

## **Committee for the Executive Office**

**Written Evidence: Derry City and Strabane District Council- Mayor: Brian Tierney  
CEO: John Kelpie**

### **Brexit Stakeholder Event – November 4<sup>th</sup> 2020**

1. Derry City and Strabane District Council area has a resident population of 151,300 with a wider regional reach of over 350,000 many of which criss-cross the border on a daily basis to access employment, education, health and retail services.
2. This longstanding history of social and economic connectivity within the Cross-border North West Region is reflected in the present social fabric of both jurisdictions. The DCSDC population has the highest percentage of RoI born residents living in NI amounting to 6,804 or 5% of the population while correspondingly half of all of those who were born in NI and are resident in RoI live in Donegal (13,000) or 8% of the total population of Donegal.
3. Such connections are even more pronounced within the Donegal border settlements (located within 5km of Derry) such as Killea, Bridgend, Muff and Burnfoot. Half of their present population were born in Derry amounting to around 3,000 individuals who have strong familial and other links to their birthplace.
4. While lower house prices initially attracted these DCSDC residents to move to Donegal, their relocation was further accelerated by the absence of any significant administrative barriers to living in Donegal, with the ability to commute quickly and unfettered to the DCSDC area to access employment.
5. While the volume of those crossing the border varies across the three major crossings of Buncrana Rd, Culmore Rd and Strabane –Lifford in the NW, the scale and magnitude of this cross-border travel is evident with Derry/Donegal traffic reaching 300,000 journeys per week and within Donegal 98% of cross-border commuting is to Derry or Tyrone – over 60% of all cross-border movements between NI & ROI take place across these 3 routes between DCSDC and Donegal.
6. Turning to specific sectors, research conducted as part of our preparations for Brexit showed that 1/4 of those employed in health in the DCSDC area were resident in RoI with similar patterns of employment in local government, education and manufacturing.
7. In order to understand the situation fully some firms in Donegal report over 50% of their workforce are NI residents with a similar situation with some firms in Derry.
8. While official figures show that in employment terms approximately 7% of staff are in export orientated firms anecdotal evidence would suggest this is a vast underestimate with many firms providing traded services right across the border region not least in the area of construction and buildings maintenance, few of which would appear in official data.

9. The DCSDC economy has grown at a comparatively low rate of around 0.3% in 2019 with population growth of a similar magnitude. While there has been some employment growth our rate is still amongst the lowest in NI with continuing high rates of economic inactivity and unemployment.
10. As a remedy to our relatively poor economic performance and indicators DCSDC and its City and District Partners developed and agreed in 2017 a fully inclusive Strategic Growth Plan – essentially our Community Plan – setting out an ambitious and comprehensive way forward for the region in terms of economic development, the environment and social-community well-being. Much progress has been made to date on the objectives of this plan however we need much more of a focus on delivery of the strategic economic interventions and that requires the support of both the NI and ROI Governments.
11. While there are significant variations in the forecasts of the impacts of Brexit impact in NI and the NW there is still a consensus that in the long run it will depress economic activity with some forecasts including that DCSDC will see over 2,000 fewer jobs created.
12. The Economic and Social Research Institute October estimates forecast growth in ROI may fall by a half in a no-deal Brexit scenario.
13. To date the NW has benefitted significantly from a range of EU Peace Programmes with investment over the decades in critical cross border infrastructure projects such as the NI Regional Science Park, CoLab in Letterkenny, Derry Peace Bridge, NW Transport Hub and our Greenways. In the future successful access to Peace+ will be central to any mitigation of Covid and Brexit impact along with the UK Shared Prosperity Fund.
14. Good business and other relationships between the Republic of Ireland and NI are critical to ensuring both economies and societies grow as we leave the EU, so too importantly are the maintenance of our extensive East West trading and supply-chain connections with Britain.
15. As a border area only by strengthening these E/W and N/S relationships assisted by both the UK and EU governments, can we reach our full potential and deliver on our Strategic Growth Plan target of inclusive growth. This requires delivery of our key infrastructural projects, completion of the A5, A6 and A2, rail improvement, University expansion and the complete implementation of the City Deal and Inclusive Future Fund Projects.
16. DCSDC's ultimate objective is to move away from being a low growth economy. The objective of the wider NW City Region is to be solution focussed, a place of growth and innovation, a platform for multi-jurisdictional co-operation and collaboration enabling both parts of the City region to become net contributors to their respective economies.

17. DCSDC welcomes the commitment by the UK, EU and RoI, guaranteeing that there is unfettered access by NI to both RoI and UK markets ensuring the minimum disruption to these very important commercial relationships within the new dispensation.
18. Given how beneficial EU programmes have been in fostering economic growth and safeguarding peace, particularly in the most disadvantaged areas, such as DCSDC and Donegal it is critically important that NI has continuity of access through some agreed mechanism to European Support Programmes such as Peace+ and Erasmus and any substitutes for the ERDF either by the UK or EU government.
19. Additionally, existing and forthcoming challenges such as those posed by Climate Change necessitate a co-ordinated response, more particularly where these issues cross existing jurisdictional boundaries. Again, if we are to fully address the transition to Green Energy then this can only be effectively achieved by an all island approach. We must therefore work collectively to ensure that mechanisms remain to guarantee continuing joint working to maximise the benefits for all across these islands.
20. To do all of these things we must ensure that our region is open for business wherever that originates and continues to do so after Dec 2020 at the end of the Transition Period and that EU Structural and other funds continue to flow to the more disadvantaged regions.
21. Importantly also, improved levels of Education and Skills will be fundamental in addressing the challenges that the new competitive Brexit market environment presents for all of us in the NW. In pursuit of this objective, the NW Region plans substantial expansion of our third level provision in line with the commitments by both governments contained within the New Decade New Approach Agreement.

This investment can support more access to third-level education for young people on a cross-border basis, enable further cooperation between third-level institutions in the North West including in research and innovation, and underpin broader economic development and opportunities in the region.

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22. Post-Brexit the furtherance of this vision requires even closer co-operation, more co-ordinated responses and fully integrated co-working by all partners. The successful delivery of the NI Graduate Entry Medical School at Magee Campus provides both a demonstration of what can be achieved through close working and a useful template for future development especially the delivery of University expansion as promised in the NDNA agreement by both governments.
23. It is only through the future development of our existing relationships on a North/South, East/West basis that DCSDC will be able to maximise the substantial benefits accruing from our City Deal/Inclusive Future Fund of 10,000 new jobs and

the more than doubling of our economic growth rate. It should be noted that NI, UK and ROI will all benefit from this investment in our futures but key to its successful achievement will be the promised unfettered access to markets within the Withdrawal Agreement and a willingness by all parties, but particularly UK and EU, to put in place the measures we have called for to mitigate the inevitable dislocative effect that our moving to this new and changed environment will generate.

24. In summary, in order to sustainably grow and prosper and to address and meet existing and future challenges the people and the businesses of the border region of the NW require:

- Unfettered market access to GB, ROI and the wider EU.
- Continued and further opportunities to develop our region through eligibility and participation in existing and emerging support and programmes from both the UK and the EU.
- Further multi-jurisdictional co-operation at national, regional and local level to address the key strategic issues facing the NW Cross-border area in relation to third level further higher education, University provision, infrastructure, job creation, investment and climate change.