

Appendix B: Brexit Working Group Meeting 01 November 2017 - Summary

Service Area	Legislation Detail	Impact rating 1 - 5	Opportunities/ concerns
Public Procurement	<p>UK Public Contracts legislation stems directly from EU law.</p> <p>The most significant requirement is for all public contracts over €209,000 to be published in the Official Journal of the European Union (OJEU), thus making them accessible to suppliers from across the EU. In the medium term, public procurement rules more generally will remain in place as they have been implemented via UK law.</p> <p>World Trade Organisation (WTO) agreements also regulate public procurement.</p>	2	<p>Contract value not that important as the rules for procurement below the threshold as very similar. If the UK negotiates a trading deal with the EU, it is likely the rules may remain the same. WTO procurement rules are very reflective of EU ones. Some rules became more flexible recently which was greeted positively. Most of SDCs suppliers are UK based; if any are multi-national, there could be more concern if the government opted for a “no deal” exit.</p> <p>IT systems linked to government ones which are compliant with the EU regulations - would we need to tweak these post Brexit?</p>
Regulatory services, consumer protection, trading standards, including food safety,	EU laws governing these issues are generally	2	Industry Lead Bodies/Regulators are all doing their own research

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licensing, product safety, fair trading, weights and measures	<p>considered by councils to be helpful in protecting public safety. Consumer Law could be seen as especially helpful in promoting confidence in consumers.</p> <p>As with waste directives, most trading standards legislation consists of EU directives transposed into domestic law: therefore, this would not be repealed automatically on leaving the EU.</p>		into the impact of Brexit. There may be added responsibilities for UK Regulators post Brexit. Many of the areas listed are KCC's responsibility.
Environment: air quality standards, strategic environmental assessments, municipal buildings and energy standards	<p>UK environmental legislation often stems directly from EU legislation. This covers areas such as national fines for poor performance against air quality standards and the preparation of environmental assessments as part of the planning process.</p> <p>Local authorities must manage their buildings and procurement in line with</p>	3/4	Planning requirement to carry out Strategic Environmental Assessment as part of Local Plan, and to seek to improve air quality (or as a minimum not make it worse) as part of any new development. While a potential in regulatory fines for poor performance may be welcome, there is increased focus on deaths from poor air quality which means these regulations may remain.

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	<p>energy efficiency rules based on EU law. The basis of these is the 2012 Energy Efficiency Directive which is transposed into UK law via a number of pieces of secondary legislation. The Directive establishes measures to help the EU reach its 20% energy efficiency target by 2020 and places a requirement on public authorities, which includes local councils, to ensure they purchase energy efficient buildings, products and services.</p> <p>In the past councils have raised concerns that such a requirement places additional costs on council procurement activity.</p>		

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<p>Waste: landfill, recycling, waste electric and electronic equipment (WEEE)</p>	<p>UK waste policy is underpinned by EU legislation. This includes targets for recycling, waste collection and disposal. The key piece of EU legislation is the Waste Framework Directive which sets out key definitions and duties relating to how waste must be collected, transported, recovered and disposed of. It also introduced recycling and recovery targets to be achieved by 2020.</p> <p>The majority of EU waste management law has been transposed directly into domestic law within the UK. This means that the relevant legislation and requirements on local authorities will not be automatically or immediately affected by the UK's exit from the EU.</p>	<p>3</p>	<p>KCC has adopted a Minerals and Waste Local Plan 2013-2030, identifying a vision and strategy for mineral provision and waste management across the county. It also contains development management policies for evaluating minerals and waste planning applications. Sites within the district are listed.</p>

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	<p>The benefits of effective waste management to both the environment and the economy may mean that an EU exit will not lead to a substantial change in approach from the UK Government, but some commentators have suggested that in this scenario it is likely that legislators would repeal or weaken EU requirements (for example, recycling targets) with the objective of reducing the regulatory burden on businesses. This could also lead to a change in approach to waste collection and disposal services for some local authorities, particularly if lower cost solutions (such as landfill disposal) are permitted with a relaxation of environmental protections and technical requirements.</p>		
<p>Transport: commissioning/franchising/concessions</p>	<p>There are EU requirements on councils in all of these</p>	<p>2</p>	<p>Mainly a KCC responsibility; however there are impacts on</p>

