



COMMITTEE FOR THE EXECUTIVE OFFICE: BREXIT STAKEHOLDER EVENT

Wednesday 4 November 2020 at 2pm

Submission By

Lisburn & Castlereagh City Council

Presented by

The Mayor, Councillor Nicholas Trimble

David Burns, Chief Executive

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EU Exit and the NI Protocol: The Implications for Councils & Issues to be considered.

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1. At the end of the Brexit transition on 1 January, Northern Ireland will stay in the single market for goods. The rest of the UK will not, so some products entering Northern Ireland from GB will need to be checked at Border Inspection posts.

In July this year a HMRC spokesman said it will "provide extensive support to businesses moving goods between Great Britain and Northern Ireland in order to enable them to comply with the limited processes required". **Clarity is required as to what support there will be from HRMC for businesses moving goods to and from Northern Ireland to Great Britain and also around when will this support be in place.**

2. The Centre on Constitutional Change have produced a model along with the London School of Economics of the impact of a no-deal Brexit. This suggests the total cost to the UK economy over the longer term will be 2 to 3 times as large as that implied by the Bank of England's forecast for the impact of Covid-19. As the risk of a no deal increases, **it is recommended that there is a need for the results of recent modelling on the impact of a no deal on Northern Ireland to be discussed with local government and for realistically funded support packages to be agreed.**

3. Under the Northern Ireland Protocol, in order to prevent undue distortion of competition and trade between Northern Ireland and the EU, EU state aid law will continue to apply to the UK with regard to Northern Ireland trade. State aid controls will apply to business support measures which can potentially affect trade between Northern Ireland and the EU. State aid regulations will be enforced by the Commission. **Clarity as to how this will be carried out in practice within Northern Ireland, and what it will mean to Council's Economic Development units, is required.**

4. Aid to the production of and trade in agricultural goods in Northern Ireland will be exempted from state aid controls up to a level set by the Joint Committee. **Clarity as to what this level will be is required as soon as possible as this will have an effect on mid to long-range planning for the sector within Northern Ireland.**

5. Between 2007 and 2013, the EU co-funded programmes for Northern Ireland that totalled 3.45 billion euro with the vast bulk, 2.6 billion euro, issued via the Common Agricultural Policy (CAP). The EU budget from 2014-2020 has seen Northern Ireland receive 3.55 billion euro – of which 230 million euro has been set aside for peace projects. By February, Councils are required to set their Domestic and non-Domestic Rates for 2021/22. The absence of confirmation of the role Councils will play in managing such schemes places at risk a number of jobs from those managing existing PEACE and other European funding schemes. The loss of such roles from Councils in the short term would significantly impact on the ability to quickly develop local schemes once new Government programmes are developed. Although the EU has provided assurances around some of this funding, **clarity is required as to** how far government plans are advanced in introducing UK sovereign and other funds that will help to make up some of the deficit?

When will the workings of these funds be available for scrutiny? What will be the role of local government in managing or administering these funds? If there is a role for Councils, **some assurances by late January as to continued revenue funding support from 1st April 2021 would help to protect the skills base associated with managing such programmes.**

6. On the 23rd September the Cabinet Office published its “Reasonable Worst Case Scenario for borders on 31st December 2020”, which stated “On 1 January 2021, that, “40-70% of trucks travelling to the EU might not be ready for new border controls.” **Clarity is required as to how such a backlog be managed to ensure trade is not adversely affected and unnecessary delays do not occur for traders?**