

**This document is distributed under point 4 of the Agenda of the February 2017 Bureau**

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*From the Leader of the UK Delegation*

Mr Markku Markkula  
President of the European Committee of the Regions

Sunderland, 18 January 2017

Dear President

**BREXIT**  
**Positions of the associations of local government and devolved bodies**  
**in England, Scotland, Wales and Northern Ireland**

In response to a request from your office, I attach a paper summarising the position in the four constituent countries of the United Kingdom.

These contributions have been drafted in each of the four countries, collated as received and without amendment, therefore please accept apologies for any duplication or inconsistency in format.

Yours sincerely,

Cllr Paul Watson  
Leader, UK Delegation to CoR

## **Local and devolved governments in the UK and Brexit**

The United Kingdom is a decentralised unitary state, comprising England and three countries with devolved governments: Scotland, Wales and Northern Ireland. Although the UK Parliament retains absolute sovereignty, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly have acquired differing degrees of legislative powers since devolution in 1999. In addition, London has a directly-elected Mayor and city-wide assembly. Each of the four countries has its own association of local government: LGA, CoSLA, WLGA and NILGA.

### **ENGLAND**

The **Local Government Association (LGA)** has identified five priority issues for local authorities in England in relation to the UK's departure from the EU.

- First, local authorities want to ensure that responsibilities repatriated from the EU are not centralised in Whitehall. To this end, the LGA has developed principles to guide local government's thinking around a new constitutional settlement post-Brexit.
- Second, there are many EU laws that affect the day job of local councils. The future review of UK laws of EU origin must be informed about their real world impact, and it must lead to new legislative freedoms and flexibilities for councils so that local communities, businesses and consumers can benefit.
- Third, the UK Government needs to begin developing a regional growth policy which must be fully funded to deliver its ambitions and be locally driven post-Brexit. The LGA is developing work that considers how a UK replacement for EU funding can take account of a number of possible post-Brexit scenarios and support the Government in developing a bespoke approach.
- Fourth, councils play the leading role in bringing communities together and will be key players in tackling challenges such as the retention of skilled workers. For example, with 7% of existing adult social care staff from other EU nations, the LGA has argued that securing a sustainable adult social care workforce and excellent care skills must be a priority for the Government.
- Finally, it is vital that government departments work in partnership with the LGA to evidence and address the real and varied impacts and opportunities of Brexit at the local level, in both urban and rural areas. The LGA is leading a commission with Government and local authorities to build the evidence of the place-based impacts of exiting the EU.

### **LONDON**

The **Mayor of London** views it as important for both London and the country that the UK does not turn its back on Europe, even though the UK is leaving the EU, and that the UK should aim to maintain close and appropriate ties that add strength to its economy, and enrich the social and cultural lives of its citizens.

In the Mayor's view, it should be a priority for the Government to negotiate bespoke access to the single market that allows UK and international companies based in successful sectors such

as finance and related professional services, creative, cultural and media services, science and technology, higher education and pure and applied research, to go on servicing the whole of Europe.

The Mayor also wants Europeans living in London to have the confidence that their rights will be protected. He is therefore working with the Government to ensure that London continues to retain its leading world city status post-Brexit and it is why he has also launched a hugely successful campaign #londonisopen to show to the world that London is united, open for business and remains entrepreneurial, international and full of creativity and possibility.

## **SCOTLAND**

The **Convention of Scottish Local Authorities (COSLA)** is the national and international voice of Scottish Local Government as well as the nominating and supporting body of the four councillors representing Scotland at the CoR. The Convention backed Remain on a cross-party basis and, given its role and strong influence in Europe, it is clearly disappointed with the outcome.

As regards to the CoR's activity, which COSLA regards as central to its engagement with the EU, it stresses that the Scottish CoR members should retain all rights and obligations that every CoR member has up to the point of the UK formally leaving the EU. This includes the right to attend, speak and receive in a timely manner expenses for attending CoR statutory meetings, working groups, political groups, Bureau and ad hoc meetings, as at present. They should also be able to table amendments, be rapporteur and, in the forthcoming mid-term change, be able to stand for election at Committee and CoR political positions – exactly as they have always been. Furthermore, given that Scotland and COSLA campaigned for "Remain", COSLA urges the CoR to work with it to ensure that the interests of Scottish communities are not unfairly damaged by the Brexit negotiations, including the support by CoR of COSLA's call to retain as many links as possible at political, policy and financial levels with the EU post-Brexit, just like its Norwegian and Icelandic peers do.

Since the vote COSLA, like the Scottish Government and the Scottish Parliament, have been considering the wider implications going forward. The UK Government Secretary of State for Scotland, the Rt. Hon. David Mundell MP, has met COSLA's President and has offered full cooperation to Scottish Councils and COSLA including direct discussions with UK ministers and officials ahead of the UK setting out its position. Meetings have also been held with the Scottish Government Minister for UK Negotiations on Scotland's Place in Europe as well as with civil servants. The COSLA President has also given oral and written evidence to a range of inquiries at the UK and Scottish parliamentary committees.

