

EAST HERTS COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE – 5 FEBRUARY 2019

REPORT BY LEAD OFFICER ON BEHALF OF BREXIT TASK AND FINISH GROUP

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To present findings of the Brexit Task and Finish Group

<u>RECOMMENDATIONS FOR OVERVIEW AND SCRUTINY COMMITTEE: TO NOTE THE FINDINGS AND CHALLENGES (2,8) AND RECOMMEND TO THE EXECUTIVE THAT :</u>	
A	The Findings are shared with Herts County Council and the East of England Local Government Association who are gathering and co-ordinating Brexit issues for the county and region respectively
B	Local businesses are directed to the Herts Growth Hub landing pages for any Brexit related queries
C	East Herts Council Officers explore possible options to support EU residents in the district with the process of applying for 'settled status'
D	The Task and Finish Group continues to meet to consider Brexit relate issues as they emerge

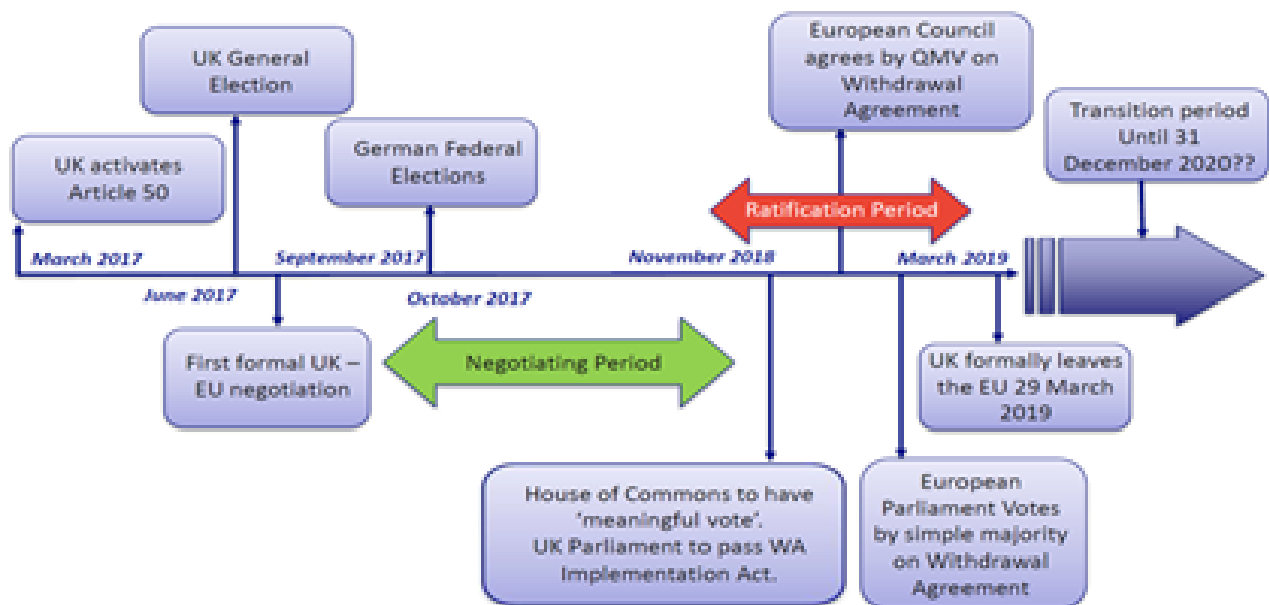
1.0 Background

1.1. Since the 2016 referendum Brexit has become a major pre-occupation for the UK. The Local Government sector response was initially measured, focusing on civil contingency issues and authorities with major transport hubs (such as ports) within their boundaries. As the 29 March looms central government has 'accelerated' its planning for a no deal Brexit. This has prompted

many public sector organisations to do the same. At the request of the Leader, a Brexit Task and Finish Group was set up to look at the potential impact in East Herts. An update on the terms of reference and membership of this group was provided to Overview and Scrutiny on 18th December 2018. This paper provides their findings.

- 1.2. The current position with regards to Brexit is outlined below. Please note at the time of writing Government is in the process of amending their approach after losing a vote in the House of Commons on the withdrawal agreement. A second vote is planned for 29th January.

