

Report of Chief Executive

Report to Executive Board

Date: 25 November 2019

Subject: Update on Leeds City Council's preparations for the UK's exit from the European Union

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- The council's preparations for the UK's exit from the European Union are ongoing and this report provides a further update to those which Executive Board received in March 2019, September 2019 and October 2019.
- The council's continued preparations for a range of scenarios are based on the response plan, developed to provide a framework to deal with the uncertainty in the build up to EU exit and the response phase after the EU exit. The response plan can be scaled up or down to deal with a variety of scenarios, such as leave with a deal, no deal, or deferral of the leave date. A Brexit Working Group from across the council link with members and partners to drive development and delivery of the plan. This work is also the framework for the Brexit Lead Officer role requested by government.
- The council continues to be as prepared as possible given the information and resources available, but the continued uncertainty, with a further extension recently granted remains a challenge because of the lack of clarity and therefore limits fully effective planning. The work of the council, with key partners in the city, is also set within the context of West Yorkshire Resilience Forum and extensive national guidance and planning assumptions.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The response plan is set within the context of the council and the city's ambitions for a strong economy and compassionate approach.
- The council's governance framework, key partnership meetings, and established arrangements for risk management and emergency planning are being used for this work.

3. Resource Implications

- Leeds City Council has now been awarded a total of £315k from central government for Brexit preparations, as a standard allocation to unitary authorities covering the period 2018/19 and 2019/20. Funding has so far been allocated to support specific Brexit related work and to cover staffing resource to co-ordinate Brexit preparedness activity, with a sum held for contingency.

Recommendations

Executive Board is requested to:

- 1) Note the continued work to prepare the council and the city for the UK's exit from the European Union and ongoing concerns given the lack of clarity about the nature of EU exit.
- 2) Note the contents of the strategic response plan attached at Appendix A and the updates provided in the report, but recognise that assumptions and planning will continue to develop as new information becomes available.

Purpose of this report

- 1.1 This report provides Executive Board with a further update on the preparations that Leeds City Council has been making for the UK's exit from the European Union, following previous reports earlier this year in March, September and October 2019.
- 1.2 Brexit continues to be a highly complex and dynamic policy agenda with a number of potential short, medium and long term implications for citizens, communities and businesses in Leeds. The strategic response plan acts as a framework to deal with the uncertainty and to respond to the national context so that Leeds can be a compassionate city with a strong inclusive economy.

2. Background information

- 2.1 Since July 2016, shortly after the EU referendum result, the council has been working to prepare for Brexit in line with a plan approved by Executive Board. A further report in December 2018 (available [here](#)) gave a detailed overview of a range of work that has been undertaken against the commitments in 2016.
- 2.2 Executive Board approved the city's strategic response plan for Brexit in March 2019 (available [here](#)), setting out a series of practical actions to be taken both in advance of and following EU exit against the backdrop of the ambition to have a strong economy and a compassionate city. This framework enables a response to a range of EU exit scenarios including "no deal", which has been informed by the national planning assumptions and guidance where available.

