



Advice NI Briefing Paper

The independent advice network:
Planning and Preparing for a No Deal Brexit

October 2019

Advice NI, 1 Rushfield Avenue, Belfast, BT7 3FP Tel: 028 9064 5919 @AdviceNI





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## **Brexit**

#### October 2019

This is a reference guide, with content accurate at time of writing. Brexit is planned for 31<sup>st</sup> October 2019. Some information may not be relevant by this stage; check independent news sources for updates.

# 1. What's going to happen?

The 'Operation Yellowhammer' document<sup>1</sup> sets out HMG 'reasonable worst case planning assumptions' as of 2 August 2019. When the UK ceases to be a member of the EU in October, (a process referred to as 'Brexit') all rights and reciprocal arrangements with the EU end. The UK will revert fully to 'third country' status; a Third Country is any country not in the EU<sup>2</sup>, and therefore outside the single market<sup>3</sup>. There are two main options for leaving:

- a) **With** a 'withdrawal agreement' and a period of time to put necessary arrangements in place;
- b) **Without** an agreed deal. A 'no-deal' Brexit may involve changes to benefits and pensions<sup>4</sup>.

Some key points in the Yellowhammer document include:

- No bilateral deals have been concluded with individual member states with the exception of the reciprocal agreement on social security coordination with Ireland<sup>5</sup>:
- Certain types of fresh food supply will decrease, reducing availability and choice, and increase prices, which could impact vulnerable groups. Low income groups will be disproportionately affected by any price rises in food and fuel. (Advice NI Note: given the disproportionate impact of welfare reform in NI<sup>6</sup>, people more at risk.)
- In NI the agri-food sector will be the hardest hit;
- In NI there will not be immediate disruption to electricity supply;
- Gibraltar can expect prolonged delays;
- EU citizens living in the UK can retain broadly all rights and status that they
  were entitled to prior to exit from the EU, at the point of exit;
- UK nationals will lose their EU citizenship and can expect to lose associated rights and access to services over time, or be required to access them on a different basis. There is a risk of disruption for patients and a minority could face substantial costs:

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/831199/20190802\_Latest\_Yellowhammer\_Planning\_assumptions\_CDL.pdf

<sup>&</sup>lt;sup>2</sup> http://www.bakugls.com/what-if-the-uk-becomes-a-third-country/

<sup>&</sup>lt;sup>3</sup> The single market refers to the EU as one territory without any internal borders or other regulatory obstacles to the free movement of goods and services. https://ec.europa.eu/growth/single-market\_en

<sup>&</sup>lt;sup>4</sup> https://www.nidirect.gov.uk/articles/money-benefits-and-pensions-brexit-information

<sup>&</sup>lt;sup>5</sup> https://www.gov.uk/government/news/government-agrees-deal-to-protect-social-security-rights-of-uk-and-irish-citizens-living-and-working-in-each-other-s-state

<sup>&</sup>lt;sup>6</sup> https://publications.parliament.uk/pa/cm201719/cmselect/cmniaf/2100/2100.pdf



- UK citizens travelling to and from the EU may be subject to increased immigration checks, this may lead to delays;
- Reliance of medicines supply chains on the Channel Straits make them particularly vulnerable to severe extended delays;
- Certain types of fresh food supply will decrease, reducing availability and choice, and will increase prices, which could impact vulnerable groups;
- Law enforcement data and information sharing between UK and EU will be disrupted;
- Protests, counter-protests, a rise in public disorder and community tension will take place across the UK, absorbing significant amounts of police resource;
- Traffic disruption and customer behaviour could lead to fuel shortages. Low income groups will be disproportionately affected by any price rises in food and fuel;
- An increase in inflation following EU exit would significantly impact adult social care providers;

The Head of the NI Civil Service has also recently commented<sup>7</sup> that:

- No Deal would have a profound and long-lasting impact on Northern Ireland;
- 40,000 jobs at risk;
- May face significant disruption to food supplies and medicines leading to higher prices;
- Potential for public protest and civil unrest;
- Grave impact for Northern Ireland politically, economically, societally;

Further information is available on NI Direct.

https://www.nidirect.gov.uk/campaigns/brexit

# 2. <u>House of Commons. Brexit Readiness: Operation Yellowhammer Debate</u> (25<sup>th</sup> September 2019)

Michael Gove: "NI businesses would face specific challenges in the event of a nodeal exit as a result of having to face a common external tariff. Indeed, agri-food businesses across the UK would face those challenges. There are steps that we can take—economic interventions and others—to help those businesses, and it is important that we do so. It is also important that we continue our conversations with the European Commission and the Irish Government about making sure that the position of businesses and individuals in Northern Ireland is safeguarded."