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regimes, state aid regime, electric charging points, (HGV) road tolls, road safety, airport/airline public subsidies, passenger rights, disabled access etc.	areas. In addition EU financing (Connecting Europe Facility) is also available to help local authority-managed infrastructure link with major road/rail corridors.		our planning system when building new homes, which include new roads and managing the impact on air quality. Will KCC have the same access to funding post Brexit? However most EU funding goes to EU countries where there is less developed infrastructure.
Employment/Workforce	The majority of legislation governing employment and employee rights in the workplace stems from EU law. Local government is a major employer, and contracts with other major employers for services such as public health and social care.	4	DEXEU have given firm commitments that employment rights will not be watered down following Brexit.
Planning	EU directives establish minimum requirements for the environmental impact assessment of projects, with the aim of ensuring a high level of protection of the environment and human health.	4	Strategic Environment Assessment, Environmental Impact Assessment, Habitat Regulations Assessment - all required for local Plan, directly from EU Directives. Some concern that these may be lost, or weakened or even more difficult. We often contribute

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	<p>EU directives also protect biodiversity and wildlife etc. Local authority charges for environmental information are also governed by EU legislation.</p>		<p>towards EU funded environmental projects undertaken by countryside partners. If EU funding is lost after Brexit then the shortfall may need to be picked up by the District Council. This could run into £millions.</p> <p>Agriculture: CAP will be replaced, which may impact on the viability of land and farms in the district, and call into question their use especially when there is pressure for more homes. Whatever replaces the lost funding of the CAP (to be outlined in the Agriculture Bill due later this year) should outline how direct subsidies might work and ideally these should have a local focus with local impact in to how they are set. Strong emphasis on increased rural tourism in the district.</p> <p>Gypsy & Traveller planning applications: the equalities issues that impact on these will remain the same as we will</p>

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			remain the Council of Europe Members
Economic development	<p>EU state aid rules apply when councils give grants or subsidies to an organisation or business: anything from supporting local Non-Governmental Organisations (NGOs) through to supporting large scale manufacturing with regional aid.</p> <p>The UK is also subject to WTO rules, which will remain in place post-Brexit.</p>	4	<p>While this piece of legislation does not directly impact on the council, economic development is of high strategic importance to the district and to remaining financially self-sufficient (see section below on migration and access to skills).</p>
Migration and access to skills	<p>Government has committed to end free movement. All EU citizens in the UK at the point of leaving the EU will be able to remain but there are some sectors heavily reliant on access to flexible, low skill workers from the EU - not just agriculture.</p> <p>The construction industry is highly reliant on migrant labour; between 2007 and 2014, the proportion of EU</p>	3/4	<p>Migration numbers will not impact significantly on the district but it may impact on the deliverability of new homes and other capital projects due to the reliance in the construction sector on migrant labour from the EU.</p> <p>Sevenoaks has a significantly higher than average concentration of the construction industry.</p>

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	<p>migrants in the construction sector rose from 3.65% to 7.03%. Any restrictions on free movement could, therefore, have an adverse impact on building costs and supply, at least in the short to medium term</p> <p>Health and social care sector is also heavily reliant on migrant labour.</p> <p>An FSB report, A Skilful Exit: What small firms want from Brexit, reveals that 59 per cent of small businesses with EU workers are worried about being able to access the skills they need after the UK leaves the EU.</p> <p>Across the UK, a fifth of small business employers have EU workers, with 72 per cent recruiting them when they were already living in the UK.</p>		<p>The health and social care sector is also very reliant on EU workers and while this does not impact on us as a council, it may on our residents.</p> <p>Government is consulting with over 50 industry sectors to establish their requirements for skills post-Brexit, and the Migration Advisory Committee is also looking at their role and skills requirements once free movement is ended.</p> <p>Government response to the House of Lords Agriculture Committee earlier this year indicated that they did not feel a seasonal agricultural workers scheme would be necessary but they are keeping this under review</p>

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Local Government Finance	<p>EU VAT legislation frames the VAT treatment of local authority services and activities, as well as the VAT reimbursement system in place from HMRC to councils. Councils will want to continue to retain any favourable VAT treatment of their services and consider options to support local communities in attaining better VAT treatment for essential goods and services.</p> <p>EU rules also apply on investments such as which financial products local authorities can invest in, and the level of expert advice they must receive before investing.</p> <p>Exposure to falls in tax revenue resulting from economic downturns would affect local government significantly post 2020, and the difficulty of forecasting</p>	3/4	<p>A change in the rules surrounding local authorities and VAT would have a significant impact. CIPFA is working on a study of the impact on local government funding of Brexit. Our property investment strategy could be affected and therefore our financial self-sufficiency.</p> <p>However, any down turn in property prices could mean that SMEs find it easier to rent. Our Treasury Management Strategy would need to take into account any change in relation to EU Banks.</p>

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	may also increase, potentially making long-term financial planning trickier		
Data and Public Information	The availability of public sector information and the treatment of personal data is all governed by EU law.	2	Any trade with the EU requires equivalent Data and public information regulations - this is therefore unlikely to change