- 2.3 The response plan is structured around five key themes, considering key issues for the city and the council. The key themes are: infrastructure and supplies; business and impact; citizens and communities; media and communications; and organisational impact. The response plan is consistent with planning at a West Yorkshire level through the Local Resilience Forum (LRF) and national plans led by government. An updated strategic response plan is attached at Appendix A, with some key updates also provided in the main body of the report. Further updates against this response plan were provided to Executive Board in March 2019, September 2019 and October 2019.
- 2.4 As the regional lead for Yorkshire and the Humber, the Chief Executive has continued engagement and communications with the Ministry of Housing, Communities and Local Government (MHCLG) and Whitehall departments as part of the established network of nine local authority chief executives to act as regional leads on their behalf across England. This is principally a communication role with the Chief Executive providing regular updates for the 22 councils across the Yorkshire and Humber region. Weekly reports of any Brexit related concerns and issues are collated from all Y&H councils and fed back to MHCLG under the role of regional lead, with issues and queries also being raised to gain clarity on a range of policy areas related to EU exit.
- 2.5 The coordination of emergency planning on Brexit has been led by Local Resilience Forums (LRFs), with LRFs being asked to submit plans for preparedness in September, with daily reporting commencing on 21 October 2019.
- 2.6 The Leader of the council sits on the LGA's EU exit Local Government Delivery Board which has been liaising with Ministers on Brexit preparedness and the chair of the Local Government Delivery Board, Councillor Bentley, attended a meeting of the Yorkshire Leaders in October.
- 2.7 At a local level, and described previously, work has continued to be overseen by a working group of senior officers from across the council, chaired by the Director of Resources and Housing, working in conjunction with elected members, directorate-specific work (including refreshing business continuity plans), the Local Resilience Forum (LRF), Local Enterprise Partnership (LEP), local voluntary community and faith sector organisations (VCFS) and a number of other sector-specific forums in the city e.g. Health and Social Care. This work supports the Brexit Lead Officer fulfil the role as requested by government.
- 2.8 The elected member working group, chaired by the Leader of the Council, met in September and continues to play a key role in highlighting important issues which have fed into the preparatory response work. EU exit has also been discussed as part of regular agenda items at a range of meetings including the Strategy and Resources Scrutiny Board on 9 September 2019.
- 2.9 The government published its "Get Ready for Brexit" campaign with information for individuals and businesses designed to get the public and businesses ready for Brexit. This activity ceased on 29th October 2019. In addition, through the gov.uk website, the government have published a substantial number of "no deal" guidance documents covering a wide range of topics.
- 2.10 The EU and the UK Government have agreed a deal to exit the EU; this has been approved by EU leaders however requires approval by the Houses of Parliament.
- 2.11 The UK Government wrote to the EU and requested an extension as required under the EU Withdrawal Act (No.2). The EU have granted an extension up to 31st January

2020, however if a deal is agreed and ratified by parliament then the UK could exit the EU before this date.

- 2.12 On 29th October 2019 the Early Parliamentary General Election Bill was tabled by the government with provision for a general election on 12th December 2019. The Bill is expected to receive Royal Assent on 31st October 2019.

3. Main issues

- 3.1 At the time of this report's publication, there remains significant uncertainty over the UK's relationship with the EU in the near future. All these scenarios continue to be explored extensively in the media, creating further uncertainty and making it difficult for citizens, organisations and businesses to plan for the future.

- 3.2 An updated response plan is attached at Appendix A of this report, with themes organised around the five broad areas agreed in March 2019. The updates included in this report fall into these categories.

- Infrastructure and supplies
- Business and economic impact
- Citizens and communities
- Media and communications
- Organisational impact

Infrastructure and supplies

- 3.3 The Government have revised the Yellowhammer no deal planning assumptions in October and shared these with the Local Resilience Forum (LRF). The LRF and the council have taken note of the relevant planning assumptions in our updated response plan. The LRFs commenced daily reporting to central government on 21st October, although this ceased on 29th October 2019 following central government no-deal contingency operations being stood down.

Business and economic impact

- 3.4 There continues to be considerable engagement with businesses both through intermediaries and direct contact to encourage readiness for EU exit and understand the impact of uncertainty. Recent feedback from our most recent business roundtable includes:

- Continued uncertainty is leading to a fall in investment and increase in stockpiling by firms.
- Concerns around the increase in the number and complexity of import and export declarations that are required by Brexit. There were also doubts that all firms were fully aware that they would need to complete these.
- Larger firms are more likely to be prepared, whereas amongst SMEs the picture is more mixed
- Business representative organisations and LEPs are working with businesses to be as prepared as they can be.

- 3.5 The West Yorkshire Combined Authority (WYCA) are developing a Brexit Business Support Scheme to support businesses who may be affected by the UK leaving the EU. The scheme is designed to complement existing support programmes and is expected to launch in early 2020.

- 3.6 The West and North Yorkshire Chamber of Commerce Q3 2019 Quarterly Economic Report has been published. The key headlines of the report reinforce the evidence that the lack of clarity over Brexit is leading to a fall in consumer and business confidence. Manufacturing, which represents 19% of businesses in West and North Yorkshire, is particularly affected with significant slowdown in sales and investment. The service sector, which represents 80% of businesses in West and North Yorkshire, although proving to be more resilient still saw slowing sales, reduced investment and lower profit expectations.
- 3.7 Significant concerns continue about the ongoing uncertainty over Brexit and with a reduction in confidence and investment throughout all sectors.
- 3.8 We are engaging with the National Farmers' Union (NFU) who attended the more recent business roundtable in order to better understand the potential impact Brexit may have on agricultural businesses in Leeds and also the associated food industries. A link to the [Grow Yorkshire](#) website which contains information for farmers and food businesses to help prepare for Brexit has been added to the Leeds City Council Brexit landing page.
- 3.9 We have supported government Brexit readiness workshops for businesses that have been held in the city; these received very positive feedback from those in attendance.
- 3.10 The council's Brexit landing page on our website has been updated to include the Chamber of Commerce's Brexit checklist.