Lady Sylvia Herman: "I hold the Minister in the highest regard, but I was disappointed that so little about Northern Ireland was reflected in his statement. I pay tribute to him for putting on the record yet again his commitment—indeed, his words

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<sup>&</sup>lt;sup>7</sup> https://twitter.com/rtenews/status/1175023175710760961



were "absolutely committed"—to the Good Friday agreement, but does he agree that actions speak louder than words? The Yellowhammer document dated 2 August 2019 explained and warned about the real risks of the disruption of a no-deal Brexit in Northern Ireland. I will quote a particular sentence that I want the Minister to address. It states that the disruption

"will be particularly severe in border communities where both criminal and dissident groups already operate with greater threat and impunity."

How is the Minister mitigating that threat? He boasted about conducting roadshows and visiting businesses. If he tells me that he is sending roadshows to Crossmaglen and South Armagh, I will be amazed, but I will welcome them."

https://hansard.parliament.uk/commons/2019-09-25/debates/B2BCE472-527C-4549-B23F-A34C4D8F4160/BrexitReadinessOperationYellowhammer

# 3. Impact on food & medicine availability

After Brexit, full customs declarations will be required for all goods imports and exports shipped between Ireland and the UK.<sup>8</sup> There may be changes to things like your consumer rights and how much tax you need to pay when you buy products or services from the EU, Norway, Liechtenstein and Iceland from 31 October 2019 if there is a 'no-deal Brexit'. When you buy things from companies based in the UK, your consumer rights will be the same after we leave the EU.

#### https://www.gov.uk/buying-europe-brexit

NI Direct has the following information, regarding access to medicines:

'Planning for Brexit has been developed to try and make sure that there is as little impact upon the health service as possible. Health and social care services are not expected to be immediately affected and will continue to work as normal on a day-to-day basis. This includes emergency care, social care, GP and dentist services. There isn't any need to change appointments or planned surgery.

The supply of medicines and medical products is expected to continue as normal. You should continue to order repeat prescriptions and take medicines as normal - there is no need to ask your GP for a longer prescription.'

Further information can be found here:

https://www.nidirect.gov.uk/articles/health-and-social-care-brexit-information

### 4. Prices; impact on the economy

Cross-border interactions will be influenced by exchange rates. While a sterling devaluation will be beneficial to price competitiveness for Northern Ireland, it will also

<sup>8</sup> https://www.prepareforbrexit.com/insights/customs-brexit/



translate into <u>higher price of imported goods</u>. This erosion in real disposable income might encourage migrant EU-workers to move from Northern Ireland to the Republic.<sup>9</sup>

The UK, Ireland, Northern Ireland and the European Commission have all signed up to the principle of no hard border between Northern Ireland and the Republic for goods as well as people.

However, the UK's current policy is that it is leaving the EU Single Market and Customs Union. This means the border between the North and the Republic will become the EU's external border where customs and regulatory checks would normally take place. Managing this poses real issues because of the highly integrated cross-border economy – farms, villages and daily commutes all straddle the border. There is also a risk that any 'physical infrastructure' could become a target for terrorists<sup>10</sup>.

https://www.gov.uk/guidance/vat-on-goods-you-move-from-ireland-to-northern-ireland-if-the-uk-leaves-the-eu-without-a-deal

## 5. Job losses; impact on social security benefits

Rights in the workplace may change following a 'No-deal' Brexit:

https://www.gov.uk/guidance/workplace-rights-after-brexit

Compared to other parts of the UK, Northern Irish trade relations show a distinct composition — with a high dependency on the Republic of Ireland. There is a significant flow of people who commute across the border daily, along with the link between economic integration and political stability. Beyond trade, the imposition of either soft or hard border controls will also affect flows of people and labour. After the UK formally leaves the EU, the border between Northern Ireland and the Republic of Ireland will become the only external land-border of the United Kingdom with an EU Member State. Arrangements for border crossings are still uncertain, but any restrictions on the currently-open border could have a major impact. Further information about benefits and pensions can be found here:

https://www.gov.uk/guidance/eu-citizens-in-the-uk-benefits-and-pensions-in-a-no-deal-scenario

https://www.gov.uk/guidance/uk-nationals-in-the-eu-benefits-and-pensions-in-a-no-deal-scenario