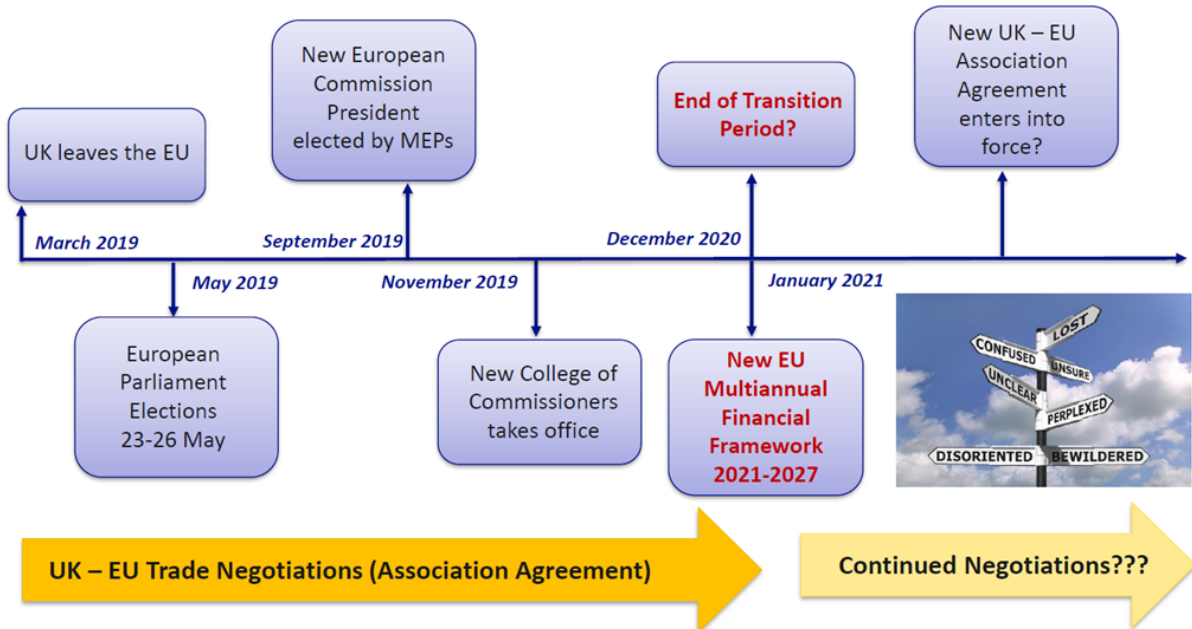
Brexit Negotiations – State of Play



- 1.3. If a withdrawal agreement is agreed before 29 March it will become a legally binding treaty between the UK and EU (covering citizens rights, financial settlements, the Irish border, the transition period and other details). It will not cover the detailed substantive post-Brexit relationship between the UK and EU but covers what the relationship will be immediately after 11pm, 29th March 2019 (midnight in Brussels). On the European side it requires a qualified (2/3rds) majority of the European Council and a simple majority of European Parliament before the transition period begins. The

subsequent process is outlined below. If a withdrawal agreement is not agreed the default position is “no deal”.

Brexit Transition Period



2.0 Report

2.1 The Task and Finish Group is composed of the following Councillors:

- Councillor Mike Allen
- Councillor Mike Casey
- Councillor Phyllis Ballam
- Councillor Geoffrey Williamson
- Councillor Mark Pope
- Councillor Colin Woodward
- Councillor George Cutting
- Lead Officer: Nathan Bookbinder (Policy Officer)

2.2 The terms of reference were to explore:

- The impact on EU nationals who are employees of the organisation

- The impact on residents who are also EU nationals and receive services from the council
- Key Council policies that could be affected (including procurement rules and regulations)
- The local economy – (impact on employment and business)

2.3 The Task and Finish Group has met as follows:

- 12/09/2018 – to discuss Terms of reference and set out topics for discussion
- 04/10/2018 – to discuss impact on EU nationals that work in the organisation, the EU settled status scheme, and review other council preparations for a no deal (eg. Herts County Council)
- 06/11/2018 – to discuss possible affect on EU nationals in the district who receive council services (eg. Housing) and key regulatory areas (eg. Procurement). Claire Bennett (Housing Manager, East Herts) attended to provide evidence
- 18th Dec – to discuss the economy and feedback from businesses. Chris Smith (Business Engagement Manager, East Herts) attended to provide evidence
- 22 Jan – to discuss the economy. Paul Witcomb (Intelligence Manager and Brexit Lead, Herts LEP) attended to provide evidence

2.4 There is no shortage of material on Brexit as a subject but the following LGA briefing provides a useful starting point with regards to local government:

<https://www.local.gov.uk/parliament/briefings-and-responses/brexit-no-deal-briefing-councils>

2.5 Other useful documents that the group looked in terms of a literature review include the Herts LEP study on the potential economic impact in the county and the Bank of England's withdrawal scenario study (both of which can be accessed via links in table 2.8).

2.6 The government also has a dedicated Brexit page on its gov.uk domain which can be accessed here:

<https://www.gov.uk/government/brexit>. This contains a wealth of content, guidance and technical notices from a broad range of regulators and interest groups. Locally, Hertfordshire County Council are leading on sharing local authority research and reviews about the possible impact of Brexit. The East of England Local Government Association is also gathering collective views and concerns to help raise awareness of the impact of a no deal in the region. Many local authorities are in the process of risk assessing the implications of a no deal Brexit in terms of the possible impact on service delivery. It should be noted that forecasting scenarios in itself is challenging given there are many permutations of no deal and many more for a 'soft' or 'hard' Brexit deal. All however have highlighted a number of practical issues such as labour shortages in key sectors (eg. health and social care) and the need for civil contingency arrangements around key transport hubs such as ports.

- 2.7 The majority of wider briefings and reports are preoccupied with the economic impacts of Brexit, focusing predominantly on the negative affects a no deal or hard Brexit and a resulting economic slow down. Very few studies or reports pick up on the potential economic benefits of the leaving the EU and even those that do (eg. The European Research Group) acknowledge that resulting benefits may take some years from the point of Brexit to realise. For that reason the task and finish group devoted two session to the economy.
- 2.8 An assessment of the impact on East Herts is outlined in (Table 1) This is organised by broad themes and reflects discussions and conclusions within the Task and Finish Group.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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