

Report of Chief Executive

Report to Scrutiny Board (Strategy and Resources)

Date: 9 September 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 type="checkbox"/> Yes <input checked="" 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

- Leeds City Council's preparations for the UK's exit from the European Union are ongoing. This report provides an update to the Scrutiny Board of the council's recent preparedness activity. The UK is legally set to leave the EU on 31st October 2019.
- The council's continued preparations centre on the strategic response plan which has been put together to provide a framework to deal with the uncertainty in the build up to and the response phase after the UK's exit. The 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 can be scaled up or down depending on the nature of the UK's final exit from the EU and it is linked to the planning at a West Yorkshire level through the Local Resilience Forum (LRF) and national plans led by government.
- The majority of preparedness activity over recent months has focused predominantly on the economic and citizens and communities impact strands of the city's strategic response plan. Each has a major piece of work being undertaken within it, with the commissioning of a Brexit Economic Impact Assessment and the implementation of EU Settlement Scheme support in Leeds.

- Following the formation of a new UK government in July 2019, national planning has increased to prepare the UK to leave the European Union on 31st October, including planning for a 'no deal' scenario.
- The response work will continue locally in what is a fast moving and developing policy landscape, ensuring local plans are updated where necessary and remain resilient.
- This report provides an update on key developments as part of the ongoing review and implementation of the council's strategic response plan. It particularly focuses on the work of the council in effectively planning for the UK's exit from the EU based on the national planning assumptions and the resources and information available at this time.

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.
- Governance framework and established arrangements for risk management and emergency planning are being used for this work.

3. Resource Implications

- Leeds City Council has been recently informed it will receive a further sum of £105k from the funding allocation announced by MHCLG in August 2019, bringing the total monies granted to Leeds to £315k. Funding has so far been allocated to support specific Brexit related work and to cover some staffing resource to co-ordinate Brexit preparedness activity.
- The government has recently announced a one year spending review and have indicated that the results of this will be made available in September 2019. This detail will not be provided until the provisional local government finance settlement, expected in December 2019. How the UK's exit from the EU may impact on this is currently unknown.

Recommendations

Scrutiny Board are asked to note the Executive Board considered an 'Update on Leeds City Council's preparations for the UK's exit from the European Union' report at its meeting on the 4th September. Executive Board agreed to resolve the following recommendations in the 4th September report:

- 1) Note the work ongoing to prepare the council and the city for the UK's exit from the European Union.
- 2) Note the contents of the strategic response plan attached at Appendix A
- 3) Agree the strategic response plan (attached at Appendix A) and that the approach outlined in the report continues, including that further updates should be provided to Executive Board, Scrutiny Board and members as appropriate.
- 4) Note the ongoing work by the council and partners to support EU citizens based in Leeds to apply to the EU Settlement Scheme.

- 5) Note the findings of the Brexit Economic Impact Assessment (attached at Appendix B) which will be used to inform the city's inclusive growth ambitions as highlighted in the Leeds Inclusive Growth Strategy.
- 6) Invite Full Council to debate the above recommendations (1 to 5) at its next meeting on the 11th September.
- 7) Agree the recommendations in the Executive Board report should be exempt from call-in for the reason outlined in section 4.5.4 of Executive Board report.

Purpose of this report

- 1.1 This report provides Scrutiny Board with an update on the preparations that Leeds City Council has been making for the UK's exit from the European Union, due to take place on 31 October 2019. In March 2019 Executive Board approved the Council's strategic response plan for Brexit and this paper updates on key developments as part of the ongoing review and implementation of that plan. The report describes ongoing work to understand the potential impact of Brexit on the Leeds economy and the implementation of support for EU citizens in Leeds to access the EU Settlement Scheme.
- 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.

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 five-point-plan approved by Executive Board.
 - Maintaining momentum on major development and infrastructure schemes, and economic growth projects;
 - Supporting business and key institutions;
 - Creating a more tolerant and united city;
 - Securing devolution; and
 - Providing confident, outward-looking leadership and image of Leeds as an international city.
- 2.2 Executive Board approved recommendations in December 2018 (available [here](#)) which gave a detailed overview of a range of work that has been undertaken in support of each of these five areas.
- 2.3 Building on the five-point-plan, Executive Board approved the city's strategic response plan for Brexit in March 2019 (available [here](#)). The strategic response plan sets 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 national planning assumptions of a reasonable worst case scenario.
- 2.4 Following the six month extension of the EU exit date to October 31st 2019, the council maintained preparedness activity at a local level during this period and is now responding to the increased planning at a national level.

