

Enfield Brexit Panel

Date: **28th February 2019**

Timing: **1500-1600hrs**

Venue: **Room 5.1, 5th Floor, Civic Centre**

Attendees:

Cllr Daniel Anderson (Chair), Sarah Cary, Shaun Rogan, Gemma Young, Andrea Clemons, Claire Reilly, Matt Bowmer, Julie Mimmagh, Shima Tailor, Erica Cranshaw (Police), Steve West (LFB), Lee Shelsher

Apologies: Tony Theodoulou, Helen Papadopoulos, Nicky Fielder, Jayne Middleton-Albooye, David Greely, Jill Harrison (Enfield Cab), Fay Hammond

Draft Agenda

- 1 Welcome and actions from last meeting** (attached)
(Cllr Anderson)
- 2 Political update on Brexit process**
(Cllr Anderson)
- 3 Risk Register update**
 - Overview (Gemma Young)
 - Fuel (paper attached – Shaun Rogan to feed in)
- 4 Community Offer/Communications planning updates**
(Shaun Rogan/Lee Shelsher/Shima Tailor)
- 5 Regional resilience update**
 - *NHS paper attached*
- 6 Discussion on business case for dedicated Brexit resource**
(Shaun Rogan)
- 7 Any other business (Inc. date of next meeting)**

Summary Action Note

Enfield Brexit Panel

Date: **14th February 2019**

Timing: **1500-1600hrs**

Venue: **Room 5.7, 5th Floor, Civic Centre**

Attendees:

Cllr Daniel Anderson (Chair), Tony Theodoulou, Sarah Cary, Shaun Rogan, Ejaz Patel, Andrea Clemons, Claire Reilly

Apologies: Gemma Young, Helen Papadopoulos, Nicky Fielder, Jayne Middleton-Albooye, Julie Mimmagh, David Greely, Gemma Young, Andrea Clemons, Erica Cranshaw (Police), Steve West (LFB), Bindi Nagra, Andrea Clemons

By telecon: Fay Hammond

Draft Agenda

- 1 Welcome and actions from last meeting** (attached)
(Cllr Anderson)

Previous actions were updated.

- 2 Political update on Brexit process**
(Cllr Anderson)

No further action on this item

- 3 New draft risk register**

Action: It was agreed that priority on the 'Day 1' risk register should be given to BR3 (Fuel) and BR4 (Medicines). An emergency plan already in place regarding Fuel and that **Helen Papadopoulos** would be asked to present on this item at the next meeting. The other risks on the 'Day 1 Risk Register' would be treated as secondary and if necessary downgraded in terms of their assessed level of risk (all presently high). The same process would apply to the longer term risk register. A new iteration of the Day 1 Risk Register would come back to the next meeting with more detail on mitigations for BR3 and BR4 (**Ejaz Patel** to coordinate)

- 4 Communications planning**
 - Discussion on updating web content and messaging*
 - Community offer options – libraries/registrars?*
 - Expanding membership?*

- 5 Regional resilience update**

- *Brexit Tracker completion and ongoing monitoring requirements – resource implications (Shaun - discussion)*

6 **Update on funding offer from central Government to support LA's – need to develop business case dedicated resource element? (Fay-Shaun discussion)**

7 **Any other business (Inc. date of next meeting)**



Ministry of Housing,
Communities &
Local Government

Dr Jo Farrar

*Director General, Local Government and Public
Services*

**Ministry of Housing, Communities and
Local Government**

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19 October 2018

To: Chief Executives of local authorities and combined authorities in England

Dear colleague,

PREPARATIONS FOR EU EXIT

Government departments working on EU Exit arrangements will shortly be engaging with councils to ensure their readiness for EU Exit. The government is confident it will secure a good deal but believes it to be responsible and prudent to also prepare for a 'no deal' scenario.

MHCLG is helping relevant government departments understand where there may be impacts they have not recognised, facilitating engagement with councils and advising on new burdens responsibilities. Our Secretary of State chairs a Delivery Board, attended by ministers and senior officials from across Whitehall where they can talk confidentially with representative sector organisations. We will be holding six regional workshops over the coming months, bringing together senior officials from departments and key officers from councils in that region for more granular discussions. Invitations with details on dates and venues will be issued shortly.

I am aware of sector frustration that more information on the potential impact of EU Exit on local areas and councils has not been readily available due to its sensitivity, but we are working hard to pull such analysis together so it can be shared.

To help us gauge readiness in the sector, it would be helpful to get feedback about your local EU Exit planning and the degree and nature of related engagement you have had to date with central government departments or their agencies.

This will help us understand the scale of delivery challenge which local councils face. I recognise some of you will already have been passing similar information to regional or national representative sector bodies. If that's the case, please just let us know and we'll continue to liaise with those organisations over the information and feedback that they are gathering.

Please send through your responses and any specific queries you might have to LEngagement@communities.gov.uk. It would be most helpful if we could get these by 26 October.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jo Farrar', written in a cursive style. The signature is positioned to the left of a vertical line.

DR JO FARRAR

Key Concerns	Next Steps
<p>Updated waste information</p>	<p>Introduction of EU Exit SI legislation for waste will ensure all Regulations pertaining to waste operate on day 1 of EU exit in the same way in which they operated on the day before EU exit.</p> <p>As of 21st February 2019, Defra has received confirmation that all EU competent authorities (apart from Spain, which is being managed separately due to the complex nature of the diplomatic relationship with Gibraltar) have agreed that licences for notified waste can continue in their current form if we leave the EU without a deal. This means no new applications will be required to allow the export of UK waste to these EU Member States. UK government officials are continuing to work with Spanish authorities to ‘roll-over’ existing licences for shipments to Spain.</p> <p>The extra cost to industry of tariffs which could be expected to apply in a no-deal scenario are not expected to have a significant impact on the waste industry.</p> <p>Government departments have been working to design customs and other control arrangements at the UK border in a way which ensures goods can continue to flow into the country, and won’t be delayed by additional controls and checks. The Government recognises the potential implications of disruption at ports in a ‘no deal’ scenario on the export of waste and the waste management industry. A range of contingencies are being put in place, not only to identify solutions in the event of disruptions to waste exports at ports but also to prevent these disruptions from occurring. We have been investigating several options and working closely with the Devolved Administrations, the UK Competent Authorities and engaging with waste management stakeholders to ensure we are prepared to deal with any issues on both a local and national level. Defra’s preparations for EU Exit has included assessment of the impacts on Local Authorities, including in a “no-deal” scenario.</p> <p>On the 10th January, the Defra EU exit team held a ‘No Deal’ contingency planning event with over 70 stakeholders from the waste industry, Local Authority representatives and the Devolved Administrations. We communicated the work being done by Defra to ensure that there is unlikely to be a major operational change affecting businesses. Specifically, we shared the no-deal contingency planning being done by Defra, Environment Agency and the UK’s cross-governmental Border Delivery Group. Also, we elicited the concerns of stakeholders, explored their preparations for ‘No Deal’ and answered any questions.</p> <p>Another event is planned for the 18th March; we are planning to focus on no-deal preparations, however the content will reflect the situation on the day. We will be circulating further information to stakeholders, including local authorities, as soon as possible.</p>



To: London Borough Leaders
and Directly Elected Mayors

Contact:
Direct line:
Fax:
Email:

Barbara Salmon
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Barbara.salmon@londoncouncils.gov.uk

Date: 5 March 2019

Dear Colleagues

Update on EU Exit Preparedness

Following on from the discussion at Leaders' Committee in February 2019, I am writing to provide an update on London local government's preparatory activity in relation to the UK's planned exit from the EU.

Local authority contingency planning at a pan-London level is being co-ordinated through the Local Authorities' Panel (LAP), which is chaired by John Barradell, Chief Executive of the City of London Corporation. This initiative is operating under the auspices of the statutory multi-agency London Resilience Forum (LRF). The current focus of the LRF-led contingency planning is on the potential impact of a short-notice no-deal Brexit. Planning includes preparations for impacts in relation to Health, the economy, the environment and wider society.

In addition, John O'Brien, is one of nine local authority chief executives who are working with the MHCLG as part of a national information sharing network to facilitate information flow between central government and local councils. The focus is on gathering and organising up to date intelligence and information on the issues of most concern across each region – then escalating emerging risks and threats to Government.

Single Points of Contact (SPOCS) have been identified in each London local authority and they are feeding into a regular weekly exercise to streamline the flow of information between central government and London local authorities. The feedback that we collect is being used to inform both the escalation of emerging issues to Government via MHCLG and to inform the LRF's contingency planning work.

We have used the process to amplify concerns that have been identified by boroughs in relation to:

- The need for increased clarity from Government about Settled Status requirements – both in public communications and in relation to expectations around authorities' support role for vulnerable adults.
- Concern around the lack of clarity on the eligibility of EEA residents arriving after the 29th March to access local services - as well as the potential future NRPf implications for boroughs

- Concerns about demonstrations and community tension – as well the impact on local authority service delivery and the diversion of front-line policing resources.
- The need for urgent clarification on the status of regulatory powers after 29 March and the need for certainty about the legislative basis of wider local government powers and responsibilities beyond EU Exit.
- The need for guidance on national contingency plans to help inform planning and communications with residents.
- Falling business confidence reported by some boroughs highlighting need for clarity around terms of deal/no-deal.

In addition, there are a number of key themes that cut across individual services, including workforce impacts; supply chains and data transfer.

I continue to work at a political level to ensure that London's particular needs in relation to exiting the EU are heard by Government. Together with Clare Coghill, I have represented London Councils on MHCLG Ministerial Brexit & Local Government Delivery Board and have discussed the issues arising with representatives of other party groups. The Board, which is chaired by the Secretary of State for Housing, Communities and Local Government, provides a forum for consideration of the impact of exiting the EU with, or without a deal, on local government, including workforce, supply chains, and council services. I also took part in the Mayor of London's Advisory Group on London's preparedness for a 'no deal' exit from the EU which took stock of London's readiness when it met last Friday, 1 March 2019

In the coming weeks, the London Resilience Forum's co-ordination and assessment activity will be scaled up as required - as further clarity emerges about the UK's future relationship with the EU. This may require the establishment of a formal Strategic Co-ordination Group, with a key role for London local government and a more regular rhythm of reporting along with other partners.

A further report on London's local government preparedness will be prepared for Leaders' Committee on 19 March 2019.

In the interim, I would like to thank you and everyone in your authority who has contributed to these preparatory arrangements so far.

Yours sincerely

A handwritten signature in black ink, appearing to read "Peter John".

Councillor Peter John
Chair



Department of Health & Social Care

*Caroline Dinanage
Minister of State for Care*

*39 Victoria Street London
SW1H 0EU*

020 7210 4850

**To: Adult Social Care Providers
Local Authority Chief Executives
Directors of Adult Social Care**

26 February 2019

Dear Colleague,

Further to the [letter](#) of 21 December 2018 from the Permanent Secretary, I am writing to update you on work to ensure the continuity of supply of medicines and medical products in the event the UK leaves the EU with no deal.

Leaving the EU with a deal remains the Government's top priority. However, the government must plan for every possible outcome including no deal. We are working closely with the Ministry of Housing, Communities and Local Government to ensure local authorities and the adult social care sector are as prepared as possible for the implications of EU Exit.

My colleague, Stephen Hammond MP, the Minister of State for Health, yesterday made a written ministerial statement to Parliament on our plans for ensuring continuous supplies. The text of the statement is set out here:

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-02-25/HCWS1358/>.

Update on adult social care guidance for EU Exit planning

The contingency arrangements that are being implemented nationally will provide a significant level of supply resilience for a full range of products that adult social care providers will require to ensure they can maintain care for the people they support. However, to enhance this resilience further, we recommend that adult social care providers take the following actions ahead of 29 March 2019:

- **Providers of care services do not need to stockpile products.** However, where your organisation relies on receiving products directly from the EU on a short lead time basis (i.e. 24 to 48 hours), you may need to plan for longer lead times of around three days as part of business continuity plans.
- Assess your ability to receive stock deliveries outside your current normal goods receipting hours.
- Refer to business continuity plan guidance issued in the 21 December 2018 [letters](#).
- Work at local level with the relevant Director of Adult Social Services

It is important that we are prepared to respond to any supply disruption incidents that may arise in the event of EU Exit with no deal. National Supply Disruption Response processes and operations will be in place to co-ordinate actions to address any supply disruption incidents across the health and care system.

Further details of the National Supply Disruption Response arrangements and how health and social care organisations and their suppliers can interact with this system will be communicated at the beginning of March.

I hope that you find this update useful and I thank you for everything you are doing to ensure that your component of the health and care system is ready for this eventuality. We will keep you updated on the Department's plans.

Kind regards,

A handwritten signature in black ink, appearing to read 'Caroline Dinéage', with a stylized, cursive script.

CAROLINE DINENAGE MP
MINISTER OF STATE FOR CARE

The impact of Brexit on health and health services: Panel meeting 28th February 2019

The NHS has identified several risk areas that may result from Brexit.

In response:

- The NHS National Co-ordination Centre is now in place for intelligence gathering, the cascade of information, and supporting responses
- A 4-level incident escalation protocol has been developed (*Limited – Moderate – Significant - Critical*)
- NHS organisations are encouraged to escalate any incidents
- Daily 'sit-reps' will be introduced by region focussing on overall system performance and incident responses

Potential impacts are summarised in the table reproduced below but the following provides a highlight of key issues and responses by the NHSE London to date:

Medicines & Vaccines supply

- Advice has been given not to stockpile beyond 6-weeks supply
- GPs are being encouraged to reassure patients that extra medication is not required and not to issue longer prescriptions
- Good understanding in place of national demand for stocks and supplies
- Significant buffer stocks are now centrally held, which will be replenished on a continuous basis
- The *National Medicines Shortage Response Group* has been established
- Local collaboration may be required between organisations where stock shortages are identified and supplies could be shared
- Arrangements are in place to air-freight any 'short-life' medicines that are not suitable for the normal stockpile period
- Trusts are encouraged **not** to plan for reduced elective activity
- The Government is putting 'serious shortage' protocols in place (e.g. to enable community pharmacists to dispense alternative medicines against a prescription without the need to go back to prescriber)
- Multiple communications channels are being used to engage with General Practices
- Organisations are asked to log where alternative supply routes for medicines / drugs result in increased costs

Workforce

- Not seen as a 'day one' issue
- EU Nationals account for 5% of total NHS workforce
- Organisations encouraged to continue to monitor numbers of EU nationals and ensure staff are aware of the EU Settlement Scheme

Medical Devices & Clinical Consumables (MDCC)

- No need to stockpile MDCCs
- Organisations are encouraged to plan for 48 hour (rather than 24 hour) lead times from order to delivery of MDCC products received via the Dedicated NHS Shipment Channel
- Trusts asked to bring forward the year-end stock-take - to complete by 8 March 2019

- Organisations encouraged to plan for potentially needing to receive supplies outside of the normal operating hours (in the event of alternative transport routes being required)

Non-Clinical Consumables & Services

- Where an organisation is clear that it is the sole NHS purchaser of a particular service – it needs to take responsibility for that provider's readiness
- Organisations encouraged to 'walk the floor' to identify potential risks to the running of facilities / estates
- More guidance to follow on food and laundry

Blood & Transplant

- No stockpiling required – continue to operate as normal

Clinical Trials

- Clinical Trials should continue as normal
- Trusts should ensure R&D departments are aware of, and following, the EU Exit guidance and DHSC Technical notices

Data

- Organisations need to be clear where any personal data is being held outside of the UK
- Organisations encouraged to avoid any system upgrades that are planned for the end of March / start of April
- Also encouraged to ensure usual 'business continuity' assurance checks in place for:
 - cyber-threats
 - provision of technology / digital supplies from EU suppliers

Readiness

- To help with preparations, a reminder was provided of using the 'business continuity scenarios' that have been circulated to Trusts
- Similar scenarios may be developed for Primary Care

Updating Boards

- Organisations are encouraged to ensure Boards are kept updated on EU Exit preparations.

Potential impact of four Brexit scenarios

	No-Deal Brexit	Withdrawal Agreement	Backstop (Northern Ireland Protocol)	Political Declaration on the Future Relationship
Workforce				
Recruitment and retention of EU nationals in the NHS	No provisions facilitating recruitment and retention of NHS workers	Legal framework continues with some changes, retention and recruitment continues; uncertainty over administrative arrangements	The backstop does not include protections for residency of EU or EEA nationals; Irish nationals in UK do not need new status but all other EEA nationals do	No provisions facilitating recruitment and retention of NHS workers
Mutual recognition of professional qualifications	Theoretical potential to improve standards likely to be hampered in practice by recruitment needs	The existing provisions for mutual recognition of professional qualifications and the related alert mechanisms will continue	Theoretical potential to improve standards likely to be hampered in practice by recruitment needs	Declaration indicates weak ambition for arrangements on mutual recognition of professional qualifications; but this is already less ambitious than the Canada-EU Free-Trade Agreement, which has not yet led to any substantive cooperation
	Mutual recognition and protections it gives stops immediately, and will limit information exchange about health professionals moving across Europe		No provisions for mutual recognition beyond end of transitional period	
Employment rights for health workers	No protection other than in domestic law of existing rights	Legal framework continues	Legal framework continues under some level playing field rules in employment law; nationality is not a forbidden ground of discrimination under these laws	Typically, free-trade agreements such as Canada-EU Comprehensive Economic and Trade Agreement do not involve enforceable employment rights provisions
Financing				
Reciprocal health-care arrangements	No rights in place because legal framework ceases immediately	Existing mechanism for coordination of social security continues; might lead to practical registration issues	No provision for continued reciprocal arrangements for social security	Potential for some weaker form of reciprocal health-care coordination than now, but linked to future free movement between the UK and EU
Capital financing for the NHS	Access to EIB stopped and capital financing generally undermined	Legal framework continues for existing EIB-financed projects but no new financing from the EIB	Access to EIB stopped and capital financing generally undermined	Potential to participate in and receive funding from the EIB; probably less capital financing than now
Indirect impact on NHS financing	Severe effect on wider economy and thus NHS financing	Some effect on wider economy and thus NHS financing	Some effect on wider economy and thus NHS financing	Some effect on wider economy and thus NHS financing
Medical products, vaccines, and technology				
Pharmaceuticals	Absence of legal framework for imports or exports drastically affects supply chains; major disruption expected	Continued application of EU law to circulation of medicinal products; for regulation and licensing, the UK becomes a rule taker; loss of global influence through role in European Medicines Agency	Continued application of EU law to circulation of medicinal products; special arrangements for medicines manufactured in Northern Ireland; for regulation and licensing, the UK would not be able to license products for the EU	Potential for some weaker cooperation with EU on licensing and regulation of medicines than currently
Other medical products	Major concerns about timely access to radioisotopes	Continuity of supply secured	As for pharmaceuticals	As for pharmaceuticals
Information	Absence of legal framework means end of information collaboration based on EU law	Legal framework continues and information exchange activities continue	Access only to information systems related to circulation of goods (ie, pharmaceuticals and medical devices) and substances of human origin (eg, blood); access to other health-related information systems ends	No specific cooperation on health information envisaged
Service delivery				
Working time legislation	Regulation of working time and other conditions of work formally returns to the UK, but scope to change in practice is limited	Legal framework continues	Legal framework continues under Northern Ireland Protocol level playing field rules	Regulation of working time and other conditions of work formally returns to the UK; but scope to change in practice is limited
Cross-border care	No framework for cross-border care to cope with long waiting times and administration or offset between UK and EU countries	Legal framework continues	Not covered, except for island of Ireland implicitly and as part of the Co-operation and Working Together programme to promote peace and reconciliation	Cross-border health services not envisaged as part of the future relationship
Leadership and governance				
Public health	The Government has offered reassurances to maintain EU standards but refused to enshrine them in legislation; absence of EU law means that upholding public health standards in future depends on political will of government of the day	Legal framework continues but UK is outside EU institutional structures so loss of role in groups such as ECDC	Government reassurances to maintain EU standards, but scope to improve public health standards is contingent on political will; scarce or no participation in decisions by groups such as ECDC	Impact of EU rules dependent on depth of partnership; scarce or no participation in decisions by groups such as ECDC
	Existing protections can be removed by executive action	No mention in Withdrawal Agreement	Existing protections can be removed by executive action	Continued collaboration on public health at global level
Competition and trade	NHS England no longer operates in perceived shadow of EU competition and public procurement law provisions, which are felt to drive inefficient behaviours in context of NHS	Legal framework continues but UK is outside EU institutional structures, so loss of role	Legal framework continues under Northern Ireland Protocol level playing field rules	Impact of EU rules dependent on depth of partnership
	Outside EU trade structures, UK's global influence over health in trade deals is reduced (further); some existing protections could be removed by executive action			
Research	Collaborations and funding from EU ended; no access to Clinical Trials Registry's portal; loss of global influence	Collaborations and funding, plus legal framework, continue until end of December, 2020	Product access, but otherwise collaborations and funding from EU ended; loss of global influence	Continued participation in research envisaged, but on worse terms for the UK; loss of global leadership and influence
Scrutiny and stakeholder engagement	Volume of new legislation already limiting scrutiny and engagement and will continue	Volume of new legislation and executive powers under EU (Withdrawal) Act limits scrutiny and engagement	Volume of new legislation and executive powers under EU (Withdrawal) Act, plus new trade agreements, limits scrutiny and engagement	Volume of new legislation and executive powers under EU (Withdrawal) Act, plus new trade agreements, limits scrutiny and engagement

