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**Democratic Services Section
Chief Executive's Department
Belfast City Council
City Hall
Belfast
BT1 5GS**

20th June, 2019

MEETING OF BREXIT COMMITTEE

Dear Alderman/Councillor,

In addition to those matters previously notified to you, the following item will also be considered at the meeting to be held at 4.30 p.m. on Thursday, 20th June, 2019.

Yours faithfully,

SUZANNE WYLIE

Chief Executive

AGENDA:

5. Update on Local Government Auditor's Report 2019 – Preparations for leaving the European Union (Pages 1 - 4)

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Subject:	Update on Local Government Auditor's Report 2019 – Preparations for leaving the European Union
Date:	20th June, 2019
Reporting Officer:	Nigel Grimshaw, Strategic Director City and Neighbourhood Services John Walsh, City Solicitor / Director of Legal and Civic Services
Contact Officer:	

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of Main Issues
	The purpose of this report is to bring to Members' attention the relevant section within the Local Government Auditors Report 2019 referring to local government preparations for leaving the European Union.
2.0	Recommendation
	The Committee is requested to note the attached excerpt from page 59 of the Local Government Auditors Report.

3.0	Main Report
	<p><u>Key Issues</u></p> <p>The Local Government Auditors Report indicates that:</p> <ul style="list-style-type: none"> • The lack of clarity so far on the shape of an exit deal and a clear way forward, as well as the absence of additional funding, inevitably means that councils have been limited in terms of the practical preparations they can make. • Exiting the European Union (EU) is a significant risk to local government service delivery, in particular Community Planning, the economy and tourism. Preparations for EU withdrawal across councils vary. Approaches commonly include monitoring and inclusion in risk registers as well as briefings and reports to councillors. Some councils also reflect the risk in corporate and financial plans. Several councils have established working groups or committees' to focus on this issue. • However, no council is fully ready, in operational terms, for a no deal exit. • There are also concerns that, whatever the outcome, the capacity of councils to implement any changes necessary may be constrained given the short time available. • If the UK Government and EU fail to agree arrangements for the UK's exit from the EU, there will be no transition period and councils will need to respond immediately. • Looking ahead, councils face a wide range of challenges and opportunities. • Delivering positive outcomes will require strong leadership, effective governance structures and continued engagement both internally and externally. This can be further enhanced through the development of effective partnership arrangements with other public bodies and local communities.
	<p><u>Financial and Resource Implications</u></p> <p>There are no financial implications relating to this report but members should note that there is no budget associated with this Committee.</p> <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>There are no implications relating to this report.</p>
4.0	Documents Attached
	Excerpt (page 59) from the Local Government Auditor's Report 2019 – Preparations for leaving the European Union

Preparations for leaving the European Union

Councils have been constrained in terms of the practical preparations they can make for leaving the European Union

- 4.25 The lack of clarity so far on the shape of an exit deal and a clear way forward, as well as the absence of additional funding, inevitably means that councils have been limited in terms of the practical preparations they can make.
- 4.26 Exiting the European Union (EU) is a significant risk to local government service delivery, in particular Community Planning, the economy and tourism. Preparations for EU withdrawal across councils vary. Approaches commonly include monitoring and inclusion in risk registers as well as briefings and reports to councillors. Some councils also reflect the risk in corporate and financial plans. Several councils have established working groups or committees' to focus on this issue.
- 4.27 However, no council is fully ready, in operational terms, for a no deal exit. The outworkings will have most impact on those councils which have a border with the Republic of Ireland. There are also concerns that, whatever the outcome, the capacity of councils to implement any changes necessary may be constrained given the short time available. If the UK Government and EU fail to agree arrangements for the UK's exit from the EU, there will be no transition period and councils will need to respond immediately.

Conclusion

- 4.28 Looking ahead, councils face a wide range of challenges and opportunities. Delivering positive outcomes will require strong leadership, effective governance structures and continued engagement both internally and externally. This can be further enhanced through the development of effective partnership arrangements with other public bodies and local communities. The C&AG has recently published a good practice guide on "Making Partnerships Work"²⁹, which provides practical advice and guidance to encourage open and constructive collaborative working between public sector organisations and with local communities.

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