- 2.5 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 and advisory role with the Chief Executive providing regular updates for the 22 councils across the Yorkshire and Humber region. The coordination of emergency planning on Brexit has been led by Local Resilience Forums (LRFs). The Leader of the Council also sits on the EU Exit Local Government Delivery Board which has been liaising with Ministers on Brexit preparedness.
- 2.6 At a local level, 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 officer groups, 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.
- 2.7 The elected member working group, chaired by the Leader of the Council will meet again in September and continue 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 involving elected members.
- 2.8 Elected members and officers from Leeds have also continued to engage on Brexit-related matters through a number of regional and national forums including working with the Local Government Association (LGA), Core Cities group, various Whitehall departments and senior civil servants.
- 2.9 The Strategy and Resources Scrutiny Board has also referenced the work being undertaken to plan for a 'no deal' Brexit as part of its wider discussion into the council's resilience and emergency arrangements. The Board acknowledged the work undertaken in planning for a 'no deal', including engagement with other resilience partners.
- 2.10 Since the formation of a new UK government in July 2019, the pace of national planning for the UK's exit from the EU on 31st October has increased. The government's position states a preference for leaving the EU with a deal by securing relevant changes to the withdrawal agreement whilst also stepping up preparations for a 'no deal scenario', as indicated in the Prime Minister's maiden speech.
- 2.11 Michael Gove MP has also been appointed as Chancellor of the Duchy of Lancaster. This role includes leading no-deal planning across government. Two new Cabinet Committees have been created to oversee EU Exit preparations at a national level - Exit Strategy and Exit Operations.
- 2.12 On 3 August 2019, the Secretary of State for Housing, Communities and Local Government, Robert Jenrick MP announced £20 million of funding for all local authorities in England to support Brexit preparations. £10m of this is new funding announced by the Treasury, the other £10m is funding held back by MHCLG from the £58m announced earlier this year. Leeds City Council has been informed it will receive a further sum of £105k from this allocation, in addition to receiving £210,000 by MHCLG split across 2018/19 and 2019/20.
- 2.13 On 6 August 2019, the Secretary of State wrote to all local authority Leaders in England about the government's EU exit preparations including stating it was

making the necessary preparations to leave without a deal if an agreement with the EU cannot be reached. Councils were also asked to appoint and provide details of a designated senior officer who will act as their local authority Brexit Lead Officer. The letter further details government expectations of what this role will entail including closely linking with relevant LRF. The designated Brexit Lead Officer for Leeds City Council is the Chief Officer, Strategy and Improvement.

- 2.14 On 6 August 2019, the Secretary of State also wrote to all LRF Chairs, announcing the government will be releasing £4 million of additional funding for LRFs to support in their EU exit preparedness work. The Secretary of State further announced that this funding is to be shared amongst Local Resilience Forums to support them with their core administration costs for preparing, testing, assuring and delivering plans for supporting the delivery of Brexit.
- 2.15 On 21 August 2019, the Secretary of State also announced additional funding of £5 million has been given to councils which either have or are near to a major air, land or sea port. There was no specific allocation for Leeds from this funding.
- 2.16 On 28 August 2019, Her Majesty The Queen approved the Prime Minister's request to suspend Parliament, ending the current parliamentary session in the second sitting week in September (week beginning 9th September 2019) to the 14th October where there will be a Queen's Speech.
- 2.17 The EU Council summit will also be held on the 17th and 18th of October. This will be the final EU summit before the UK's exit from the EU on 31st October.

3. Main issues

- 3.1 The strategic response plan was approved at Executive Board in March 2019. It has been reviewed and updated to take account of the current context and attached at Appendix A of this report. It continues to organise the actions identified into five broad themes:
 - Infrastructure and supplies;
 - Business and economic impact;
 - Citizens and Communities impact;
 - Media and communications; and
 - Organisational impact.
- 3.2 Within the council, business continuity plans have also been reviewed. Support remains on offer for staff who are EU citizens to seek advice or support with regard to their EU Settlement Scheme application or any other matter, and a refreshed approach to risk management has been progressed (see section 4.6 below).
- 3.3 The updated strategic response plan demonstrates that all relevant work is ongoing (pending further guidance) or completed as far as it can be given the uncertain context. The Brexit Officer Working Group will keep this plan under regular review to monitor progress and check additions and actions especially in light of changes to national and local planning assumptions. Information for residents and businesses is available on a Brexit landing page on the council's website, which is primarily signposting to relevant national government sources of guidance and information.
- 3.4 The majority of preparedness activity over recent months has focused predominantly on the economic and citizens and communities impact strands of the response plan. Each has a major piece of work being undertaken within it – the

commissioning of a Brexit Economic Impact Assessment and the implementation of EU Settlement Scheme support in Leeds. Both of these matters are discussed in more detail below.

