

Brexit

Purpose of report

For discussion.

Summary

This paper offers the Board a review of recent LGA work on Brexit.

It asks members to consider the current work and to make any suggestions to the LGA Task and Finish Group which leads and coordinates the Brexit work for the LGA.

Recommendation

That the Improvement and Innovation Board consider the LGA's Brexit work and make any suggestions for further consideration to the LGA's Task and Finish Group which leads this work.

Action

Officers to take any actions as directed by Members.

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Brexit

Background

1. This paper offers the Board a review of recent LGA work on Brexit and it provides a summary of the Government's recent negotiations and announcements.
2. It asks members to consider the issues raised and to make any comments to the LGA Task and Finish Group which leads the Brexit work.

Our “seat around the table”

3. The LGA did not take a partisan position during the EU referendum campaign. It maintained a position of neutrality. Immediately after the referendum, we called for the voice of local government and their communities to be heard during exit negotiations, with a concern that only the views of Westminster, Holyrood, Cardiff Bay and Stormont were being considered during formal negotiations. In response, the (then) CLG secretary promised a “seat at the table”.
4. We have proactively developed a local government position on Brexit which sets out our concerns and the opportunities. These issues have been discussed widely, with the Department for Exiting the EU (DExEU) ministerial team, opposition front bench teams and through our press work.
5. In September, the four leaders of the UK local government associations met formally with the new (post-election) DExEU ministers at which we reaffirmed our concerns and the opportunities for localities. Ministers have offered to meet the associations on a quarterly basis so that we can make sure that local government voices and views influence discussions. This programme of meetings has established our 'seat around the table'. The next meeting will take place on 1 February.

Wider Parliamentary influence

6. There has been much engagement with Parliamentarians. For example, in December, the Chair of the LGA Brexit Task and Finish Group, Cllr Kevin Bentley, presented to the CLG Select Committee. This Committee is currently running an inquiry into Local Government and Brexit.

UK/EU negotiations update

7. The Government has announced nine Brexit related Bills. Formal UK-EU negotiations have begun in earnest and the Government have published a series of policy papers outlining their vision for Brexit. The detail of the policy papers and bills is attached in **Appendix A**.
8. Brexit will occupy more and more of both the Government's and Parliament's time over the coming political year. We have briefed on the EU Withdrawal Bill which is currently in the Commons. All our briefing are available on the LGA web.

9. In December, the first phase of the negotiations between the EU and the UK were completed. This was an important milestone. We provided a detailed brief on the key issues for councils from the December agreement which can be found [here](#).
10. Importantly, the LGA's detailed position on local government and Brexit allowed us to influence developing debates in both London and Brussels proactively. Below we report on the key themes of the LGAs work and the progress that we are making.

Securing funding currently sourced from the EU

11. We have been working to highlight the £5.3 billion that was to be received by England's local communities from the EU until 2020. This funded local regeneration and skills training. We have had a number of important lobbying successes to ensure that funding for local regeneration continues, including the Chancellor's commitment to replace the funding in some form.
12. We have highlighted the impact in communities if the £5.3 billion funding from the EU is not replaced by a domestic funding arrangement. Our concern is also to ensure that any future UK fund is local and of at least equal quantum to current EU funds. In July we published a number of [pro-active proposals](#) on behalf of councils, with an additional call in our [2017 Budget submission](#). This received a significant amount of media attention and we intend to capitalise on this momentum in the coming months.
13. The December agreement between the EU and UK was an important lobbying success. There was an agreement that the UK would continue to participate in EU programmes to the end of the current funding programme (2014-20). This secures local funds to the end of 2020, provided that there is a final deal between the EU and the UK. The key issue now is to ensure that there is a UK replacement which is fully funded and operational by Jan 2021.

Changing the way the UK makes decisions

14. We have been championing a new constitutional settlement in a post-Brexit UK, ensuring that powers are devolved to local communities and beyond Whitehall, Cardiff Bay, Stormont and Holyrood. We have created a number of work streams to pursue these goals, including;
 - 14.1 Preserving local government's formal role in law-making post-Brexit. Local government currently is formally consulted through the EU parliamentary process (through the Committee of Regions) and we have initiated pro-active discussions with Whitehall about how this role can continue in the UK. This is likely to be a point of debate during the Withdrawal Bills Parliamentary debate. As there has been a promise that there will be no change to any devolution settlement and no change to EU laws, we will be seeking to transfer local government's rights and responsibilities into the UK legal framework. These discussions are currently taking place with Government officials.
 - 14.2 Identifying where local government is likely to be affected by secondary legislation created or changed by the Withdrawal Bill, anticipate where UK

regulators may gain new powers and ensure that consequences on the front-line are understood.

- 14.3 Identifying how local government continues to influence the European Union in the future, given the likely transition period after we leave the EU when many EU laws (such as waste) may still have an impact on council services.
15. On the latter point, in the absence of MEPs and other UK actors in Brussels, our primary influence over such laws is likely to be the European LGA (CEMR) which is a formal consultee on all laws affecting local government. LGAs in countries such as Norway and Iceland are members of CEMR and it is their most important means of influence at a European level. Given the likely importance of CEMR's influence to us, group leaders have considered this issue and agreed to continue our membership.

