

Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee

Wednesday 23 October 2019

PRESENT:

Councillor Winter, in the Chair.

Councillor Churchill, Vice Chair.

Councillors Sam Davey, Drean, Mavin, Riley, Stevens and Wheeler.

Apology for absence: Councillor Ms Watkin.

Also in attendance: Councillor Evans OBE (Leader), Councillor Haydon (Cabinet Member for Customer Focus and Community Safety), Giles Perritt (Assistant Chief Executive), Helen Prendergast (Democratic Adviser) and Nina Sarlaka (Enterprise and Inward Investment Manager).

The meeting started at 2.00 pm and finished at 3.15 pm.

Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

32. **To Note the Appointment of the Chair**

The Committee noted the appointment of Councillor Winter as Chair for the forthcoming municipal year 2019/20.

33. **Declarations of Interest**

In accordance with the Code of Conduct the following declarations of interest were made –

	Minute Number	Reason	Interest
Councillor Drean	Minute 35 – Brexit: Plymouth Relevant Issues Relating to the UK Leaving the EU	Member of his family was employed by the Port	Personal
Councillor Churchill	Minute 35 Brexit: Plymouth Relevant Issues Relating to the UK Leaving the EU	Employed by Devon and Cornwall Police	Personal

34. **Chair's Urgent Business**

There were no items of Chair's urgent business.

35. **Brexit: Plymouth Relevant Issues Relating to the UK Leaving the EU**

Councillor Evans, OBE (Leader), Councillor Haydon (Cabinet Member for Customer Focus and Community Safety), Giles Perritt (Assistant Chief Executive) and Nina Sarlaka (Enterprise and Inward Investment Manager) presented the current position relating to the Brexit risks which highlighted the following key areas –

- (a) economic development -
 - mitigating actions had already been put in place to minimise the impact on businesses within the city which included -
 - ◇ establishing a local Port liaison group which brought together key stakeholders including Brittany Ferries and Associated British Ports;
 - ◇ holding a number of Brexit Business Round Table meetings to ensure that the Council was reflecting the concerns of businesses to central Government;
 - ◇ working collaboratively with Devon and Plymouth Chamber of Commerce to jointly launch the Plymouth Brexit Business Group;
- (b) the Council's Fishing Industry Development Manager had also been undertaking work to support the city's fishing industry;
- (c) the Council had been integral in the creation of the Brexit Resilience and Opportunities Group which was part of the Heart of the South West Local Enterprise Partnership;
- (d) areas of concern related to the impact on -
 - Plymouth's international exports in goods to the European Union;
 - the likely reduction in the level of Foreign Direct Investments (FDI) and the retention of existing FDIs;
- (e) Port issues -

- mitigating actions had been undertaken which included –
 - ◇ the identification of a suitable location and resource at the Port office (Millbay Ferry Terminal) to ensure that Export Health and Catch certificates could be issued;
 - ◇ the identification of a suitable site for the provision of a heavy goods waiting area (the Old Parade Ground at Seaton Barracks);
 - ◇ supporting hauliers to ensure that they were aware of the need for appropriate documentation; this included overhead digital signage on the major route into the city;
 - ◇ the continuing negotiations with Associated British Ports on the future provision of the Border Inspection Post (BIP) (without which the Port would be unable to handle animal and high risk foods);
- (f) the Council had submitted a funding bid (£150k) to the Food Standards Agency but had only received £25k; this had resulted in the Council being unable to recruit additional staff for the Port office; staff undertaking statutory roles such as food safety inspections had been diverted to carry out this work in the short term;
- (g) the Council had received confirmation from Brittany Ferries that as part of the Freight Capacity Framework, strategic goods and medicines would not be coming through Plymouth; these would be directed through the ports of Poole and Portsmouth;
- (h) a Border Inspection Post (BIP) could potentially cost £1m, although in principle the funding would come from the operator (Associated British Ports), the Council would assist in helping to prepare a case to access grant funding;
- (i) risks -
 - organisational risks included the following -
 - ◇ failure to manage stakeholder Brexit queries in advance of the leaving date of 31 October 2019;

- ◇ disruption to service delivery through the lack of availability of products and resources;
 - ◇ financial impacts of preparation and response on the Council given its current financial constraints;
 - ◇ failure to respond to new burdens relating to trading standards responsibilities;
 - ◇ adequate financial provision in place to meet Brexit related demand pressures;
- (j) plans to respond to civil unrest were in place although Plymouth was not considered a high risk, in terms of likely protest activity;
- (k) by June 2019, 1,950 European citizens had applied for Settled Status in the Plymouth local authority area; the business community had reported that some European Union workers had already left the city; local intelligence indicated that Plymouth would be less exposed around the adult social care workforce than in most other local authorities;
- (l) whilst central Government remained committed to the Horizon 2020 European Union Research and Innovation Programme, there were concerns regarding the replacement for this programme;
- (m) the requirements for licences and checks for the import or export of goods which had been set out in Government advice were complex and difficult to understand, particularly for those companies exporting for the first time; due to this, there was the potential for hauliers to be turned away from the Port for not having the correct customs clearance.

The main areas of questioning from Members related to –

- (n) the importance of Plymouth becoming a Border Inspection Post (BIP), irrespective of the UK leaving the European Union;
- (o) the reasons why the initial assessment undertaken by the Government had not identified Plymouth as a Strategic Port;
- (p) whether the economic success of the City could be attributed to Brexit;

- (q) whether data could be obtained regarding cargo movements (cruise ships, ferries and fishing), in order to be able to challenge the initial Government assessment relating to the Port's designation as a Border Inspection Post (BIP);
- (r) whether there were plans in place to deal with any civil unrest should the UK leave the European Union without a deal on 31 October 2019;
- (s) whether there was a need to maintain a level of planning and funding should the transition period end and the negotiations to secure a Free Trade Agreement (FTA) be unsuccessful; this would result in the UK leaving the EU without a deal;
- (t) seeking a formal response from the city's three MPs regarding the support and assistance that they were providing to the City Council regarding Brexit related issues.

The Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee recommend that the following recommendations are approved by Cabinet –

- (1) seek a response to the letter written by Councillor Evans OBE, Leader of the Council to the Rt Hon Robert Jenrick MP, Secretary of State for Housing, Communities and Local Government regarding the potential impact of Brexit on the City of Plymouth;
- (2) seek a formal response from the city's three MPs regarding the support and assistance they are providing to the City Council with Brexit related issues;
- (3) seek clarification on the methodology behind the initial assessment undertaken by central Government which had not identified Plymouth as a Strategic Port, and request a re-assessment, acknowledging that Plymouth is a growing port city.

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