

## Report of the Chief Executive

### Report to Executive Board

Date: 18th November 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. Since the last report to Executive Board on 21 October 2020 there has been a limited number of developments which are detailed in the main body of the report. The report has been placed on the agenda to provide Members the opportunity to discuss the matter if anything substantive occurs in the meantime.

### 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. Progress nationally has been limited, however there may be developments in between the publication of this report and the Executive Board meeting and our local preparations are ongoing. The report also provides Members the opportunity to discuss the matter if anything substantive occurs in the meantime.

## **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 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 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 transition period that ends on 31 December 2020.
- 3.2 From 1 January 2021, 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.
- 3.3 At the time of writing, negotiations between the UK Government and the EU are continuing, with the main stumbling blocks believed to be on the issues of fishing, “level playing field” rules on fair competition and the governance of any deal that is signed.
- 3.4 On 22<sup>nd</sup> October the Government announced measures to keep trade flowing at the end of the transition period, including targeted communications, bringing forward legislation to enforce traffic management measures in Kent (Operation Brock) and encouraging hauliers to apply for an ECMT permit which may be needed to support hauliers accessing the EU
- 3.5 In October 2020 the Government launched a campaign entitled “Time is Running Out”; urging business leaders to step up preparations for new arrangements at the end of transition. Further to this, in November HMRC has sent 250,000 letters and emails to VAT registered traders urging them to act now to avoid disruption to their business. The letter sets out action businesses need to undertake now, including appointing a specialist to deal with import and export declarations, check to see if they can delay declarations or duty payments and to register for the free-to-use Trader Support Service if they wish to transport goods into Northern Ireland.
- 3.6 The Brexit Officer Working Group and cross party Member’s Group both continue to meet and will continue to inform the response work and ensure a co-ordinated approach is taken.
- 3.7 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. These services restarted on the 14<sup>th</sup> October 2020 at Merrion House in accordance with COVID-secure guidelines with cases referred from We Are Digital (the scheme’s assisted support provider), and continue to engage with the wider third sector locally and with colleagues regionally and nationally implementing the scheme. We are hoping to maintain this service through the new period of increased coronavirus restrictions if possible.
- 3.8 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. A Brexit specific business roundtable has been held in October which included representatives from businesses across the sector including the food industry.
- 3.9 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.
- 3.10 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. In November the Leader of Leeds City Council attended a Local Government Transition Delivery Board meeting, where issues including impacts on regulatory services and the future of the UK Shared Prosperity Fund were discussed.

3.11 We are aware that the Government will be writing to Local Authority Chief Executives around the publication date of this report. The purpose of this letter is to help clarify the roles, responsibilities and resources available to LAs to enable them to prepare for the end of the Transition Period on 31 December and the changes that will be implemented throughout 2021. The letter covers a range of areas:

- Border Infrastructure & checks at the border including changes to regulatory services
- Data Adequacy
- EU Settlement Scheme & Points Based Immigration System
- Children's Services
- UK Shared Prosperity Fund

These areas are covered in the councils' strategic response plan and updates have been provided on many of these areas in previous Executive Board reports.

## **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.

#### **4.5 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. An 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. The council remains cognisant of concurrent events such as the impact of the Coronavirus pandemic and the impact this will have on our risk profile.

### **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 documents<sup>1</sup>**

None

### **8 Appendices**

None

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<sup>1</sup> 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.