- 3.5 Work continues to progress to develop a renewed approach to monitoring community tensions. An action plan has been developed with the voluntary community and faith sector (VCFS) to share information and support organisations to prepare and work with their client base to do the same. Further work is continuing in assessing the possible impact on key supply chains and required actions to address concerns about food banks and food poverty given national planning assumptions. The EU elections were successfully delivered on 23 May 2019. Relevant engagement continues with key partners such as schools and care providers regarding the settlement scheme and further engagement with businesses regarding the economic impact in the city and region.
- 3.6 As highlighted in the strategic response plan, one of the important considerations for the council is in relation to the impact of EU Exit on the local school meals provision. Catering Leeds is the provider of approximately 32,000 school meals per day to 171 of the 225 primary schools in the city. The service has formulated a risk register to assess and mitigate any potential impact to schools meal provision as a result of disruption to the food supply chain and any potential for increased costs as a result of increased demand to supply. As part of the council's effective preparations, we are reviewing our ability to change menus should supplies be affected and also to consider any potential financial implications, although this remains difficult to forecast at the present time.
- 3.7 At a West Yorkshire level, the LRF continues to refine and refresh plans in light of national planning assumptions and local intelligence. As a category 1 responder through the Civil Contingencies Act, Leeds City Council is actively involved in this forum and sub group arrangement that develop and exercise a range of plans to deal with a variation of scenarios.
- 3.8 The council is also maintaining effective information sharing with local NHS partners and the West Yorkshire Local Health Resilience Partnership (LHRP). The Director of Public Health is the Co-chair of the West Yorkshire LHRP.

3.9. **Brexit Economic Impact Assessment**

- 3.9.1. The council has a clear vision to work with public and private sector partners in promoting inclusive economic growth which benefits all Leeds citizens and supports them in achieving their potential. The report to March Executive Board on Brexit preparedness highlighted the need to ensure a strong understanding of the economic consequences for businesses including potential opportunities and challenges, in order to achieve these ambitions.
- 3.9.2. As noted in that report, the council commissioned Hatch Regeneris to produce an independent study, based on the strongest evidence available, to assist in better understanding the possible effects of Brexit on the Leeds economy, and inform how the council should respond to any potential challenges and opportunities. Given the focus on inclusive growth within the city, the study also aimed to highlight any factors which may impact on delivery of the Inclusive Growth Strategy. (This study is attached at Appendix B of this report).
- 3.9.3. The work commissioned was intended to be broad-based, and draw on a range of literature and studies undertaken at a national, regional, city regional and sectoral levels. It draws on analysis of primary data, including the City Region Business

Survey (2019); and, migration and trade data. The report has used Leeds-specific data and information where possible as well as city region, West Yorkshire and regional data. The consultants have also engaged with a range of businesses and business representative organisations in the city.

