

Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee



Date of meeting:	21 October 2020
Title of Report:	Brexit (including Ports/Lorry Park)
Lead Member:	Councillor Tudor Evans OBE (Leader)
Lead Strategic Director:	Giles Perritt (Assistant Chief Executive)
Author:	Kevin McKenzie
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Your Reference:	BILCO 16102020
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To update the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee with details of our work to prepare for the end of the transition period. The report will consider the implications of the latest position regarding trade talks with the EU with particular reference to our ports and the potential need for a lorry park.

Recommendations and Reasons

For Scrutiny to consider the information provided and make such recommendations to Cabinet as they may feel are necessary. With the agreement of the Chair we delayed the despatch of this paper to incorporate the latest news on the trade talks with the European Union (EU).

Alternative options considered and rejected

N/A

Relevance to the Corporate Plan and/or the Plymouth Plan

Our delivery of the Corporate Plan and Plymouth Plan will need to take account of emerging policy and the legislative picture relating to the end of the transition period.

Implications for the Medium Term Financial Plan and Resource Implications:

N/A

Carbon Footprint (Environmental) Implications:

N/A

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Brexit related risks are included in our strategic risk register where appropriate. Our Brexit office maintains risk registers covering both organisational and citywide risk which are regularly reviewed.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Brexit (Including Ports/Lorry Parks)							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 19/10/2020											
Cabinet Member approval: Councillor Tudor Evans OBE (Leader) Approved Verbally.											
Date approved: 19/10/2020											

1.0 CONTEXT

- 1.1 Following the expiry of the UK deadline for negotiations to be completed by 15th October the following statement has been issued: -
- 1.2 On Friday 16 October, Downing Street said that talks between the UK and EU over a post-Brexit trade agreement were “over”. The Prime Minister has also said that the UK has to get ready to trade with the EU next year without an agreement and arrangements more like Australia’s based on simple principles of global free trade.
- 1.3 Michel Barnier, the EU’s chief negotiator, is due in London next week to continue discussions, the EU has said it is willing to intensify discussions but it will not do a deal at any price.
- 1.4 At the time of writing no formal communique has been issued signalling the end of negotiations.

2.0 PORTS

Millbay Docks – Ferry Terminal

- 2.1 In spite of the ongoing impact of COVID 19 Brittany Ferries are planning for a bounce back of their passenger service next March and will from that date be doubling the capacity of their Plymouth to Santander Route and operating a full passenger service across their fleet.
- 2.2 As current freight volumes do not justify a freight only service and since passenger operations are suspended because of COVID, the normal winter shutdown will be extended for two and half months. This means that there will be no sailings to, or from, Plymouth from the end of October 2020 until 22 March 2021.
- 2.3 Associated British Ports (ABP) are currently working on for terminal improvements and we are working closely with ABP on their bid to the Port Infrastructure Fund (PIF) which we anticipate will be submitted at the end of this week. This will cover all work being carried out within the port which is eligible for funding.
- 2.4 These works will include facilities for a Border Control Post (BCP) to ensure we are able to carry out necessary inspections of freight transiting the port from July next year. Without a BCP we would have to turn away high risk freight including animal products and we could struggle to attract new freight business. This would put our continental trade routes, which are of strategic importance to us and the wider region, at risk.

Sutton Harbour – Fish Quay

- 2.6 Our fish quay is of national importance and its operators Plymouth Trawler Association already have an annual turnover approaching £20m. Its electronic auction facilitates the sale of fish landed across the SW peninsula as well as our significant local fishing fleet.
- 2.7 From the 1st January next year the UK will regain sole control of its international waters and it is anticipated our fishing fleet will receive a larger share of the allowable catch. The government is seeking views on new measures to boost the UK’s fishing industry. A package of consultations seeks views on:
 - A strengthened ‘economic link’ for English licensed fishing vessels to help ensure genuine economic benefits for coastal communities - including plans for an increased landing requirement of 70%.
 - Proposals on how to allocate the new opportunities the UK secures in negotiations with other partners will be split between Scotland, Wales, Northern Ireland and England, in a way that is fairer and more profitable for fishing communities across the four nations.

