



Northern Ireland
Assembly

Committee for The Executive Office

OFFICIAL REPORT (Hansard)

Brexit: Armagh City, Banbridge and
Craigavon Borough Council

11 November 2020

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

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

Witnesses:

Councillor Thomas Larkham	Armagh City, Banbridge and Craigavon Borough Council
Mr Roger Wilson	Armagh City, Banbridge and Craigavon Borough Council

The Chairperson (Mr McGrath): Representing the council, we have Councillor Thomas Larkham, chair of the governance, resources and strategy committee, and Roger Wilson, chief executive officer. You are very welcome. It is good to see you. I advise you that the session is being reported by Hansard, and the transcript will be published on the Committee web page. We have generally been getting short presentations from councils on their priorities in the Brexit process. Then, for clarity, we will have a couple of questions from members. If that is OK, we will hand over to you.

Councillor Thomas Larkham (Armagh City, Banbridge and Craigavon Borough Council): Thank you, Chair, for the opportunity to address the Committee on the impact that EU exit will have on local government as we prepare to position ourselves to deal with what that will mean. As we navigate towards a post-EU future, councils are keen to take advantage of our unique position to support our businesses and communities. As might be expected from such a generational change in social policy and regulation, there are both challenges and opportunities ahead. We know that you have already heard from a number of councils on the challenges being faced by local government in supporting our local areas through the uncertainty of Brexit while dealing with the ongoing COVID pandemic. Therefore, while we will focus on the impact on the Armagh City, Banbridge and Craigavon (ABC) Borough Council area, much of what we raise will be familiar to you. However, we still think that it is important to highlight these issues and add weight to what others have shared.

Our area is a unique tapestry of urban and rural, including the ecclesiastical capital, the city of Armagh; industry, with global companies such as Moy Park and Almac; magnificent open spaces such as Gosford Forest Park and Lurgan Park; and dynamic, arts, culture and sports, including the F E McWilliam Gallery, Navan Fort, our spectacular annual Georgian Festival, and the regionally significant South Lake leisure centre, which opened its doors just last week. The largest council outside Belfast and home to over 216,000 people, our borough is, as the name of our community plan

suggests, a place of connection that is centrally located, with both North/South and east-west prominence. With 24.6 miles of border, we are also a border council. Daily lives and businesses rely on seamless systems for the movement of people, goods and services.

Since the June 2016 referendum, local government has been busy building strong relationships with its partners across Departments, a process that has been accelerated by our joint efforts to deal with the COVID-19 pandemic. Dealing with the pandemic has highlighted the need for all aspects of our local, regional and national government to work together cohesively for the benefit of all. Building on this will be critical as we move forward. We echo the sentiment of other councils' briefings in saying that we can achieve this only through the co-design of policy. To do so, the council must be an equal partner.

Local government is uniquely placed: it has local leaders to shape local places, understand local needs and help to ensure that regional policy and outcomes have an impact at local level. Let us hope that we can all learn from the lessons of the past number of months on the importance of collaboration and communication, and use the experience to forge better joined-up governance. Since March of this year, councils have been forced to focus almost exclusively on the response to COVID-19, and the second winter wave has ensured that local government as a whole will continue to deal with the response phase for some time. Consequently, limited resources will be available at short notice to prepare and position local government for the impacts that the end of the transition period will bring. The recruitment and mobilisation of new teams require resources and an available pool of suitably qualified candidates, and that can take time. I ask the Committee to be aware of such challenges as we get closer to the end of the transition period.

Our submitted report sets out some of the challenges that exist not only for local government but for central government, local businesses and local people. We have highlighted for the Committee the three key areas of concern. They centre on the impact on the economy, particularly for our borough and the agri-food sector; the demands on council services; and the impact on local communities.

