

SUMMARY OF KEY ISSUES OF CONCERN TO ARDS AND NORTH DOWN BOROUGH COUNCIL IN RELATION TO THE UK'S EXIT FROM THE EU

Imports, food and fisheries

There are significant issues concerning imports that will not only have an impact on businesses in the Borough, but also directly on Councils given the range of activities in respect of food, fisheries and consumer products undertaken by Council Environmental Health departments, and any potential new role allocated to Council, for example in respect of food check points. Given the additional demands already placed upon Council Environmental Health Departments as a consequence of the enforcement of Covid-19 Regulations, it is imperative that any additional roles and responsibilities allocated as a result of the EU Exit are reasonable and realistic in resource terms, agreed in consultation with Councils and fully funded by government.

There are a range of issues that require clarification:

1. What is going to happen to the Irish Sea fisheries, post GB leaving the EU in January. Are local fishermen going to have exclusive rights to the Irish sea fisheries as envisioned, or are EU boats still going to be able to fish those waters?
2. It appears that tariffs will have to be paid on goods entering NI from GB.
 - a. How will these Tariffs be administered?
 - b. Will this cause delays at the ports?
 - c. How will the tariffs be recovered if the goods do not proceed to the EU?
 - d. Will goods leaving NI to GB have to be accompanied by export declarations to identify that they have come exclusively from NI or partially from the EU?
3. Northern Ireland will be subject to retained EU law (to remain part of the EU single market under the NI protocol). How will statutory divergence between NI and GB be handled particularly in the Agrifoods sector which is important for the NI economy and for food security in the UK?
4. In relation to the Reasonable Worst-Case Scenarios, what are the contingency arrangements at ports and airports for NI/GB trade on 1st January in the event of a no deal Exit?
5. What arrangements have been put in place to protect supply chains in relation to central and local government to ensure that services can continue to be delivered in the event of a no deal EU exit?

EU funding

As far as EU funding is concerned, the EU has confirmed that it is committed to deliver the current (and last) round of funding (until 2022-23). Basically, UK recipients of EU Structural Funds will keep on receiving EU funding for the lifetime of the projects agreed under the 2014-2020 round. The only programme which will continue after that is the Peace + programme. It is expected that the Shared Prosperity Fund will replace EU funding, but it is currently very unclear as to how this will work and how it will be

delivered. In addition, it is suspected that the Fund may not be equivalent (in monetary terms) to the EU funding that we have received to date. In addition, there is a possibility that central government may wish to use it as a direct funding instrument, rather than using the devolved government to administer and deliver it. However, in September 2020, the UK government introduced the UK Internal Market Bill, which would give ministers the power to make payments to any person across the UK for the purposes of economic development, including directly in the devolved nations, in areas of devolved competence. The UK government has said that these powers are needed to deliver the Shared Prosperity Fund, but all three devolved governments have come out in opposition to the Bill. Any clarity on this, and any alternative proposals the NI Assembly may have discussed in respect of the administration of the Shared Prosperity Fund, would be useful.

Tourism Travel

While entry requirements to Northern Ireland are not a direct Council concern, the impact this may have on tourism in the Borough is. A number of issues in this regard require clarity, for example, will people travelling from abroad potentially need a UK and Irish visa; even if travelling from within the EU, will there be paperwork requirements; and what impact will the travel arrangements have on those wanting to fly into Dublin and out of Belfast, or vice versa?

Impact on Businesses in the Borough

The uncertainty about the documentation that will be required for food standards and potential tariffs, as highlighted above, pose risks to food businesses. For example, in terms of export, products such as lamb could not compete in the European Market. The tariffs applied to that product would make it prohibitive. It is likely that the industry, without government support, would collapse. Same for the fishery industry; the majority of the fish products fished on our coast are currently exported to countries like France, Portugal and Spain.

Workers being made to, or choosing to, return to the EU could have an impact on workforce availability, particularly in roles such as food processing in which it can be difficult to recruit indigenous workers.

Council finances

The Cabinet Office's Reasonable Worst-Case Scenario Planning Assumptions (September 2020) provide contextual statements around Economic Instability and Commercial Failure that are both directly and indirectly very applicable to Ards and North Down Borough Council.

Due to the high level of direct and indirect economic uncertainty due to Brexit, the Council took some internal steps to strengthen its financial resilience to economic shock during its financial planning and rate setting process for 2020/21.

The steps that the Council took however now 'pale into insignificance' due to the financial impact that Covid-19 has had on the Council and the Borough.

The Council is very worried that Brexit will further exacerbate the already significant financial challenges that the Council is currently dealing with due to Covid-19.

Emergency Planning and Civil Contingencies

Brexit could divert strategic management of multi agencies attention away from managing the current pandemic and other expected winter events (flu epidemic, weather, flooding etc.). Therefore, contingency plans to use the NI Hub and lead by CCG(NI) need to be clearly in place to avoid negative impact.