

# Local Government Association

## Debate on exiting the EU and global trade

Thursday 6 July 2017



### LGA key messages

- The UK's exit from the European Union will have a significant impact on local government and the people we represent, creating challenges that need to be addressed but also opportunities to do things differently.
- The Repeal Bill will lead to a large amount of secondary legislation, which will have direct implications for local government. In order to ensure that legislation is not made more complicated by Whitehall and the views of local communities are considered, councils must have a formal role in this review process.
- Brexit should not simply mean a transfer of powers from Brussels to Westminster, Holyrood, Stormont and Cardiff Bay. It must lead to new legislative freedoms and flexibilities for councils so that local communities and businesses benefit.
- We need clear guarantees to protect the £8.4 billion in local regeneration and regional funds. This funding is needed to support local regeneration plans, flagship infrastructure projects, employment and skills schemes and local growth in our communities.
- With over 80 programmes and projects designed to promote trade and investment, the current landscape is complex, crowded and confusing. It is unfit for the challenges of a new chapter in global trade. A Trade Bill provides the opportunity for long overdue reform and councils must have a key role in a new sub-national approach that drives growth and opportunity for local communities.

# Briefing

### Background information

It is clear that the UK's exit from the EU is going to have a significant impact on local communities and businesses, creating challenges that will need to be addressed, but also opportunities to do things differently.

Now that Article 50 has been triggered and formal exit negotiations have begun, it will be critical to ensure councils continue to have a seat at the table, working with Government and Parliament to ensure the best possible deal for Britain's diverse local communities. Ministerial meetings with the LGA and the other UK local government associations held before the General Election provided a strong foundation for bilateral engagement between local and national government. These should be restarted as a matter of urgency.

In line with the commitments made to the devolved administrations, there should be no loss of sovereignty or status for English local government as a result of Britain's departure from the EU. The Government should go further and adopt the principle of 'double devolution' to ensure that powers repatriated from the EU do not stop at Westminster, Stormont, Cardiff Bay and Holyrood. A future settlement that recognises the principle of local self-government and local government's autonomy should be underpinned by statute.

## *The Repeal Bill*

The Repeal Bill will lead to a large amount of secondary legislation, which will have direct implications for local government. There are likely to be areas of EU law that will benefit from review by councils and issues where the formal opinions of UK local government on issues that affect them differ from national government. In order to ensure that legislation is not made more complicated by Whitehall and the views of UK local government are formally respected, councils must have a formal role in this review process.

As part of the EU decision making, councils have the right to be consulted on EU law and influence legislation that has an impact on their communities and frontline services. In order to honour its commitments to devolution and stability the Government must, as a matter of urgency, take steps to ensure that the Repeal Bill retains these rights and that they are not lost when Britain leaves the European Union

## *EU funding*

Local areas in England, together with the devolved administrations in Scotland, Wales and Northern Ireland had been set to receive a total of £8.4 billion from the EU Structural and Investment Funds allocations for the period 2014-20. Clear guarantees to protect the full amount of this type of investment, to protect local regeneration plans, flagship infrastructure projects, employment and skills schemes and local growth in our communities, are now essential.

The LGA has reaffirmed its pledge to work closely with the Government and partners on the successful design and delivery of successor arrangements for EU funding and has developed proposals which ensure this features as part of a much wider integration of devolved growth funding.

## *Trade and investment*

International trade and investment is a vital part of a strong, prosperous and inclusive UK economy. In order to deliver the best trading outcome for Britain we need a trade policy that draws on the strengths and expertise of our great cities, counties and towns to ensure British businesses continue to punch above their weight.

With over 80 programmes and projects designed to promote trade and investment, the national policy landscape is currently complex, crowded and confusing. It is unfit for the challenges of a new chapter in global trade. A Trade Bill provides the opportunity for long overdue reform and councils must have a key role in ensuring the development of a new sub-national approach that supports businesses and ensure international trade and investment drives growth and opportunity for communities.

Securing post-Brexit trade deals with both European and international countries will clearly be a significant task for the Government. Councils have a long track record of building successful European and international trade relationships. The experience, expertise and networks of local government must be used when it comes to the complex task of agreeing trade deals to ensure we secure the best deals for communities and local economies.