out by that amount of money because Northern Ireland will be impacted. Clifford, do you have anything to add to that?

Mr Todd: No. Sorry, we do not; it would be impossible to say at this stage.

Councillor Foster: Especially when nobody knows what will happen. We are five or six weeks from it, and there is still nothing concrete or on paper to say what we are going to have. We cannot even print a label to say what we are going to have. It would be impossible to put a quantitative figure on anything.

Ms Anderson: There has been talk of a shared prosperity fund; the British Government have said that they will replace European funding. Obviously, there are massive problems with trade. There is no good Brexit. There will be a figure that your area will lose. Farmers will lose their single farm payment. Pillar 2 will be gone. Many groups and organisations deal with the European rural development fund. That will go. The European social fund will be gone for groups and organisations in your area. I do not know whether you get Peace funding, but we hope that we will have Peace IV and that that will be one fund *[Inaudible.]* It might be useful for the council to *[Inaudible]* calculation. If you make a case to the shared prosperity fund for more funding, that might be useful to know, before you even go in to the difficulties of trade, how you get access and the implications of a border *[Inaudible]* all of that. You need to know what will come to your council from Europe. It might be worth asking other councils whether they have been able to encapsulate that and how it was done.

Councillor Foster: It is something that we will definitely take on board, but it is very speculative; it is based on an assumption that those funds will be replaced. I do not know how you would quantify that at this stage. It is impossible even to try to quantify. If you are talking about Peace IV and Special EU Programmes Body (SEUPB) funding, who knows? It all hinges on what sort of Brexit deal we get in five weeks' time — if we get a deal at all. The time spent trying to quantify that figure would be enormous. However, I take your point.

Ms Anderson: OK. I just wanted to *[Inaudible.]* Peace funding could, perhaps, continue. There is an understanding in the departments of how many farmers there are in your constituency, how many get the single farm payment and how much money comes in. An audit is done of all that money; it does not fall out of the sky. Councils administer some of it, some of it goes directly to individuals, and others apply via competitive funding streams. There is an understanding of what councils receive, and it might be useful to delve into that. You will not make up that funding; it will go, whatever happens in 76 days' time. We will lose European funding; it will go. It would be useful for every council to do that,

rather than, after the event, saying, "Oh my God, we didn't realise that, on top of all the other problems we have, that's the kind of funding stream that's going to be lost from our area". That will be important information in order for you to make a case for your area to secure the kind of funding that you are going to lose as a consequence of Brexit.

Councillor Foster: I take your point. However, single farm payments are up to individual farmers. The council could not quantify what we would lose, as it would not come directly to the council. Nevertheless, I take your point, and we will converse with other councils to see whether there is any rationale for putting resources in place to look at that.

Mr Clarke: Thank you, Robert and Clifford, for your presentation. The submission that you provided prior to the meeting was useful. The difficulty that we all have is the unknowns — you have laid them out well today, Robert — the unknowns and the unknown unknowns. Clifford mentioned food labelling. Whilst we are not in a position to say what that will look like, have you had any information that if we do not get this right for 1 January there will be penalties? I assume that penalties will not flow if we are not ready by 1 January.

Mr Todd: There is no indication that there will be penalties at this stage. There have been a lot of discussions, and arrangements are in place, so there has been progress. It all depends on whether a negotiated deal is in place and whether the labelling requirements continue as they stand or whether they become null and void if a deal is not in place. There is a bit of uncertainty around that.

My point about the queries that businesses have raised with us is about whether we can go ahead and print a large number of labels and get our documentation in place. We are keeping in touch with DAERA colleagues to get the most up-to-date advice that we can. Our advice at the moment is that, as it stands, the arrangements seem to be in place but that people should not bulk-buy documentation with the identification marks in place because if things change that expenditure will have been unnecessary.

Mr Clarke: That is the right advice, Clifford. To go back to my question, given that there has been no suggestion that if you are not ready you will be penalised, we should tell people to hold off and wait because there is no urgency to do that just yet. We do not know what the position will look like. Whilst that is not necessarily reassuring, your council's advice — hold off until we know what is required — is the right advice.

