

HoftSW Joint Committee

Meeting date – Friday 29th March 2019

Exiting the EU (Supporting the Heart of the South West) - 'Asks' of Government

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1. Summary

- 1.1. This report sets out proposals for a set of 'asks' from Government to assist preparations to cope with the consequences of the Brexit decision and to enable the HotSW to take advantage of any policy opportunities post Brexit.

2. Recommendations

2.1. The Joint Committee:

- a) reviews a list of 'asks' of Government provided by its Brexit Resilience and Opportunities Group ("BROG") as set out in 5 below and authorises a letter to be sent to the Secretary of State MHCLG setting out the agreed asks;
- b) Considers whether to authorise Chief Executives, working through BROG, to establish a Task and Finish Group to develop a 'stronger places' proposal as part of a 'Brexit Dividend' approach. This would support areas that could be particularly worse off as a result of Brexit and loss of EU funding.

3. Introduction

- 3.1 BROG was established by the Joint Committee following the EU referendum in 2016. Until December 2018, this Chief Officer level group was focused on looking at the strategic issues and opportunities that exit from the EU meant for the Heart of the South West.
- 3.2 At its meeting on 25th January 2019, Joint Committee authorised BROG to move to an operational level and prepare communities and businesses for Exit from the EU with a specific focus on No Deal. This was due to concern over the lack of information and guidance to local authorities and businesses to plan for a No Deal exit.

- 3.3** BROG met again on 7th March with officials from MHCLG (RED); MHCLG EU Exit Readiness Team; Cities and Local Growth Unit (CLGU) and Business, Energy and Industrial Strategy (BEIS) to share findings and views from across the Joint Committee area and for escalation to Government.
- 3.4** Since the BROG meeting there have been a series of Parliamentary debates and votes. As of the deadline for papers, 20th March 2019 the national position is still not clear. The Joint Committee will meet on 29th March 2019, the UK's schedule date for leaving the EU.
- 3.5** This paper sets out a list of 'asks' based on the position as at 20th March 2019. They are generic and high level, however, BROG members have suggested that some more work might be undertaken to make a more specific offer to Government around a 'stronger places' proposal targeted at those areas that could be potentially worse off as a result of Brexit and loss of EU funding. These 'asks' may be revised on the day depending on the outcome of Parliamentary and European Council discussions.

4. Offer to Government

- 4.1** The offer is for HoSW Joint Committee to work with Government, providing local capacity and expertise in key areas of policy and service, and enable a smooth transition and capitalise on the opportunities for communities and businesses in the Heart of the South West.
- 4.2** Based on its experiences in preparing the country to leave the EU over the last two years the Government might recognise the importance and variation of 'place' and that engagement at local level might prove helpful in delivering a successful outcome.

5. List of 'Asks' developed by BROG

- 5.1** To support our offer we have the following 'asks'. These 'asks' are at high level and strategic and would be subject to further development through co-design with the relevant Government Departments and agencies;
- **Transfer of key powers**, to local areas, that have returned from the EU to Whitehall with associated funding – for example: to augment and support capacity across a range of regulatory services to support businesses and protect consumers and environment;
 - **Co-design of 'stronger places' proposal** – (subject to Joint Committee approval) MHCLG will support a HoSW Joint Committee Task and Finish group in developing a 'stronger places proposal' which will identify the specific support in places that will be particularly affected by Brexit and loss of EU funding;
 - **Post-Brexit funding** – involve Joint Committee in the consultation and design of post-Brexit funding packages such as UKSPF, Infrastructure and Housing spend; replacement of subsidies for fishing and farming - in order to deliver transformational economic opportunities identified within our joint Productivity Strategy; opportunities document and emerging Local Industrial Strategy;

- **Post-Brexit funding model for local areas** – Government to work with the Joint Committee on revising the current model and method of distributing funding. This would be aimed at consolidating the range of short term funding streams and working with local government to schedule a more effective approach to successful delivery of outcomes.
- **New Burdens funding** – Government recognises the cumulative impact of New Burdens created by Brexit on local areas and works with the Joint Committee to adapt its current policy on New Burdens to reflect the new circumstances. In particular, it is asked not to apply the de-minimus rule.
- **Government moves away from London-centric base** – that Government shows a commitment to working across the English regions. An early win might be to base the new Environmental Protection Headquarters in the Heart of the South-West
- **Support for businesses** – work with Joint Committee partners to develop an appropriate package of support for SW businesses in post-Brexit economy. For example, funding additional capacity for advice and support in our Growth Hub; mirroring the Welsh Government's package of grant support to businesses to match fund projects productivity, strengthen supply chains, adapt to additional requirements for labelling, importing and exporting before new Trade Agreements become effective; and targeting ERDF programme for Digital Utilisation from Grow (DUG) funding to support rapid digitalisation across our business sector, particularly if targeted at SME's.
- **Proposals for use of Departmental Underspend for opportunities in fishing and agriculture** – Defra to work with Joint Committee, wider partners across the south-west and within key sectors to devise programmes to utilise departmental under spends that will support our fishing, food and farming industry;
- **Port opportunity** – Joint Committee offers Government the opportunity to work with ferry ports across the South coast such as Plymouth, Poole and Portsmouth to develop additional longer term ferry capacity for the UK to reduce the pressure and reliance on key port of Dover;
- **Border Inspection Points (Plymouth and Roscoff)** – linked to the above point the Joint Committee calls on Defra to work with French authorities to establish a BIP in Roscoff as well as Plymouth. Joint Committee also asks Food Standards Agency to urgently confirm Plymouth's funding bid to develop its BIP.
- **Legislative change Post Brexit** – Government to fully engage with the Joint Committee in the development of a range of policies that can deliver on our ambitions for growth and support the priorities within our Productivity Strategy and emerging Local Industrial Strategy – key policies include the Immigration Bill; Fisheries Bill and Agriculture Bill;
- **Housing Delivery** – Homes England to consider the various impacts of

Brexit on the Heart of the South-West housing market and takes this into account when conducting its value analysis and works with local authorities to develop bespoke, place-based measures to stimulate the housing market if there is a slow down;

- **Commitment to Interreg and other ETC programmes** – the South-West has benefited from these schemes over the years and we would encourage Government to continue with these types of programmes post-Brexit.

6. Implications (including equalities)

- 6.1** These asks have been developed to assist our communities and deliver social, economic and environmental benefit. It is not viewed that any of these measures would have negative impacts on any protected characteristics. A full Equality Impact Needs Assessment will be conducted of these measures should they be taken forward with the Government. Similarly, any legal, financial, HR, Health and Well-being, Health and Safety, Sustainability, Community Safety and Privacy implications will be assessed at that stage.

7. Risk implications

- 7.1** The purpose of developing these 'asks' is to try and reduce the social, economic and environmental risks to the Heart of the South and to capitalise on the opportunities post-Brexit.

8. Background papers

- 8.1** None

Note: For sight of individual background papers please contact the report author.