Legend:
 Broadly unchanged
 Moderate negative
 Positive
 Major negative

Figure: Impact of four different Brexit scenarios

ECDC=European Centre for Disease Control. EIB=European Investment Bank. NHS=National Health Service.

www.thelancet.com Published online February 25, 2019 [http://dx.doi.org/10.1016/S0140-6736\(19\)30425-8](http://dx.doi.org/10.1016/S0140-6736(19)30425-8)

Review of Brexit webpage and options for increasing community reassurance communications

Overarching comms plan

It has been agreed that all Enfield Council communications to keep residents updated on Brexit and provide community reassurance around continued delivery of Council services should point to the Council Brexit webpage. For Brexit-related information on issues beyond local authority control this webpage is to provide links to the relevant Government/partner organisation/responsible agency websites.

Previously agreed key messages

Primary:

1. Enfield Council embraces and supports our diverse and dynamic local communities including many residents from other European Union countries. We will continue to deliver excellent services to everyone in the borough
2. Enfield is committed to ensuring that local people can access the latest Government information and guidance on Brexit including options for affected residents and businesses
3. The rights of EU citizens and their families living in Enfield are protected until the end of 2020. EU citizens and their families wanting to remain in the UK in the longer term will need to apply for settled or pre-settled status by 30 June 2021. The Government application process will open in March 2019.

Secondary:

4. EU citizens will be able to apply on-line at www.gov.uk/settled-status-eu-citizens-families. Enfield residents without digital access will be able to apply on-line at any Enfield Council library.
5. Applicants will need to use their EU passport, national identity card or National Insurance number when they apply.

The Brexit Panel has asked for a review of the current webpage and related communications activity to ensure it provides appropriate levels of reassurance and is available to/reaching concerned residents at key Council 'touchpoints' (website, customer services, customer contact centres etc).

Content on current Brexit Webpage

Enfield and Brexit

Enfield benefits greatly from our diverse and dynamic local communities whose origins can be traced from all over the world. We estimate that around 26,000 (one in twelve) Enfield residents are from other European Union (EU) countries.

We are proud that so many people from EU countries have chosen to live in Enfield, contributing to the local community. We hope that Brexit will not affect our residents and that those who want to stay will do so.

We are committed to ensuring that Enfield, its residents and businesses get the best outcome from Brexit and are making plans to ensure we continue to provide excellent services to everyone in Enfield.

As more information on Brexit emerges, you can check back here for updated guidance and support.

You can also keep up to date by signing up for our [regular newsletter](#).

Guidance and support

For the latest information and guidance on the UK exiting the EU visit [GOV.UK](#).

Other useful information and guidance

- [Employer toolkit at GOV.UK](#)
- [Exiting the European Union at GOV.UK](#)
- [Guidance for EU citizens at GOV.UK](#)
- [Guidance for European Londoners from the Mayor's Office](#)
- [FSB small business guide](#)
- [Confederation of British Industry \(CBI\)](#)
- [National Council for Voluntary Organisations](#)
- [Citizens Advice Bureau](#)
- [Local Government organisation advice for councils](#)

Options for additional information to be inserted in webpage

1. Promote the Community Offer once finalised
2. Promote further information around Council contingency plans to ensure continued service delivery in case of no deal – e.g. risk register (complete or selected sections such as fuel for council vehicles etc)
3. Insert further links to external organisational guidance around key areas of resident concern which lie outside local authority remit – e.g. NHS (medicines)

Options for extended campaign to promote this Brexit related information

External (including partners)

- Script for customer services
- Libraries, Council buildings etc... borough-wide
 - Community House
 - John Wilkes House
 - Civic Centre
- Local press advertising
- Enfield Council social media channels
- Enfield Council e-newsletters – News from the Council, Health and Wellbeing, Information for Council tenants and leaseholders, Welfare benefits
- Housing News: Enfield Homes Newsletter - editorial / advert - borough-wide
- Members / Cllrs bulletin - editorial / advert
- Community organisations – inclusion in the email bulletin
- Ethnic press advertising
- GP Surgeries

Internal (staff)

- Internal communications channels
- Posters on noticeboards in Civic Buildings, Staff Matters, TV Screens
- Professionals: HASC teams, Social Workers, etc.

Format

- Digital and social media comms (including insertion in e-newsletters) to be supported by traditional comms materials (posters, postcards etc) to be used at Council 'touch points' including customer access centres, libraries, John Wilkes House and Community House

Brexit presentation and discussion EMT Awayday 30th October 2018: Note for chat with Fay

Getting Enfield ready for Brexit

Managing risk around Brexit will be vital. These broad areas have been identified for actions:

- Organisational
- Operational
- Community support and leadership
- Communications planning and member briefing

Work done so far

We have noted the guidance received from Government and are preparing the councils response to the Brexit issue including a 'no deal Brexit'.

- **First cut communications plan (community reassurance)**

A first cut communications plan has been agreed by the officer working group and is circulated here for comment. This will be shared with Cabinet and members over the next week.

- **First cut policy briefing with directional guidance (organisational readiness)**

The Policy Team has drafted a briefing note with several key areas of questioning to help guide our progress to achieve a comfortable position with regards to Brexit readiness. This is also being circulated as part of the Brexit pack for senior officers.

- **Agreement on lead contacts within the local authority for Brexit related issues (managing Brexit)**

The Director of Finance who is the senior leading officer has agreed that Brexit related issues will be jointly managed by the FRCS Team in conjunction with the Policy Team and Corporate Communications. Any external enquiries should be forwarded jointly to these officers.

- **Gathering workforce data (operational readiness)**

The lead officers are working with HR to focus in on employees who may be affected by Brexit and considering how best to support them to ensure disruption to their lives can be minimal.

Similarly, we will be working with colleagues in Children's Services to agree the offer for Looked After Children with EU national status and ensure we know who and where they are in the borough. This is a statutory responsibility.

- **Procuring services and supply lines (operational readiness)**

Departments will begin the process of considering their supply lines and any potential impact that a 'no deal Brexit' or 'Hard Brexit' may have on our ability to source materials and deliver services. This should consider timing, availability and cost and also whether contingencies are likely.

Next steps

- **A presence on the council website and further community reassurance**

It is probably a good idea to secure a landing page sooner rather than later to provide some first stop information and sign posting to local people who may be affected. This will also provide reassurance to members that we are on it. Then the remaining milestones in the communications plan can be rolled out from the start of 2019.

- **Reviewing organisational impacts (workforce)**

Are we happy that we have all those in our workforce covered off and should we seek assurances from primary providers that they are similarly sighted and are working on assisting employees who may be affected?

- **Reviewing operational impacts (procurement/service delivery)**

- **Finalising the communications plan**

The communications plan will be finalised by the beginning of November 2018 following comments on the current draft.

- **Working with central and regional Government**

Enfield will attend the regional network meetings announced in the most recent letter from Government and brief internally following that meeting.

EMT is asked to:

- Endorse the approach set out
- Consider (any) further potential operational impacts with Directors/Heads of Services and mitigating risk management strategies (workforce/procurement)
- Arrange any conversations with suppliers where a 'risk' may be in play
- Brief their lead members when appropriate to do so

Briefing update for Deputy Leader to Labour Group on Brexit preparations: 27 February 2019

1 Background

Whilst the final configuration of Brexit has yet to become clear, attendant timescales are such that it was imperative that the local authority begin to take steps to understand how Brexit may affect local communities and our own operations.

In November 2018, a new Enfield Brexit Panel was created under the chairing of the Deputy Leader of the council. This would provide the means by which we could understand, prepare and respond to the challenges Brexit will bring. The panel has been meeting on a fortnightly basis since the turn of the year and most recently met on Thursday 28th February 2019.

2 The remit of the Enfield Brexit Panel

A non-decision-making body, the Enfield Brexit Panel is nevertheless providing a vital strategic planning resource to the local authority.

The remit of the Enfield Brexit Panel is:

- To identify, lead and coordinate workstreams and research on the likely impact on council services and residents as a result of the UK leaving the EU;
- To manage risk associated with identified areas of interest and ensure the local authority plans effectively to ensure business continuity;
- To ensure consistent communications to assist residents and businesses in Enfield regarding the UK leaving the EU.
- To make recommendations to Cabinet about actions the Council should consider taking to ensure any impacts arising from the UK leaving the EU are mitigated; and
- To ensure consistent internal messaging to the council workforce

3 Current membership

When initially set up in November 2018, the membership of the Panel was focused on senior officers within the local authority. This allowed for an internal process of scanning and scoping to take place and for a full understanding of roles and responsibilities with assigned senior responsible officers appropriately designed.

Since the turn of the year, the council has sought to increase the scope of the membership to ensure a more connected and cross-cutting response. This has led to the Metropolitan Police, London Fire Brigade and Enfield Citizen Advice Bureau being incorporated. Further representatives from other public service providers and the business sector are in the process of being identified and co-opted. We hope to update further on progress made in due course.

4 Identified workstreams

In November and December 2018, work was carried out to review and assess the likely 'pinch points' and impacts of Brexit. This was viewed from the standpoint of the likelihood for a 'No Deal' Brexit. The Brexit Panel was able to identify several key workstreams that have been assigned to senior officers within the local authority. These are:

- **Overarching risk management** led by Gemma Young
- **Financial Resilience** led by Fay Hammond
- **Workforce** to be led by Julie Mimmagh
- **Legal** led by Jayne Middleton – Albooye
- **Communications** led by David Greely
- **Community resilience and cohesion** jointly led by Helen Papadopoulos (Community resilience and business continuity), Andrea Clemons (Community Safety) and Shaun Rogan (Community Engagement)
- **Service Delivery** (including supply chain and logistics) to be led by officers nominated by each Executive Director except for the Chief Executive's where the Director of Law and Governance would nominate

Each of the workstreams addresses identified risks and seeks the means to mitigate them. Initially this work has been able to assist with the creation of a draft long list risk register and work planning to gain a full understanding of the likely impacts of Brexit. As particular issues within workstreams are dealt with I will provide more detail on the workstreams as information becomes available.

5 Managing Risk

The Panel, led by the Corporate Risk Manager at the council, is finalising two risk registers that will form the basis for ongoing management of impacts in the event of Brexit taking place from the end of March 2019. These are:

- Short term and immediate areas of concern such as availability and provision of fuel and medicines in the event of 'No Deal'
- Longer term organisational and community risks that could be felt as the country adjusts in the wake of Brexit.

I would anticipate sharing these documents with you in March 2019 in my next update.

6 Regional connectivity

The council is well-connected into regional preparations for Brexit and is sharing information and gaining intelligence as a result. Our Emergency Planning Team are participating in the London Resilience Network and coordinating with local service

providers, including the Police to ensure we have the right emergency planning approach.

Our Head of Strategy, Partnerships, Engagement and Consultation, is named link officer to London Councils who are working via the City of London Corporation to pass information in and out of Whitehall (most notably MHCLG).

We are also taking a leading role in the discussions on Brexit that are forming a regular item at London Councils Leaders Committees.

We continue to proactively seek networks that can add value to our regional understanding of the dynamics at play.

7 Community reassurance and developing a 'community offer'

Ensuring that the local community is not adversely affected by Brexit is a key aim of the local authority and forms a critical part of the business considered by the Panel. We estimate that 8% of our local population or around 25,000 have EU National status. It is imperative that we do what we can to reassure them that they are a vital part of our borough and that Brexit shouldn't stop them feeling that way.

Our aim is to offer practical signposting to Government information sites and to try to create messages that give reassurance to local people that we will be doing what we can to help them access the right information to remain. We have created a council web-page to provide this information and it will be regularly updated as further relevant information becomes available.

As those who wish to remain will need to engage a registration process to do so, we are finalising a 'community offer' for local people who may feel they need assistance in making that registration. This will involve our 4 flagship libraries acting as service points for people who need assistance to register. Staff will be trained, and kit has been acquired to ensure that we can offer a service on or shortly after the 29 March 2019 should Brexit commence at that time.

I will bring further updates on the 'community offer' including specific briefing for Members to use in their local communities as part of the next update.

8 Government support to assist local authorities helping communities with Brexit

The Council will be receiving up to £200,000 to help with arrangements to support transitioning as a result of Brexit from central Government. We have earmarked some £5,000 of that funding to finance the first element of the community offer in libraries. It is likely that some dedicated coordinating resource will need to be secured to help meet the demands for information and compliance that are likely in the months ahead.

I will brief you further on the award in the next update.

9 Next updates

It is intended that these updates are presented to you on a monthly basis with the ability to present additional updates when significant announcements are made.

On this basis, I will bring an update to Group in March 2019.

DRAFT

Brexit Panel meeting 28 February 2019: Update on Emergency Planning (Fuel)

Background

At the last Panel meeting the issue of pressure on fuel supply was agreed to be a key risk to be managed. Our Emergency Planning lead, Helen Papadopoulos has provided the following update.

Enfield and Fuel Supply

In Enfield as in all London Boroughs we have a Fuel Emergency Plan. Our designated fuel station. We are in regular contact with them so they are aware of the plans in place. This station will only be used by the Police, Fire and Ambulance service, along with vehicles with a temporary logo whose organisations have been identified as a priority user (this is the area that would cover LBE critical staff such as Social Care etc.)

Emergency Planning Table Top Exercise

The police have organised a table top exercise which will take place on 20 March, EP will attend along with the Business Continuity Department Representatives from People and Place, as they would be the areas where staff are critical. The manager of the Tesco's petrol station has also been invited to attend.

The Plan will only be invoked when we are told to nationally as this would be a nationwide issue and not a local one, so we would be informed by Central Government when this would happen.

Bunkered Fuel Reserves

Locally we have bunkered fuel and it has been agreed that over the foreseeable future the fuel will be topped up on a regular basis. This fuel is used for all council fleet services including waste, school transport etc. The tanks hold a 3-4 weeks supply which equates to 60000 litres.

Medicines and supply chain

In terms of plans for lack of medicines, this will be led on by NHS England and I understand that our Director for Public Health is investigating the latest position on readiness.

Home Office: EU Settlement Scheme Teleconference Presentation for Local Authorities

17th April 2019

This document is only a summary of the presentation slides. Please make sure you review the Home Office Presentation for full comprehensive content.

The Presentation slides (from which the content below is sourced) were presented for the purpose of the briefing only and should not be shared outside of our organisation.

1.Key Announcements

- EU Settlement Scheme launched on the 30th March
- By the end of the year the ID document scanning app will be available on Apple devices – currently compatible with Android.
- Applying is free – if applied before 30th March a refund will be automatically issued to original payment card (up to 10 days for processing).
- No deal scenario planning continues – UK may leave the EU with no deal on 31st October.
- Moderation complete for community grant funding
- Updated toolkits and guidance available through GOV.UK in 26 languages including Welsh.

2.EU Settlement Scheme Launch

- Open to all EU citizens (refers to EEA and Swiss nationals, who are all eligible to apply to the EU Settlement Scheme).
- Over 500,000 applications made
- Approximately 67% or 335,000 decisions made
- Of concluded applications, status granted: 70% settled status and 30% pre-settled

What's new?

- Scheme opened to nationals of Iceland, Liechtenstein, Norway and Switzerland
- Scheme is open to applicants applying on the basis of some derivative rights (Chen and Ibrahim & Teixeira) and to family members of certain British citizens (Surinder Singh)
- Alternative way of proving identity: post or in person
- Time spent abroad on crown service, as the family members of armed forces personnel and in the crown dependencies counts as UK residence

3.What is European Temporary Leave to Remain (Euro TLR)?

- Euro TLR is a temporary, non-extendable immigration status for newly arriving EEA citizens in the event of a no deal Brexit.
- In the event of a no deal exit, EU citizens who arrive before the UK leaves the EU will still be able to apply to the EU Settlement Scheme. They will have up until 31 December 2020 to make their application.
- In a no deal scenario there will be a new immigration system - European Temporary Leave to Remain - for those that arrive in the UK for the first time after the UK leaves the EU but before 31 December 2020.

- *If you want to stay in the UK for less than three months:* EEA citizens visiting the UK for less than three months will not need to do anything.
- *If you want to stay in the UK for more than three months:* EEA citizens who are planning on staying in the UK for more than three months during this period of transition will need to apply for Euro TLR within three months of arriving in the UK.

Please see presentation slides for further information and full details of who will need to apply.