- Further proposals on how England's share of those new opportunities would be distributed across the English fleet to benefit our coastal communities' hard working fishermen and women.
- 2.8 The three consultations are open for four weeks, until 10 November 2020. We are in the process of commissioning research from industry experts to inform our response.
- 2.9 Converting an increased quota into a viable economic concern requires suitable landing facilities, an efficient processing and distribution system and access to markets at which it can be sold to its eventual consumers. There will be significant challenges to overcome and we will need to: -
- Consider the development needs of our fishing fleet, modernising boats and equipment and ensuring we recruit and train the fishermen of the future
 - Upgrade our landing facilities at Sutton Harbour to cope with the greater volume of fish to be landed and processed for sale
 - Ensure our production and distribution facilities are ready and able to handle higher volumes
 - Identify new markets especially if access to EU markets is more restricted in future

Cattewater Harbour

- 2.10 Cattewater harbour is the main port of entry serving the South West region with fuel and as such is considered a strategic port for civil contingencies purposes. The largest proportion of our goods traffic, principally dry bulk goods and petroleum, comes into the port via the Cattewater wharves. The dry goods include some animal feed products and whilst the volume is high at around 100,000 tonnes per year most is not considered high risk. We anticipate being able to meet any inspection needs from the proposed BCP at Millbay.
- 2.11 Currently 80% of the 2.5m tonnes of goods that pass annually through the harbour consist of traffic to, and from, the EU, including the waste from our incinerator plant which is shipped out to Holland for use as plant fertiliser. There is potential for considerable growth in international trade and the harbour commissioners are actively pursuing new contracts.

3.0 LORRY PARK

- 3.1 Given the decision of Brittany Ferries to suspend sailings to and from Millbay we do not anticipate needing a lorry park. The hiatus in services means that we will have no immediate need and hauliers will have had three months to become accustomed to the new border control requirements by the time services resume in March.

4.0 OTHER BREXIT RISKS

EU Settled Status Scheme

- 4.1 National figures for September indicate that of over 3.8m applications received to date, 56% have been awarded settled status and 42% have been awarded pre settled status, meaning that they are expected to receive settled status once they reach the minimum required period of 5 years of residence.
- 4.2 Local figures are not yet available for the quarter ending in September but in June we reported that of an estimated 10 -13,000 such citizens currently resident in our City, 7,690 people had applied.
- 4.3 The bid submitted by Advice Plymouth to provide support to vulnerable EU migrants to access the settled status scheme through the Devon Citizens Advice Bureaux network has been rejected by the Home Office.

- 4.4 From the first of January employers wishing to sponsor EU citizens under new immigration arrangements will need to register, a process which normally takes about 8 weeks to complete.

Border Operating Model

- 4.5 Some detail changes have been made to the Border Operating Model (BOM). We will update our advice accordingly and publish it via the growth hub webpage signposting government sponsored sources of support.
- 4.6 The first phase of the BOM comes into force on 1st January and we have submitted a bid to cover the cost of deploying additional resources to deliver our port health functions in relation to export health certificates and catch certificates.

Civil Contingencies

- 4.7 The Local Resilience Forum is planning its response based on the latest advice from the Ministry of Housing, Communities and Local Government Resilience and Emergencies Directorate. We are encouraging a joined up approach given the ongoing need to respond to COVID 19 and we will use the same internal arrangements to cover all emergency planning issues which may arise.
- 4.8 Additional resources are being deployed through the civil contingencies team to support our Brexit response from the 1st November and this will enable us to undertake a review of Business Continuity Plans ahead of the end of the transition period.

EU Funding

- 4.9 Treasury guarantees to honour EU funding commitments regardless of the outcome of the trade negotiations have been given in relation to all activity funded through the EU budget for 2014 to 2020. This will apply to all programmes in delivery before the transition period ends, some of which may continue as late as 2024. However as yet we have no details of the proposed UK replacement for either EU structural funds, the Horizon research and development program or the Interreg program.
- 4.10 Our research institutions across the City, including the Marine Biological Association and Plymouth Marine Laboratory have historically relied on EU funding for between 16% and 20% of their research funding. There are similar concerns about the beneficiaries of the EU funded Copernicus programme, many of whom are small and medium enterprises.

Freeports

- 4.11 The government have published the outcomes of the consultation which we contributed to through the Heart of the South West Local Enterprise Partnership (LEP). We are currently considering the implications for our joint work with the LEP.