



Northern Ireland
Assembly

Committee for The Executive Office

OFFICIAL REPORT (Hansard)

Brexit: Mid and East Antrim Borough Council

11 November 2020

NORTHERN IRELAND ASSEMBLY

Committee for The Executive Office

Brexit: Mid and East Antrim Borough Council

11 November 2020

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:

Ms Anne Donaghy	Mid and East Antrim Borough Council
Councillor Peter Johnston	Mid and East Antrim Borough Council

The Chairperson (Mr McGrath): From Mid and East Antrim Borough Council, we have Councillor Peter Johnston, who is the mayor, and Anne Donaghy, who is the chief executive. You are both very welcome this afternoon. I advise you that the session is being recorded by Hansard and that the transcript will be published on the Committee web page. Thank you very much for coming along to give us some information this afternoon. We will pass over to you to give us a bit of background about how Brexit will impact you and your council area, and then we will open it up to a few questions from members.

Councillor Peter Johnston (Mid and East Antrim Borough Council): Thank you, Chair, and thank you again for the opportunity to present to the Committee today. As mayor of Mid and East Antrim Borough Council, I thank you for the opportunity to engage again with the Executive Office Committee on EU-exit-related matters. I am joined today by our chief executive, Anne Donaghy OBE, and I will give you an overview of our position before passing across to Anne shortly.

As an award-winning organisation, Mid and East Antrim Borough Council leads the way in the delivery and transformation of evermore efficient and improved public services for our 139,000 citizens. Traditionally referred to as the "engine room" of Northern Ireland's economy, the area is synonymous with the manufacturing industry, power generation and the agri-food industry as well as the strategic port of Larne. As we are an integral part of the United Kingdom, internal trade is our biggest market. Unfettered access to Great Britain is critical in maintaining and supporting the trade and commerce.

With celebrations on the centenary of Northern Ireland next year, the work of our council has focused on a range of areas of celebration, including trade and commerce. Celebrating the innovators, the entrepreneurs and the contribution of Northern Ireland to the UK and global economy has been a key feature of the last 100 years and is something that we want to build on moving into the next century.

The impact of the COVID-19 pandemic has highlighted the importance of connectivity across the United Kingdom. As part of the recovery plan, I am keen to see a levelling-up of the economy, and connectivity will be a key feature of that recovery, as, I am sure, you will all agree. Efforts should focus on the economic, social, cultural and digital linkages across the Irish Sea. We have worked closely with our partners in Dumfries and Galloway and have established a North Channel partnership, a unique east-west relationship, building a virtual bridge across to Scotland. The port of Larne continues to be a key gateway for Northern Ireland, and, as the shortest, fastest crossing between Northern Ireland and Scotland, it continues to be a critical arterial route between Northern Ireland, Scotland and England. The COVID-19 pandemic has shown the importance of the supply chain for essential goods and services.

The current position regarding the Northern Ireland protocol is a matter of significant concern for our council. With fewer than 50 days remaining until the end of the transition period, gaining clarity on the practical implications of Brexit is of the utmost importance. We appeal today to the European Union to adopt flexibility in the negotiations with the Prime Minister in order to reach agreement on the key areas so that goods and services can continue to flow freely across the internal market. We have an opportunity post-transition period to establish and grow our Northern Ireland plc brand, and I encourage everyone to play their part. We are very mindful of the potential impacts of the end of the transition period on the local economy and on our citizens. The chief executive has been monitoring developments very closely during the transition period, and we have identified a number of key issues, so I will pass over to her to take us through those.

Ms Anne Donaghy (Mid and East Antrim Borough Council): Thank you, mayor. I reiterate all that the mayor said, and I thank the Committee for the opportunity to present today on Brexit. There are three key areas that we in Mid and East Antrim Borough Council wish to raise. The first is the economic impact, the second is the point of entry at Larne port and the third is the opportunities that we see before us.

On the economic impact, we remain concerned that negotiations between the UK Government and the EU have not proceeded at the anticipated rate, and we now have very limited time to agree and ratify a deal and to ensure preparedness on the ground. We need to ensure that tariffs are avoided. We remain concerned that the EU may not agree to no tariffs, as its legislation says that charges must be applied. That would bring a huge financial impact and burden to Northern Ireland trade for both the internal market and for exports. As the mayor said, we have only 50 days left to get prepared. The council has written to the Chancellor of the Duchy of Lancaster, Michael Gove MP, to highlight our concerns. However, he has made it clear that there will be no phased approach and that the protocol will take effect from 1 January 2021.

We are concerned about the impact that that will have on our GVA, which only a few years ago was highlighted as having the highest drop in GVA in the whole of the UK — it was some 13% — due to manufacturing job losses. As a council and as a borough, we have worked very hard to bring that back up again, so we need to ensure that our supply chains, which rely on just-in-time delivery, have unfettered access to internal markets. Any friction that is caused to the flow of goods created by the bureaucracy, checks or delays will have a significant impact on the economic viability of our key businesses. We are now hearing that there may be 100% checks on documentation.