I listened to what Martina had to say, but, of course, she never says that, given the amount of money that we put into Europe, there are opportunities for the UK Government to set up similar schemes directly. Of course, that would be much more efficient because the net benefit to Northern Ireland and the rest of the UK would be much greater than keeping the bureaucratic EU government in its position. Whilst some around this table hate to admit it, we have continually given more to Europe than we ever got back. When it comes to funding, the UK Government have never been bad to us in the past. *[Laughter.]* I can hear a member laughing —

Mr Lunn: More than one.

Mr Clarke: — but some of her colleagues have done very well out over the past few months. Some of them got an extra £10,000 from local government here.

The Chairperson (Mr McGrath): Stick to the subject.

Mr Clarke: Ultimately, the finance will follow. I am hopeful that the Government will continue to make that commitment, bearing in mind that they have the same problems in their constituencies across the rest of the United Kingdom.

The Chairperson (Mr McGrath): I am not sure that there was a question in there, but if there is nothing to answer, we can move on to —

Mr Lunn: The other Trevor.

The Chairperson (Mr McGrath): — the other Trevor.

Mr Lunn: Thank you for your presentation, gentlemen. Has it been possible to assess the financial pressure that this will put on the council, given the lack of clarity? That may not be a fair question, but you must have done some preparatory work. Have you received any indication of what financial assistance may come from central government to cover those costs?

Councillor Foster: To be perfectly honest, I would have thought that you would hear about that before we would. I do not think that anything has come out. You are dealing with so many unknowns that the council could not put a figure on it. As Trevor Clarke said, no one knows whether the British Government will introduce a like-for-like replacement for single-farm payments or whether they will put in schemes to compensate for Peace- and SEUPB-funded schemes. Until we know what is coming, how do we quantify what we will lose? We could prepare a whole raft of measures and lose nothing or gain something, so I do not see that it would be prudent for the council to spend its time doing that.

Mr Lunn: I am more thinking of the actual costs of running the council. You might have to lend some environmental health officers (EHOs) to other bodies, by the sound of it. Can you assume that you will be compensated for that?

Councillor Foster: Until we know what we will be asked to do, we cannot put a figure on it. It is the unknowns, and it is a point that has been made right across the UK. Brexit is done and is not changing. Whether you like it or not, it is what it is, but it is the uncertainty of not knowing the deal. Will there be a border? Will there be checks? Clifford, you are from the EHO's department. Have you done any modelling to see what assistance you would have to put in?

Mr Todd: It is a constant balancing act, I suppose, at the moment, not least with the pressures that we face during the pandemic. We are working closely with other departments in London. For example, the Office for Product Safety and Standards is providing £600,000 of funding for the 11 councils to assist with preparations for non-food products that may be impacted. Again, time is of the essence. The more information we can get, and the more we can see what funding is available, the more planning we have and the more we can make the best use of the resources that we have. It has always been a balancing act in making sure that we address the priorities as they arise.

Mr Lunn: Thanks for that. I must say that it is very difficult to form a sentence these days without saying "unknown" or "clarity" or "time is of the essence". You have proved that again, and I sympathise with you. Thanks for your answer.

The Chairperson (Mr McGrath): Thank you for those questions, and thank you to Robert and Clifford for the presentation. Whilst it may be deeply frustrating that a lot of our sentences include "unknowns" and will be about not having clarity or not knowing what will happen, I think that part of this exercise is about trying to find the common themes amongst all the councils so that we can articulate them to the Executive and, through them, to London and Dublin so that people realise that we cannot deal with unknowns and that the coalface is actually dealing in unknowns. That is not much use or help. If that is the only message that comes out of this process, it is still a fairly relevant and fairly strong message to send.

Robert and Clifford, thank you very much for coming along. Thank you for being the first in the firing line. We appreciate it. Good luck with the preparations.