- **Communicating the Euro TLR with EEA citizens:** If there is a confirmed no deal exit from the EU, a set of communication materials will be available to download from GOV.UK inc. leaflet, poster, social media and email banner

4. Community Grant Funding Announcement

- Total funding allocated: £8.83m
- Volume of individual supported: 230,000
- 57 organisations awarded – the names of organisations are expected to be released after the 3rd May, following the end of the purdah period (published on GOV.UK)
- Every part of the UK will be served by a grant funded organisation

5. Looked After Children Guidance

- 30th March – guidance provided to caseworkers
- No deal – European Temporary Leave to Remain plans
- Most will be eligible for EU Settlement Scheme. However, it will affect children who enter the UK after the UK leaves the EU in a no-deal scenario
- In a no-deal scenario - this will be a paper form – due to minimal numbers
- Exempt from any potential fees
- Further guidance will be provided in this scenario
- Ongoing Teleconferences to be held on guidance for looked after children

6. Marketing and Toolkits Launch

Home office has taken a data driven approach to marketing

- Urban media
- Geotargeting to ensure national coverage
- Urban roadside and public transport areas

Home Office marketing campaign timeline:

- Education: Provide information – Jan -Jul 2018
- Prepare: Raise awareness - Aug 2018 – Feb 2019
- Deliver: Call to action – Mar 2019 – Apr 2019
- Sustain: Maintain momentum – May 2019 – Oct 2020
- Conclude – Nov 2020 – Jun 2021

Marketing materials are available:

Toolkits: Local authority; employers; community leaders.

Social Digital: EU citizens in the UK: EU Settlement Scheme overview (60 sec video); How to use the EU Exit: ID Document Check app

Translations: EU Settlement Scheme campaign poster; video about the Scheme and how to apply; one-page factsheet

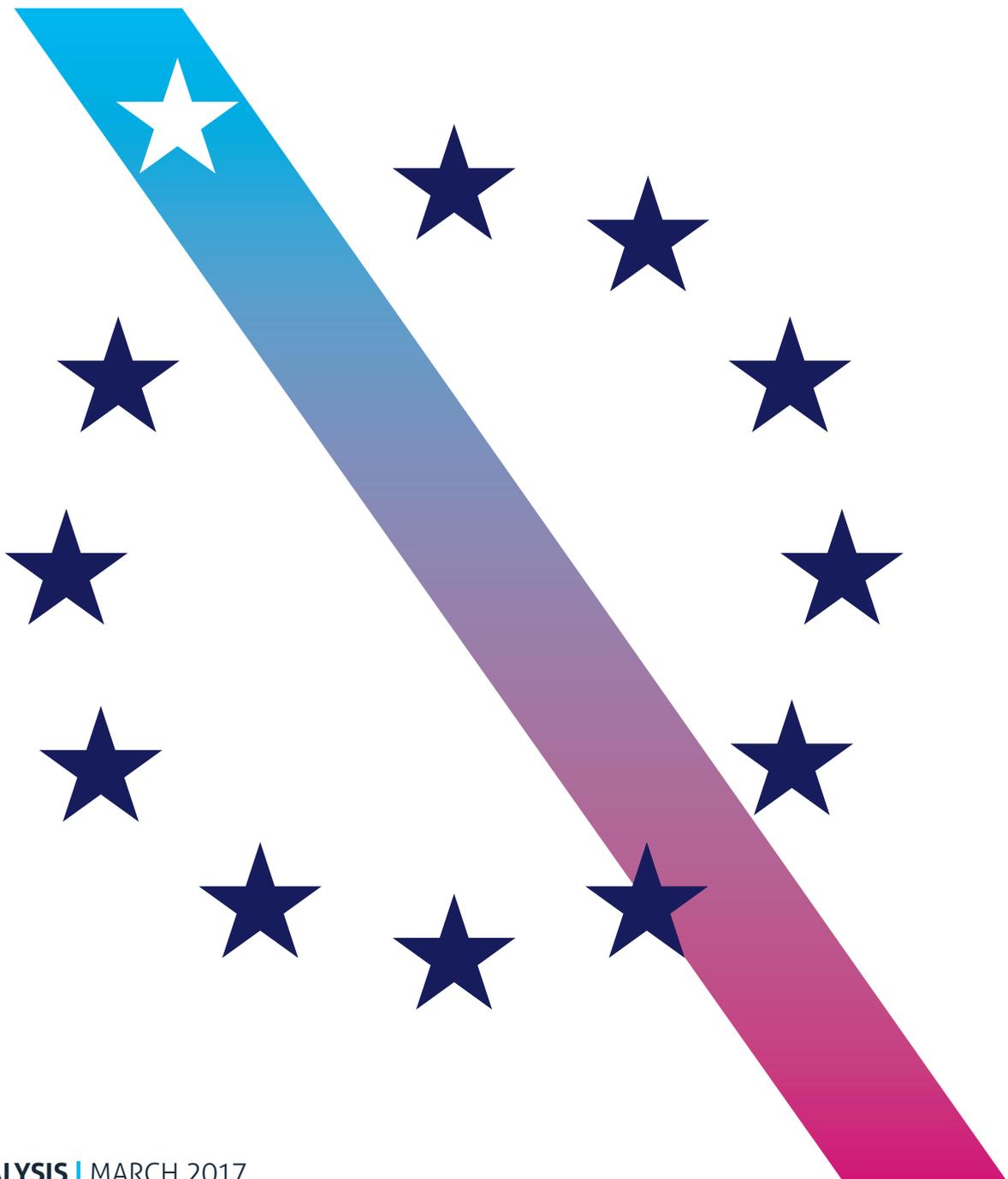
Promotions: Poster; Leaflet; Factsheets (Application flowchart, ID verification flowchart, Application step guide, Support overview); One-page overview

7.Suggested actions for Local Authorities from Home Office

- Signpost our residents to GOV.UK content
- Use the local authority toolkit and supporting materials to publicise the EU Settlement Scheme to our EU citizens
- Use the employer's toolkit to engage with our EU staff
- Make contact with any community grant funding organisations in our local areas
- Follow Home Office on twitter and befriend on Facebook
- Sign up to host an ID document scanning service within Enfield registration service. Contact: paul.dumke@southwark.gov.uk

Please note the Home Office will be sharing the submitted questions and answers from with presentation with us (to be received by Shaun Rogan).

The civil service after Article 50



About this paper

Together, the Institute for Government and The UK in a Changing Europe have produced this paper to look at the challenges facing the civil service and the capacity requirements that must be managed over the course of Brexit.

With the triggering of Article 50, the formal process of leaving the European Union (EU) begins. This notification of withdrawal marks the beginning of a two-year window for negotiations – during which time the UK will need to address a number of political, economic and constitutional challenges. In one way or another, Brexit has implications for all regions and industries in the UK.

Charged with making Brexit happen, overcoming challenges and exploiting opportunities, is the civil service.

Our Brexit work

Following the UK's vote to leave the EU, the Institute for Government has launched a major programme of work looking at the negotiations, the UK's future relationship with the EU and the impact of Brexit on the UK union. Keep up to date with our work at www.instituteforgovernment.org.uk/brexit

The UK in a Changing Europe is an impartial organisation funded by the Economic and Social Research Council and created to make the findings of the best academic research easily available to the widest possible audience. You can follow our work here: www.ukandeu.ac.uk

Introduction

With the triggering of Article 50, the formal process of leaving the European Union (EU) begins.

The notification of withdrawal, within the Prime Minister’s March deadline and less than nine months after the referendum result, marks the beginning of a two-year window for negotiations – during which time the UK will need to address a number of political, economic and constitutional challenges. In one way or another, Brexit will have implications for all regions and industries in the UK.

At the centre of this, and charged with making Brexit happen, overcoming challenges and exploiting opportunities, is the civil service.

Since the referendum there has been much speculation about whether the civil service – which is at its smallest since the Second World War and is already focused on implementing manifesto commitments with a reduced headcount and smaller budgets – has the capacity to carry out its task.

Recent Institute for Government research found signs of real progress in preparing for the approaching negotiations.¹ Whitehall was reorganised, with the Department for Exiting the EU (DExEU) established. DExEU quickly put new teams in place and has developed cross-government working groups to draw on the policy expertise of different departments when weighing up the Government’s negotiating options.

But the civil service will need to change to meet the needs of the two-year period of negotiations, and will also need to adapt to meet the new challenges of governing post-Brexit. As shown in Table 1, the triggering of Article 50 represents the end of the first of three key phases of Brexit, with each phase presenting different demands.

Table 1: The three phases of Brexit

1. Preparing for negotiations	2. Managing the negotiations	3. Implementing Brexit
<ul style="list-style-type: none">• co-ordinating analysis across Whitehall• capturing the views of businesses, the devolved administrations and other interests	<ul style="list-style-type: none">• with the EU institutions and 27 member states• on the terms of the UK’s departure from the EU• on the new framework for relationships	<ul style="list-style-type: none">• transferring the existing <i>acquis</i> into UK law• designing and implementing new domestic policies or regulatory regimes to replace EU functions• preparing and pursuing a new international trade policy

¹ Owen, J. and Munro, R., *Whitehall’s Preparation for the UK’s Exit From the EU*, Institute for Government, London, 2016.

Layered on top of business as usual (including 'routine' EU business) and taking forward other manifesto and Prime Ministerial priorities (of which there are many), Brexit poses some core organisational challenges for government. Throughout the process there will be pressure on some of the core cross-cutting functions such as finance, project management and human resources; there will need to be a clear picture of where resource and specialists are deployed, an effective approach to allocating resource or prioritising projects, and careful management of cross-department interdependencies.

Brexit will make four fundamental demands on civil service capacity:

- **Analysis and policymaking:** Developing and appraising different options for both the negotiations and new policy regimes. Advising ministers and reacting to options tabled by the EU negotiators.
- **Co-ordination:** Using the whole government machine to draw on expertise and insight, not just from across Whitehall but also in the devolved administrations, public bodies and wider civil society. A wide range of actors will be required to balance views, identify trade-offs and manage interdependencies.
- **Legislative capacity:** The civil service will need the skills and capacity to prepare, draft and manage the passage into law of a large body of legislation, some of which will be highly contentious, against tight external timelines.
- **Delivery and implementation:** This includes developing the capacity to administer new regulatory regimes, setting up a new immigration system and implementing a new system of customs checks at UK borders.

Using this framework, this paper will look at the capacity required over the course of Brexit and the challenges facing the civil service.

1. Preparing for negotiations

From an almost standing start after the referendum, government has had a little less than a year to fully prepare for talks – and that is even if substantive talks are left until after the French election in May, as some expect. By giving notice of the invocation of Article 50, which means it has opened the two-year (or in practice, 18-month) window to hammer out agreements, the Government has effectively announced that it is ready to negotiate – that means top-level negotiating positions are clear, the relevant trade-offs are understood and the processes are in place to co-ordinate the negotiations and draw on departmental expertise as necessary.

Analysis and policymaking

A large amount of analytical work has been carried out to understand the implications of different kinds of relationship with the EU for the British economy, recognising the complex interdependencies between the highly dispersed Whitehall departments. This analysis, shepherded by DExEU but reliant on departmental horsepower and specialist knowledge, has been presented to the Cabinet Committee for Exiting the EU, and underpins the Government's thinking and emerging position. The Brexit White Paper revealed some of this, but it seems reasonable to assume that ministers had access to a more extensive set of analyses.

Co-ordination

Whitehall moved quickly following the referendum to set up new mechanisms to co-ordinate information and analysis from various departments. DExEU was established to commission work from individual departments and agencies, and feed this into the Government's decision-making processes. This co-ordination role has worked well in terms of information being received by DExEU from departments. However, in research done at the end of last year, the Institute for Government found that some departments were unclear at that point what would be expected of them during later stages of the Brexit process, and what they should be doing to prepare.² Three months on, and after the publication of the white paper, there should now be greater clarity on what the next two years might have in store.

Legislative capacity

While the pre-negotiation stage requires minimal legislation – the only bill required has been the European Union (Notification of Withdrawal) Bill – significant legislative capacity is required to prepare for and draft the Great Repeal Bill. Departments have been asked to identify which pieces of EU legislation impact their policy areas, and whether that regulation should be carried over into UK law, amended or scrapped. While transfer is straightforward in many instances, there are examples where significant policy decisions are required in order for the legislation to remain relevant – for example, if it requires an EU body to perform an essential function, such as regulation, a decision must be made about who can and will perform that function in the UK after exit.

² Owen, J. and Munro, R., *Whitehall's Preparation for the UK's Exit From the EU*, Institute for Government, London, 2016.

Delivery and implementation

Few policy changes can be implemented before the UK leaves the EU. Until Brexit, the UK will be bound by EU policies and laws. However, the delivery of other policies and commitments may be delayed by the need to divert resource to Brexit preparations.

Institute for Government research has found that departments have been asked to prepare for Brexit on top of pre-referendum manifesto commitments, as well as continuing to implement spending and headcount reductions.³ In order to free up capacity for future stages of Brexit, departments need a steer from the Government as to what policies can be delayed or dropped. In other areas, the amount of work is such that reprioritisation alone will not work – it appears inevitable that the Government will have to revise the spending plans of departments such as the Department for Environment, Food and Rural Affairs (Defra) and the Home Office. The fact that key affected departments are already recruiting shows that they must have been given indications that they will not be held to the administrative savings agreed in the pre-Brexit spending review.

Delivery and implementation should also frame any negotiating position the UK takes. As well as the underpinning analysis and policymaking input, the Government's plan for Brexit should have been made in the context of how it will be delivered – acknowledging where the UK will need an 'implementation period', as stated in the Government's white paper, and what transitional arrangements will be required.

2. Managing the negotiations

The talks alone have been described as 'unprecedented' in scale by Sir Ivan Rogers, the former UK Permanent Representative to Brussels, possibly resulting in the 'most comprehensive free trade agreement' in history. But supporting the talks is just one element of what will be required during this phase – the UK will need to be laying the administrative and legislative ground for life outside of the EU.

Analysis and policymaking

It is not yet known how the Prime Minister will structure the negotiating team. It's likely that it will comprise a number of 'chapter leads' (or equivalent) who can take responsibility for specific aspects of the negotiations. These will report to Olly Robbins, Permanent Secretary at DExEU, Sir Tim Barrow, the new UK Permanent Representative, DExEU Secretary of State, David Davis, and, ultimately, the Prime Minister. Those leads could come predominantly from DExEU in London and UK Permanent Representation (UKRep) in Brussels.

But the negotiations are likely to require direct input from relevant departments on more technical issues during negotiations. The Home Office will input into the debate around the future of EU nationals in the UK and the status of UK nationals living in EU countries; while the Treasury will expect a major role in negotiations on the UK's 'divorce bill'. Any discussion on a future trade deal will need to include policy experts

³ Owen, J. and Munro, R., *Whitehall's Preparation for the UK's Exit From the EU*, Institute for Government, London, 2016.

from relevant departments; countries such as the US, Canada and New Zealand usually include key officials for complex or sensitive trade talks. Defra, for example, may be required to assess a suggested deal on UK–EU agricultural tariffs. After decades in the EU, negotiations of this scale will require rapid and dramatic upskilling of government capability and capacity, particularly to match the very substantial expertise the EU negotiators will have at their disposal.

Much of the detailed expertise no longer lies in core Whitehall departments, but in arm's length bodies, such as the Environment Agency, that have been implementing and enforcing EU regulations. So Whitehall will need to be ready and have the mechanisms in place for engaging these bodies, which have differing degrees of independence from departments, have their own governance arrangements and have seen their policy input role scaled back in recent years.

Co-ordination

Co-ordinating mechanisms need to be put in place to ensure that the expertise of policy departments is available to the negotiating teams. Depending on the make-up of the negotiating team, it is possible that DExEU could continue to act as a conduit for policy analysis and information from departments to the negotiating team. Government will need fast reaction times, responding quickly to positions emerging from talks, and supplying ministers and negotiators with the information required to reliably counter or accept proposals.

Running successful negotiations also requires co-ordination of information from beyond Whitehall. The UK is negotiating with 27 member states, not a unified bloc. To agree a deal, it needs to meet their individual concerns. The Foreign Office and UKRep will have to engage member states directly to understand their position. Co-ordination will also be necessary with those parts of government dealing with non-Brexit-related issues, such as preliminary trade negotiations with other countries around the world, and British policies within and towards NATO.

Legislative capacity

Once negotiations have begun, the countdown begins on a two-year negotiating period, after which the UK will leave the EU. Extending the period is technically possible, but unlikely, since it would require the unanimous agreement of all 27 member states. The UK Government must therefore assume that – if they fail to secure a deal – then after two years the EU treaties will cease to apply. This means that EU laws and regulations will cease to apply in the UK, and that policy competences previously reserved to the EU – such as trade negotiations and the setting of customs and tariffs – become the responsibility of the UK Government.

In order to prevent a period of legal and regulatory uncertainty, the Government will produce a 'Great Repeal Bill', transposing EU laws into the UK statute book. It must ensure that there is sufficient capacity in the Government Legal Service and parliamentary counsel, and in Parliament itself, to allow necessary legislation to be prepared, scrutinised and approved before the UK leaves the EU. As the end of the two-year negotiating window approaches, government will need to retain enough capacity to manage last-minute changes and adapt to any deal that is made.

Delivery and implementation

As with legislative preparations for Brexit, the Government must use the negotiating period for more than just talks with the EU: it must also prepare for Day One outside of the EU. While the Government has indicated that it will pursue an 'implementation phase' to allow the UK to adjust to life outside of the EU with minimal disruption, there is no guarantee that the EU will agree to this.

The Government should prepare to leave the EU as soon as negotiations begin. This involves not just replacing (or transposing) EU laws and regulations, but also the services and policies which were previously provided by the EU – such as a new computer system capable of registering EU citizens in the UK, or enforcing trade tariffs. The Government must ensure that it has enough time to design, procure and implement any new administrative systems needed to deliver services and policies before negotiations conclude and the UK leaves the EU.

Not only is this contingency planning necessary to avoid facing a 'cliff edge' (and significant disruption to systems such as immigration or customs), without it the Government cannot reasonably threaten to walk away at a bad deal as it will be dependent on the EU for transitional arrangements.

What to watch out for:

- Will the Government look to make any legislative changes upon exit, or will it be maximum continuity?
- When will we see government spending on contingency plans and additional resources in areas where the risk of a 'cliff edge' or no deal with the EU is too great?

3. Implementing Brexit

The changes that will need to be implemented as a result of Brexit will largely be determined by the outcome of the talks. There are a few areas, however, where the Brexit White Paper and the Prime Minister's recent Lancaster House speech suggest significant change is inevitable – particularly immigration and customs. To ensure a 'smooth and orderly Brexit', the civil service will need to ensure risks are managed and all the essentials are in place, while also preparing to exploit opportunities from Brexit in the months and years that follow.

Analysis and policymaking

Once the UK leaves the EU and EU law ceases to apply, the Government will be free to develop new policies and regulations in areas previously covered by the EU (subject to any deal reached with the remaining member states). While some new policies will need to be in place as soon as the UK leaves the EU, others – such as new environmental regulation and agricultural policy – can be developed over time. Although most Whitehall departments are affected by EU policy, it is unevenly spread, with some minimally impacted, and others finding most of their operating frameworks are determined by Brussels. This will require a redistribution of capacity to evaluate existing policy and regulation, and prioritise potential reform.

Co-ordination

Some of the policies that the UK will take back from the EU are devolved matters under the devolution settlements. These include fisheries, agriculture and environmental regulation. If and where repatriated policy powers are devolved to Scotland, Wales and Northern Ireland, the UK Government and the devolved administrations will need to develop enhanced mechanisms to co-ordinate policies across these nations so that, after the loss of the unifying EU framework, divergent policy and regulatory regimes don't create barriers to trade within the UK.