In the Mid and East Antrim Borough Council area 91% of the businesses are SMEs. Most of them have not traded beyond the UK before and therefore will be required to complete customs declarations. That is a new challenge, so, on 1 January, they will be in uncharted territory. Despite a £200 million investment in the trader support scheme and contacting businesses to get them registered so that the Government can complete the necessary customs declarations, we have been shocked that there has been such a low uptake by SMEs in this area. Such are our concerns that the councillors decided that we would go out as a council and reach out to those traders and contact them again to encourage them. We continue to do that.

A further concern is that the trader support scheme by government is for only two years, and the burden will then be passed directly to the trader to complete the documentation. Additional costs that are associated with checks will put local business at a competitive disadvantage, and we have real concerns about the impact of that. Our business has just gone through COVID, and any additional checks, friction and delays to trade in the internal market would be very concerning.

Moving to the second point, which is the point of entry at Larne harbour, it is concerning that a substantial point of entry is to be erected at the harbour. As the port in Northern Ireland that permits livestock movements, we expect, to some degree, to have facilitated checks, which is currently the

case. What concerns us is the scale of the point of entry infrastructure for the Northern Ireland protocol. Initially, when the process started, we were told that there would be limited infrastructure. Council had assurances from the Secretary of State, the Chancellor of the Duchy of Lancaster and the Prime Minister that there would be only minimal inspections at the port of Larne.

Over the past 18 months, councils have presented evidence to the Northern Ireland Affairs Committee, have spoken to the Secretary of State and have highlighted at various times that they need to be fully aware of the implementation of the protocol. We have also worked closely with our two MPs, Sammy Wilson and Ian Paisley, and we are now aware that a significant seven-acre site is being developed, despite having those assurances of minimal inspections. What is of concern is that the information is being drip-fed, and there is a concern that traders and businesses do not fully understand what is expected of them on 1 January.

As a council, we were instructed to appoint 12 environmental health officers (EHOs) to undertake inspections. We have employed those officers; however, we understand that they will not be fully utilised until perhaps June 2021, when the point of entry infrastructure will be complete. We are also unclear of the level of inspection of documentation, identification and physical. As I said, we have now been told informally that it could be up to 100% on documentation.

I want to finish on the third point, which is about the opportunities that Mid and East Antrim Borough Council see. We are known to be a resilient council with a positive outlook, and we are always keen to move forward to maximise the benefits of everything, including the UK's new global trading arrangements following the departure from the EU. We are actively looking at opportunities for how, through our exit, we can strengthen our community and Northern Ireland.

One such opportunity is our working hard to secure one of the 10 free ports that are to be created across the UK. That would provide a catalyst for enterprise, innovation and economic growth. Much of the work that has been completed on the logistics hub model by Mid and East Antrim Borough Council, which is based at the former Michelin site in Ballymena, could be transferable for the potential free port model, coupled with the port of Larne as a gateway.

The Shared Prosperity Fund also offers another great opportunity for interregional catalyst innovation to grow across the UK and to ensure that there is a focus on that money coming. We need to adopt the Northern Ireland plc approach in order to build trade and relations in the UK and across the world. Throughout the last 12 months, in the Mid and East Antrim Borough Council area, we have seen an increased appetite for foreign direct investment (FDI), and we are encouraged by that interest and the potential for further growth. We need to grasp the opportunity to market the benefits of Northern Ireland, including our direct border with the EU, and the freedom to enjoy new global trading arrangements as part of the UK. As the mayor highlighted, Mid and East Antrim Borough Council has recently established the North Channel partnership alongside our colleagues in Dumfries and Galloway. That focuses on embracing and developing the linkages between the two regions.

Maintaining unfettered access for Northern Ireland is key to the entire region. Efforts should focus on building the virtual bridge between the two regions that the mayor highlighted, looking at its economic, social, cultural and digital bridge elements. Thank you very much for taking the time to listen to our evidence.

The Chairperson (Mr McGrath): OK. Thank you very much indeed for that detailed presentation. Unfortunately, due to a frozen screen, a fair amount of it came from an arm that we see can in front of our screen at the minute, so we cannot see you in real time, but we can hear you OK. I will start with a question. Given that you have the port of Larne in your area, how much interaction have you, as a council, had on what is being developed there? Notwithstanding whether you support Brexit, you do not support Brexit or whatever side you are on, have the council's views been sought on the development of everything that is there? Have you been involved in the process of what is being developed at that site, or are you just being told what it is happening there?

Ms Donaghy: I will begin on that question. We have been engaging, as I said, with Michael Gove, the Secretary of State and the Prime Minister. We have also been engaging with the FSA and DAERA throughout the process. The drip-feed of information could be improved, but we have been engaging and putting forward our views. We would like more clarity quicker, of course, but we have been engaging all along with all those people in the last 18 months.

