

Leaders Item 07

**Private and Confidential**

**Brexit - Update**

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| **Summary and Recommendations**  Previous reports have summarised the work being undertaken by COSLA as we prepare for the UK’s withdrawal from the EU. The terms of the withdrawal remain undecided and Leaders will be aware of the ongoing debate within the UK Parliament. The Scottish Government Resilience arrangements are now well established, and the President or Vice-President is attending weekly meetings.  This paper provides an update on recent meetings with David Mundell, the Secretary of State for Scotland and Mike Russell, the Cabinet Secretary for Government Business and Constitutional Relations, as well as information on a request to the Scottish Government seeking adequate resourcing to help mitigate the impacts of Brexit.  A further oral update on any relevant matters will be provided next week.  This paper invites Leaders to:   1. Note COSLA’s continuing work preparing for the UK’s withdrawal from the EU; 2. Agree that COSLA seek a commitment from Scottish Government to meet any appropriate additional costs councils experience as a result of EU withdrawal; 3. Agree that COSLA continue to monitor this on behalf of councils, and recommends further actions where necessary; and 4. Note that further reports will be provided as required. |

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| **References**  Most recent relevant reports on Brexit**:**   * COSLA Leaders 25 January 2019 – Brexit Update * Convention 14 December 2018 – Brexit Update * COSLA Leaders 30 November 2018 – Brexit Update * COSLA Leaders October 2018 – Brexit Preparedness / Local Government Workforce |

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**February 2019**



**Brexit - Update**

# Purpose

1. To update Leaders on relevant recent developments around the UK’s withdrawal from the EU.

# Current COSLA Position

1. Since the January meeting of Leaders, the COSLA President has met separately David Mundell, Secretary of State for Scotland and Mike Russell, the Cabinet Secretary for Government Business and Constitutional Relations.
2. In terms of the meeting with Mr Mundell on 31 January, Cllr Evison discussed the current position at that time in the UK Parliament, the need for COSLA to be represented alongside the LGA on the UK Ministerial EU Exit Local Government Delivery Board, Immigration Policy post-EU withdrawal, EU Funding and Preparedness. Cllr Evison particularly made the point that a No Deal situation must be avoided.
3. Mr Mundell indicated that while the Delivery Board had not met recently, he was supportive of COSLA being a member and indeed had written in those terms to the Chair. He agreed to write jointly with the President to reassert this. He also provided details of new leading civil service contacts in DExEU and the Ministry of Communities, Housing and Local Government to assist COSLA access, and advised of various events being planned at which he believed COSLA should consider representation.
4. He referred to the Immigration White Paper and Cllr Evison explained COSLA’s agreed position, as discussed elsewhere on today’s agenda. Mr Mundell welcomed COSLA’s lobbying and stressed that the current White Paper was not a definitive position and there would be room for negotiation on its detail, based on consultation responses and evidence.
5. On EU Funding, he confirmed that post-EU withdrawal, the UK Government would remain committed to Erasmus, though he was not yet sure which model, and Horizon 2020. He was less clear around Interreg but agreed to look into it. On replacement EU Funding, he acknowledged the delay but confirmed that the consultation on the Shared Prosperity Fund will finally be published once the terms of EU withdrawal are known.
6. Finally, he agreed to further meetings with Cllr Evison as and when required over coming weeks, and initially over the phone immediately the next “meaningful vote” has taken place to allow discussion on its implications.
7. Cllr Evison met Mr Russell on 5 February. Again, they discussed the current situation in the UK Parliament, the need to avoid leaving the EU without a Deal and Preparedness. However, the main focus was around powers that would return to Scotland once the UK left the EU.
8. Cllr Evison restated COSLA’s agreed position around Scotland having exemplary practice in the post-EU withdrawal period which would protect COSLA and Scottish Local Government’s Committee of the Region rights. Mr Russell agreed that nothing should diminish the current role of Local Government – there should be a ‘no detriment’ principle. There then followed discussion around some of those areas that would potentially return to Scottish and Local Government control. Mr Russell said there was UK wide work on which principles should underpin the way the UK frameworks will be run. He would want to agree these principles between COSLA and the Scottish Government, evaluating any existing arrangements (such as the Cabinet Sub-Committee/COSLA meeting) against them and then making appropriate changes to ensure the ‘no detriment’ principle was adhered to. Cllr Evison emphasised the need for something structured rather than ad hoc. Mr Russell agreed that this could be akin to the current Cabinet Sub Committee/COSLA arrangement, supplemented by ‘sub-group’ meetings with key Cabinet Secretaries. In conclusion, Mr Russell indicated that further discussion between the President and Aileen Campbell on the potential detail would be helpful, following which further work could be taken forward.
9. In terms of ongoing Preparedness work, the Scottish Government’s Resilience Room meetings continue, currently on a weekly basis, but likely to increase very soon should the possibility of No Deal on 29 March 2019 remain a possibility.
10. Work in councils across the country continues, coordinated to some degree through COSLA and Solace.
11. At the last meeting, Leaders approved a list of areas where Local Government requires some form of support to effectively prepare for EU withdrawal. COSLA is exploring these areas both internally and with Scottish Government officials to develop an action plan to take each forward; this plan will be brought to Leaders.
12. The island authorities have particular concerns regarding distance from markets, and the management of their own contracts for food supplies due to not being a part of Scotland Excel’s public sector framework contracts.  Work continues on this.
13. The Resilience Room Risk and Issues Log mentions the possibility of local authorities being provided with funding and resources to coordinate assistance for those finding it difficult to access food. This is something we are discussing with Scottish Government officials.
14. Several meetings of the Ministerial Food Resilience meeting chaired by Fergus Ewing MSP, Cabinet Secretary for Rural Economy, and the Public Sector Food Forum, chaired by the Scottish Government Food and Drink Team, have been held recently, both of which are attended by the COSLA Brexit Coordinator. These have made clear the need for us to work together to ensure consistency of message and this is being progressed.
15. The Communications Team within COSLA are involved in the messaging work that is being taken forward by the Scottish Government and the engagement has been effective to date. This work should ensure that all councils, and other public bodies, have access to the same information and advice to allow them to appropriately advise individuals and organisations/businesses who contact them with concerns. This is a growing and urgent need within the public sector to avoid and allay any concerns and miscommunications.
16. In all this and related work around EU withdrawal, there is a real risk that we develop unworkable solutions due to the pace that work needs to be progressed. This can only be avoided if those who deliver the solutions are fully involved from the outset and COSLA is seeking to encourage this wherever possible.
17. COSLA have continually flagged up the need to ensure that Local Government is adequately resourced to prepare for Brexit, particularly if there is a No Deal. There are a range of pressures that may arise that need to be kept under review. There are also some specific areas that require urgent resourcing to ensure that national and local coordination efforts are robust. To ensure we do not miss an opportunity to secure funding for Local Government preparations COSLA is writing to the Scottish Government setting out what these needs are, or may be in future.