To support this a range of officer and political arrangements have been set up internally as well as with member councils to identify key priorities and detailed impacts. In essence COSLA's priorities are as follows: to identify EU legal liabilities and transitional arrangements that need to be considered by the Great Repeal Act – in so doing to ensure the risks of so called 'Brexit' for community cohesion are addressed, confirm the status of EU foreign nationals and UK nationals in other Member States and seek to protect the range of rights and

benefits for constituents that are currently safeguarded by EU membership. The UK is likely to ask to continue paying into a range of EU funds of mutual interest (research, energy, transport). COSLA would like councils to continue to be eligible in future for INTERREG (cooperation with other local authorities) and similar funds such as the Horizon 2020 programme for societal change or e-government like our Norwegian and Icelandic colleagues.

It is worth noting that the **Scottish Government** “Scotland’s Place in Europe” proposals to keep Scotland accessing the EU Single Market – tabled on 20 December 2016 – go broadly in a similar direction as COSLA’s.

Lastly, as ‘Brexit’ will change the Devolution settlement COSLA are calling for a constitutional forum where the UK, Devolved and local governments agree where the competences returned from the EU should rest, in line with the Principle of Subsidiarity and the Charter of Local Self Government of the Council of Europe. The same applies for any future trade deals that the UK might negotiate.

## **WALES**

The **Welsh Local Government Association (WLGA)** has found that, at one level, the core issues faced by Wales in relation to exiting the EU are very similar to those faced by the rest of the UK. They relate to uncertainty over the future, including legislative arrangements, economic implications of any loss of open access to the single market, and the consequences for investment and employment, and cultural links and ties. However, the devolution of powers to Wales under the Government of Wales Act, and successive Wales Acts, raises a number of additional issues. These relate to the ways in which powers being passed back to the UK from the EU are handled. In some cases, there will be a need for UK-wide Frameworks to replace current EU ones. However, where these cover devolved powers (e.g. agriculture) it is essential that Wales is centrally involved in their development.

It is important that UK Government work in such areas is undertaken with input from all the devolved nations to ensure that relevant elements, reflecting nationally-specific matters, are taken on board. Further, it will be important to ensure that all EU laws, policy and funding in all the devolved matters are repatriated from the EU to all the devolved nations. Also, in relation to local government finance, any downturn in UK economic performance leading to a deterioration in public finances could see a further squeeze on the resources available to Welsh local government if there is an impact on the block grant. The implications for Wales, where c80% of local government income is still from this source would be a serious concern. Further, the funding that Wales currently receives from both the EU Structural Funds and the Common Agricultural Policy (CAP) must be allocated to Wales over and above the Barnett Formula as a recognition of Wales’ continued needs and circumstances as one of the most deprived areas of the UK post-Brexit.

The work being done by WLGA in relation to exiting the EU has included Reports to its Co-ordinating Committee (all local authority Leaders), and the submission of evidence to National Assembly of Wales inquiries (one on future agricultural and rural policies and one on the implications of the UK’s exit from the EU for Wales). Input to the WLGA response to the former

inquiry was sought from the WLGA's nine Rural Forum authorities whilst the latter included input from local authority Chief Executives. In addition, a regular Newsletter, prepared by the WLGA's Brussels Office, and distributed widely throughout local authorities in Wales, has contained updates on developments. WLGA has also been liaising with LGA, and the other UK Local Government Associations, and will seek to continue to work with and, where appropriate through, the LGA and its links with UK Government, to ensure the views of Welsh local government are fed into discussions. WLGA are also in regular contact with the Wales Office.

The **Welsh Government** has established a European Advisory Group to inform its own approach and WLGA is represented on the Group by Councillor Phil Bale, Leader of Cardiff and the WLGA' Spokesperson on Europe. Welsh Government is working with relevant UK Government Departments at Ministerial and Senior Official level. It has established internal officer working groups to co-ordinate Welsh Government input. In some cases, external input has been sought, for example, there has been extensive consultation and engagement on agricultural and rural issues. WLGA has participated in these initiatives and has also offered to collate and feed the views of local government into the Welsh Government's other internal working groups.

The Welsh Government is working towards publishing its position prior to the inter-governmental meeting between the UK Government and three devolved governments towards the end of January 2017.

## **NORTHERN IRELAND**

The **Northern Ireland Local Government Association (NILGA)**'s priorities regarding the UK's EU Referendum Outcome have been stated clearly to the NI Executive and Assembly. During and after the EU institutional withdrawal, we need to protect peace, invest in essential public services and infrastructure, grow our fragile and peripheral economy and plan to deliver outcomes in a political and institutional environment that sees ever more entrepreneurial government, so that a dynamic, anticipatory approach is taken. To do this requires an evidential and ambitious approach. Under new burdens principles, councils should in no way be materially disadvantaged as to do so would disrupt the now prized community cohesion in NI together with essential jobs and infrastructure as befits a geographically remote part of Europe. Of the utmost importance will be the need to ensure localized solutions across and within regions. So, local government is essential as an information and solutions provider and must be included in all relevant discussions.

NILGA will materially seek support for all Northern Ireland's councils (in particular those border councils who will have circumstances unique to themselves resulting from the land border – including about 40,000 two state border residents/ employees). NILGA will assist with analysis and presentation of information, development of opportunity and political/ strategic insight as the implications of the EU UK referendum become clear. It is imperative that Northern Ireland receives a Net Alternative Investment Fund after 2020 for a minimum five year period first phase, dispersed at regional and local level, to protect against becoming economically

peripheral, and to maximize trade opportunities and uphold the principles established in the Good Friday Agreement.

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