

Leaders Item 9

**Brexit – COSLA Update**

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| **Summary and Recommendations**This report outlines our intention to provide Leaders with a comprehensive summary of the wide range of policy positions that have been adopted by COSLA concerning Brexit or relevant to our relationships with the European Union in the past. The summary will act as a reference point for COSLA’s agreed positions. It will aid COSLA’s spokespersons and staff in their work to keep Local Government’s interests on the table as we attempt to work positively going forward with the UK and Scottish Governments. It will also allow us to pursue consistent press and social media messaging over the next few months.Further, we are in a rapidly evolving position as the UK Government and Parliament seek to arrive at their own positions of the form Brexit should take and the post Brexit relationship with the EU27 as well as the rest of the world. Whatever scenario emerges over the coming months, the public sector will require to be prepared for that and reports on preparedness and contingency planning will be submitted to Leaders over coming months.This paper invites Leaders to:1. Note the intention, subject to COSLA Political Group Leaders’ agreement, to issue a summary to councils comprising all the various positions relating to Brexit adopted by COSLA over the last few months;
2. Note that these will be utilised appropriately by COSLA politicians in forthcoming engagement around Brexit;
3. Encourage their officers to provide examples of the benefits from current EU funding and other arrangements that they would like to see preserved, as well as any threats or opportunities to local communities from the Brexit process via brexit@cosla.gov.uk; and
4. Note that further reports will be brought back to Leaders on a range of issues relating to Brexit over coming months.
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| **References**Previous reports on Brexit**:*** COSLA Leaders May 2018 – Brexit Update
* COSLA Convention March 2018 – COSLA Plan/Annual Report
* COSLA Leaders November 2017 – EU Funds
* COSLA Leaders October 2017 - UK Withdrawal from the EU – Governance and Update
* COSLA Leaders August 2017 – UK Withdrawal from the EU
* COSLA Leaders February 2017 – Brexit Update and Mandate
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**Anil Gupta, Chief Officer - Communities**

**anil@cosla.gov.uk****; 0131 474 9265 August 2018**



**Brexit – COSLA Update**

# Background and Purpose

1. This report provides an update on COSLA activity and an indication of the work that Leaders are likely to be asked to contribute to over the next few months.

**Current COSLA Position**

1. Leaders will be aware that COSLA has been engaged in a broad range of activity around Brexit since the referendum. COSLA positions on various issues have been worked up and agreed through Leaders and Board meetings.
2. We are now approaching the period of final negotiation of the Brexit deal. It therefore seems a useful time to bring these positions together into one document that helps COSLA’s spokespersons and staff in their work to keep Local Government’s interests on the table as we attempt to work positively with the UK and Scottish Governments going forward. In doing this, we believe this would also be useful to member councils in providing a reference point for any discussions they may be involved in over coming months.
3. The positions collated will be a summary of those that have been agreed as COSLA has responded to Brexit developments, as well as those that have been used in other contexts over the years, mostly from COSLA’s European work or positions adopted over European Union funding.
4. We expect to send this paper out to councils over the next few days. Political Group Leaders will be consulted prior to any paper being issued to ensure the document is useful and the content accords with agreed positions. Not only will the positions included be used to engage strategically with UK and Scottish Governments and others in negotiating around the developing scenarios below, they will also provide a reference point for consistent press and social media messaging over coming months.

**What is changing?**

1. In addition to bring together existing positions, in recent months COSLA has also been discussing with both Scottish and UK Governments the work that might be required for preparedness and contingency planning for Brexit.
2. Currently, it is widely accepted that there are three broad scenarios that we can attempt to plan for. The first is a withdrawal agreement that meets the UK Government’s hope of a frictionless trading arrangement with the EU and maintains significant ties with EU members. This would be the result of the UK Government’s “The future relationship between the UK and the EU” white paper (published 12 July 2018) being well received by EU Negotiators and European government leaders.
3. The second broad arrangement envisages access to the single market and customs union, which would be at odds with the white paper. Being much closer to current EU arrangements, it has been coined ‘Brexit in Name Only’ or ‘BRINO’.
4. The third is leaving without a withdrawal agreement and no trade deal in place with the EU/UK relationship reverting to World Trade Organisation rules – the ‘No Deal’ scenario. At the time of circulating this report the first of a range of reports expected from the UK Government is being published on this. UK Government is expected to produce around 80 such papers over coming weeks. COSLA will seek to analyse these papers as they emerge and the implications for Local Government will be reported to Leaders.
5. The continued emergence of UK Government positions and the positions of the EU negotiators create a moving target for us all. Further meetings are being sought with DExEU Ministers in the early autumn to discuss these. As previously reported, Mike Russell, the Cabinet Secretary for Government Business and Constitutional Relations has also agreed to regular meetings with Cllr Evison, the COSLA President through the next few months.
6. Additionally, Cllr Evison had the opportunity to meet Ben Macpherson, new Minister for Europe, Migration and International Development on the fringes of a recent event for non-UK EU citizens, discussed in detail in a separate report on today’s agenda. That report also refers to survey work being undertaken with councils, and Leaders are encouraged to ensure that their council participates in that.
7. Work continues also with other local authority associations and a meeting of lead politicians is likely over the next few weeks, in advance of a further meeting with UK Ministers.
8. Complementing and informing these political meetings COSLA and Scottish Government officers are now meeting monthly to discuss public sector preparedness for Brexit. The intention is to provide a more detailed report on this work to the next Leaders meeting – broadly focused around the themes of People, Goods and Services, Place and Financial/Funding. It is then likely that regular reports will be required to Leaders up to and beyond so called Brexit Day in March 2019.
9. Further, COSLA is increasingly being invited to participate in UK Government Department Brexit preparedness groups, for example with BEIS. These are still at an early stage, but further detail will be provided as work develops.
10. Broader engagement, which helps us understand the specific concerns of other sectors across civic Scotland and how these link to our priorities, continues through the COSLA Brexit Strategic Stakeholder Group. The next meeting is scheduled for 13 September and will focus on Workforce / non-UK EU citizens and preparedness. This links with work we are doing jointly with the Scottish Government and our own work on the potential impact on the local government workforce.
11. COSLA has a specific email address – brexit@cosla.gov.uk – and councils are encouraged to feed in any questions, concerns, thoughts or suggestions through that.
12. One specific area where it would be helpful to hear councils’ views is around potential loss of EU funding post-Brexit, particularly what that might mean for local communities. As Leaders know, while there are guarantees in place around committed current funding to the end of 2020, beyond that the quantum and priorities for any replacement funding remains unclear. Work needs to begin on that new programme soon and so any information would be useful.

# Next Steps

1. As further detail of the three scenarios emerges over the coming weeks, our activity on Brexit will require more input as we seek to understand the reality of them. This will allow a clearer focus on how we secure, and develop further, the high-level positions agreed so far. It will also help focus preparedness work more solidly.
2. The summary is currently being finalised and will be sent out to all councils over the next few days.
3. The survey work referred to elsewhere on the agenda continues. Further direct work with councils will be required in the coming months as we seek to assess preparedness and resolve any emerging issues.
4. We are currently exploring with Scottish Government the potential to increase our staffing capacity around Brexit.
5. Reports will continue to be provided to Leaders and Boards over the next few months as and when required.

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