First, on the economy, the ongoing lack of clarity on the movement of goods and services to and from Northern Ireland has made it difficult for local businesses to plan adequately for new processes and procedures. Our borough is known as the "food heartland". It has a significant agri-food sector, including several large-scale producers and processors, of which approximately 20 have known revenue in excess of £1 million per annum. Perspective Economics estimates that there are 2,700 registered agri-food firms in Northern Ireland, and approximately 350 of them, which equates to 13%, are in the Armagh, Banbridge and Craigavon borough. That accounts for around 70,000 jobs, including jobs in large employers such as Moy Park and Irwin's. The 2017 'Brexit and the Border Corridor' report by the East Border Region, in conjunction with Ulster University, highlighted that the sector, along with manufactured goods and minerals, is the most exposed to the changes in trade and that, therefore, the areas in which those sectors are concentrated are at the most risk of any trade shocks. The report also highlighted that the agri-food industry is a sector that is characterised by low margins and high levels of in-firm competition, and is, perhaps, the most integrated on an all-island basis.

Other agricultural producers are not only at the heart of the agri-food sector but integral to haulage, veterinary, hospitality and many other sectors. Our borough has 3,245 active farms, which is 13% of active farms across Northern Ireland. Farmers are raising concerns about the loss of the single farm payment, the lack of clarity on the Agriculture Bill and the implications of ammonia thresholds. For our wider business sector, the limited human and financial resources of small and medium-sized enterprises (SMEs), which are the predominant type of business in our borough, leave us concerned that many have not been able to prepare fully for the changes ahead. As a council, we have been using our limited resources to support them through sector-specific forums and a business support hub and helpline, but that support alone will not be enough. We implore the Committee to use its influence in the Executive to help to secure additional financial and practical regional support for small businesses and to help to provide clarity on exactly what is needed for 1 January to help those businesses to prepare.

Secondly, we have concerns about the demand on council services, particularly the demand to support the movement of goods in relation to food export and import. We appreciate the support in 2019-2020 of £124,000, through the Food Standards Agency (FSA), to help councils to prepare and to scope the need for food business in the area. However, with the ongoing lack of clarity on the exact nature of what is required, the now impossibly tight time frames and the perfect storm of also supporting the ongoing response to COVID, we fear that that will not have been enough. Key staff resources are fully engaged in dealing with duties linked to COVID regulations, restrictions and public

safety. Officers from those teams will be expected to advise and support businesses and, if required, to support documentation for products being exported from Northern Ireland to GB for subsequent export to the EU.

For any additional role supporting DAERA, consideration must be given to resource implications and funding arrangements. The council has provided DAERA with the details of five businesses in the ABC area that may require attestations. Until further scoping is carried out with those businesses to gather further information, the demand on the council will not be known. This is a situation that funding alone cannot solve. We ask the Committee to ensure that local government is treated as an equal partner in the development of solutions and processes. In doing so, the limitations on our ability to play a full and meaningful role in supporting business and trade without adequate time, people and funding should be acknowledged. It is expected that, on 1 January, arrangements and infrastructure will not be in place to comply fully with EU legislation. Clarity is therefore required on the contingency arrangements to ensure that trade is not adversely affected and to avoid unnecessary delays.

It is essential that the relevant agencies, working closely with councils, intensify plans to support trader readiness for exporters in GB and importers in Northern Ireland to ensure compliance with EU import requirements. Any delays in trade and supply chains will have a catastrophic effect on local business. As an example, 30 premises in our borough will, from 1 January 2021, be required to use new identification marks on packaging. Information on the formats of those marks has only just been confirmed and communicated to businesses. Due to the short turnaround time, that will result in current packaging having to be disposed of and delays in new packaging due to print run lead-in times.

We have concerns about the demands on other council services. In helping us to provide critical support during the pandemic, our staff have gone above and beyond to ensure that vital services continued and to deliver additional support such as our community response and business helpline. The response to COVID-19 is ongoing, and the role of councils in that remains a dominant feature of our daily work. Our finite resources must be managed to give maximum impact in the areas of most need and in a manner that protects the health and well-being of our staff.

