



**Full Council**  
26 November 2018

**Report from the Director of  
Performance, Policy and  
Partnerships**

## Implications of Brexit

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>Open or Part/Fully Exempt:</b>	Open
<b>No. of Appendices:</b>	None
<b>Background Papers:</b>	None
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## 1.0 Summary

- 1.1 This report provides an overview of the implications of the UK's departure from the European Union. There are many unknowns about this as a final deal is currently being negotiated, and there is a possibility that the UK will leave without a deal. The length of time before the UK leaves the EU is also now unclear, as both sides are considering extending the period for another year.
- 1.2 About 10 % of the Brent Council workforce is European, and for some of their main contractors as much as 52% of their workforce is European. Although it is expected that most of the current European Londoners will remain in the UK the impact is likely to be felt as current employees move on to other jobs, and with lessened access to the EU workforce posts will be harder to fill.
- 1.3 Brent Council relies on business rates and council tax for much of its income. A fall in the value of the pound may lead to higher inflation, which could put

pressure on the sustainability of small businesses, and residents' finances. Some experts predict the value of the pound to decrease following Brexit, and other experts expect it to have no effect or maybe even increase. If the value of the pound were to decrease, followed by higher inflation, this could have a negative impact on Brent's budget, and therefore its capacity to provide key services.

- 1.4 House prices may fall following Brexit. The viability of regeneration and capital projects relies on house prices, and current regeneration projects may be at risk if house prices fall significantly.
- 1.5 Leaving the EU will impact Brent, not least because it has the second highest number of European residents in London. Much of its public sector and construction workforce comprise European citizens. The EU settlement scheme offers EU citizens the same rights as they currently enjoy, and is likely to be taken up by our current residents ensuring their continued presence. EU citizens who want to leave due to Brexit are likely to have already left. This theory is borne out in the dip in reception and year one school places required.
- 1.6 The customs agreement is going to have the biggest impact on Brent residents, businesses who trade with the EU, and the NHS. Customs agreements will affect the price of food imported into the country which for a borough with a third of its children already in poverty could have significant effect.
- 1.7 Other issues such as funding and changes in law will affect Brent. The extent of the effect is largely dependent on Central Government and details agreed with the EU.
- 1.8 It is important to note that no country has ever left the EU before, so we are in a unique and unprecedented situation. Informed predictions can be made, but with lack of detail and guidance the final impact is not known.

Table of Risks and Mitigations

Risk	Detail	Mitigation
About 10% of Brent and up to 50% of some of its contractor's workforce are European.  Brexit will have	After Brexit, EU citizens will no longer be entitled to work in the UK.  Employers are responsible for ensuring they employ people who are legally entitled to work	The EU settlement scheme entitles EU citizens who register on it to the same rights as they currently enjoy. Brent is raising awareness of this scheme amongst its

<p>immediate consequences for the current workforce, and in the future, filling jobs where retention and recruitment are difficult.</p>	<p>in the UK.</p>	<p>employees and residents.</p> <p>Brent is focusing its apprenticeships and training schemes at areas where retention and recruitment are difficult.</p>
<p>Small businesses form the majority of business in Brent. They pay business rates, so their continued existence is important as they contribute to the council's budget.</p>	<p>Small businesses have highlighted three key concerns:</p> <ul style="list-style-type: none"> <li>• Accessing skills</li> <li>• Ability to grow the business</li> <li>• Enforcing new immigration rules</li> </ul>	<p>Brent's business board selects priorities for action which includes local skills development to meet workforce need for businesses in Brent.</p> <p>In 2020, adult education will devolve to local regions, so Brent will have more ability to influence the London spending.</p>
<p>Construction</p> <p>Construction could be affected in two main ways.</p> <ol style="list-style-type: none"> <li>1. Workforce – skills</li> <li>2. Materials subjected to customs</li> </ol>	<p>About one in four of London's construction workforce are EU citizens. Although the current workforce are unlikely to leave as a result of Brexit, future construction may be at risk if the skills cannot be found locally.</p> <p>Materials brought in from the EU may be subject to duties and take longer to get into the country if no customs deal is reached. This will have a twofold effect, making construction projects take longer, and increasing the cost of these projects.</p>	<p>As above, the skills requirement can be mitigated against through more influence on adult education, and by the business board identifying what the skills needs are.</p> <p>Companies may be able to source materials elsewhere, if not, they will have to pass the cost on so construction projects will cost more.</p> <p>When shipping in products from abroad, construction companies will have to plan ahead for longer delivery times.</p>
<p>Regeneration:</p> <p>The viability of regeneration and</p>	<p>There have been different predictions about how Brexit will affect house prices. Mark Carney said a disruptive no deal</p>	<p>Depending on how quickly house prices change, if they decrease quickly, regeneration projects could slow down, and</p>

