

Report of the Chief Executive

Report to Executive Board

Date: 21st October 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

- This 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. There has been no further allocation of funding for 2020/21 and all previous funds have been used on previous preparations.

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 current stage of Brexit negotiations during the Transition Period, 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 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.

This work has been delivered through multiple strands of work across the council.

- 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.
- 2.4 During 2019 and early 2020, 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.

3. Main issues

- 3.1 The key legislation to withdraw the UK from European Union (EU) membership – the European Union (Withdrawal Agreement) Bill – became law and received its Royal Assent on 23 January 2020. As of 11.00pm on 31 January 2020, the UK formally left

the European Union, with no further representation in the EU Parliament, EU Commission or Council of Ministers. From then, the UK entered into the current 11-month 'transition period'.

- 3.2 The transition period will end on 31 December 2020. During this 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. The UK and EU are negotiating a future relationship, building on the Political Declaration made by the UK and the EU on 17 October 2019. This will cover a wide range of areas including trade, transport, energy, visa free travel and security.
- 3.3 Given there was no extension to the transition period, the UK will no longer be bound by EU rules on 1 January 2021. From then on, the UK and its businesses will trade on either the new terms negotiated in a free trade agreement (FTA) during this transition period. If there is not a new agreement in place by the end of the transition period, then the UK will leave the EU with "no deal", and start trading with the EU on World Trade Organisation (WTO) terms.
- 3.4 In the Government's Reasonable Worst Case Scenario (RWCS) for borders at the end of the transition period, it has been made clear that regardless of the outcome, (trading on a new FTA basis, or on WTO terms), there will be additional checks for imports and exports. Michael Gove, the Chancellor of the Duchy of Lancaster, has stated that those involved in cross-border trade such as traders and hauliers must act now and get ready for new formalities that will be in place from 1st January 2021. The Government estimates that under the published scenario there could be delays of up to two days at the channel ports, and although the scenario does not anticipate similar delays at other ports in the UK these risks will be monitored through relevant Local Resilience Forum arrangements.
- 3.5 On 8th October the Government has published an updated Border Operation Model which provides more detail on how the border between the UK and the EU will operate from 2021 onwards. The model includes potential locations for inland border infrastructure locations to provide additional capacity away from ports; there are no potential sites in the Yorkshire & Humber region. However the Government has passed secondary legislation providing the right to construct "lorry parks" if required, including one in East Yorkshire, to alleviate potential border delays.
- 3.6 To aid UK businesses and individuals prepare for the end of the transition period, the Government introduced a new campaign in July – 'The UK's new start: let's get going'. Its aim is to ensure everyone is ready to seize the opportunities available, prepare for any changes to how they may trade and travel after the transition period, and what action may need to be taken going forward. The Council's website has been updated to reflect the up to date advice given by the Government.
- 3.7 The possibility that the UK could leave the EU without a deal has increased since the last report in January, as the cut-off date to extend the transition period (which would have had to been agreed by both the UK and EU) has passed – the last day was on 1 July 2020.
- 3.8 The coronavirus pandemic has had unprecedented impact at a global, national and local level. Our relentless focus has been to mobilise the city to help minimise the effects, especially on the most vulnerable, and to keep the people of the city safe. This has inevitably led to a pause in some of our Brexit preparation work while resources have been redirected to tackle the immediate threat of the virus. However, there continues to be both risks and opportunities for the city. We are continuing to focus on the economic and social implications of the transition arrangements, including the EU Settlement Scheme (EUSS), and new arrangements as they become clear e.g. trade and regulatory implications.

- 3.9 Given the signing of the Withdrawal Agreement reducing the immediacy of many of the effects of Brexit, as well as the resources implications of the coronavirus pandemic, there has been a natural pause of the Brexit Officer Working Group meetings. The group has since met in September, and will continue to co-ordinate preparedness and refresh the strategic response plan where needed using a similar approach to that used in 2018/19. This will include reassessing our preparations from last year to ensure that they are still relevant; in particular we will be concerning ourselves with the implications of the RWCS discussed above 3.4 and the potential implications on supply chains.
- 3.10 The cross party Member's Working Group has met again in October and continues to play a key part in highlighting important issues which feed into the preparatory response work.
- 3.11 The council continues to progress the local implementation of the EU Settlement Scheme, although due to the coronavirus pandemic we have had to suspend the free ID checking service in our community hubs. We are planning to restart these services on the 14th October 2020 at Merrion House in accordance with COVID-secure guidelines, and continue to engage with the wider third sector locally and with colleagues regionally and nationally implementing the scheme.
- 3.12 The council continues 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. The council reports to the Home Office on the progress of applications to the EU Settlement Scheme for looked after children and care leavers.
- 3.13 From the most recently available Home Office statistics (up to 30 June 2020), in Leeds there has been 38,880 applications to the EUSS, of which 35,330 have received a decision.
- 3.14 The Home Office has released funding for a further £8 million to help vulnerable people apply to the EU Settlement Scheme. Charities and local authorities across the UK are eligible to apply and we are aware that St Vincent's have successfully applied for this. St Vincent's provide support to EU nationals including regulated immigration advice (OISC level 1).
- 3.15 Throughout the Coronavirus pandemic, the council have continued to maintain a close relationship with businesses and business representative groups through a variety of meetings, the intelligence from which highlights anything that may impact on the delivery of our Inclusive Growth Strategy. We will continue to work with our partners from the economic sector in the coming months as the national context for our future relationship with the EU becomes clearer. Intelligence from these groups, along with the findings of the Brexit Economic Impact assessment, to highlight anything that may impact on the delivery of our Inclusive Growth Strategy.
- 3.16 There is a separate report detailing the Leeds Economic Recovery Framework elsewhere on the agenda for this meeting; this framework proposes an approach rather than a plan to reflect the continued uncertainty that surrounds the economy of which the impact of Brexit contributes towards.
- 3.17 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.

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. These complexities are increased further as we continue to tackle the coronavirus pandemic. 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, and healthy residents.

Climate Emergency

4.3.2 It is too early to know what the specific implications of EU exit will mean for Climate Change, but Leeds City Council still aims to be carbon neutral by 2030. Since the introduction of lockdown measures in March, new ways of working, travelling and socialising has meant an increase in air quality, and we will use these new trends to capitalise on the green sector and creating new jobs.

4.4 Resources, procurement and value for money

4.4.1 This will be considered on an ongoing basis, given both the implications of coronavirus and while the negotiations over our future relationship with the EU become clearer. This 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. However there has been no further allocation of funding for 2020/21 and all previous funds have been used on previous preparations.

4.4.2 There is a separate and more detailed Financial Health monitoring report included on the agenda for this meeting, so the details are not repeated here.

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.
- 4.6.2 A corporate risk on the impact of the UK exit from the EU on the council has been developed, and EU Exit is also a source of other council risks.

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

- 6.1.1 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

Appendix 1 – 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.