Lastly, there is the impact on local communities. We have helped communities by drawing down in excess of £23 million of EU funding over the past six years from a range of sources, including Peace, the European regional development fund (ERDF), rural development and the European social fund (ESF). That is just directly to the council. In addition, local communities themselves have secured substantial funding for the betterment of the area and its people. We ask for the Executive's support in seeking clarity on the UK Shared Prosperity Fund and ensuring that much-needed support is still available to our communities.

We are worried about the impact that higher living costs could have on those most in need in our borough. The impact of COVID-19 has caused a sharp rise in those needing support with the fundamental of feeding themselves and their families, a crisis that will be exacerbated by any rise in the cost of goods and services. That cannot be stressed enough. A report by the cross-border network, the Irish Central Border Area Network (ICBAN), of which we are a member council, completed in conjunction with Queen's University, highlights the disproportionate impact of Brexit on communities in the central border region, North and South.

Any restrictions on the movement of people could have a catastrophic impact on our growing tourism sector. The significant investment in the Linen Mill Studios' licensed studio tour of the 'Game of Thrones' franchise, along with the existing tourism appeal of the ecclesiastical city of Armagh and our unique orchards, mean that local businesses and communities have a growing reliance on this sector. Those issues will need regional and local support and intervention. We remind Departments that we are here and willing to work collaboratively and innovatively to maximise the resources available to us all. The difficulties that we will face in planning for the new environment after 1 January can be lessened by more clarity, closer partnership working, securing appropriate resources and having a shared vision.

Let us finish on an opportunity rather than a challenge. 'Connected', which is our community plan, sets out a clear vision for our borough. The outcomes are supported by the growth deal for our area and numerous other strategic plans from across partner organisations. Delivering on those will, in turn, help to achieve the aspirations of the Programme for Government (PFG). As a council, we want to work with Departments to help to ensure cohesive, impactful and timely public services, and to support local businesses and communities to flourish. I hope that we can build on the closer working relationship arrangements that have been fostered through community planning and, more recently,

our response to COVID. We implore the Executive to work with local government as an equal partner. Together, we can build innovative policy, services, interventions and supports to help to improve the social, economic and environmental well-being of our places and people.

Members, thank you for allowing us the opportunity to share our thoughts.

The Chairperson (Mr McGrath): Thank you very much, Thomas and Roger, for that very comprehensive report. It certainly detailed for us many of the pressures that you are facing. This is week 2 of the process, and you are the seventh council to give us information. We are struck by the similarity of the themes coming through from all councils. There is strength when similar issues are being faced, and that is the sort of stuff that we want to be able to extract and use to try to get some support and guidance.

Did you have dedicated officers working on Brexit whose priority shifted to COVID but is now moving back to Brexit? Have you noticed any difference between the interactions with central government and those with the Departments, such as the Executive Office, for example, in light of coronavirus? Has that got in the way of some of the work on Brexit preparations?

Mr Roger Wilson (Armagh City, Banbridge and Craigavon Borough Council): Councillor, if you are happy, I will take that.

Councillor Larkham: Yes. Go ahead, Roger.

Mr Wilson: Thank you very much for the opportunity to address the Committee.

The service areas and parts of the council that worked on the preparations for Brexit last year are the same ones as are now, and have been, heavily involved in the COVID response. For example, our community development department has been working very much around meeting the need and, as Councillor Larkham explained, the community response. That department had to step up and look at how it could work alongside central government, particularly DFC, on COVID, but it was also playing a leading role in the Brexit response. Similarly, our environmental health department flicked across to COVID and worked with local companies and businesses to try to make sure that, when they came out of lockdown and reopened, they were able to do so in a safe way. The resource demand is very much focused on those same groups and teams of people. I think that you heard a similar story from councils last week about that perfect storm, the impact that it has had and the demand that it has placed on similar resources.