Co-ordination and communication with the EU will not cease after Brexit, and the Government will need to boost its diplomatic capacity to access and influence the views of EU member states and institutions. Bilateral relations with European partners might increasingly replace institutionalised contacts within the EU. At the same time, continued monitoring of EU developments will require a continued lobbying presence in Brussels to ensure that UK interests are taken into account from outside EU negotiating rooms.

The Government will also need to create capacity to negotiate with non-EU member states on trade deals. This is a new capacity – and the Department for International Trade (DIT) is already seeking a senior trade adviser and building up its analytic and communications capacities. Given the nature of trade deals, it will also need a strong legal team. Those people will need to be complemented by trade teams in the key sector-facing departments and regulatory bodies. DIT will need to co-ordinate with these teams for detailed input on the highly technical issues that are the essence of trade deals.

Legislative capacity

There are some pieces of new legislation that the UK will need to be ready for Day One post-Brexit, such as new migration and customs regimes. While the Great Repeal Bill will ensure legal continuity at the point of leaving the EU, it is also very likely that the Government will want to change inherited EU legislation. It is estimated that thousands of EU laws and regulations currently apply in the UK. If the Government were to amend these using primary or secondary legislation, it will be a major drain on legislative resources. It will need careful prioritisation if it is not to crowd out other policy priorities stemming from the 2020 general election. Any major policy changes will be done through specific pieces of primary legislation. Starting in the two-year negotiating period and continuing once details of the deal are understood, the Government will need to pass a series of bills in areas such as immigration and agriculture to ensure new regimes have a legislative foundation.

Delivery and implementation

Some post-Brexit policies will need to be implemented before the UK exits the EU, to prevent a 'cliff edge' scenario where, for example, there are no arrangements for EU goods or citizens to enter the UK. The implementation of other policies is less urgent and will be the focus on the months and years following Brexit.

We know phased implementation is the preferred option of the Government, but how long will it be? Changes in systems such as immigration and customs may require new

legislation, new technology to be developed and new infrastructure to be built. Programmes of that scale in government traditionally take years not months.

What to watch out for:

- How long will DExEU last?
- Will we see teams of civil servants, in the centre or departments, assessing the medium-to-long-term opportunities from Brexit?
- How will Whitehall adjust for its new relationship with the EU and other countries around the world?
- How long will any implementation phase be?

The following table summarises these capacity demands across the three Brexit stages.

Table 2: Brexit capacity demands

	Preparing for negotiations	Managing negotiations	Implementing Brexit
Analysis and policymaking	Understand the strategic interests of the UK across sectors and feasibility of different options.	Capacity within departments and key public bodies to analyse and make recommendations to the negotiating team on emerging deals.	Develop new policy options in areas such as fisheries, agriculture, immigration and trade.
Co-ordination	Understand the views and preferences of different departments and public bodies, as well as local and devolved government and business.	Bring together insight from departmental policy experts on negotiating options, and using UKRep and Foreign Office intelligence on the views of EU member states.	Co-ordinate post-Brexit policy changes with devolved administrations. Diplomatic capacity to maintain links with EU institutions and new trade partners.
Legislative capacity	Departments must identify which EU rules and regulations should be transposed into UK law.	Ensure the 'Great Repeal Bill' is prepared, drafted, scrutinised and approved to avoid a legal 'cliff edge' after Brexit.	Prepare and scrutinise potentially hundreds of pieces of primary and secondary legislation to enact post-Brexit policies.
Delivery and implementation	Major policy and reform commitments may need to be delayed to free up capacity for Brexit work.	Prepare new policies and administrative systems for Day One after leaving the EU.	Delivery and implementation of post-Brexit policies including negotiating trade deals and procuring new IT services.

Contributors

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Martin Lodge is Professor of Political Science and Public Policy and Director of the Centre for Analysis of Risk and Regulation (CARR) at the London School of Economics. His key research interests are in executive politics and regulation. He is also leading a Horizon2020-funded project on transboundary crisis management (TransCrisis).

Joe Owen leads the Institute for Government's research on Brexit and Whitehall. His main focus is on the implications of Brexit for government departments and the work that is required to prepare for life outside of the EU. He has previously worked on transformation in the civil service and on digital reforms in government. Prior to joining the Institute, Joe spent five years as a consultant in the public sector.

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EU Exit Public Information Campaign: Local Authorities Toolkit



HM Government



**UK LEAVES
THE EU** 29.03.19



HM Government

Dear colleague,

The UK is due to leave the EU on 29 March 2019. This is going to affect each local area in different ways, so it is important that we keep residents and businesses in your area informed of what is happening, how it might affect them, and what they can do to prepare.

The EU Exit Public Information Campaign, run by HM Government, aims to inform residents and businesses in the UK about possible changes that will take effect when the UK leaves the EU, and encourage them to make any necessary preparations.

In order to make sure people in your local area get the information they need, we need your help. The contents of this toolkit can be used to help you direct your residents and businesses to the latest EU Exit information and guidance. Ways you can get involved include:

- raising awareness of how to prepare for when the UK leaves the EU by reaching people through your social media channels, via organic posts, or retweeting EU Exit posts from DExEU, Cabinet Office and MHCLG Twitter pages
- promoting the Public Information Campaign page through your established communication channels such as newsletters, stakeholder updates, internal communications and other digital channels
- running your own events with stakeholders, local community and business groups and talking to your networks.

If you need images or lines that are not included in this pack to do this, or if you would like to receive specific Business Readiness, EU citizens in the UK (settled status) or Border Readiness toolkits, please see the contacts page.

Thank you for all the work you have been doing so far in this area, and we look forward to working closely with you over the coming weeks.

Kind regards,

Alex Aiken,

Executive Director for Government Communications Service



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Campaign overview

The EU Exit Public Information Campaign directs audiences to GOV.UK. The aim of the campaign is to inform the public and to encourage citizens and businesses to take the necessary steps to prepare for the UK leaving the EU.

The landing page provides a single location where anyone can find guidance and the most up-to-date information relating to EU Exit. This is done via a simple and streamlined user journey, including a triage tool so that each audience group (business, the public, EU citizens in the UK and UK nationals in the EU) can find the information they need.

Radio advertising went live across national commercial radio stations from 8 January 2019. The adverts focus on travel, businesses and with a general call to action for all audiences to prepare for EU Exit. Social media posts have also been used in conjunction with the radio ads and as a no-cost amplification tool for the campaign. Visits to the [gov.uk/euexit](https://www.gov.uk/euexit) landing page more than quadrupled since 8th January when the radio advertising started.

In the next phase of the campaign, we are increasing social media activity drawing attention to specific policy areas. Press advertising commenced February 2019 and will continue into March.

The campaign strategy and approach is based on audience insight and we continue to monitor and evaluate activity.

In this pack you will find posters and social media post based on themes our polling shows are of concern to your residents and local communities.



Social Media

The following two pages contain tweets and corresponding messages you can use to help keep your local residents informed. Thumbnails are included in the table for your reference, but please use the PDFs sent with this toolkit to ensure the image resolution. We encourage you to post any that are appropriate for your local communities on your social media pages. The PDFs that accompany this toolkit are sized for Twitter, but should you need Facebook or Instagram equivalent, please contact, euexitcampaignqueries@cabinetoffice.gov.uk

The call to action should always direct audiences to **gov.uk/euexit** via the correct trackable link for that image. All posts should include the hash tags **#Brexit #PrepareForEUExit**

We also encourage you to share or retweet relevant posts from other government departmental social media pages. Social media handles to look out for in particular are:

Cabinet Office: <https://twitter.com/cabinetofficeuk>

Department for Exiting the European Union: <https://twitter.com/DExEUgov>

Home Office: <https://twitter.com/ukhomeoffice>

Ministry of Housing, Communities and Local Government: <https://twitter.com/mhclg>



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Social media posts aimed at citizens

Audience	Image	Post text	Trackable link
UK citizens		<p>How will the UK leaving the EU on 29 March 2019 affect me? Find out what may change and the steps you can take to prepare at [insert link]</p> <p>Do you know how the UK leaving the EU will affect you? Find the latest guidance and advice at [insert link]</p>	https://www.gov.uk/euexit?utm_source=toolkit&utm_medium=digital&utm_campaign=PI C&utm_term=LAs&utm_content=citizens
Driving in the EU		<p>What documents will I need to drive in the EU? Find the latest guidance at [insert link]</p> <p>I'm planning on driving in the EU after 29 March 2019, what will have changed? Find latest guidance and what documents you will need at [insert link]</p>	https://www.gov.uk/euexit?utm_source=toolkit&utm_medium=digital&utm_campaign=PI C&utm_term=LAs&utm_content=driving
EU citizens in the UK		<p>I am an EU citizen living the UK, how will the UK leaving the EU affect me? Find the latest guidance at [insert link]</p> <p>I'm an EU citizen, how do I get settled status? Find out what you need to do, when to apply and more at [insert link]</p>	https://www.gov.uk/euexit?utm_source=toolkit&utm_medium=digital&utm_campaign=PI C&utm_term=LAs&utm_content=EUinUK
People travelling abroad/ holiday goers		<p>Are you travelling to the EU after 29 March 2019? Make sure you are up to date on the latest guidance at [insert link]</p> <p>If I'm travelling to the EU do I need to renew my passport early? To find what will change after 29 March 2019 and get the latest guidance at [insert link]</p>	https://www.gov.uk/euexit?utm_source=toolkit&utm_medium=digital&utm_campaign=PI C&utm_term=LAs&utm_content=travel





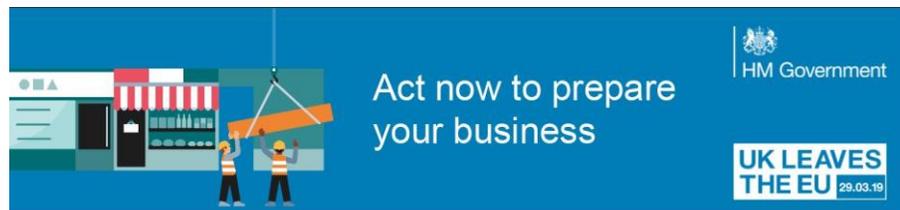
Social media posts aimed at businesses

Audience	Image	Post text	Trackable link
Businesses		<p>Prepare your business for when the UK leaves the EU. Find out what may change and the steps you can take at [insert link]</p> <p>Make sure your business is ready for 29 March 2019. To find out how you can prepare visit [insert link]</p>	<p>https://www.gov.uk/euexit?utm_source=toolkit&utm_medium=digital&utm_campaign=PIC&utm_term=LAs&utm_content=business</p>
Workforce		<p>Prepare your workforce for when the UK leaves the EU. Find out the latest guidance and the steps you can take at [insert link]</p> <p>Make sure your work force is ready for 29 March 2019. To find the latest guidance and how you can prepare visit [insert link]</p>	<p>https://www.gov.uk/euexit?utm_source=toolkit&utm_medium=digital&utm_campaign=PIC&utm_term=LAs&utm_content=workforce</p>



Digital and web

Each of the images on the previous pages have digital and web banner equivalents included in this toolkit. If you think it would be useful, please add a banner to your website or emails in order to promote the information available at gov.uk/euexit. If you are able to embed a trackable link, this would help us to evaluate the activity generated through your support. Please use the trackable link from the social media sections of this toolkit.



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Campaign messages to accompany images

The language should be simple, straightforward and conversational, avoiding jargon or complex phrases. However, as this is government communication providing vital information and people may need to take action on, it should still use an authoritative tone.

The phrase EU Exit or UK leaving the EU should be used with this branding. Using the term Brexit should be avoided, as testing showed it is a very emotive phrase.

Below are some lines that can be used to accompany images, to go in stakeholder emails, internal communications or digital.

Audience	Official lines
General	On 29 March 2019, the UK will leave the EU. This is likely to affect everyone in some way. To find out what the UK leaving the EU means for you and to get the latest guidance and information, go to gov.uk/euexit .
Citizen	The UK will leave the EU on the 29 March 2019. Leaving the EU means there will be a number of changes taking place that will affect businesses, citizens, EU citizens living in the UK and UK nationals living in the EU. To find the latest guidance and information on what these changes are, how they could affect you, and what steps you can take to prepare, go to gov.uk/euexit .
Businesses, workforce and importing and exporting	On 29 March 2019, the UK will leave the EU. To find out what the UK leaving the EU means for your business and to get the latest guidance and information on how you can prepare, go to gov.uk/euexit .
EU citizens in the UK	Are you an EU citizen, living in the UK? If so, you and your family may need to apply for settled status to continue living in the UK after 30 June 2021. To find the latest guidance and information about settled status and how the UK leaving the EU on 29 March 2019 might affect you, go to gov.uk/euexit
Travel/ driving in the EU	Are you planning on travelling to the EU after 29 March 2019? The UK leaving the EU means there will be some changes that could affect your travels. To find the latest guidance and information on what these changes are, how they could affect you, and what steps you can take to prepare, go to gov.uk/euexit .



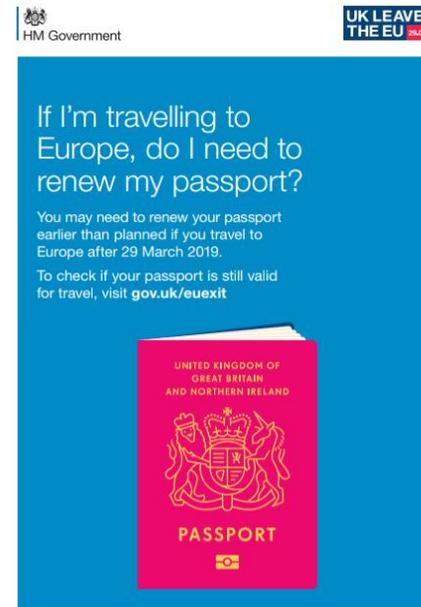


Posters aimed at citizens

The Public Information Campaign focuses on four main audiences: Business, the public, EU nationals in the UK and UK nationals living in the EU.

Below are four posters aimed at **the public**. Our polling and testing showed that the below themes were the main broad information areas that were of interest to this audience.

Each of the below adverts are available as PDFs with this toolkit, and are available for both A3 and A4 print. These should not be printed any smaller than A5 to ensure that they are able to be read and are accessible for all. These are designed to be printed on white paper in full colour.



Posters aimed at business

Below are two posters aimed at **businesses**.

Each of the below adverts are available as PDFs with this toolkit, and are available for both A3 and A4 print. These should not be printed any smaller than A5 to ensure that they are able to be read and are accessible for all. These are designed to be printed on white paper in full colour.



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Evaluation

We are keen to make sure that this campaign is reaching everyone on a local level as well as a national level.

As part of this campaign we are committed to making this toolkit, posts and banners as useful as possible and would welcome any feedback on how you are finding them, what is working well and how it could be improved. We would also welcome any metrics from your own activity so that we can ensure we are reaching our audiences, please send metrics to LGEUExitTeam@mhclg.gov.uk



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Queries and contacts

We want to make it as easy for you as possible to communicate to your local communities about the Public Information Campaign. If you have any comments or queries please do get in touch. We really appreciate your support and look forward to working with you.

Content, image usage and toolkits:

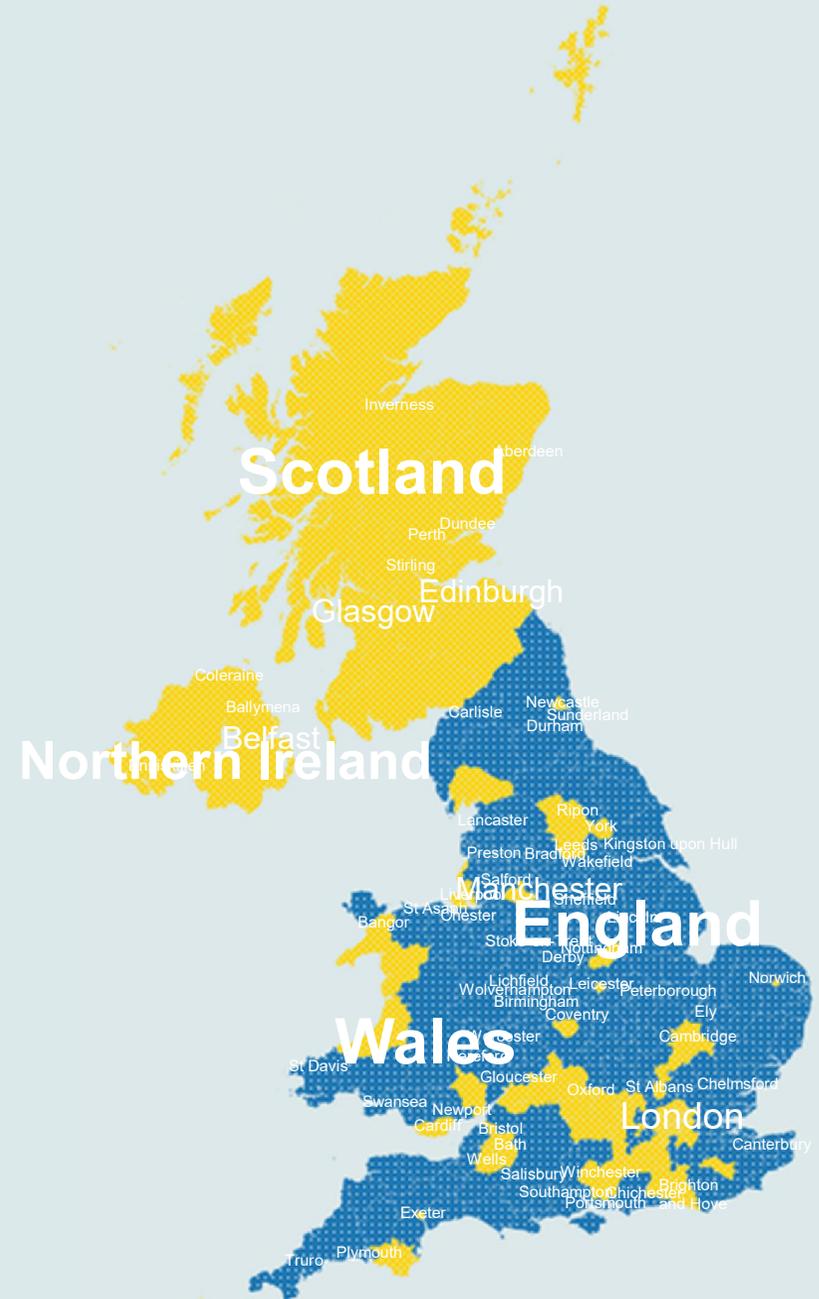
- For queries and additional images: euexitcampaignqueries@cabinetoffice.gov.uk
- For Border Readiness toolkit: secretariatmailbox.borderplanninggroup@hmrc.gov.uk
- For Business Readiness toolkit: euexitcampaignqueries@cabinetoffice.gov.uk
- For EU citizens in the UK (settled status) toolkit: <https://www.gov.uk/government/publications/eu-settlement-scheme-community-leaders-toolkit>

Government Communications Service local contacts:

- London / South East / East of England: william.charlton@cabinetoffice.gov.uk
- North East / North West / Yorkshire and the Humber: chris.kirk@cabinetoffice.gov.uk
- East Midlands / West Midlands: helen.clarke@cabinetoffice.gov.uk
- South West: ruth.verrall@cabinetoffice.gov.uk
- Scotland: blair.heary@cabinetoffice.gov.uk
- Wales: tom.evans@cabinetoffice.gov.uk
- Northern Ireland: arlene.mcphillips@cabinetoffice.gov.uk



AdiEU: The Impact of Brexit on UK Cities



Metro — Dynamics

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The purpose of this report

It may not have been a regular subject at dinner tables around the country, but in the last couple of years, many of the UK's cities have been undergoing a period of radical structural reform as powers and finances have been transferred gradually from national to local government. These reforms have culminated in the City Devolution programme, which now covers ten cities and regions across the UK, and the creation of the Northern Powerhouse, to balance the London and South East economic powerhouse.