Citizen and communities

- 3.11 The council continues to progress the local implementation of the EU Settlement Scheme, providing support and a free ID checking service for EU citizens in five community hubs across the city. Local communications and promotional activity in relation to the scheme also continues to progress on a range of platforms including social media. The council continues to engage with partners to promote the scheme through a range of activities across the city including two Home Office events in Leeds in October.
- 3.12 Following the recent allocation of small grants to local VCFS organisations to support outreach activity and raise awareness of the local EUSS support offer, in particular for hard to reach groups in the city, organisations have progressed the delivery of a range of outreach activity such as drop in sessions at community centres.
- 3.13 The council expects the next release of national quarterly statistics on applications made to the EUSS (including the updated number of applicants in Leeds) to be released soon.
- 3.14 We are not detecting any specific community tension issues arising from Brexit at present, however with the UK looking to exit the EU and Brexit arrangements progressing, the council and partners are keen to manage any potential community tensions. Following existing work with partners not directly related to Brexit, a refreshed approach to tension monitoring has been developed and agreed. To facilitate this a partnership monitoring process has been established jointly with WY Police to understand and respond to community tensions through improved intelligence sharing capabilities, and training rolled out to staff to empower them to identify and report something that may contribute to community tensions.

Media and communications

- 3.15 Leeds City Council have updated the internet landing page and virtual newsroom with updated information and frequently asked questions. An update about local

preparations has been provided to local MPs following the October Executive Board report. Communications remains a challenge because of the lack of clarity about messages given the continued uncertainty about the nature and timing of EU exit. Although communications relating to the government's "Get ready for Brexit" campaign have been ceased the council continues to promote the EUSS.

Organisational impact

- 3.16 Within the council, business continuity continues to be the focus of our preparations. The strategic response plan is regularly updated with input from the Brexit Officer Working Group. This information was used to inform the response from Leeds to the daily reporting by the LRF.
- 3.17 There continues to be a high level of activity, including the large number of technical notices issued by the government, freedom of information requests and work with partner organisations. The response work will continue locally in what is a fast moving and developing policy landscape, ensuring local plans are updated where necessary and that the council and the city remain as resilient as possible and seize any opportunities created.
- 3.18 Leeds City Council is engaging with the regional arrangements described earlier, using information from the Brexit Working Group to determine the issues to raise in the weekly return, and sharing the Y&H weekly updates with relevant officers for action and information. Staff from the Chief Executive's Office are supporting this regional role drawing on the funding that has been made available from government for this regional approach to engagement.
- 3.19 Following the reduction in national no-deal contingency operations, the weekly regional EU Exit Hub reporting mechanism to MHCLG has moved to reporting on an exception basis. Regular communications and engagement between the Chief Executive as the regional Lead for Yorkshire and Humber has continued with the 22 local authorities in the region and the network of nine local authority chief executives continue to maintain communications with MHCLG and relevant Whitehall departments.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Extensive informal engagement continues as part of business as usual to understand the emerging impact of Brexit in Leeds and the preparations that businesses, public and third sector partners, and communities are making.
- 4.1.2 Much of this engagement has been carried out by teams within the council as part of their normal day-to-day business, but has also been more explicitly led by the officer working group and resilience partners. Engagement activity continues with the strategic response plan being shared amongst council and partner colleagues for further updates. These relationships remain vitally important to enable delivery of the response plan.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Best Council Plan sets out how Leeds celebrates its rich diversity and aims to be a welcoming city for all. The council has recognised in this and previous Executive Board reports that Brexit has the potential to impact upon tolerance and unity. Fostering positive relations between diverse ranges of people in the city is a key part

of the council's role, both within and amongst different communities. The actions noted within this report reaffirm the council's commitment to this aim and detail how it will work with partners to achieve this outcome. The continued work with the third sector in promoting the EUSS further demonstrates our commitment to civil society.

- 4.2.2 The strategic response plan recognises the complex nature of issues related to Brexit including the changes to citizen's rights, possible changes in communities and the importance of a joined up response from a wide range of institutions in the city. The actions that have been set out clearly contribute towards making sure people in Leeds are and feel safe, in addition to promoting community respect and resilience in line with the priorities outlined in the Best Council Plan.
- 4.2.3 Moving forward an Equalities Impact Assessment will be undertaken, where this is required.

