

Report of Chief Executive

Report to Executive Board

Date: 7th January 2020

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

- Following the general election, the report outlines the current national position and the council's next steps on EU exit. There are likely to be developments in between the publication of this report and the Executive Board meeting.

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 was awarded £315k from central government for Brexit preparations, in line with other unitary authorities for 2018/19 and 2019/20. Funding has 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 current national position and council's next steps to prepare the council and the city for the UK's exit from the EU.

Purpose of this report

- 1.1 This report provides Executive Board with an update on the Government's published plans for Brexit and the preparations that Leeds City Council continues to make for the UK's exit from the European Union. There are likely to be developments in between the publication of this report and the Executive Board meeting.

2. Background information

- 2.1 Since July 2016, shortly after the EU referendum result, the council has been working to prepare for EU Exit in line with a five-point-plan approved by Executive Board, as follows:

- 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 During 2019, Executive Board received a series of reports about the strategic response plan covering the 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 enabled a response to a range of EU exit scenarios, all informed by national planning assumptions and guidance.

- 2.3 The Chief Executive continues to be the regional Brexit lead for Yorkshire and the Humber, with a communication role between the 22 councils and Ministry of Housing, Communities and Local Government (MHCLG), Whitehall departments, and the Local Government Association.

3. Main issues

- 3.1 Following the general election on 12th December 2019, a new Government was formed on 13th December 2019. At the time of publication, the new Government is intending to table the European Union (Withdrawal Agreement) Bill 2019-20 on 20th December 2020. This Bill provides for the UK to leave the European Union by 11.00pm on 31st January 2020; as the new Government has a working majority it is expected that the bill will be approved by the Houses of Parliament. The UK will cease to be part of the EU, with no further representation in the EU Parliament, EU Commission or Council of Ministers.

- 3.2 A core part of the Withdrawal Agreement however is that there shall be a "transition period" which begins when the UK leaves the EU and ends on 31st December 2020. During the transition period the UK will follow current EU law in broadly the same way as it did as a member state; for example trade barriers and immigration rules will not change.

- 3.3 The UK and the EU can jointly agree to an extension of up to two years; however this must be requested before 1st July 2020. Between the UK leaving the EU and the end of the transition period, the UK and the EU will be negotiating a future relationship building on the Political Declaration made by the UK and the EU on 17th October 2019. This will cover a wide range of areas including trade, transport, energy, visa free travel and security. If there is not a new agreement in place by the end of the transition period, then the UK would leave the EU with “no-deal”. The government is expected to amend the European Union (Withdrawal Agreement) Bill 2019-20 to rule out any extension to the transition period beyond the end of 2020. The outcome of this will be known by the time of the Executive Board meeting.
- 3.4 Whilst there remains a possibility that the UK could leave the EU without a deal, it is less imminent and so the council will be concentrating in the next few months on the economic and social implications of the transition period, including the EU Settlement Scheme, and new arrangements as they become clear eg trade and regulatory implications.
- 3.5 There are both risks and opportunities to the city’s economy, and the council continues to work with businesses and business representative groups, both through existing contacts and regular roundtable events. Intelligence from these groups, along with the findings of the Brexit Economic Impact assessment, is being used to highlight anything that may impact on the delivery of our Inclusive Growth Strategy.
- 3.6 Existing regional and local reporting structures to central government remain in place on an exception basis during this next phase so that the implications can be monitored and reported.
- 3.7 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 and through a number of local small grant funded voluntary sector organisations. The council continues to engage with the wider third sector locally and with colleagues regionally and nationally implementing the scheme.

Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The council will use existing partnership arrangements to engage with key partners in the city, supplemented by specific arrangements where needed. The communication and engagement with partners during 2019 has been very valuable.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The council will continue to monitor this using existing arrangements as the implications of EU exit become clearer, especially the impact on communities and vulnerable people. Where needed, an Equalities Impact Assessment will be undertaken once there are specific policies and plans developed.

4.3 Council policies and the Best Council Plan

- 4.3.1 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. We will continue to use the ambitions and values to help deal with the uncertain context so that Leeds can be a compassionate city with a strong inclusive economy.

Climate Emergency

4.3.2 It is too early to know what the specific implications of EU exit will mean, but the Climate Change paper elsewhere on the agenda describes the clear ambitions for the council and the city.

4.4 Resources, procurement and value for money

4.4.1 This will be considered on an ongoing basis as the implications of EU exit become clearer and will be subject to further specific decision-making processes when required. Leeds City Council was awarded £315k from central government for Brexit preparations, in line with other unitary authorities for 2018/19 and 2019/20. Funding has 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.

4.4.2 The impact of Brexit on local government settlement remains unclear at the time of writing, with the implications of that covered in the Budget paper elsewhere on the Executive Board agenda.

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 at this stage. A verbal update can be provided at the meeting 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 have been reported before will continue to be monitored through the council's existing risk management processes, with relevant risks on the council's corporate risk register including the UK exit from the EU as a possible source i.e. an event that may cause a risk to arise.

5 Conclusions

5.1 This report provides an update on the Government's published plans for EU exit, what will happen as the UK leaves and the activity in the transition period. Work will continue with partners in the city to exploit opportunities offered by EU exit and minimise risks.

6 Recommendations

6.1 Executive Board are requested to:

- Note the current national position and council's next steps to prepare the council and the city for the UK's exit from the EU.

7 Background documents¹

None

8 Appendices

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.