At the time of writing, there is significant trepidation that the events of the last few days could put these reforms at risk. The vote to leave the European Union ('EU') will impact upon the economies of cities and metropolitan areas. This impact will be felt acutely by local authority teams in cities, by businesses operating in cities, and by investors who fund development in cities.

The purpose of this report is not to forecast or speculate on how the unprecedented historical events of the last week will play out - this is available on the front pages of every newspaper daily - but to set out the facts as they are known today, and consider the range of likely impacts.

The possible economic impacts include the loss of significant European Union funding streams such as ESIF and EDRF, jobs and investment linked to European trade, future investment in infrastructure and business, universities' ability to continue to attract EU academics and students, and research and innovation investment.

The political uncertainty which is a by-product of the Referendum, creates short-term uncertainty about the prospects for the City Devolution programme. There is at least a risk that the process of devolution could be slowed or even halted as the political parties work through leadership changes and ensuing policy is realigned. For those places yet to start a formal City Devolution process, there is a worry the window may have started to close.

Whilst there are reasons to be concerned about the City Devolution programme, there are equally good reasons to believe it should be continued.

Firstly, the Referendum has revealed concerns about the nature of our national democracy. Voting patterns have highlighted divisions within our society. The results, and the ensuing political fallout, suggest that no leader of any single national political party can claim to be truly representative of the country. The UK needs progressive city leaders to help unify communities, and they will need the powers and finances implicit in devolution to enable them to do this effectively.

There can be no doubt that the UK economy is going to be affected by economic fallout as we withdraw from the UK, the only question is how deeply and for how long the impact will be felt. Cities are increasingly seen as the engines of economic growth and their response to the UK's withdrawal from the EU will be key to limiting its economic impact. The wisest cities will already be reaching out

to local businesses, universities, and investors to assess the range of possible scenarios resulting from Brexit, and planning accordingly. Referendum results present a number of issues, but there will also be opportunities. City leaders, working in tandem with the private sector, need to identify those opportunities and ensure appropriate plans are put in place to realise them. Local government is best placed to do this with devolved powers. For these reasons, devolution as a policy objective should continue.

The Table of Contents to this report effectively sets-out a checklist of the immediate and known issues on which city leaders, businesses and investors should focus over the coming few months. This should be the agenda for cities as they shape their response to the post-Referendum world. It should be the basis on which cities and their stakeholders negotiate with a new Government. And the centrality of these issues makes a powerful case for city leaders to be fundamentally involved, alongside the devolved administrations, in the withdrawal negotiations.

This is the first in a series of regular briefings to be produced by the Metro Dynamics team to bring some clarity to everyone who has a direct or indirect interest in our cities. To receive more of these briefings, please contact the team.

Research@MetroDynamics.co.uk

Cities and EU funding

Most people are aware that two of the EU's founding principles are the freedom of movement and access to open markets. Another of the EU's fundamental principles is to balance economic growth and price stability across and within countries in order to create a highly competitive social market economy that enables full employment and social progress.

The EU's main delivery mechanism to achieve this has been the creation of a number of multi-billion framework funding programmes that redistribute EU membership contributions. The UK has contributed significantly to these funds, and has also been a major beneficiary. The referendum debate revolved around the net total national figure. However, for cities and regions in the UK, there is no net figure to debate – it is only a loss.

The UK's decision to leave the EU will have a direct impact as EU funding streams are suspended or cancelled. How much of an impact will depend on what redistributive mechanisms are put in their place by Government, and when. Set out below is an initial inventory of the EU funding streams and, where known, the potential economic exposure of the UK's cities and regions to those streams.

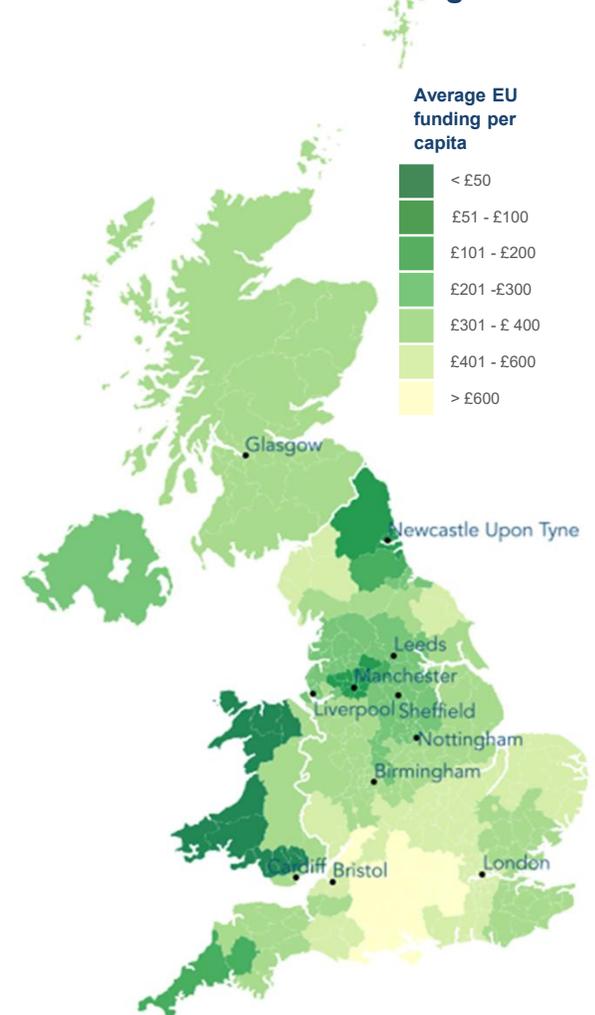
European Structural and Investment Funds (ESIF)

European Structural and Investment Funds (ESIF) provide funds to help local areas grow. The overriding aim of ESIF is to reduce economic inequalities both between, and within, European countries. ESIF supports investment in innovation, business, skills and employment in order to create jobs. The funding that makes up ESIF is largely divided into three separate funds, two of which invest in UK cities: the European Social Fund (ESF) and the European Regional Development Fund (ERDF).

ESIF funding is vested through multi-year agreements and the current round covers the period from 2014 to 2020. Under the current agreement, the UK receives £1.8bn per year which is distributed across the country on the basis of an allocation set by the European Commission. The bulk of the funds are targeted at areas of the country with more pressing economic need, with Cornwall, West Wales and the Welsh Valleys receiving the highest allocation of funds per capita reflecting this.

A number of northern cities also receive large per capita allocations as this map illustrates. The LEPs in these cities have funded a number of specific programmes, the majority of which are designed to support the development of specific skills.

Distribution of ESIF Funding



Source: European Commission

For instance, the funds are being used in Liverpool to run programmes to train residents for the marine energy sectors, and in Hull, the money is being used to fund a programme supporting the young unemployed.

There is no constitutional or legal precedent as to what will happen when the UK formally leaves the EU. If the UK withdraws from the EU before 2020, then there will be a question mark against what happens to ESIF funding between the departure date and the end of its allocation in 2020. This will be subject to exit negotiations. Should the EU choose not to extend the UK's ESIF funding beyond the UK's withdrawal date, there will be a funding gap. The Government will need to decide whether to cover the funding gap to the end of 2020, or whether ESIF funded programmes will need to end in tandem with the UK's withdrawal date. For cities, there is therefore a risk that training and skills development programmes may be impeded or end early.

European Investment Bank lending

The European Investment Bank (EIB) is an important lender to the UK's cities. The EIB is owned by the 28 member states of the EU. Alongside Germany, France and Italy, the UK is one of the largest shareholders with a 16% stake. The EIB provides project finance for major infrastructure projects including energy, transport, telecommunications, water, sewerage and solid waste, and project

finance direct to industry. In the last decade, the EIB has invested more than £40bn into the UK, of which £5.6bn was invested in the last year.

Of concern to cities is the fact that more than 78% of that funding has been directed at urban areas. The EIB has indicated that recent deals will continue uninterrupted. This includes major projects like the Thames Tideway Tunnel, funding to Swansea University, social housing developments, and to an off-shore wind-farm in Scotland. However, it is now uncertain whether the EIB will fund future UK-based projects. Shareholder status in the EIB (and therefore access to lending) is dependent on EU membership, which the UK will no longer have. Lending to non-members is subject to EU mandate, which the UK will need to negotiate. The EIB recently told the news programme Newsnight, that "the uncertainty created by the vote to leave the EU means that some [pending] UK projects, that would have stood a good chance, are now less likely to be approved"¹.

According to the EIB's database, there are 55 UK projects that have been submitted to the EIB for financing purposes that are currently going through due diligence and approval processes. As the map overleaf illustrates, many of these projects would have provided funding directly to UK cities. Should these projects not be funded, cities will either need to source alternative funding or not proceed with the project.

Projects submitted to European Investment Bank (currently pending)

Scotland

- Funding for capex programme of the University of Edinburgh
- Construction and operations of new deep-water port at Nigg Bay
- Investment in electricity distribution, generations and systems
- University of Aberdeen improvement and development

North East

- Electrically powered rolling stock for use in Merseytravel's network
- Funding capex programme of University of Newcastle

Yorkshire and the Humber

- Financing support of two offshore wind farm developments transmission networks
- Highway improvement, road bypass and urban public transport schemes

North West

- Water and sewage infrastructure investment
- Energy efficiency, renewable energy and innovation investment

East Midlands

- Water and drinking water treatment investment
- Expanding and upgrading Joseph Wright Centre
- Restoration and refurbishment of buildings in city centre at Roundhouse

Wales

- Cardiff energy from waste CHP plant
- Swansea University campus optimisation
- Programme to improve resource efficiency and adaption of new systems

East of England

- Water and drinking water treatment investment

West Midlands

- University of Worcester development
- Walsall College development

London

- Investment to support social and affordable housing developments
- Supply of up to 60 4-car units (240 vehicles) to London Overground
- Station improvements and platform extensions investment

South East

- Medium-scale offshore wind farm investment
- Port of Dover development
- Hastings college development
- Integrated waste management service in Oxford

National infrastructure funding

Last year, the Government established a National Infrastructure Commission to oversee and coordinate investment in infrastructure and major projects across the UK. Alongside this, a National Infrastructure Delivery Plan was developed to bring together the Government's plans for economic infrastructure, housing and social infrastructure over the next five years. The Government committed to deliver the plan by 2020/21 which today sets out over 600 projects costing a total of £420bn, of which £100bn is to be Government-funded, with the remainder provided by private investment and EU investment (such as the EIB as discussed above). The pipeline includes not only projects of national importance, but also the types of infrastructure that are critical to improving the functionality of cities, such as public transport, road maintenance and digital connectivity.

Whilst the decision to leave the EU will not directly impact on the Government's commitment to invest £100bn in the plan, the decision does introduce uncertainty around the feasibility of securing the balancing figure of £320bn, which could jeopardise some projects. Investors crave certainty. According to a recent survey of infrastructure investors active in the UK market carried out by S&P Global Ratings before the referendum, the majority (71%) were of the opinion that the UK's exit from the EU would suspend private investment in UK infrastructure for a period of two years after the voteⁱⁱ. Investors may wait to see what impact the UK's withdrawal from the EU has on the national economy and the value of Sterling. Of the 600 projects set out in the pipeline, about half are focused on

cities. As illustrated in the following map, some of these projects are important enabling projects that open the door to further private investment. At this stage it would be imprudent to predict whether any specific projects are at greater or lesser risk, but at some stage in the not too distant future, discussions about the potential funding gap in the National Infrastructure Delivery Plan will become critical.

In addition to these projects, there are a number of super-infrastructure projects that may be impacted by the UK's referendum decision. The delivery of High Speed Two (HS2) is critical to the economic plans of many northern cities. The HS2 Hybrid Bill is currently some way through the legislative process. In March 2016, the HS2 Bill passed successfully its third reading in the House of Commons with MPs voting 399 to 42 in favour. There is a risk that the passage of the Bill through the House of Lords may now be delayed thanks to the current political situation. Should a General Election be called, all legislative work in Parliament will be suspended and *purdah* observed. There is a risk that until that time, the current political confusion will interrupt the legislative calendar. Construction on HS2 was due to commence in 2017. Should the passage of the Bill be delayed, the start date for construction could be impacted.

At this stage it is unknown how the UK's exit from Europe will be viewed by foreign (and specifically non-EU) investors. However, as outlined above, there is a risk that the combination of Sterling exposure and uncertainty over the short-term political environment will delay investment decisions, further impacting on construction timescales.

There are also concerns about the future of Hinckley Point C, the UK's first new nuclear power station in over a generation. The new facility was projected to generate 7% of the UK's electricity and, through the construction, supply chain and related research activities, generate more than 25,000 jobsⁱⁱⁱ. The facility was to be backed by EDF, the French power conglomerate. The project has already been subject to numerous complications and delays, and not helped by EDF's difficult financial position and French union opposition. The company recently posted a 68% loss in net profit due to asset impairments as well as significant debts^{iv}. This combined with the UK's decision to leave Europe may jeopardise the project, despite EDF's official statements to date.

Of equal concern is the impact on the much-delayed decision on whether to expand Heathrow or Gatwick airport. There is overwhelming consensus that one of London's airports urgently needs to be expanded. The decision on which airport to expand will likely be taken for political reasons, despite the extensive work of the Airports Commission which has recommended expansion at Heathrow. The current political uncertainty means that any decision is likely to be further delayed. This is of significant concern not just to London, but to all cities with airports that hub to London airports. The Transport Secretary has recently announced that a decision, which was expected in early July, will now not be taken until at least October 2016.

National infrastructure pipeline projects

Manchester

- Investment in Manchester Smart Motorways
- Substantial investment in Manchester airport

Newcastle upon Tyne

- Mersey Gatesway Bridge
- Improvement and maintenance works to A1 North

Leeds

- Flood alleviation scheme
- Leeds new generation transport investment

Liverpool

- Surface access investment: A5036 to the Port of Liverpool

Hull

- A63 Castle Street to Port of Hull

Birmingham

- Midland Main Line
- M42 Junction 6
- Smart motorways investment: M6 Junctions 13-15

Cambridge

- A14 upgrade
- Northstowe new town investment

Bristol

- Bristol Temple Meads development

London

- Crossrail and Crossrail 2
- Northern Line extension to Battersea
- Thames Tideway Tunnel
- Francis Crick Institute
- London Power Tunnels

University funding

The UK is blessed with an exceptionally strong university sector and is a magnet for international students, academics and research funding. The economies of many cities are dependent on these vital economic assets: the large numbers of European students who study in these cities exercise significant spending power; the intellectual prowess of European researchers and students contribute to universities' research and development strengths; and the EU's research funds invest heavily in UK academic institutions. The UK's decision to leave the EU will impact on all these dynamics. Each year, universities generate over £73bn for the UK economy, and support nearly 380,000 jobs^v. Almost £4bn of this sum is generated by students from EU countries^{vi}.

More than 1.8mn undergraduate and postgraduate students are registered in the UK. Almost 25% of that number are overseas students (436,000), and of that, approximately 125,000 are from the EU^{vii}. At any point in time, there are more international students studying and contributing to the British economy than the populations of a mid-sized city like Liverpool, Edinburgh or Bristol. The table on the right gives an indication of how those students are distributed across some of the major regions of the UK .

To date, EU students have benefited from the same funding regime as UK students. They are charged Scottish (£nil), Welsh (up to £3,900), Northern Irish (£3,925), or English (up to £9,000) fees, and benefit from access

to student loan finance. These fees represent a very significant discount on the fees charged to non-EU students: overseas students pay up to £35,000 a year for clinical courses, and up to £16,000 for arts courses.

It is likely that EU students currently studying or applying for 2016/7 entry will not face changes to funding or fees. But beyond that, universities are likely to face stiffer competition to attract EU students. In addition, the Erasmus Plus student mobility programme may no longer fund EU students at UK academic institution which would also contribute to a reduction in students from the EU.

European Student Numbers

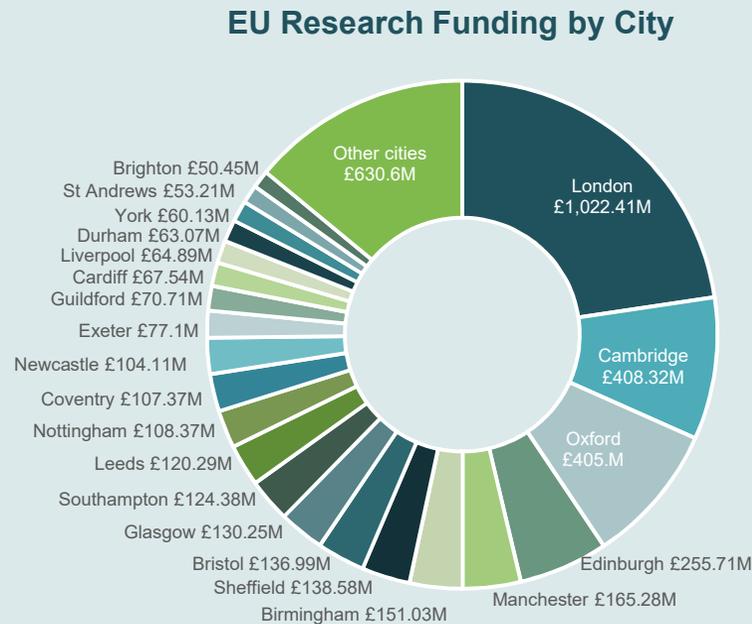
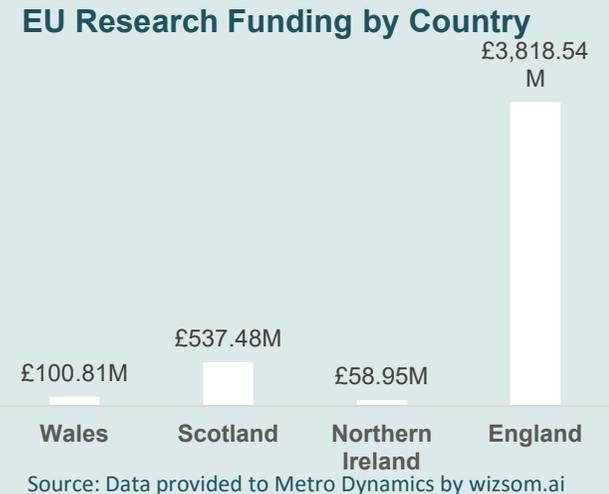
	Total students	EU students	EU students as a % of the total
Greater London	354,975	31,920	9.0%
West Midlands CA	122,805	5,525	4.5%
Greater Manchester CA	96,055	4,415	4.6%
Glasgow CR	82,530	6,390	7.7%
North East CA	81,470	3,140	3.9%
Cardiff CR	76,905	2,960	3.8%
West of England CA	71,180	3,395	4.8%
Oxford	43,465	3,325	7.6%
Cambridge	39,345	3,210	8.2%

Source: Metro Dynamics analysis of Higher Education Statistical Authority figures

Today, the UK receives a net surplus of EU research and student mobility funding. Most of this funding is delivered through Horizon 2020, the EU Framework for Research and Innovation. The goal of the funding programme is to produce world-class science and to remove the barriers to innovation and make it easier for the public and private sectors to work together and deliver innovation. The UK has received £1.8bn of funding over the last two years and total investment was expected to reach £10.4bn by 2020, according to European Commission figures, accounting for almost 16.7% of the total. Of the £1.8bn grant, the bulk is directed to higher education institutions (Cambridge University receives the largest allocation), £257mn to SMEs that undertake research, £115mn to non-SME businesses and £270mn to research organisations. But when the grants to institutions and businesses are aggregated at the city level, it is clear major research cities will be impacted. The chart below illustrates this point. London leads the pack having received more than £1.25bn since 2007, followed by Cambridge and Oxford, each receiving more than £400mn. The West Midlands region received more than £260mn, and Greater Manchester received more than £175mn^{viii}.