# What is changing?

1. Should there be no deal agreed, then the resource implications are likely to be such that thought will require to be given to reprioritising work at Scottish Government, COSLA and local authority levels. Some current priority areas for policy or legislative development work may have to be delayed for example. This will be discussed between COSLA and the Cabinet Sub-Committee on 19 February and an oral update will be provided.
2. The Scottish Government has advised that all Barnett consequentials are included within the total Scottish Government budget, and the Local Government Settlement reflects the maximum that can be allocated from within this. However, the Cabinet Secretary for Communities and Local Government, Aileen Campbell, has stated the Scottish Government would consider any quantified needs that Local Government has around Brexit preparations.

# Proposed COSLA Position

1. Work is ongoing on all the aspects discussed above. Where relevant, the most up to date position will be provided to Leaders at the meeting.
2. Specifically, COSLA officers have worked with SOLACE to ask Scottish Government to fund a Resilience Coordinator in each Council (equating to £50,000 per officer, with on costs), to help ensure preparedness work is adequately resourced.
3. In addition to the specific need to strengthen Brexit preparedness arrangements, there are a range of other pressures that COSLA are aware that Scottish Local Authorities will face should the UK exit the EU without a deal. Work is ongoing with SOLACE, other professional associations and Scottish Government to quantify this.
4. In general terms we will be seeking a commitment from the Scottish Government to meet any appropriate additional costs councils experience as a result of EU withdrawal.

# Next Steps

1. If Leaders agree, among other things, the COSLA President will write to the Scottish Government seeking a commitment to ensure Local Government resource needs for Brexit preparedness are understood and addressed, both in the short and long term.
2. **February 2019**