

LGA Work Priorities as the UK Leaves the EU

Purpose of report

For discussion.

Summary

This report updates members of the LGA Executive on the the LGA work priorities related to Britain's exit from the EU.

Recommendations

That the members of the LGA Executive consider the report and raise any other issues that need to be captured in our Brexit work.

Action

Officers to take forward any actions identified.

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Background

1. Since the referendum, the LGA has been leading work to ensure that Government is addressing the risks and opportunities for councils as the UK leaves the EU.
2. Whilst we have had to work in an extremely fluid political environment, we have ensured that many risks were addressed (for example, securing continuing of EU funds to Dec 2020) and we gained a seat at a decision-making table through the creation of the MHCLG Delivery Board. Importantly, local government secured a good reputation for its cross-party, “neutral” work programme which addressed the impact of Brexit at the front-line of services.
3. As there is now a clear date to leave the EU, it is important that we review and refresh our work on behalf of councils. Given the constructive role that we have played over the last three years in ensuring that communities are preparing for change, we will need now to assert the opportunities to do things differently for the benefit of those local communities. Our continued local leadership role will be needed.
4. The following themes are offered to Group Leaders to refresh our Brexit work:
 - 4.1. The opportunity to do things differently
 - 4.2. Preparing for 31 Dec 2020

The opportunity to do things differently in our communities.

5. We have already provided a briefing which was sent to the new Government and Parliament as the Withdrawal Bill was introduced into the Commons on Friday 20 December ([here](#)). It set out the opportunities which are now open to the new Parliament to address quickly and the continuing risks which need to be addressed. The suggested priorities that we advocate for the post-Brexit period are:
6. *Empowering local communities through a wide-ranging new devolution settlement in England:* Before the General Election, the LGA Executive agreed the LGA should play a leading role in driving forward the Government’s thinking on English devolution, including through the upcoming White Paper. A member-led Task and Finish Group has been established to lead the work. We will also continue to work with WLGA promoting devolution below Cardiff Bay.
 - 6.1. Officers have prepared a number of proposals for the T&F Group’s consideration including the detailed proposals on fiscal devolution, “levelling up” on economic growth and public service reform (to a benchmark with the devolved Parliaments and allowing Combined Authorities to go further), and constitutional change.

- 6.2. As the debate on the reform of Whitehall takes shape, it will be important to ensure that the opportunity to devolve powers from Whitehall to local communities is an important part of the reform package. There is a clear opportunity to put in place proposals for place based leadership and to strength local accountability arrangements to give more power to local communities.
- 6.3. We are also aware that the Government will now start to review former EU laws and regulation. We have already set out a strong agenda here to empower local communities, with proposals to allow local flex on some EU laws (eg procurement and state-aid) and to strengthen others (eg food hygiene). It will be important that we reintroduce our proposals to ensure that there is a strong narrative about empowering communities.
7. *Refreshing local economic levers – including previous EU funding programmes:* We have a detailed proposal setting out the opportunity to replace EU funding with a locally determined fund which joins up with other UK funding silos to tackle economic growth and address rooted inequalities, whilst ensuring that there is no reduction in quantum. We have also called for EU funding legacies to be run through local democratic structures, such as councils and combined authorities, rather than replacing Brussels with unaccountable UK bodies (such as LEPs). Elected mayors and local leaders have offered to co-design UKSPF, ensuring any future growth funding is more accessible and based on local need.
- 7.1. We are also working with the nine Regional Brexit-lead Chief Executive to early warn on any local economic shocks or new opportunities which may result as a result of Brexit. We have been ensuring that this work stream also provides intelligence on the challenges that councils face to address such risks or opportunities quickly and what new local economic levers and resources will be needed.
8. *Delivering new UK-wide “constitutional” responsibilities for councils:* Through LGA lobbying, we have a commitment in Hansard that councils’ rights in Brussels to comment on draft legislation and advise (European) Parliament would be transferred to the UK. The detail of this new “constitutional” arrangement now needs to be established with MHCLG, COSLA, NILGA and WLGA. It is envisaged that after major Parliamentary events (such as the Queen’s Speech) we would meet formally with MHCLG and other Cabinet-level ministers (on the model of the Delivery Board) and give a collective UK local government view on future legislation and then formally provide such written advice to Parliament from the four LGAs on our view.
- 8.1. Based on a request from the current UK delegation to the EU Committee of the Regions, there is also a legacy proposal in Brussels to attend meetings of the CoR whilst EU laws apply the UK during the transition period. Our current representatives’ mandate will end on 31 Jan and it will be for the LGAs to pursue this arrangement. We are seeking an “observers-role” to ensure that we have

intelligence on future laws which will impact on councils. Whilst this is an “own initiative” from local government, we should seek Government support.

