

# Executive

## Exiting the EU - Update on Local Engagement

Item no: 5

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**Summary:** This paper provides an update on preparatory activity at a local and pan-London level in relation to identifying opportunities and mitigating risks for London local government as a result of the UK's planned exit from the EU.

**Recommendations:** The Executive is asked to note this report



## Exiting the EU- Update on Local Engagement

1. This paper provides an update on preparatory activity at a local and pan-London level in relation to identifying opportunities and mitigating risks for London local government as a result of the UK's planned exit from the EU.
2. London Councils has been actively engaging with Government, the Mayor of London, and the LGA to ensure that London's particular needs in relation to exiting the EU are heard. We have also continued to engage with boroughs, chief executives and relevant professional networks to support local preparatory activity and promote the exchange of local insights and practice.
3. Contingency planning is being taken forward under the auspices of the statutory London Resilience Forum, at the request of Government.
4. Leaders' Committee considered a report on preparations for leaving the EU at its meeting in December 2018. In discussion, Members raised the issue of communication with residents and the question of what costs were being incurred by councils as a result of preparatory activity. An update on progress is set out below (paragraph 12), including the development of Key Communication Lines and a survey of costs.

### Contingency Planning

5. Local authority input to contingency planning at a pan-London level is being co-ordinated through the Local Authorities' Panel (LAP), which is chaired by John Barradell, Chief Executive of the City of London. This initiative is operating under the auspices of the statutory London Resilience Forum and working through the Forum's Brexit Contingency Planning Group.
6. The London Resilience Forum is using a risk based approach, and the Forum's Brexit Contingency Planning Group has set out a work plan which covers key areas of risk, including:
  - Business Continuity – supplies / workforce / technical/regulatory/specific
  - Staff welfare
  - Border disruption
  - Critical sectors – health / food / fuel / transport / energy / water
7. All sectors that are represented on the Forum, including London local government have been asked to contribute to the overall London assessment. An initial local government survey was undertaken late last year on behalf of LAP and this contributed to the Forum's initial Brexit Contingency Planning report.

8. It is envisaged that the resilience capabilities and tools that have been established for broader purposes could be utilised to tackle identified risks, such as processes for providing humanitarian support or co-ordinating mutual aid.
9. The Forum's Brexit Contingency Planning Group and its constituent sectoral leads agreed to step up preparatory activity at the end of 2018. In consequence, borough chief executives have been recently been asked to identify a point of contact for communications and reporting in relation to Brexit preparedness in each borough.
10. It is envisaged that the nominated officer will be asked to provide information and intelligence at regular intervals to contribute to the London-wide assessments of any developing impacts. The first call for information under these arrangements went out in early January 2019, with a view to developing an initial picture of impacts on London local government and broader preparedness in February 2019. It is hoped that the emerging findings will be available to inform a briefing to Leaders in February 2019.
11. The nature of the Forum's co-ordination and assessment activity may need to rapidly evolve as further clarity emerges about the UK's future relationship with the EU. This may require the establishment of a formal Strategic Co-ordination Group and a more regular rhythm of reporting from boroughs and other partners.

### **Pan London Co-ordination**

12. London Councils has been actively engaging with Government, the Mayor of London, and the LGA to ensure that London's needs in relation to exiting the EU are heard. We have also continued to engage with boroughs, chief executives and relevant professional networks to support local preparatory activity and promote the exchange of information.
  - The Chair of London Councils (Cllr Peter John – Leader LB Southwark) and the London Councils Executive Member for Business, Europe and Good Growth (Cllr Clare Coghill) sit on the MHCLG Ministerial Brexit & Local Government Delivery Board. The Delivery Board also includes senior political representatives from the LGA, County Councils Network, District Councils Network, and the Core and Key Cities Groups. The Board provides a forum for consideration of the impact of exiting the EU with, or without a deal, on local government, including workforce, supply chains, and council services. The Board last met on 28 November 2018, as reported to Leaders' Committee in December 2018.
  - London Councils initiated a survey of chief executives in late 2018 which revealed that boroughs are putting cross-departmental Brexit planning arrangements into

place. These have a focus on assessing risk, ensuring business continuity arrangements are in place and providing support for communities, including:

- i. Monitoring reliance on EU nationals of council and other public sector workforces
  - ii. Assessing the impact of possible increased border checks and controls between the UK and EU on existing contracts and supply chains.
  - iii. Preparing for potential impact on community cohesion.
- London Councils continues to support borough Heads of Communications in relation to communicating with the public on settled status and has facilitated engagement between the network and the Home Office. This is being supported by further information, key lines and signposting to good practice.
  - Borough Treasurers have been asked to identify the costs to boroughs of preparing for Brexit. We have asked them to identify:
    1. Direct, quantifiable costs to each council incurred or anticipated, if any (e.g. contingency planning, policy officer time etc); and/or
    2. Types of cost pressure they think may arise but are not able to quantify.

Early responses suggest that it may be harder than envisaged to separately account for direct quantifiable costs that have been incurred to date. It is hoped however, that a more comprehensive set of findings will be available to report to Leaders' Committee in February 2019.

13. London Councils is now working to support the development of additional preparatory arrangements within London local government, where these may be required. It is envisaged that this may include a range of service-based initiatives, focussed on areas where there are understood to be issues of common concern across London boroughs. This work would need to be taken forward by convening appropriate professional networks and could include a focus on:

- Adult Social Care
- Children's Social Care
- Waste & the Environment

14. Preparatory activity across service areas may require an assessment of:

- Common workforce planning issues
- Mapping of dependencies on common contractors

- Developing potential guidance / mitigation for boroughs

15. The Government's White Paper on the UK's future approach to immigration announced a consultation on a minimum salary requirement of £30,000 for all skilled migrants seeking five-year visas. The £30,000 minimum earnings rule already applies to non-EU workers in most Tier 2 visa cases but could also apply to migrants from the EU. Concern about the impact on London's economy has been expressed by business Leaders and the Mayor of London in a recent joint letter to the Secretary of State. The salary requirement could also affect health and local government's ability to recruit skilled staff and there may be opportunities for London Councils and regional partners to collaborate over influencing activity in relation to the proposed salary requirement.
16. In the run up to Christmas, officials from the Ministry of Housing, Communities and Local Government began discussions with the Chief Executive of London Councils in relation to potential approaches to communications with London local government. A verbal update will be provided at the meeting.

## **Conclusion**

17. It will be important that boroughs continue to plan and prepare for any anticipated place-based impacts and opportunities as a result of the UK exiting the EU.
18. In addition to pan-London contingency planning which is being led by the London Resilience Forum, London Councils will continue to support pan-London preparations by convening engagement with professional networks, the LGA and the Government, in the run-up to March 2019.
19. The Executive is asked to note this report.
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## **Financial implications for London Councils**

No immediate implications.

## **Legal implications for London Councils**

None

## **Equalities implications for London Councils**

None