The return of EU powers

16. We have reviewed all EU laws which impact on local government services and have identified which policy areas are in need of urgent review. We have begun a press campaign on these issues to highlight local government's interest. We have highlighted where there is the opportunity to amend EU laws to help local government better pursue local economic objectives (through procurement reform) and we have highlighted where EU laws help protect the public and where they could now be strengthened (e.g. food hygiene).
- 16.1 [Simpler rules regulating procurement.](#)
- 16.2 [Strengthening food hygiene laws.](#)
17. No reviews will take place until after we exit from the EU (or after any agreed transition period). Our work is to register our interest for such reviews in the longer term and highlight the importance of prioritising reviews that could enhance the rights and responsibilities of local communities, post-Brexit.
18. The Improvement and Innovation Board has led the work lobbying on EU procurement policy and may want to revisit the detail of this work once we are assured that any UK legal reviews are to take place.

Community cohesion and workforce

19. We have highlighted that councils play a vital role in protecting their communities from harm and after the referendum we advocated strongly the role that councils were playing to bring divided communities together.
20. We have also established the number of 'continuing EU' workers that deliver vital public services. For example, 7 per cent of English adult care staff are currently (non UK) EU nationals. Our role in analysing the consequences of UK and EU negotiation stances will be very important over the coming months. The LGA has an associate relationship with the Cavendish Coalition which is a group of health and care employer organisations examining the effects of Brexit; as part of this arrangement we have co-funded a research project on the health and care labour market post-

Brexit that is being carried out by the National Institute of Economic and Social Research.

21. The December EU/UK agreement was an important milestone in this debate. The details are in the LGA briefing mentioned at para 9. In summary, there will be a reciprocal agreement between the EU and the UK which allows rights for non-EU citizens residing in the UK (on a specified date) and UK citizens residing in the EU. The LGA welcomed the agreement as providing some assurance for business continuity in the short- to medium- term. We also highlighted that even without Brexit and the potential reduced reliance on EU workers, we face a range of skill challenges as a symptom of a centrally controlled skills system.

Place based impacts

22. The onus is on the LGA and councils to ensure that the differing place based impacts of Brexit are fed into Whitehall. We have organised a number of local seminars to ensure that such evidence is presented to DExEU. A summary of our discussions was presented to the DCLG Brexit Board to ensure that our evidence was formally registered.
23. The policy papers published by the Government and the December agreement have started to define the boundaries of the negotiations and any possible exit deal.
24. Consequently, we will be renewing our call for evidence on a series of specific issues, so that the risk and opportunities to places are placed firmly on the record.

Trade

25. As the debate on building new trade relationships continues, we have advocated the help and experience that councils can offer through their expertise and international connections. The City Regions and People and Places Boards are developing work in this area, particularly in identifying a problem with multiple and overlapping initiatives. We are now looking at an alternative model to offer to Government.

Responsibilities at Ports of Entry

26. Councils have many statutory responsibilities at ports of entry, including food and animal hygiene. We are currently looking at future scenarios with a number of port towns to identify any new or additional responsibilities which could fall to councils once we leave the EU. Any new responsibilities would need to be fully funded.

Implications for Wales

27. We are working on Brexit jointly with the Welsh LGA and the Convention of Scottish Local Authorities (COSLA) and the Northern Ireland LGA (NILGA) to ensure that there is a clear UK local government view. Our ministerial talks are held jointly with the other UK Associations and they sit as advisors on our Task and Finish Group.

Appendix A – Government’s Bills and Papers

Parliamentary Bills of Relevance to Local Government

Bill	Summary
EU (Withdrawal) Bill	Repeals our membership of the EU and convert all existing EU law into UK law.
Trade Bill	Facilitates UK trade deals in future.
Immigration Bill	Enables a UK immigration policy and ends free movement across the EU.
Taxation (Cross-Border Trade) Bill	Ensures that we have a stand-alone customs regime on exit. Also known as the ‘Customs Bill’.
Fisheries Bill	Ensures UK control of waters and quotas.
Agriculture Bill	Enables a post-Brexit CAP and agriculture policy.
Withdrawal Agreement and Implementation Bill	Enables the Withdrawal Agreement to be directly implemented into domestic law through primary legislation, rather than through secondary legislation in the EU Withdrawal Bill.

Government Papers Published in Advance of Formal Negotiating Rounds to Inform Discussion

These position and policy papers have been published over the summer to inform the UK’s initial negotiating position. These are not for consultation – except in the case of the migration paper where a public consultation has been launched. The following papers are of importance to local government:

Paper	Summary
Safeguarding the position of EU citizens in the UK and UK nationals abroad.	All EU nationals lawfully resident for five years will be able to apply for “settled status”.
Continuity in the availability of goods for the EU and the UK (position statement).	Seeks a partnership arrangement with the EU for a temporary and long-term customs union. Also seeks the ability for UK trade deals during exit negotiations.
Future customs arrangements (Policy paper).	
Exchange and protection of personal data.	Seeking a post-Brexit deal where there is no substantial regulatory change.
Enforcement and disputes resolution.	ECJ may have role during a transition period EU citizens in UK only subject to UK law.
Trade & Customs White Paper.	Sets out headline intentions for UK customs and trade regimes.

All papers can be found here: <https://www.gov.uk/government/collections/article-50-and-negotiations-with-the-eu#position-papers->