#### 6. Access by people from the EU or elsewhere

Once the UK leaves the EU, its only land border will be the 310-mile line between Northern Ireland and the Republic of Ireland. The UK, Ireland and the EU have all

<sup>&</sup>lt;sup>9</sup> https://www.globalbusinessoutlook.com/the-impact-of-brexit-on-northern-ireland-a-first-look/

<sup>&</sup>lt;sup>10</sup> https://www.instituteforgovernment.org.uk/explainers/ireland-brexit

<sup>&</sup>lt;sup>11</sup> https://www.globalbusinessoutlook.com/the-impact-of-brexit-on-northern-ireland-a-first-look/



committed to maintaining the Common Travel Area (CTA). The CTA allows free movement of British and Irish citizens between the UK and Ireland and provides access to various government services in each country.

Ireland will continue to allow freedom of movement for citizens of the other 26 EU member states. The UK envisages using inland controls, through the access to labour markets and social security, to enforce immigration policy without requiring checks on people crossing the Irish border<sup>12</sup>.

After Brexit, and the UK's departure from the EU, The EUSS project has been established to support EU, EEA and Swiss nationals and their family members to apply to the EU Settlement Scheme to protect their right to live, work and study in the UK. Applicants need to provide details of their identity, residence and any criminal record they may have and the decision is based primarily on their being able to demonstrate continuous residence in the UK - if they can show 5 years continuous residence they receive settled status and a range of enhanced rights, including full access to benefits, whereas if they cannot show 5 years they will be awarded presettled status, which will then allow them to apply to upgrade to settled status once they are eligible. Other qualifying criteria, such as economic activity, that you will be familiar with from a benefit context do not apply to the Settlement Scheme.

Advice NI is providing direct advice to the client group to assist with their applications to the Settlement Scheme. In this regard we are working closely with the Migrant Centre and twelve other member organisations (mainly local Community Advice) to deliver an end-to-end service, including digital support and interpreting. The gateway to the project is the **Freephone helpline on 0800 138 6545**. Full details of access to the service are on the website at adviceni.net/euss. The core target group are vulnerable or at-risk clients

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/790570/Policy Paper on citizens rights in the event of a no deal Brexit.pdf

### **Appendix**

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<sup>&</sup>lt;sup>12</sup> https://www.instituteforgovernment.org.uk/explainers/ireland-brexit



The independent advice network needs to understand the potential impacts of a No Deal Brexit as outlined in this Briefing Paper, most specifically the impact on job loss, income shock and cost of living increases.

There needs to be contingency planning in place in order to cope with potential impacts specifically on the independent advice network. These impacts include:

- Increased demand for independent advice services;
- · Changed profile of clients and enquiry types;
- Increased demand for employment and redundancy advice:
- Increased demand for assistance with Universal Credit enquiries;
- Increased demand for debt and money advice;
- Differential impacts for example urban / rural, near / far from the border;
- Maintaining quality independent advice services in these circumstances;

The independent advice network should develop contingency plans which are tailored towards mitigating local impacts of a no Deal Brexit. These could include:

- Monitoring demand and resource requirements;
- Reviewing delivery options including opening hours, staffing arrangements;
- Monitoring training needs of staff;
- Reviewing support arrangements for Universal Credit claimants;
- Reviewing employment, money and debt services provided;
- Ensuring continued quality service provision;

In order to assist with the process of preparing for a No Deal Brexit, Advice NI stand ready to support in any way we can.

- ✓ Please let us know what further information you need in order to strengthen your contingency planning process;
- ✓ Please send us any questions you may have, we will try our best to get answers:
- ✓ Please let us know what additional learning and development is required;
- ✓ Please evidence additional Brexit demand (via Advice Pro) and Advice NI will make the case for additional resources to be made available to the frontline:

#### Contact:

Please contact the policy team, we will be the first point of contact in terms of Planning and Preparing for a No Deal Brexit



# Contact information:

Advice NI Policy Team Kevin Higgins (Head of Policy) Advice NI 1 Rushfield Avenue Belfast BT7 3FP

Tel: 028 9064 5919

Advice NI Policy Team:

Name:

Kevin Higgins Charlotte Brennan Bridget Meehan Email:

kevin@adviceni.net charlotte@adviceni.net bridget@adviceni.net

www.adviceni.net @AdviceNI