- 3.9.4. The analysis looks at the impact on Leeds in a number of key areas: Trade; Regulation; Investment; Migration; and People and Places. There are a range of potential challenges and opportunities identified, although clearly the full impact on the Leeds economy will very much depend on the final terms of the UK's exit from the EU.
- 3.9.5. The current uncertainty in the business community is highlighted in the study reflecting national trends. Business survey and anecdotal evidence suggests a fall in business confidence and investment levels, with businesses holding off their long-term investment ambitions and switching from investing in capital to investment in labour on a temporary basis. The proportion of businesses rating the impact of the decision to leave the EU as detrimental has increased from 2017 to 2019, from 28% to 36%, primarily as a result of a decline in the proportion offering a neutral response rather than a decrease in the proportion rating it as beneficial. Additionally, the study highlights that the UK's exit from the EU may have a number of impacts and challenges on the city's ambitions such as potentially impacting on the cost of goods and services, job security in some areas and perhaps income inequality. The extent of this impact will be heavily driven by national economic policy in the short, medium and longer term.
- 3.9.6. However, the study confirms that the city has continued to show its economic resilience and there is potential for post Brexit opportunities for Leeds and the wider city-region in benefiting from new investment prospects. The study highlights the importance of also focussing on the opportunities arising from Brexit, which the city could take advantage of. These include exploring the potential benefits from reshoring practices and exploiting new international exporting opportunities particularly in manufacturing and transport focused sectors. Further key opportunities identified include a renewed focus from businesses on their trade and investment structures and easier access to migrants outside the EU.
- 3.9.7. The study identifies Leeds as the eighth most vulnerable primary urban area outside London, due to the city's relative reliance on sectors which are perceived to be more exposed to Brexit and that negative impacts of Brexit tend to be bigger for areas with higher average wages. In addition, the analysis suggests that Brexit could reduce economic output in the future when compared with the predicted growth if the UK remained a member of the EU. Over the next 10 years the impact on Leeds could range from a reduction of 1.3% GVA from a soft Brexit and 2.6% in a hard Brexit scenario. To put this into context, the 2008-09 recession had an impact of a 3% reduction of GVA in Leeds and 1% nationally.
- 3.9.8. Despite the backdrop of Brexit, Leeds is the only core city that witnessed growth in Foreign Direct Investment (FDI) last year. There have been 491 FDI projects in Yorkshire and Humber since 2013, supporting around 27,500 jobs. Acknowledging that 40% came from the EU area, it will be important for the city to work with partners to maintain this investment.
- 3.9.9. More broadly, Leeds City Region has a strong track record of securing investment from European Structural and Investment Funds (ESIF), with £106m secured between 2014 and 2018. These funds sustain interventions in key areas such as employment support, education, training and business support. Working with partners to maximise the city's influence over post-Brexit funding streams to ensure

the freedoms and flexibilities needed in meeting the needs the Leeds economy is vital. Funds such as the Shared Prosperity Fund (the funding programme which will replace EU structural funding) is a key priority.

- 3.9.10. WYCA and the LEP continue to prepare all its internal services for Brexit, focusing particularly on understanding the potential economic impact, supporting businesses and ensuring delivery of public transport services. This work will continue to be informed by intelligence gathered through the city region's growth managers and investor development team. A working group directed by WYCA's senior leadership team is overseeing implementation of an action plan for immediate and medium term activity across the key areas, reporting to the Combined Authority and LEP Board. A separate city-region officer group has also been established to coordinate activity on business support, with representatives from each of the local authorities as well as officers from the city region's Growth Hub.
- 3.9.11. The findings from this impact assessment will inform our response and have helped to identify practical actions, which the council might be required to take, including in co-operation with partners such as the LEP and WYCA. This is in order to ensure the local economy continues to be resilient, effectively adapts, and ultimately thrives in a post-Brexit context. The study is already informing discussions with partners – for example, assisting in the coordination of activity at both city and city region level, and addressing a potential need for further flexibility of existing programmes such as business support which both the LEP and WYCA is leading the response to.

3.10 EU Settlement Scheme

- 3.10.1 The EU settlement scheme officially launched to the public on 30 March 2019, following previous pilots for the health and social care sector. EU citizens have until 30 June 2021 to apply to the scheme (or 31 December 2020 if the UK leaves the EU without a deal). The National Panel for Registration (NPR) and the Local Registration Services Association (LRSA) are implementing a national ID checking service and 'We Are Digital' is co-ordinating the government's broader 'Assisted Digital' support scheme.
- 3.10.2 On 22 August 2019, the Home Office released quarterly statistics on applications made to the EU Settlement Scheme from 28 August 2018 to 30 June 2019. The statistics were also published by region and for the first time by local authority areas. According to the Home Office data, a total of 9,320 applications were made in Leeds during this period, the highest number of total applications for a local authority in the Yorkshire and Humber region.
- 3.10.3 The council has supported a range of activities, including hosting Home Office events aimed at informing civic leaders and local citizens about the scheme. Guidance and toolkits have also been circulated to businesses, communities' and local organisations about the implementation of the scheme.
- 3.10.4 The council has signed up to the Home Office ID check and Digital Support Scheme in order to support the most vulnerable residents in the city through the settlement application process. Since April 2019, the local offer includes free ID checking services in the following five community hubs across the city, using an appointments based system:
- City Centre Community Hub (Monday to Friday)
 - Armley One Stop Centre (Monday)
 - Reginald Centre Community Hub (Tuesday),