Continued access to EU research funding will constitute another plank of the UK’s exit negotiations. However, it is possible that any ongoing access to EU grant funding will be contingent upon the UK’s willingness to sign up to the free movement of people. A precedent has been set by Norway and

Turkey, both of which take part in Horizon 2020 under “associate member” status. As the Horizon programme is set to complete in 2020, the EU is due to commence consultation next year on the next generation of EU research funding, referred to as Framework Programme 9. Given the strength of the UK university sector, this may provide a window to argue for the UK’s further inclusion, which will be vital if the UK’s university cities are to compete globally.



Source: wizdom.ai by colwiz (<https://wizdom.ai/>)

Cities and EU trade

The functional economies of the UK's cities are diverse. London is likely to be most impacted by the decision to leave the EU – the trade in services and the free movement of labour are fundamental to the mechanics of the London economy. The future size and shape of the financial services sector centred in the City of London will therefore remain an issue of national concern.

Many smaller cities have more self-sufficient economies and as a result may be less exposed to the changes in EU trading terms. But as discussed in Section One, some of these cities will be more exposed to cuts in significant EU funding streams or the likely reduction in numbers of EU students choosing to study at UK universities. Other cities are economically dependent on the production of physical goods, like cars, that are then exported to the EU market. This section outlines the potential impact on cities of the UK's withdrawal from the EU from the perspective of trade.

International and intra-EU trade takes many more forms than it did when the EU's founding fathers set out a vision for a free trade area in 1958. Most UK cities have historically developed around a central organising principle, namely the physical production of specific type of good: cotton, steel, ships, engines. Despite all of the changes in the last century, the trade of physical goods remains an important mainstay of many UK cities, albeit a much smaller one proportionally. In response to the growing international competition for

manufacturing and production operations, many cities have made a conscious decision to move up the production value chain. These cities have actively invested in the research and development of new goods, such as pharmaceuticals, medical devices and advanced materials by drawing on research assets like major universities.

Meanwhile the decrease in the production of physical goods has been inversely mirrored by an increase in the provision and trade of services. Many of these services are traded within the UK, and many (for example financial services and advertising) have become significant service exports to the EU. Finally, in recent years there has been a marked increase in intellectual property related trade, a good example of which is the creation of software, whether for games, virtual reality or enterprises.

To set the context for the discussion in this section, the UK's total trading position relative to the EU needs to be established. Approximately 44% of all UK exports end up in the EU whilst, conversely, less than 16% of the EU's exports are made to the UK. The likely impact on the trading position of the UK's cities on withdrawal from the EU will be a function of two things: the economic make-up of a city economy across the classifications listed above and the model of ongoing UK-EU trade that is eventually adopted. To set the background for this discussion, the table to the right shows the breakdown of trade across six significant sectors of the UK economy.

Sectoral impact of Brexit

Sector	Share of Employment	Share of sector's exports destined for EU	% of UK Exports
Automotive	0.42%	35% by value	4.9%
Chemicals & pharma	0.52%	57%	9.9%
Aerospace	0.34%	45%	2.3%
Capital goods & machinery	0.61%	31%	8.6%
Food & beverage	3.7%	61%	3.7%
Financial services	3.6%	FS* 41% I&P** 18%	FS* 9.3% I&P** 4.3%
Professional services	11.6%	29.8%	9.9%

Source: Open Europe

* Financial Service

** Insurance and Pensions

Trade in physical goods

Possible limitations in the trade of physical goods have dominated the referendum debate. Today the UK has preferential access to European markets for the trade of goods across 52 countries as a result of 22 separate trade agreements between the EU and individual countries and five multi-lateral agreements. For many cities, the outcome of exit negotiations will be pivotal to future economic well-being. The potential imposition of tariffs and quotas on goods for export into the EU will make them less competitive. However, this impact could be partially mitigated by a potential long-term depreciation in Sterling.

There are a number of models being discussed that would allow the UK to continue to access the European market. The “Norway model” would theoretically allow the UK to become a member of the European Economic Area (EEA) in return for a financial contribution and acceptance of the majority of EU laws and free movement. The “Switzerland model” would allow the UK to become a member of the European Free Trade Association, but not the EEA, through a series of bilateral agreements that would become binding in return for a financial contribution by the UK. The “Turkey model” would allow the UK to enter into a customs union, which would prevent any tariffs or quotas on industrial goods exported to EU countries, but would not cover agricultural goods. Whilst there has been a lot of rhetoric about the shape of a future trade agreement, this is speculation, and proposals are unlikely to emerge until a new Prime Minister and Cabinet are in place later this year.

However, what is known is the EU trade balance in goods and how it varies geographically across the country. At a national level in 2015, the UK imported £219bn of goods from the EU and exported £133bn, equating to a net trade deficit of £82bn^{ix}.

Unfortunately, the European trade statistics are only available at the regional level, not the city level, but the results are still compelling. In England, three of the eight regions ran an overall EU trade surplus in goods last year – the North East, the South West and Yorkshire and Humberside. In addition, Northern Ireland, Scotland and Wales all ran trade surpluses as well.

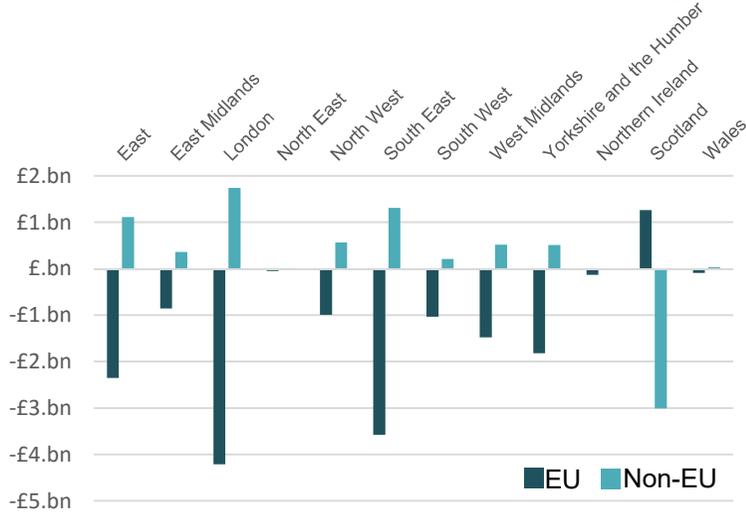
Digging below these regional level figures exposes some of the uncertainties cities face. For example, much of the North East’s overall EU trade surplus is driven by a surplus in manufacturing (primarily cars) and production of chemicals. As is well known, Sunderland is home to Nissan, the UK’s largest single car production site. Nissan has invested £3.67bn into the site since it was opened in 1986 and it is the EU manufacturing hub for the production of five different models. The region’s highly successful production of chemicals is linked to concerted investment by over the last decade. In 2004, a formal industry cluster was established by the leaders of many petro-chemical and pharmaceutical raw material companies based across the region to accelerate growth and access to international markets, including the EU. Today the cluster manufactures 50% of the UK’s petrochemicals and 35% of pharmaceutical raw materials. Companies, including Akzo Nobel (Dutch) and GSK (UK),

have also invested in significant facilities in Newcastle, Billingham and South Tyneside to produce goods for export into Europe.

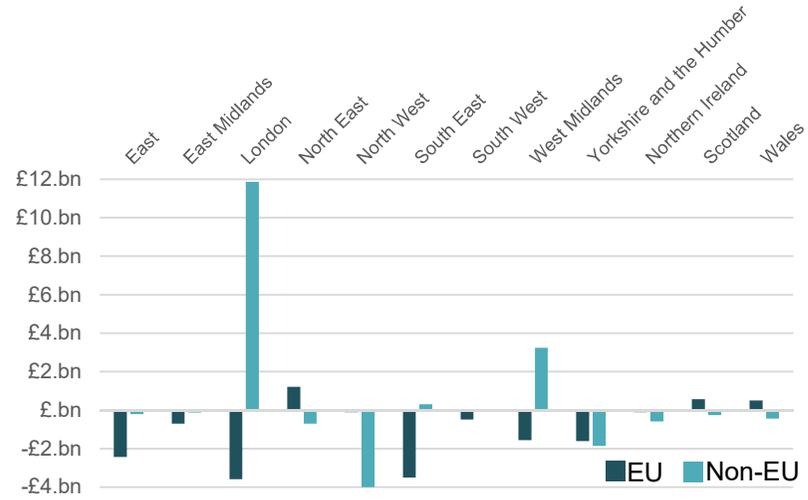
Whereas a century ago, much industry took place in the heart of cities, today, industry and manufacturing takes place in the hinterland of cities, many in the north of the country. The cessation of favourable EU trade terms could put those operations at some risk and in turn the city economies around which they are based – particularly as many city regions are exposed to high GVA manufacturing and production jobs. For these cities it will be imperative to understand the degree of exposure and hedge against possible job losses.

What is encouraging as the following trade balance charts show, is that in many regions while there is a negative trade balance on goods with the EU, the trade balance is in surplus on trade with non-EU states – particularly for manufacturing and food and beverages.

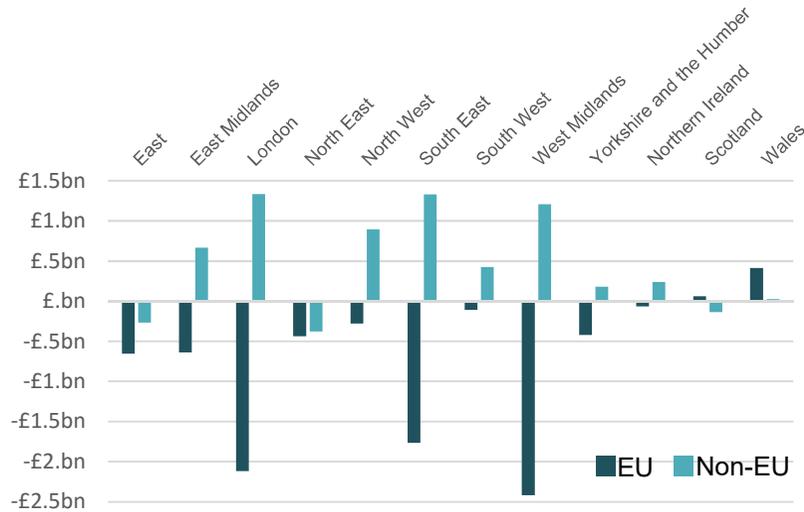
Balance of Trade Statistics: Food and Beverages



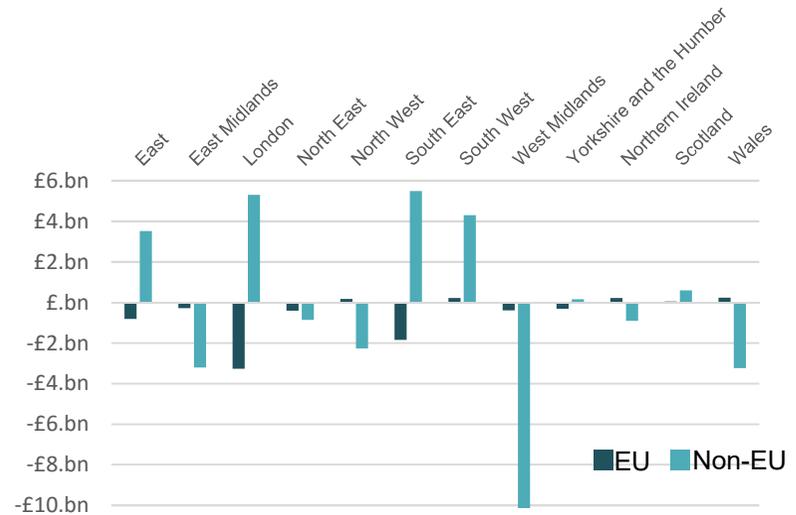
Balance of Trade Statistics: Raw Materials



Balance of Trade Statistics: Manufacturing



Balance of Trade Statistics: Machinery + Transport



Source: Metro Dynamics analysis of Overseas Trade Statistics, HM Revenue & Customs

Trade in R&D related production

In the last few years, many cities have invested in the creation of significant R&D clusters. These clusters do not depend on the free movement of goods, but the free movement of people. As a by-product of the inward movement of talent, global and European companies locate their research facilities to access leading thinking. As an example, Horiba MIRA is an automotive engineering and consultancy facility located in the West Midlands. The facility provides product engineering, research, testing, information and certification services to the global automotive sector. As testament to its global importance, in 2015 the entire site was purchased by Horiba, a Japanese-owned testing equipment group. Linked to the site physically is a technology park that is now home to scores of UK, European and international automotive-related companies. Cities like Cambridge have long attracted international companies to access the research and people linked to the University as discussed earlier: only last year, Apple set up an R&D facility in Cambridge. The UK's decision to leave the EU could impact on these cities, primarily through possible restrictions on free movement of people. But it should not be forgotten that these are globally competitive facilities and cities, so their ability to continue to attract companies and funding should remain strong.

Trade in services

While many UK cities have diversified into services, London remains the dominant city for many service sectors – such as the financial, professional, and creative services. Many global financial institutions base themselves in London in order to access the wider EU market through what is termed 'passporting'. This means that any financial services firm that is authorised to conduct business in a European Economic Area (EEA) state is entitled to carry on permitted activities in any other EEA state. Clearly an exit from the EU could prevent global (and British) financial services companies based in London from accessing EU markets, which puts many London-based operations at risk.

On the upside, there are many European financial institutions that sell into the UK market. And many of these companies, particularly European insurance companies, have significant regional offices throughout many cities including Manchester, Birmingham and Leeds. And the UK's decision to leave the EU may strengthen their presence as UK operations would not be subject to Solvency II, the EU legislation that the sector fought hard against. Other services such as the UK's globally-leading advertising industry may not be impeded by the UK's decision. As with financial services they will be frustrated by the inability to hire European citizens, but their competitive position in European and global markets is unlikely to be fundamentally challenged.

Trade in intellectual property (IP)

The UK has a number of competitive strengths in sectors that essentially sell intellectual property, rather than goods or services. These include the gaming industry, software, artificial intelligence (AI) and film production. As London has increased in cost, many of these sectors have anchored themselves in unexpected cities outside the capital. For instance: there is a significant gaming cluster in Leamington Spa; Bristol is home to documentary film production houses; and there is a burgeoning cluster of virtual reality programming in Hull. For these companies, and the cities in which they are based, the UK's decision to leave the EU could have an impact. It will again impede their ability to recruit European talent. And in these companies, highly technically trained talent is critical to success. As burgeoning sectors, many companies also depend on the infusion of investment and there is some fear that European investment houses will be less inclined to invest in UK companies and this will limit access to sometimes life-saving finance.

To offset this is the fact that the Government has made significant investment in the last few years to support these clusters, and despite the current political uncertainties, commitments that have been made (for instance Regional Growth Funds Round 1 and 2) are likely to be honoured. Furthermore, the UK's decision to leave the EU will not impede the sale or distribution of licenses as they are not covered by EU base legislation as they do not constitute goods.

What this means for UK cities

Many large UK cities have mixed economies. Some cities may choose to pivot and change existing growth plans to support and defend their economic base. For cities that are organised around the production of goods, significant planning may be required to protect and defend against the potential winds of change. What should make many cities breathe a sigh of some relief is the fact that the offices, production facilities and factories of major European companies (we have used those in the Global 500 for the sake of this analysis) are scattered across the UK. Of all the cities in the UK, London and the South East are by far the most exposed. And while this will not help the many towns and smaller cities that depend on the operations of European corporates to employ talented UK staff, it does help illustrate the fact that the uncertainties are shared across the UK.

UK operation locations of major European companies



Source: Metro Dynamics in-house spatial analysis

Impact on the City Devolution programme

The City Devolution agenda has built significant momentum over the last year. In June 2015, the Government called for expressions of interest by cities and functional economic regions interested in devolution. 34 different submissions were put forward. It is not known how many were being seriously negotiated by Government at the time of the Referendum. However, ten separate devolution deals are fairly well progressed. Outlined below are the facts that are known, the legislative process involved, the status of the deals that are currently in train, and the risks to those deals.

Devolution Legislative Process

The Government's City Devolution agenda, in its current form, can be traced back to the Scottish Referendum in 2014. When Scotland voted to remain in the UK, the Prime Minister announced that alongside proposals for additional devolution to Scotland, Wales and Northern Ireland, it was also "important we have wider civic engagement about how to improve governance in our United Kingdom, including how to empower our great cities."

In parallel, the RSA City Growth Commission developed a plan for devolution to city regions and metropolitan areas that garnered wide support across political parties and within Whitehall. In 2015, the Chancellor trailed the idea of a 'Cities Devolution Bill' to be introduced in the Queen's Speech that year and the Chair of the RSA City Growth Commission, was asked to lead the charge as Commercial Secretary to HM Treasury. This followed on from legislation introduced

under the Labour government in 2009 to introduce the concept of Combined Authorities as a way of enabling groups of local authorities to integrate economic development and transport functions across a functional economic area. As promised by the Chancellor, the Government passed the Cities and Local Government Devolution Act in 2016. The Act provided for the introduction of directly-elected mayors who would hold powers in their own right and chair Combined Authorities in England.

The 2016 legislation also enabled the devolution of further powers, including but not limited to housing, transport, planning and policing, on Combined Authorities. It is enabling legislation that provides for a constitutional shift of power from Whitehall to locally-elected Mayors and Combined Authorities. It enables these local bodies to exercise specific powers and oversee budgets that were previously controlled centrally, subject to the agreement of Government. However, the legislation does not make devolution deals automatically binding. Under the terms of the Act, each individual devolution deal requires further secondary legislation to establish the role of Mayor, provide for elections and specify the powers to be devolved to the Mayor and Combined Authority. That secondary legislation also sets out, in headline terms, the way that local decisions will be taken by the Mayor and Combined Authority. These pieces of secondary legislation, Statutory Orders, are subject to consideration and debate by Parliament. In practice each devolution deal that establishes a new Mayor

currently requires at least two Statutory Orders, one to establish the office of Mayor (and the Combined Authority if it does not already exist), and the other to confer powers on that Mayor and Combined Authority.