Preparing for 31 Dec 2020

9. Once the Withdrawal Bill has been through both the Commons and Lords, we will be leaving the EU on 31 January. There will transition arrangements to 31 December 2020 during which time all EU laws and rules will continue to apply.
10. To 31 Dec 2020, there will be no change needed to rules and regulations covering such council services as environmental health and EU funds will continue to the same date.
11. From January 2020, we will need to monitor and provide advice on the development of the new UK/EU trading agreement as the new arrangement could allow change to or retain the laws and regulations covering some of councils’ front line services (such and procurement and state-aid, trading standards, waste and environmental services) and create new tariffs arrangements which impact on council costs. We will need to provide a voice for councils during this period and ensure that the opportunities and risks for local government and their communities are articulated, new resources are in place where there are new costs and that there is national advice to manage on any immediate changes needed at the front-line.
12. The Government has indicated that it wants the trade agreement to be concluded quickly. Should UK/EU negotiations still be taking place in late 2020, we may need to support councils in preparing for more than one scenario on 1 Jan 2021 – changes as a result of the proposed new trading deal and a No Deal/WTO scenario. Such complexity will need robust LGA advocacy with Government.
13. Councils have indicated that they want more work to be undertaken in their communities to ensure that all 3 million people who are entitled to Settled Status are making applications and are made to still feel welcome. This is particularly important for services such as housing, social care and tourism which employ a large number of non-UK EU citizens. We are working with the Home Office on this issue. It is welcome that 2.4m of 3.4m have applied so far. Towards the 31 Dec 2020 deadline for applications, there will be the challenge to work with hard-to-reach groups, more vulnerable members of our communities and those who choose not to apply where councils’ work will be pivotal.

LGA political structures

14. Our Brexit work has been led since the referendum by the Task Force of the Leadership Board. This report indicates that there are likely to be two themes to this work in future. It is recommended that the detailed work needed to advise on and prepare for the changes resulting from the new UK/EU trade agreement is led by the Task Force. The work on the post-Brexit opportunities should be led through the Devo Task and Finish Group and the relevant Boards (particularly the People and Places and City Regions Boards who hold the remit for English devolution policy).

Our work in Brussels

15. We continue to work to influence in Brussels, for example through our membership of CEMR (European LGA). Council services will be regulated by existing and new EU laws until (at least) Jan 2021. For the period after 2021, the UK/EU trading agreement will define where, if any, there is UK/EU regulatory alignment and where EU rules may still impact on council services and costs. Although there is no precedent for this arrangement, LGAs from nations such as Norway and Iceland who are independent of but aligned to EU rules and costs impacting on councils, advise that they keep a presence in Brussels to ensure that their councils are able to influence future EU rules. They do not rely on national government structures.

16. Over the last three years, we have refreshed our work in Brussels, both at a political level (through CEMR¹) and through the work of the staff of the LGA Brussels Office where we have aligned our work more closely with other LGAs to ensure a continuity of influence. Whilst it will be difficult to clarify where future influence will be needed until the detail of the UK/EU trade deal is known, we will continue to review our work in Brussels to ensure that councils have influence where it is needed. The UK Government is also renewing its structures and influence in Brussels. We are aware that Whitehall has much to learn from local government in this context as we are used to influencing well from the outside of the institutions in Brussels. It is recommended that a further and more detailed paper on our work in Brussels is developed and presented to Group Leaders before June and once we have more detail of future UK/EU relations.

¹ We have four members on the CEMR Policy Committee: Cllr Vince Maple (Lab), Cllr Flo Clucus (LibDem) and Cllr Marianne Overton (Ind). The Conservative Group is currently seeking a replacement for Cllr David Simmonds.