The Chairperson (Mr McGrath): Has there been two-way engagement with the Prime Minister, or has it just been you sending your views to him?

Ms Donaghy: We have sent our views to all those people, and I have to say that they have all respectfully sent back correspondence. Certainly, we are very keen that the Prime Minister gets a deal with the EU, and we are really keen that that can move things forward. We are keen that that happens, as we have said all along. As I say, we have been engaging. We have appointed the 12 environmental health officers whom we have been instructed to appoint, and they are in training. Given that the infrastructure will not be there until June, I would like, and the council has sought, clarity on what will happen between January and June.

The Chairperson (Mr McGrath): I was interested to hear about your connections with, I think, Dumfries and Galloway Council in trying to do some sort of shared work. Have you found any areas of divergence where Scotland is unhappy with what is happening in the North and vice versa? If so, has that caused any interesting discussions, or has it all been about what has been shared between the two council areas?

Ms Donaghy: We have had a very positive relationship with Dumfries and Galloway Council. One of the things that we are very keen to work on is connectivity. We are now working with it on the development of the A75 and the A77. We are working on that with the Scottish Government and, indeed, the UK Government to try to secure money for the roads. Members will know that, when you get to the other side of the water, the infrastructure — that is, the A77 and A75 — is very poor. That work will create a really good road infrastructure for the internal market.

Mr Sheehan: Thank you both for your presentation. Leading on from what the Chair asked about the port of Larne, you mentioned that the infrastructure will not be in place until June but that you have employed environmental health officers. I know that there has been a conversation about the fact that the Agriculture Minister said that there would not be posts built at Larne, and then there were, so there has been a wee bit of confusion about that.

You then mentioned that you want to see a deal, as, I think, we all do, but how likely do you think that is? You talked about your correspondence with the British Government and different MPs, so do you feel as though your views are being listened to and that what you want to see happening is happening as a result of that?

Ms Donaghy: First, our two local MPs have been listening to council's concerns. We have very close working relationships with our two MPs, and they take the concerns of council straight to the heart of Government. That is clear. As for getting our views through to Michael Gove etc, they have come back to us and they have listened to our views. When we gave evidence to the Northern Ireland Affairs Committee, we put all this, similar to what we have said to you today, to it, although we went into more detail. I think that they have taken on board our views. Do I think that a deal can be done? I really hope so. It is up to our Prime Minister now to go and do that deal with the EU. It would solve a lot of issues if that could happen. I do not know whether it would, but I certainly hope so. I know that the mayor would feel the same way.

Councillor Johnston: I can back up the chief executive's comments about the support of our MPs and MLAs throughout the borough. It has been very commendable. I put on record that, as a council, we are very grateful for those working relationships. It is about that team approach. As we move towards 31 December, we, as a council, will be a cog in a big machine. I know that, through the chief executive, we have certainly lobbied the case.

The other thing that has been encouraging is how pro-business our council has been. From the very outset, our council has been very supportive of our local economy and recognises fully just how much that local economy relies on trade in the internal market and with the EU. There has been plenty of support on that side. At this stage, I suppose that we would appeal that there be a willingness on the side of the EU to find a compromise during the negotiations. The ball is very much in the court of the EU at this stage, and we will continue to support our Assembly and our Prime Minister during those negotiations.

Ms Sheerin: I have a quick follow-up question. I appreciate that, and it is clear from your presentation that you are very passionate about the area that you represent, which you would expect. However, you used the term "compromise". I am just concerned that, although you said that you are being listened to, quite clearly, you do not want to see infrastructure at Larne and its implications for your

local businesses and businesses across the North. It looks as though that infrastructure is going to happen. Although you say that you are being supported and listened to, what you actually want to see happen is not happening as a result. I do not know how successful you can then say that the correspondence has been.

Ms Donaghy: We have been listened to. However, we have also been given a direction in that when we wrote to Michael Gove, he said, "Look, it is happening on 1 January". At the end of the day, we are where we are. We are not looking back. We look forward. What we are saying is that we have to implement that and make sure that we have unfettered access. We have to make sure that, at this stage, the focus is on there being no charges or tariffs on businesses. Therefore, our focus is on what we can realistically get over the line within 50 days. Certainly, from our point of view, much of that can be released through the EU. The big focus now is on what we can get. It is here, and there is nothing that we can do about that. We have to go forward with implementation and supporting businesses.

Ms Sheerin: In the position that you are in, though. Thank you.

The Chairperson (Mr McGrath): Thank you very much, Anne and Peter, for your presentation and for answering those questions. As ever, it is great to hear from councils about the unique issues that you face, your opportunities and the shared issues. We will certainly look forward to incorporating your views into any report that we produce. Thank you very much indeed.

Councillor Johnston: That is great. Thank you.

Ms Donaghy: Thank you.