Devolution Deals

To date, ten cities or counties in England have agreed devolution deals with Government. Nine involve the appointment of a Mayor and one (Cornwall) does not. Mayoral elections in those nine places are likely in May 2017. However, for these elections to be held, the secondary legislation described above will first need to be passed. Parliament has approved all the orders needed to establish the Greater Manchester Mayor and the election of a Mayor in Manchester will go ahead in May. Elsewhere, Statutory Orders to enable the election of Mayors have been laid in Parliament, or will be in the next few days, for the Tees Valley, West Midlands, Sheffield, Liverpool city regions and the North East. In the Autumn, a second round of Statutory Orders are scheduled to be laid for each Devolution Deal. These will set out the detail of powers and funding to be transferred and further details of how local arrangements will work.

It is probable that these Statutory Orders will be passed, and that Mayoral elections in these cities will go ahead in May 2017. However, it is possible that Parliamentary procedure and timetables could be interrupted by the current political confusion.

This in turn could delay the Orders and could impact on either the date of Mayoral elections in the cities or the transfer of powers to those Mayors, or both. It is theoretically possible that a Mayor could be established, and the date of an election set, but that Parliament then fails to approve the transfer of any powers to that Mayor. Were there to be a snap General Election in the next few weeks, Parliament would be dissolved and even if the current governing party were returned to power, it would be very unlikely that the necessary legislation could be passed in time. The table below outlines the current status of each of the devolution deals.

Devolution Deal Status as of 1 July 2016

Devolution Deal	Status as of 1 July 2016
Greater Manchester Combined Authority	No further legislation is needed to create the office of the Mayor and deliver the terms of currently agreed current devolution plans. Mayoral elections in May 2017 should continue unheeded.
West Midlands Combined Authority Liverpool City Region Tees Valley Combined Authority Sheffield City Region North East Combined Authority	The Order to establish the office of the Mayor, and to provide for Mayoral elections in May 2017 are before Parliament or will be in the days ahead. But these have not yet been passed. Further Orders to transfer powers and funding will be required in the Autumn. Government is committed to achieving this legislative timetable, but there is a risk that political developments mean that Orders are not approved or do not get Parliamentary time.
East Anglia	A deal was agreed with Government in March and local councils and LEAs are proposing to implement it through setting up two Mayoral Combined Authorities. Local consultation will take place over the Summer and if agreed by Government then secondary legislation could be passed in the Autumn for elections in May 2017. There is a risk that these deadlines will not be achieved.
Greater Lincolnshire West of England	Proposals for devolution for these areas were included in the 2016 budget and will be subject to local public consultation over the summer. Legislation to establish a Mayor could then follow in the Autumn. There is a risk that these deadlines are not achieved.
Nottinghamshire/Derbyshire Leeds	Devolution proposals have been mooted for these areas, but have not yet been agreed locally or by Government.

City Deal Status as of 1 July 2016

	Total Deal Investment	Composition	Population (mn)	Per capita annual amount
Cardiff Capital Region	1.2	Funding over 20 years: £500mn from UK Govt £500mn from Welsh Government (of which £106mn from ERDF) £120mn from CCR Councils	1.5	£80
Glasgow City Region	1.13	Funding over 20 years: £500mn from UK Govt, £500mn from Scottish Govt, £130mn from Glasgow Councils Funding	1.75	£65

Given the context of the referendum vote, there are now possible delays in Mayoral elections and devolution deals that cover geographical areas where more than 16mn people live. And there is also a risk that the many civil servants involved in individual negotiations to date will be reassigned to focus on EU negotiations, which in turn would make it harder for devolution deals to secure the attention needed to drive progress.

Devolution investment funds

Under the terms of the devolution deals being negotiated, one of the fundamental components of many of the deals is the creation of Investment Funds that aggregate multiple streams of Government funding, together with additional funding, to create a single city fund that can be used to deliver 30 year programmes of transformational investment. Apart from in Greater Manchester, the setting up of these funds is dependent on the successful progress of the secondary legislation outlined above.

It should be noted that there is £106mn of ERDF funding tied-up in the Cardiff Capital Region City Deal, as a central element of the deal is the completion of the Metro, which has earmarked EU funding. Ensuring that this ERDF funding is protected will be priority for the Cardiff Capital Region.

Implications of Brexit on City Devolution

Concluding where matters stand in relation to devolution is inevitably speculative at this stage, but some observations can be made.

The funding provided for City Devolution deals is no different to any other government spending. There is therefore no specific reason to believe that funding included in the current devolution deals will be impacted by the Referendum decision. Some devolution deals, such as Cardiff and Glasgow, do stand to be more affected because European funding was included in the deal construct. In the case of Cardiff, the local leaders agreed to £100mn of European funding; the Glasgow City Deal included funding to provide integrated employment support for young people and funding to develop stratified medicine, both of which were underpinned by European funding. In both cases the delivery of the deals must be under some risk until the Government's policy on how these gaps in EU funding will be closed is clear.

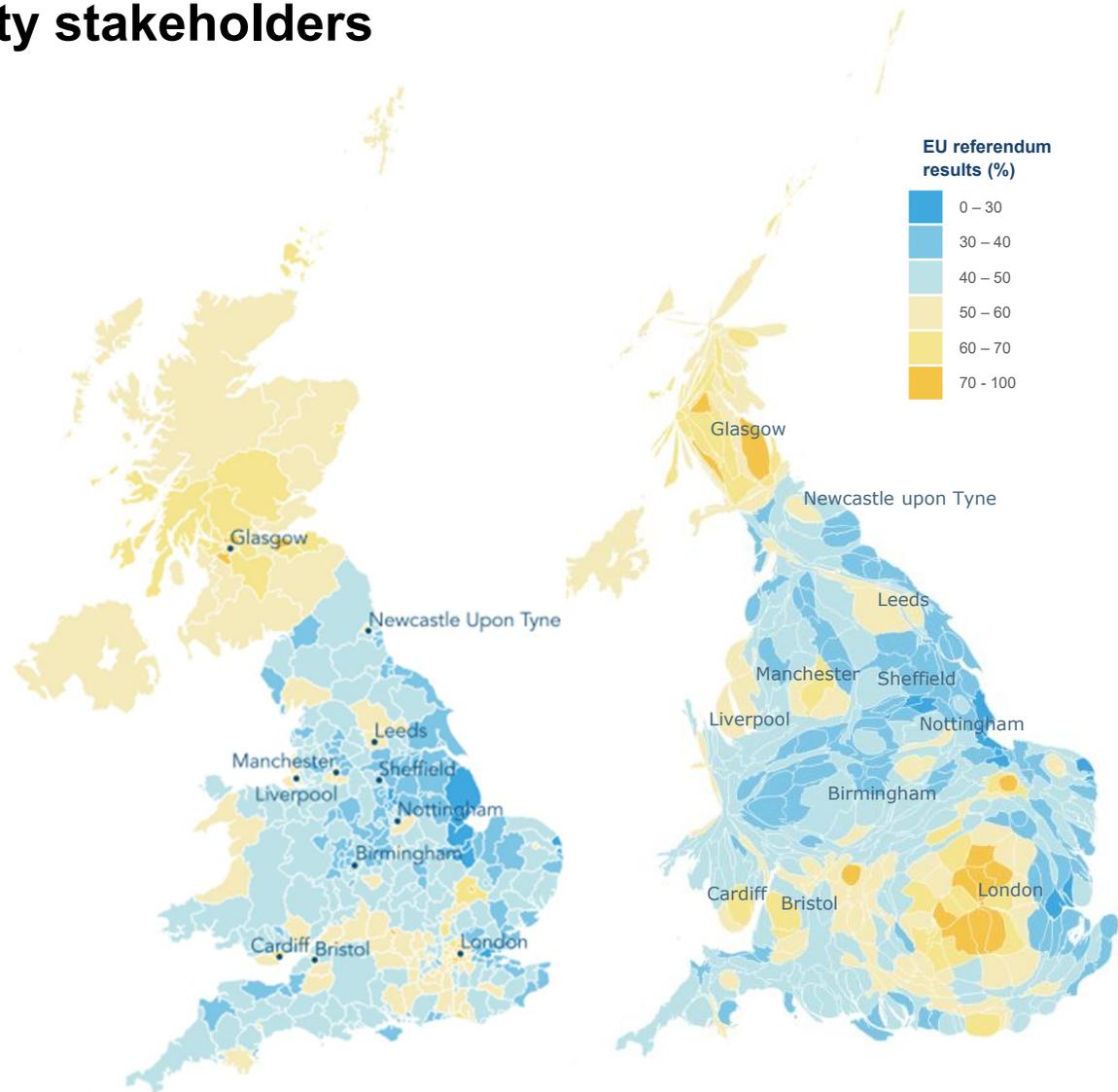
The current and previous government have placed particular emphasis on governance change as a precondition to significant devolution. The only exception to this is the Cornwall deal which, uniquely, retains a single upper-tier local authority. Governance change, in particular the creation of elected Mayors, has been the single most controversial part of the City Devolution reforms and some authorities may wish to use the current situation to pause or even reconsider governance change.

If the perceived economic benefits of devolution justified the creation of an elected Mayor in an area prior to the referendum, the economic arguments are even stronger now. The funding made available through devolution, though modest, could provide economic stimulus. Further capital expenditure (which may now be possible as the Government loosened its fiscal targets this week) would be even more welcome and could be administered through Mayoral Combined Authorities to further support devolved areas.

What this means for city stakeholders

Over the coming weeks those that lead, operate and invest in cities will face a period of unprecedented uncertainty. As discussed earlier the economic impacts on cities could begin to bite quickly as foreign investors delay pending investment decisions. Job losses will follow, although the speed of these losses will vary and depend on the sector of the economy affected. For example, in the London financial services sector, whilst there may be some headline job losses, the pattern is more likely to be gradual as foreign nationals working in London are repatriated over the coming months. For that reason, City of London job losses may not actually appear in the economic data until the 4th quarter of 2016/17. In other cases, it may be the predicted growth in the rate of employment which slows as planned investment is either deferred or cancelled.

Until the EU withdrawal negotiations are completed, the future of EU direct funding will remain uncertain. This is compounded by the political uncertainty that could affect both the timetabling of existing devolution legislation and the viability of extending the City Devolution programme to other cities and regions of England, as scarce Whitehall resources are increasingly drawn into negotiating and planning for the UK's withdrawal from the EU. The outcome of party leadership contests, a potential General Election and possible single party or coalition government outcome scenarios are frankly too complicated and unpredictable at this stage to map.



Source: Metro Dynamics analysis of Electoral Commission data.
Maps for the two city regions are displayed using different spatial scales

It must be acknowledged that changes in the political landscape as seismic as this make the future trajectory of all major government reform programmes uncertain. This holds as much for major reform programmes like Universal Credit as it does for City Devolution.

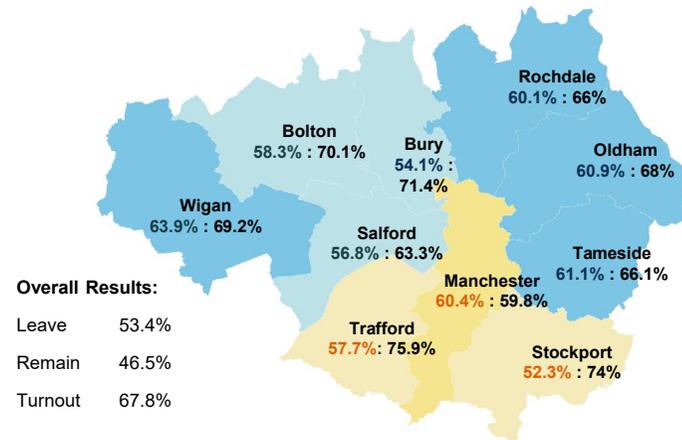
Set out below are some of the implications for UK City stakeholders of this historic set of events.

Voting Patterns in Cities

It is not possible to fully evaluate the impact of the events of last week on cities without considering Referendum voting patterns and what they mean for prevailing theories about the UK's cities. At first sight, the voting pattern was relatively consistent across the major cities. The urban city centres in for example, London, Manchester, Cardiff, Glasgow and Newcastle all voted to remain in the EU, which is consistent with what would be expected.

The two maps on the previous page show the difference in voting patterns across the country spatially. The map on the left hand side show the strength of the Leave and Remain vote across the UK geographically. The cartogram on the right hand side has been distorted to reflect the numbers of voters spatially.

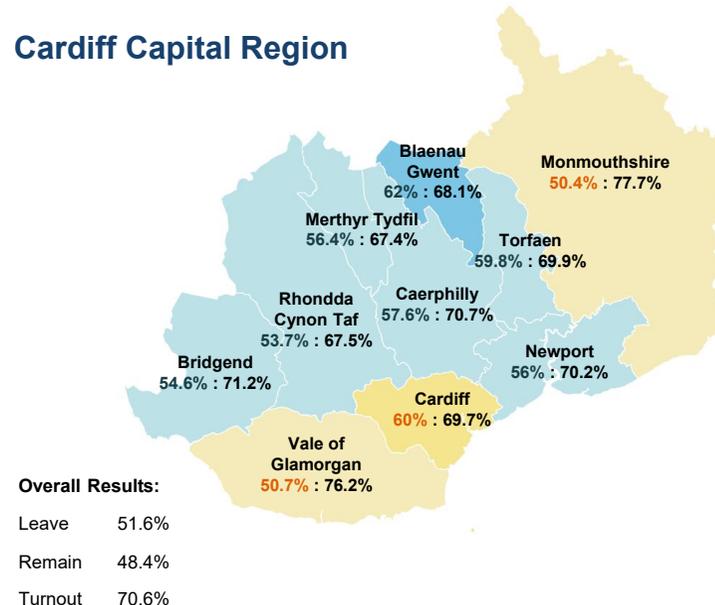
Greater Manchester Combined Authority



Overall Results:

Leave	53.4%
Remain	46.5%
Turnout	67.8%

Cardiff Capital Region



Overall Results:

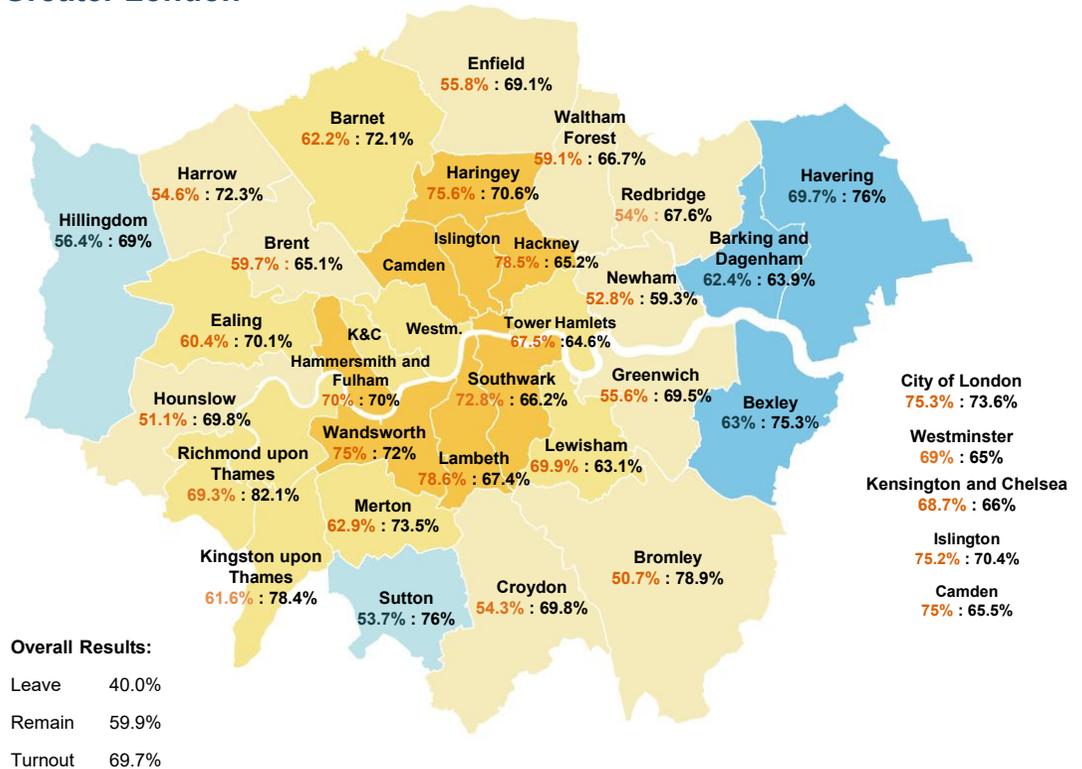
Leave	51.6%
Remain	48.4%
Turnout	70.6%

Areas have been resized according to the total number of votes cast in each area. The map clearly shows that areas of high population density (as indicated by high numbers of total votes) were the areas where the majority vote was in favour of Remain.

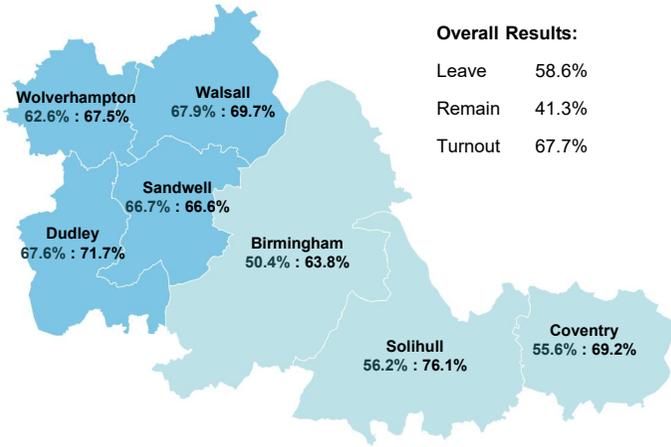
This is not surprising as residents who live in cities tend to be more liberal, ethnically diverse and have an urban mind-set. This is particularly the case in cities that have been through a period of regeneration and have attracted in new young residents. People often choose to live in cities to access and live within a more cosmopolitan environment. But as the individual city maps illustrate, the story within major cities is also telling. The degree of support for Remain, outside of immediate urban centres (though in the minority) decreases almost in direct proportion to the distance from the centre. In other words, the further from the centre, the higher the proportion of Leave votes.

In city areas, this voting pattern appears to reflect the socio-demographic profile of city residents spatially. The general pattern is that as the distance from the city centre widens, the educational attainment and earning of residents declines, and as the maps show, so did the propensity to vote Leave.