Our experience of working with central government has certainly been strengthened over the past number of months. It varies across Departments. Some work much more closely with local government than others, and they are to be commended for that. Through our community plan work and that COVID work, we have a better understanding of how we can work together. We may have prioritised COVID more over the past six to nine months. The concern now is that, in the remaining 50 days, there is very little time to start to get ready for 1 January.

The Chairperson (Mr McGrath): OK, thank you.

Mr Lunn: Thanks, gentlemen, for your presentation. You mentioned the situation of your large employers, and your report mentions Moy Park and Irwin's Bakery. Thomas also mentioned Almac. All three are vulnerable to the pressures that are coming on export and import and the fast movement of goods. What discussions have you had with them? I think particularly of Almac, which opened new headquarters in Dundalk. Its presence there is precisely to guard against the perils that we are talking about. Have you had major discussions with those three employers?

Councillor Larkham: Do you want to answer that?

Mr Wilson: We have good relationships with all the employers in our area. It is one of the things that we work hard to do. We are always conscious not to focus purely on the large employers. We have a backbone of SMEs in the borough as well.

We have a range of sector-specific forums, whether for health and life sciences, agri-food or advanced manufacturing — those sorts of areas. We work with those companies in the sector forums to try to

see what work they are doing and what preparations they are making. We also ask smaller companies whether there is any advice and support that they can give.

You are right, Trevor, that Almac opened a facility in Dundalk fairly quickly, it has to be said. It cannot be criticised for doing that. It was a business operation and a business need. Thankfully, Almac has a strong commitment and loyalty to the Craigavon area, and it is reassuring us that its global headquarters will remain here. Of course, it had to plan ahead as well.

Mr Lunn: Yes. We have a similar situation in Lisburn with Coca-Cola, which has a major presence in the South as well. It is really up to Coca-Cola where it bases itself and where it conducts its business from. It have major concerns about the movement of goods across the border, though its stuff is not quite as perishable or urgent as Almac's. If Almac cannot get its raw materials and get its products out to the market pronto, it will have a major problem, and so will your council.

Mr Wilson: I completely agree with you, Trevor, and we are mindful of that. That is why the free movement of goods and people is so critical. The common response that we get from all the companies, whether large or small, is the importance of getting that information and clarity so that they can plan effectively.

Mr Lunn: There is that word again: "clarity". I heard that seven times last week.

Mr Wilson: And communication.

Mr Lunn: Yes. Thank you, gentlemen.

The Chairperson (Mr McGrath): Martina is next to ask a question, via StarLeaf.

Ms Anderson: Thank you, Thomas, for the briefing that was sent round. I concur with what the Chair and others have said about the requests and need for clarity. In the Executive Office, the joint First Ministers have been looking for that clarity, as, indeed, have other Ministers. The British Government are treating the Executive, the Scottish and Welsh Administrations and everyone else seeking that clarity like mushrooms by keeping them in the dark.

It is of no comfort to you that the clarity is not there. That said, you are trying to deal with the pressures that you are under. I was struck by the fact that 13% of active farms are in your area, which is a significant proportion. Have you been able to ascertain which of your councillors promoted or advocated Brexit and believed that the Shared Prosperity Fund would replace, for instance, the £20 million that you and others have been talking about? Have you been able to use them to find out about that fund? We have been trying to get some understanding about the Shared Prosperity Fund, and maybe those in your council chamber who advocated for Brexit have more insight into that fund than we do.

Mr Wilson: As we said in the presentation, we need greater clarity on the Shared Prosperity Fund. We do not have that clarity at the moment.

Ms Anderson: No, and, unfortunately, neither do we. I was really taken by the ICBAN report and by what you said in your presentation, Thomas, about the devastating impact that Brexit will have. Have you been able to connect in another way with the council at the other side of the border partition in Ireland to delve into the Shared Prosperity Fund or the Shared Ireland Fund, which is the €500 million that we heard about from Micheál Martin and which is in place, just to see whether there is an opportunity, for instance, for your council to tap into that money? What kind of collaboration takes place between you and the nearest council across the border? Derry and Donegal, for instance, have memorandums of understanding, and work is taking place between the two councils, and they were quite vocal in making presentations about the impact that Brexit was going to have on the wider region of the north-west. Do you have that kind of connectivity with councils?

