

**Cllr Kevin Bentley**, Essex County Council, Deputy Leader and  
Chairman of the LGA Brexit Task Force

# **Brexit update: Essex Rural Partnership**

**Essex Rural Partnership meeting, 24<sup>th</sup> April**  
**Essex Young Farmers Club HQ**



# Context

- The official exit date has been set for **29 March 2019** with discussions on a subsequent transition period ongoing
- There remains a **high degree of uncertainty** on the outcomes of the negotiations and it appears likely that clarity on many issues will come towards the end of any transition period.
- Whichever form it takes Brexit presents a number of **risks and opportunities** for local communities and local economies

## The LGA and Brexit

- The LGA took a position of neutrality during the referendum and now works to ensure that local communities and economies are taken into account in the Brexit settlement.
- **The LGA Brexit Task Force** - Chairman: Cllr Kevin Bentley
- The role of the Task Force is to coordinate the work of other boards around Brexit and includes officers from all four associations (LGA, COSLA, WLA, NILGA) to ensure a strong UK-wide voice for councils.
- Currently **6 Major Work areas**

# 1. Providing a Voice for local Government

- The LGA has briefed at all stages of the Withdrawal Bill in the Commons, for the Second reading in the Lords and ahead of the Committee stage.
- Recent Chairman events:
  - Gave evidence to the MHCLG and other Parliamentary Committees
  - DCN and CCN conferences
  - Seminar with the Department of International Trade
- The leaders of the four associations meet with DExEU minister quarterly, the last meeting was on the 1 February and focused on the UK successor to EU funding.

# 2. Community cohesion and workforce

- The LGA has continued to highlight the vital role councils play in protecting communities from harm and bringing communities together.
- The LGA have established the number of 'continuing EU' workers in vital public services - 7% of adult care staff are non-UK EU nationals.
- The LGA therefore welcomes the December agreement in which a reciprocal agreement between the EU and UK and the recent draft Withdrawal agreement.

### **3. Decision Making**

- We have been championing a new local/central settle including to ensure powers are devolved down, including:
  - A continued role in EU law-making beyond the consulting rights of the European LGA (CEMR)
  - Transfer of local government rights and responsibility in to the UK legal framework
  - Formalised role in advising Parliament on all draft legislation which affect local government
- Assurances were recently given by the government that local government can expect to be consulted on certain matters around repatriation of laws and the Task Group met with MHCLG Minister Rishi Sunak MP in mid-April to take this forward.

### **4. EU Laws**

- The LGA has reviewed and identified areas of EU law in need of urgent review – including Procurement and Food Hygiene laws
- No reviews may take place until after we exit the EU (or after any agreed transition period), however, the LGA is working to register interest for such review and influence the prioritisation of these reviews.
- LGA evidence around the State aid and possible replacement policy has been picked up and recently published in the Lords EU Committee report on competition and State aid

# 5. Securing Funding

- The LGA continues to lobby for the £5.3 billion of EU funding to England's local communities to be locally driven until the end of 2020 and for a local replacement of at least equal quantum.
  - Through the EU funds Growth Programme Board, the LGA continues to push the principle of local decision-making for current EU funds
  - In July the LGA published several proactive proposals on behalf of council and included a call for this within our 2017 Budget submission
  - In the December phase 1 agreement it was agreed that the UK would continue to participate in EU programmes up to 2020, a clear lobbying success.
- The LGA continues to gather evidence around local vs centralist funding models:
  - ECC's own "Taking back control – Essex's local solution to post Brexit economic growth" report proposing a more localist approach to funding
  - Greater Manchester and other Mayoral Combine Authorities already have devolved EU funding programmes and any central model would undermine this.
- Currently key areas of lobbying are the UK replacement for Structural Funds (UK Shared Prosperity Fund), access to the European Investment Bank and the future of the Common Agricultural Policy and rural subsidies.

## 6. Place Based Impacts

- The LGA has organised a number of local seminars to ensure differing place based impacts are taken into account in Whitehall's approach.
- Following the December agreement the LGA has renewed their call for evidence focusing on economy, workforce, funding and EU legislation in order to gather risks and opportunities and place them on record.
- Risks which we have identified for councils include ports of entry where councils currently have statutory responsibilities, but could potentially have more following Brexit.

# Essex impact

- The 6 quarters since the referendum have seen **GDP growth** in the UK increase, up 2.7% in 2017. OBR predictions are for slower national growth in 2019 and 2020
- Since the referendum the **no of people in work in Essex** has risen to record levels
- Essex's 100 largest companies profits rose to £434m based on increased turnover of £8.3bn. Key business issues\*:
  - **Access to EU labour** – particularly in the hotels and restaurants, transport and storage, wholesale and retail, agriculture, construction, and pharmaceuticals sectors.
  - **Access to EU trade**\* – notably in the automotive sector, industrial products, banking, pharmaceuticals, and energy where imports and exports and EU regulation is highest
  - **Other factors including** - additional traffic and tariff barriers, uncertainty of the EU negotiations, potential cliff edge and relocation and revised supply chains.
- \* *Further research is required to understand how changes to EU/UK trade arrangements post-Brexit will affect Essex businesses and the risks and opportunities that this presents*
- **EU immigration to Essex** measured by National Insurance Number Registrations has been falling since 2015, but the rate of decline has increased since the referendum

# Risks/Opportunities for Essex

Analysis of the impact of Brexit on Essex issues is underway, but there remains much uncertainty:

## 1. Skills and Apprenticeships

- The impact of Brexit on the Essex workforce and the ability to recruit talent in key sectors including construction, agriculture (seasonal work), manufacturing, hospitality and tourism

## 2. Energy Market

- Ensuring the safety, security and supply of energy post-Brexit

## 3. Rural Economy

- The impacts of leaving the Common Agricultural Policy, reliance on EU trade and labour and changes to rural development support

## 4. Trade Deals/Customs Union

- Assessment of potential future trade arrangements & impacts of changes to Customs Union
- An ECC report “**Taking back control – Essex’s local solution to post Brexit economic growth**”, estimates that ESIF funding (2014-2020) will have an economic impact in Essex of c. £300-364m by 2021 - a return of £6.50 per £1 of public investment. It shows that the yield to Essex could have been 10-15% or £33-50m higher by 2021 if this budget had been fully devolved