Greater London



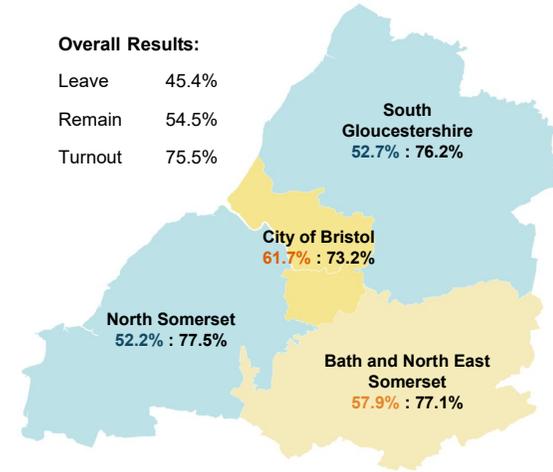
West Midlands Combined Authority



Overall Results:

Leave	58.6%
Remain	41.3%
Turnout	67.7%

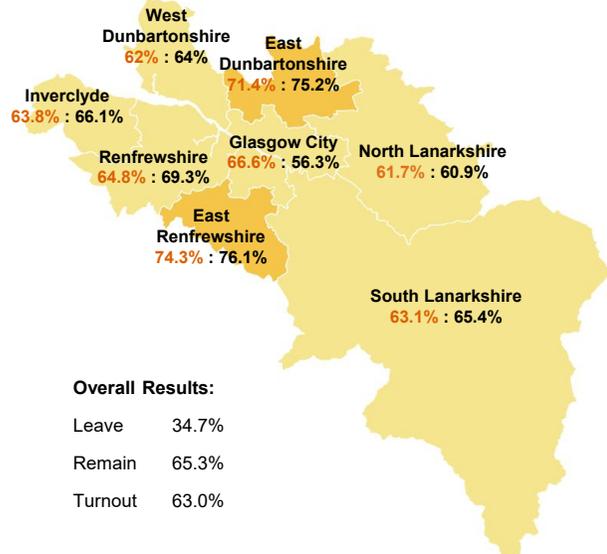
West of England Combined Authority



Overall Results:

Leave	45.4%
Remain	54.5%
Turnout	75.5%

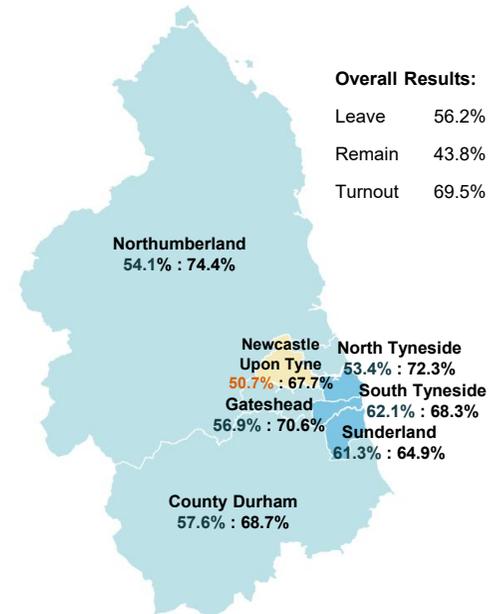
Glasgow City Region



Overall Results:

Leave	34.7%
Remain	65.3%
Turnout	63.0%

North East Combined Authority

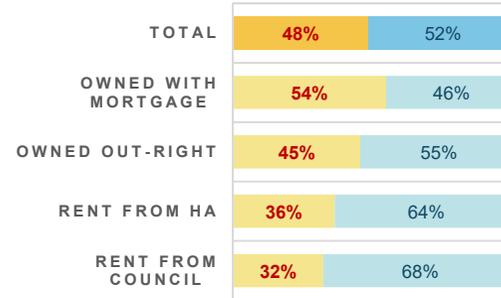


Overall Results:

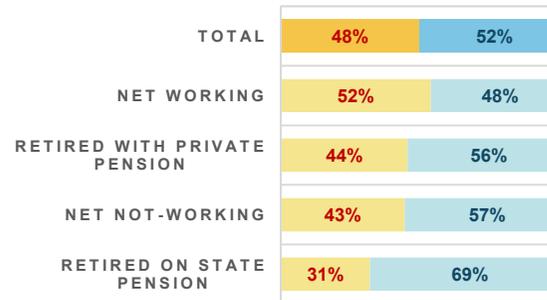
Leave	56.2%
Remain	43.8%
Turnout	69.5%

Of great concern though are the divisions which a more studied analysis of voting patterns across the entire country, not just cities, reveal. Polling data released on 24 June 2016^x suggests there are correlations between specific characteristics and voters' propensity to vote Leave. For example, more than two thirds of people in receipt of state pension intended to vote Leave; whilst two thirds of council and housing association tenants voted Leave. The polling data exposes important divisions in opinion across age group, socio-economic classes, level of education and other classifications.

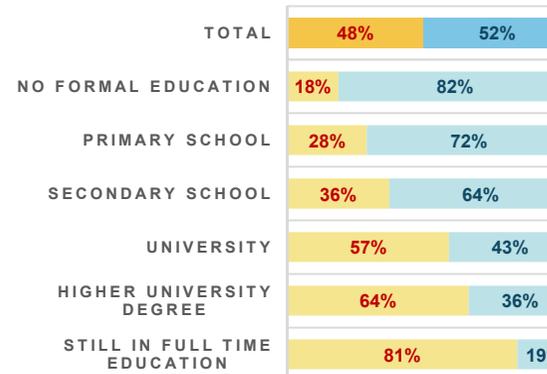
Voting by tenure type



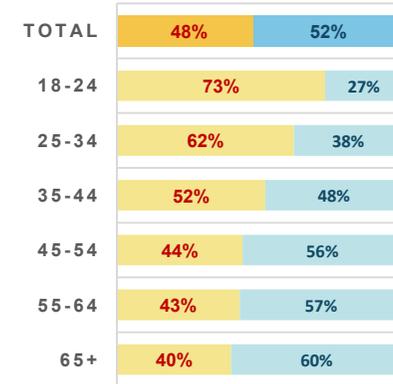
Voting by working status



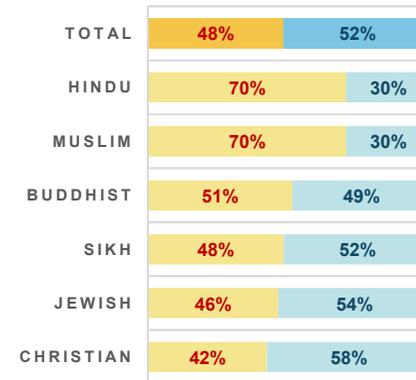
Voting by level of education



Voting by age



Voting by religion



■ Vote remain ■ Vote leave

Source: Metro Dynamics analysis of Lord Ashcroft polling data (21st-23rd June)

Inclusive growth

No doubt the Referendum results and the associated polling will be crawled over in the coming weeks. They are likely to raise two fundamental questions about the UK's accepted theory and policy on cities. The first question is the efficacy of agglomeration economics in UK cities. The theory behind agglomeration economies is that significant benefits are created (economic, financial and social) when firms and people locate near one another in cities and industrial clusters. The theory holds that benefits are derived from transport cost savings and the augmented competitive position of aligning economic purposes across a city region or combined authority. It is this theory that has informed much of the thinking on the Northern Powerhouse and the need for northern cities to link more closely, both physically through better transport links and commercially, by selecting a number of industrial specialisms that can be coordinated across a city. However, the city charts above suggest that to date, the effects of agglomeration are not yet rippling out from city centres across wider city regions. This either means agglomeration theory doesn't hold in the UK (which is unlikely), or cities are not yet reaping the benefits of agglomeration economics. This is not surprising as it takes years, if not decades, for benefits to be created. London is a case in point - it has taken more than thirty years for the benefits of the London's spatial

and economic agglomeration to take root. Many UK cities are just at the beginning of this process.

This leads to the second question, which is how inclusive the economic growth in cities has been. The voting patterns provide further evidence for the perception that recent growth in cities has not been shared uniformly. Those who live outside of city centres and wealthier areas are not benefiting directly from economic growth: wages are not increasing, job opportunities are not expanding and social mobility does not feel as possible. Going forward, much more concerted thought and effort is required to find mechanisms to share the proceeds of growth. This applies equally if not more to the corporate sector as it does to the policy makers. That is why the RSA Inclusive Growth Commission has such an important task.

National politics

It is inevitable that the decision to leave the EU will impact negatively on the UK's public finances over the short-term. As was debated at length during the run up to the Referendum, what the Institute of Fiscal Studies terms the 'mechanical effect', that is the savings the UK will make as a net contributor to the EU, will benefit the public finances. This will be offset by a national income effect, which is generally forecast to be negative. Increased uncertainty, higher

costs of trade and reduced FDI are likely to hit tax receipts. In addition, the government will need to consider how to fund a potential funding gap in the National Infrastructure Delivery Plan and replace EU funding streams such as Horizon 2020. All of this suggests that the national accounts will be impacted.

This could open the window to full fiscal devolution to cities. One of the reasons the current and previous governments have not responded to calls for full fiscal devolution is a concern over the detrimental impact it might have on the public finances. For instance, if cities were given the power to retain a proportion of locally produced VAT, it would leave a hole in the national accounts. And under the Coalition's austerity regime, reductions in receipts to the Exchequer would have to have been offset directly by additional reductions in public spending, to maintain the commitments made by the Government. However, in the days since the Referendum vote took place, the Government has been forced to abandon its deficit reduction targets (which aimed to achieve a budget surplus by 2020), which opens the door to greater fiscal flexibility and the possibility of fiscal devolution.

In addition to fiscal devolution, national politicians and Whitehall officials will also need to consider the ongoing approach to the City Devolution agenda. As mentioned earlier, current and previous governments have favoured a highly controlled approach. Cities have negotiated for additional, and to date, fairly limited powers. To mitigate the extensive impact of the UK's withdrawal from the EU, the pace will need to accelerate. Loosening the devolution process and giving cities the power to make their own choices will be critical to this.

City leaders

The Referendum vote changed the agenda for city leaders across local authorities, Combined Authorities, LEPs and businesses overnight. The drive for investment and inclusive economic growth is now central. City leaders will spend the coming weeks and months taking a city-wide view of the total EU economic exposure: ESIF funding, EIB lending, Horizon 2020, impact on university student numbers and different scenarios of private investment funding, amongst others. Proactive leaders will start discussions with local businesses that trade heavily with the EU to understand the impacts. Work should begin to diversify city economies that are heavily exposed to EU trade in physical goods.

Should the City Devolution programme stall, for the legislative and timetabling reasons identified above, City Leaders should explore alternative ways of driving forward city renewal. There are a range of investment approaches that UK cities have, to date, barely explored. Most cities have yet to leverage the full financial potential of their

balance sheets. Many cities have yet to make compelling cases for significant private investment: too often the 'MIPIM approach' is adopted where individual sites are put to the market, instead of a whole-sale vision for a city extending beyond just real estate, which is more likely to attract large and sustained funding to be deployed in partnership with the public sector. Municipal bonds have rarely been used in the UK, despite the establishment of the Local Capital Finance Company. Investment banks have waited patiently for cities to approach with ideas for institutional bonds. There are a raft of funds available to create Social Impact Bonds. In short, for those city leaders who are eager to act, there are a range of possible funding mechanisms outside of Government-funded City Devolution investment vehicles that could catalyse growth.

Alongside this it will be important to deliver investment and city growth in a way that enables residents to feel and see the benefits. The doughnut of affected residents outside of several city centres need to be pulled more tightly into the fabric of the city.

And in some cities, where the vote was consistently Leave, work will be required to ensure growth benefits the entire city population.

City investors

For investors in UK cities, the concurrence of economic and political events is unsettling. Foreign investors will need assurance that the political situation in the UK will stabilise, and that a future government will support major

projects that require ongoing investment. The Sterling exchange rate over the coming months will play an important role in investment decisions.

For UK-domiciled investment funds, the risks are different. As discussed earlier, there are a range of major infrastructure investments that are now in question. They range from HS2 and Hinckley Point, to the 55 different projects that were to be funded by the EIB.

And while the political context puts major infrastructure programmes in question, a raft of solid, smaller prospective projects requiring investment remain unaffected by recent events. The trade-off is they will be smaller in size and this may in turn impact potential returns. But as the Bank of England has heavily hinted, there may be further Quantitative Easing (QE). These additional funds will need to be invested, particularly as further QE will lead to a further erosion of interest rates. It would be imprudent to suggest that all requests put forward by cities will justify investment. However, given the imperative to get current and future investment funds out the door, there will be opportunities for funds, or groups of funds, to create co-ordinated investment portfolios across individual cities or city regions that would make not only a significant impact in those cities, but also healthy returns.

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Further information

Metro Dynamics provides strategic advice to those leading, growing or investing in cities and metropolitan areas.

The Metro Dynamics team has collectively advised 83 cities in 32 countries. We are experts on city economics, finance, investment, policy, governance and real estate. Our approach is evidential, and underpinned by a deep understanding of the dynamics of cities and metropolitan areas.

During the coming months, those who lead, operate and invest in cities will require accurate information as it develops, and insight into what that information means. Metro Dynamics will be hosting a series of roundtable discussions with expert speakers and publishing further briefings on specific themes raised by the UK's decision to withdraw from the EU. If you would like to attend one of our roundtable events, or receive future briefings, please register your interest by email to Research@MetroDynamics.co.uk.

If you invest or operate in UK cities and would like to understand in more detail the impact of

the Referendum and EU withdrawal on the city(ies) in which you invest or operate, please contact any of the Metro Dynamics directors.

We will be working with cities, counties and other metropolitan areas over the coming months to measure their exposure to the consequences of EU withdrawal, to plan and implement risk mitigation strategies, and to identify opportunities arising from this rapidly changing political and economic environment. If you would like to have a conversation about how Metro Dynamics can help you, please contact any of the Metro Dynamics Directors.



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MHCLG – REGIONAL BREXIT FEEDBACK 050319

Please find attached an update from MHCLG on London specific issues raised with them.

Below is the weekly update email from MHCLG's Operational Readiness Team. MHCLG hope this communication answers some of the questions you've raised recently, alongside a broader update about future events.

Key issues

- **DfT Transport Planning:** Following the telekit on Friday we can confirm that DfT have only written to LRF chairs with high priority ports in their areas. This letter did not include any planning assumptions or modelling, rather it updated these areas on progress and highlighted who the key contacts in DfT are. If Chief Executives in your regions have a high priority port in their authority and have not seen the letter, they should contact their LRF chair who can share it; alternatively they can let us know and we will follow up directly with DfT. Please note that Kent will not have received this letter due to separate contact with DfT. In addition, we understand that DfT are planning to send a further letter later this week, or early next (subject to internal clearances), to all LRFs and local authorities outlining DfT and Highways England progress, and how they are prioritising their engagement with local areas.
- **Data:** Guidance for local authorities on data protection has now been issued to all LA Chief Executives and is attached.
- **Stronger Towns Fund.** You will have seen that the government announced its Stronger Towns Fund this morning. This £1.6 billion funding will be targeted at places that have not shared in the proceeds of growth in the same way as more prosperous areas. The first £1 billion has been allocated according to formula allocations which are based on a combination of productivity, income, skills, deprivation metrics and proportion of the population living in towns. This targets funding at those places with economies that are performing relatively less well to the England average. A further £600 million will be available through a bidding process to communities across the country. More information on the bidding process will be available in due course.

Events

- **Chief Executive Roundtable:** Following discussions with the LGA, the roundtable will now be held at 8.30am on Monday 18 March as a teleconference, holds should already be in your diaries. We are preparing an agenda for this, please do let us know if there is anything in particular you wish to cover.
- **Other events:** In addition, there a number of further sector engagement events to be aware of in the coming weeks:
 - Thematic workshop: Adult Social Care, London – 13th March:
<https://www.eventbrite.co.uk/e/local-government-eu-exit-workshop-adult-social-care-asc-tickets-54920988154>
 - Thematic workshop: Trading Standards, London – 15th March:
<https://www.eventbrite.co.uk/myevent?eid=57409725033>
 - Thematic workshop: Coastal Authorities, Southampton – 18th March:
<https://www.eventbrite.co.uk/myevent?eid=57831088342>

Requests

- **Impact on small businesses:** Martin fed back in telekit on Friday that he was aware of a number of small businesses facing liquidity and cash flow issues. It would also be useful if anyone has more detailed examples in how this is manifesting itself (e.g. around late payment of invoices or credit).
- **Statutory Instruments:** Last week we mentioned that it would be helpful to be made aware of any specific pieces of legislation that local authorities use frequently so we could follow them up and work closely with departments to understand their status.

EU Exit Conference: London Region – 14 February 2019

Co-ordination & Response

- NHS National Co-ordination Centre now in place (for intelligence gathering, cascade of information, supporting responses)
- 4-level incident escalation protocol has been developed (Limited – Moderate – Significant - Critical)
- Organisations encouraged to escalate any incidents via normal channels (in addition to the EU Exit protocol)
- Likely introduction of daily sit-reps (by region) focussing on overall system performance and incident responses
- Details of assurance process still to follow

Medicines & Vaccines

- Further reinforcement of message not to stockpile beyond 6-weeks supply
- GPs encouraged to: reassure patients that extra medication is not required – and not issue longer prescriptions
- Good understanding in place of national demand for stocks and supplies
- Significant buffer stocks now centrally held – and will be replenished on continuous basis
- National Medicines Shortage Response Group has been established
- Local collaboration may be required between organisations – where stock shortages identified and supplies could be shared
- Arrangements in place to air freight any 'short-life' medicines (that are not suitable for the normal stockpile period)
- Trusts encouraged not to plan for reduced elective activity as a result of EU Exit
- Government is putting 'serious shortage' protocols in place (e.g. to enable community pharmacists to dispense alternative medicines against a prescription – without the need to go back to prescriber)
- Multiple communications channels being used to engage with General Practices
- Organisations are asked to log where alternative supply routes for medicines / drugs result in increased costs

Clinical Trials

- Clinical Trials should continue as normal
- Trusts should ensure R&D departments are aware of, and following, the EU Exit guidance and DHSC Technical notices

Medical Devices & Clinical Consumables (MDCC)

- No need to stockpile MDCCs
- Organisations encouraged to plan for 48 hour (rather than 24 hour) lead times from order to delivery of MDCC products received via the Dedicated NHS Shipment Channel
- Trusts asked to bring forward the year-end stock-take - to complete by 8 March 2019
- Organisations encouraged to plan for potentially needing to receive supplies outside of the normal operating hours (in the event of alternative transport routes being required)

Non Clinical Consumables & Services

- Where an organisation is clear that it is the sole NHS purchaser of a particular service – it needs to take responsibility for that provider's readiness
- Organisations encouraged to 'walk the floor' to identify potential risks to the running of facilities / estates
- More guidance to follow on food and laundry

Blood & Transplant

- No stockpiling required – continue to operate as normal

Workforce

- Not seen as a 'day 1' issue
- EU Nationals account for 5% of total NHS workforce
- Organisations encouraged to continue to monitor numbers of EU nationals and ensure staff are aware of the EU Settlement Scheme

Data

- Organisations need to be clear where any personal data is being held outside of the UK
- Organisations encouraged to avoid any system upgrades that are planned for the end of March / start of April
- Also encouraged to ensure usual 'business continuity' assurance checks in place for:
 - cyber-threats
 - provision of technology / digital supplies from EU suppliers

Readiness

- To help with preparations, reminder was provided of using the 'business continuity scenarios' that have been circulated to Trusts
- Similar scenarios may be developed for Primary Care

Updating Boards

- Organisations encouraged to ensure Boards are kept updated on EU Exit preparations.