- Dewsbury Road Community Hub (Wednesday)
- Compton Centre Community Hub (Thursday)

- 3.10.5 Each of these hubs were identified using local intelligence that highlighted where the majority of EU communities are resident in the city. Support will be delivered by customer access service officers who have undertaken relevant training to support applicants through this process.
- 3.10.6 Leeds is on the national list of providers of 'Assisted Digital' locations which is on the national gov.uk website. Assisted Digital provides support for applicants who do not have the appropriate skills, access or confidence to complete the online Settlement Scheme application. 'We Are Digital' (the Home Office commissioned provider) can refer individuals who require support with their applications to any of the five community hubs in the city. The council is also proceeding to obtain relevant requirements so that it can be included on to the national ID Document Scanning service location list on the gov.uk website.
- 3.10.7 In addition to the support being offered by the local authority, St Vincent's Support Centre in Leeds was successful in bidding for a share of £9 million made available earlier this year to third sector organisations nationally by the Home Office. They have secured funding to undertake work in both Leeds and Bradford, holding settlement scheme workshops, providing individuals with digital support and supporting more vulnerable applicants who require more specialised support including immigration advice.
- 3.10.8 The council has increased its communication activity in promoting the local support offer in relation to the Settlement Scheme, including social media aimed to reach a range of individuals, businesses and other stakeholders. The council has a dedicated Brexit page on its website, which includes information regarding the local support for residents of the EU Settlement Scheme. The website also includes wider guidance and toolkits for residents and businesses on a range of key areas impacted by the UK's exit from the EU.
- 3.10.9 In promoting take up of the scheme and consistent with the compassionate city approach, the council has allocated £20,000 to support outreach activity, recognising that some communities in Leeds will need more activity to complement the local support offer in the community hubs. It will be allocated in small grants to local VCFS organisations to deliver the outreach programme. Relevant organisations interested in delivering the outreach work have been asked to submit expression of interests, to be considered and approved by a panel of local authority officers leading on this activity.
- 3.10.10 The council will also continue to support looked after children and care leavers who are affected by the EU Settlement Scheme. The council recognises that existing practice to support looked after children in obtaining the right to remain in the UK via the British Citizenship route will continue. Given the EU settlement scheme offers a further route to secure the right to remain in the UK, the current approach being taken is to review each case individually to determine the most appropriate route.
- 3.10.11 The council has maintained engagement with partners about the Settlement Scheme. The Communities Team are working closely and supporting the Children and Families education team and within Adult Social Care with engagement work with schools and commissioned providers in Leeds. Activity to date has included

holding an information session for schools in July 2019 that provided an overview of the EU Settlement Scheme as presented by the Home Office. The session was open to all primary and secondary schools, academies, supplementary schools and learning settings. The council following on from this event received requests from individual schools where they have significant numbers of EU background pupils on their register to update their staff and participate in further events for families. More engagement activity with Leeds schools is planned for the new term with information on the Settlement Scheme at the head teachers (primary) briefing in September 2019, which will in turn enable schools to effectively support children and families impacted by the Scheme. In addition to this, commissioners at the council have hosted two workshops in August 2019, specifically for all Adults and Children care providers in Leeds to further understand the potential impact of the UK's exit from the EU on the social care sector. These workshop sessions focused on the EU Settlement Scheme, contingency planning in preparation for the EU Exit and update of guidance and advice from government. The intention is to repeat these sessions for providers in September 2019. Furthermore, all contracted providers have been asked to submit copies of their business continuity plans produced specifically for the UK's exit from the EU.