4.3 Council policies and the Best Council Plan

- 4.3.1 The 'Best City' vision outlined in the Best Council Plan is for Leeds to be a compassionate, caring city that helps all its residents to benefit from the effects of the city's economic growth, thereby tackling poverty and inequalities. The actions outlined in the strategic response plan, particularly with regard to the economy and community, clearly align with and enable this ambition to seize opportunities.
- 4.3.2 The council's Brexit preparations also contribute to the 'Best Council' ambition to be an efficient, enterprising and healthy organisation. The approach detailed in this and previous reports demonstrates the proactive approach that has been taken to minimising the impact of uncertainty and providing a framework for response after the UK's exit from the EU. It recognises the convening powers of the council and the facilitation role that it is able to play in bringing partners together and providing effective place leadership that is recognised across all sectors locally and in the relationships held with government and other relevant parties.

Climate Emergency

- 4.3.3 As reported in previous updates, as a current member of the European Union, the UK participates in EU action to tackle climate change. On leaving the EU these will no longer apply, however the UK's domestic policy on climate change and contribution to global efforts including the Paris Agreement will continue. The UK passed its Climate Change Act in 2008, which holds the commitment in law to reduce greenhouse gas emissions by at least 80% by 2050 (compared to 1990 levels), including legislation for 5 'carbon budgets' running up to it. This target in the Climate Change Act has recently been amended which commits the UK to a legally binding target of net zero emissions by 2050.
- 4.3.4 Officers working on Brexit will continue engagement with the Climate Change team to check impacts and explore opportunities.

4.4 Resources, procurement and value for money

- 4.4.1 Some of the actions contained within the strategic response plan would require financial or other resources, however some of these are either already part of normal business continuity planning or would be subject to further specific decision-making processes when required.

- 4.4.2 Leeds City Council has been awarded a total of £315,000 to assist with the administration costs of Brexit preparedness work split across 2018/19 and 2019/20. The funding has so far been allocated to support the economic impact analysis work, the third sector EU Settlement Scheme outreach programme, cover some staffing resource to co-ordinate Brexit preparedness activity with a sum held for contingencies if required.
- 4.4.3 Leeds are also administering a sum of £150k grant funding on behalf of the Yorkshire and Humber region.
- 4.4.4 The impact of Brexit on local government settlement remains unclear and our approach to dealing with this lack of clarity and uncertainty is described in the regular finance updates to Executive Board.

4.5 Legal implications, access to information, and call-in

- 4.5.1 There are no specific legal implications arising from the recommendations in this report.
- 4.5.2 Following previous updates to Executive Board, this report is being issued with the agenda, with an option to provide a written or verbal update closer to the date of Executive Board if the national context changes significantly.

4.6 Risk management

- 4.6.1 The risks related to the UK's exit from the EU which are referenced throughout this report will continue to be monitored through the council's existing risk management processes as they have been to date, with relevant risks on the council's corporate risk register include the UK exit from the EU as a possible source i.e. an event that may cause a risk to arise.
- 4.6.2 A corporate risk on the impact of Brexit on the council has been developed. The corporate risk draws information from a series of working groups developed for areas affected by Brexit. The council's Brexit Officer Working Group meets regularly and their remit includes discussing risks facing the council and its operations from Brexit.

5 Conclusions

- 5.1 This report provides an update on the council's ongoing preparations for the UK's exit from the European Union. It builds upon previous Executive Board reports, approved in July 2016, December 2018, March 2019, September 2019 and October 2019.
- 5.2 This report provides an update on key developments as part of the ongoing review and implementation of the response plan to deal with the current level of uncertainty, including being prepared for a range of scenarios based on the current national planning assumptions and the resources and information available at the time of writing. It is important to note that this is a constantly developing picture.
- 5.3 The council is as well prepared as it can be given the resources and information available, but the continued uncertainty makes effective planning a challenge.

6 Recommendations

- 6.1 Executive Board are requested to:

- Note the continued work to prepare the council and the city for the UK's exit from the European Union and ongoing concerns given the lack of clarity about the nature of EU exit.
- Note the contents of the strategic response plan attached at Appendix A and the updates provided in the report, but recognise that assumptions and planning will continue to develop as new information becomes available.

7 Background documents¹

None

8 Appendices

Appendix A – Strategic Response Plan

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.