Mr Wilson: I will start off and let Councillor Larkham add something afterwards. Martina, you are absolutely right. As a border council, we work very closely with our neighbouring councils, whether that is Mid Ulster District Council or Fermanagh and Omagh District Council on a mid-south-west growth deal. However, we are also very conscious of neighbouring councils in the South. Certainly, the council and I work very closely with Monaghan County Council. In fact, one of the projects that we are jointly delivering is a greenway project from Smithborough to Middletown. Cross-border work is

very much going on. On other infrastructure projects, such as the Belfast to Dublin economic corridor, we work with a range of councils, North and South. That ongoing activity is very much there.

The Taoiseach announced the Shared Island Fund just last week or the week before. Given who our neighbours are, we are certainly interested in that and want to take a look at it. We share similar issues around access to skills and the whole economics of the area, never mind Brexit, COVID and those sorts of things. Do you want to add anything to that, Thomas?

Councillor Larkham: Roger articulated that very well, and I will just back up everything that he said about where we are. We work quite closely, as he highlighted, with a number of other councils in that regard. However, it comes back to the initial point that there is a lot of uncertainty. There is no real clarity around any of the stuff that is coming forward, and there are a lot of unknowns out there. With regard to all of that, we need a lot of the information to come forward in order to move forward together and cohesively.

Ms Anderson: I must say that the one thing that worries me — it is a worry that I have had from last week to this week — is that, in 50 days' time, we are being taken out of the EU. That is against the democratic wishes of those of us who want to remain and, maybe, those of us who obviously had another point of view. However, we know that that is coming in 50 days' time. There is no going back from that. We know that a protocol is in place and, therefore, that we will have access to the EU. However, you will lose the £20 million that you talked about, and whether that will be replaced is another matter. None of us have any clarity or see any signs of this Shared Prosperity Fund coming. Do you have any insight into the kind of job losses that will affect you? Groups and organisations in your area have tapped into the European social fund and the European regional development fund. I know that ICBAN has done a lot of work in helping you to draw down European funding. You talked about £20 million, and community groups have other funding as well. If that funding is not replaced, I am sure that it will, potentially, be devastating.

Councillor Larkham: Yes, Martina, and to follow on, aside from that, skills will be lost, and that is the key point. I do not know whether Roger has anything further to add.

Mr Wilson: Yes. Again, Martina, we understand and agree. We do not have a figure for the wider network. We are members not only of ICBAN but of the East Border Region; because of where we are located, we are part and parcel of that. The £23 million is very much the funding that we, as a council, have directly drawn down. We have managed to get an extension to the contracts with the Special EU Programmes Body (SEUPB) until the end of December. PEACE PLUS and the Shared Island Fund are the sorts of things that we need to look at to see where the future is, but, again, we are waiting for decisions and clarity on PEACE PLUS. We implore the Committee to try to see where and how that can be progressed.

Ms Anderson: For my understanding, through the Chair, is that £20 million —?

The Chairperson (Mr McGrath): Make this a brief one, because it was supposed to be three questions per council.

Ms Anderson: Sorry. For clarity, does that £20 million include the money that is lost to farmers through the single farm payment?

Mr Wilson: No, Martina, that is £23 million in funding that ABC council has drawn down.

Ms Anderson: OK. Thank you, Chair.

The Chairperson (Mr McGrath): Thank you, Martina. I appreciate that.

Roger and Thomas, thank you very much indeed for giving us that presentation. We could probably spend a whole afternoon with each council to interrogate all the impacts of this, and I am so sorry that we have to keep it within a 25-minute slot. Thank you very much for coming along and giving us your update. We hope to take some action on the back of these meetings, and you will see some action and what we will do with the information that you provided. Thank you very much for coming along today.

Mr Wilson: Thank you for your time. Thank you very much.