- 3.10.12 The Third Sector Partnership Action Plan has now been developed and is being implemented. The council's named contact to liaise with the Third Sector Partnership regarding the implementation of the Plan is the Area Leader with responsibility for Migration in the Communities and Environment Directorate. The third sector partnership action plan focuses on providing information, reassurance and support to local communities. The sector is developing communications to raise community awareness and informing local groups of the national gov.uk site and the council website. They are also working closely with partners to identify and promote potential funding sources to deliver further community cohesion activity. Furthermore the sector is also considering planning another potential citywide event later in the year.
- 3.10.13 The council will continue its active engagement with government, specifically with the Home Office and MHCLG in relation to the settlement scheme both in participating in specific teleconferences arranged for local authorities providing key updates and guidance on the scheme, as well as more direct engagement with the department to seek clarity on matters associated with the implementation of the scheme at local level.
- 3.10.14 A Trade Union Brexit working group has also been established and is chaired by Human Resources officers at the council. Trade Unions are provided with key updates at the working group, including on corporate activities in relation to Brexit and also have the opportunity to raise any specific queries. Matters discussed include the EU Settlement Scheme and the impact of the end of free movement on the council's workforce. The working group is due to meet again in September 2019.
- 3.10.15 Within the organisation, the council has continued to highlight the support available for council staff regarding the Settlement Scheme, including sharing information on the internal council website for staff. The council will continue to encourage and support council staff affected to apply to the Scheme.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Extensive informal engagement has taken place since the referendum result to understand the emerging impact of Brexit in Leeds and the preparations that businesses, public and third sector partners, and communities are making. This activity has accelerated in recent weeks and months, including between services within the council.
- 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 both the elected member and officer working groups 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 plan.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Best Council Plan sets out how Leeds, as a City of Sanctuary, celebrates its rich diversity and aims to be a welcoming city for all. The council has recognised in this Scrutiny Board report 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.
- 4.2.2 The strategic response plan recognises the complex nature of issues related to Brexit including the changes to citizen's rights, possibility of an increase in community tensions 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.
- 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.

4.3.3 This report further includes findings of the Brexit Economic Impact Assessment commissioned by the Council. The Leeds Inclusive Growth Strategy aims to develop a more productive and resilient economy to which all people and places contribute and which supports people to achieve their full potential. This report highlights that given the strong focus on inclusive growth within the city, the impact study will highlight any actions which may impact on the delivery of the Inclusive Growth Strategy.

Climate Emergency

4.3.4 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.

4.3.5 The European Union has itself set targets for reducing its greenhouse gas emissions progressively up to 2050. Going forward, the UK government's proposed Environment Bill seeks to play a key role providing new, post-Brexit environmental legislation. The government has also submitted a bid in partnership with Italy to host the COP26 summit over two weeks at the end of 2020. Glasgow has been chosen as the UK city to host the summit next year, if the UK's bid is successful.

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 these are either already part of normal business or would be subject to further specific decision-making processes when required.

4.4.2 Leeds City Council was awarded £210,000 by MHCLG split across 2018/19 and 2019/20 to assist with the administration costs of Brexit preparedness work. This funding has so far been allocated to support the economic impact analysis work, and the third sector EU Settlement Scheme outreach programme referred to in this report, and to cover some staffing resource to co-ordinate Brexit preparedness activity.

4.4.3 Leeds City Council has been recently informed it will receive a further sum of £105k from the funding allocation announced by MHCLG in August 2019, bringing the total monies granted to Leeds to £315k. This is likely to be spent on staffing to coordinate and deal with additional work, with a sum held for contingency if required.

4.4.4 Leeds are also administering a sum of £150k grant funding on behalf of the Yorkshire and Humber region. To date £20k of this has been used to fund a regional policy advisor.

4.4.5 The Government has also announced a one year spending review and have indicated that this will be made available in September 2019. This will provide indicative allocations for Government departments such as MHCLG but will not provide a detailed breakdown at authority level. This detail will not be provided until

the provisional local government finance settlement, expected in December 2019. How the UK's exit from the EU may impact on this is currently unknown.

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.

4.6 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.

4.6.2 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.

4.6.3 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, scheduled to take place on 31 October 2019.

5.2 This report provides an update on key developments as part of the ongoing review and implementation of the council's strategic response plan. It particularly focuses on the work of the council in effectively planning for the UK's exit from the EU based on the national planning assumptions and the resources and information available at this time.

5.3 The report highlights the ongoing work to understand the potential impact of Brexit on the Leeds economy and the implementation of support for EU citizens in Leeds to access the EU Settlement Scheme.

6 Recommendations

6.1 Scrutiny Board is requested to:

- Note the contents of this paper and the ongoing work to prepare the council and the city for the UK's exit from the European Union.
- Note the recommendations of the Executive Board agreed following the 4th September report.

7 Background documents¹

None

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.

8 Appendices

Appendix A – Strategic Response Plan

Appendix B – Leeds Brexit Economic Impact Assessment