<p>capital projects are dependent on house prices, and selling houses to private buyers</p>	<p>Brexit could see house prices decrease by 35%, but a report released by Savills estate agents predicts that Brexit will have little effect on house prices, and in London, there will be no change in 2019, followed by three years of growth.</p>	<p>even stop completely</p>
<p>Poverty increase</p> <p>Import taxes on food being imported into the UK from the EU is dependent on the final customs deal</p>	<p>If the UK leaves the EU with no deal, they will revert to world trade organisation rules, and food will cost more. This increase in cost is likely to be passed on to the customer. An increase in food prices will push cash strapped families further into poverty.</p>	<p>Brent had a scrutiny task group about foodbanks, and should continue to implement its recommendations.</p> <p>Brent should also encourage donations to foodbanks.</p>
<p>Funding</p> <p>There is only one project in Brent which receives EU monies, this is the five year work and health programme. This programme is devolved from central government to London, and commissioned under the WLA.</p>	<p>Other projects, such as the Living Room previously received EU funding, and then went on to receive funding from other sources.</p> <p>This project will be evaluated at the end of its term, and decisions will be made about its effectiveness.</p>	<p>The work and health programme, if it is considered effective, will have to look elsewhere for its funding.</p> <p>Brent's current outcome based review focuses on mental health and employment. The in depth work undertaken throughout the OBR will determine the level and breadth of need in Brent, and as well as determining specific local requirements should also identify better ways of working which will then be implemented.</p>

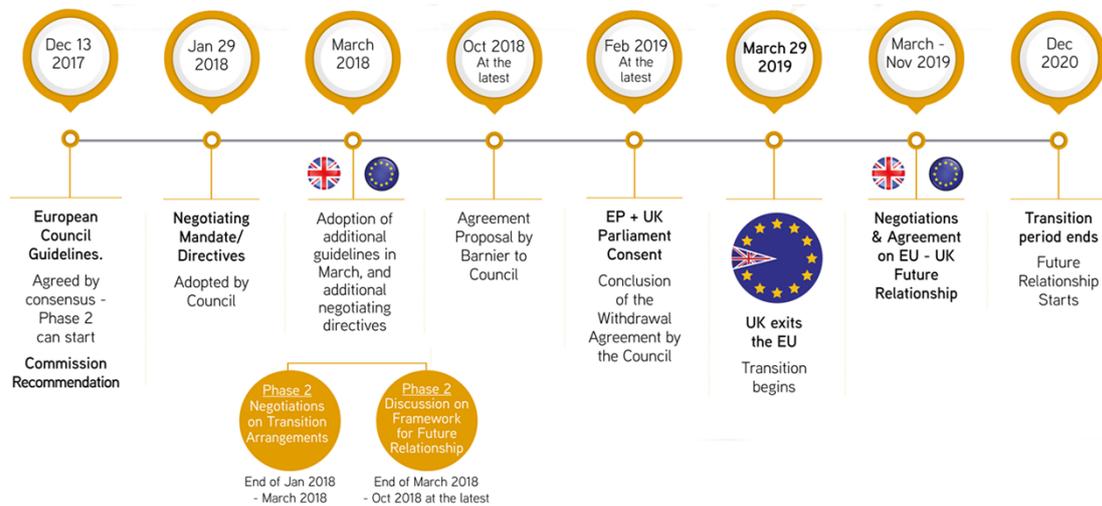
## 2.0 Recommendations

2.1 Council is asked to consider and comment on the findings of this report.

## 3.0 Detail

- 3.1 On 23 June 2016, the UK voted in a referendum to leave the European Union (EU). On 27 March 2017, the Prime Minister triggered article 50, beginning the formal two year process for leaving the EU.

#### Timetable for Brexit



- 3.2 The prime minister has proposed a Brexit deal, often referred to as the Chequers Plan. There are 12 points in this plan quoted below:

1. Leaving the EU on 29 March 2019
2. Ending free movement and taking back control of our borders
3. No more sending vast sums of money each year to the EU
4. A new business friendly customs model with freedom to strike new trade deals around the world
5. UK-EU free trade area with a common rulebook for industrial goods and agricultural products which will be good for jobs
6. Commitment to maintain high standards on consumer employment rights and the environment
7. Parliamentary lock on all new rules and regulations
8. Leaving the Common Agricultural Policy and Common Fisheries Policy
9. Restoring the supremacy of British courts by ending the jurisdiction of the European Court of Justice in the UK
10. No hard border between Northern Ireland and Ireland, or between Northern Ireland and Great Britain
11. Continued close co-operation on security to keep our people safe

12. An independent foreign and defence policy working closely with the EU and other allies

- 3.3 This plan is currently being discussed with the EU, but agreement is proving difficult. The two sides are now discussing the possibility of extending the leave period for an extra year, to give more time to reach an agreement. The other option which needs to be considered is the possibility of the UK leaving the EU without agreeing a deal. There is a lot of discontent within the Conservative Party and a vote of no confidence in the Prime Minister before negotiations are concluded is possible. If this were to happen, it is very likely the UK would leave the EU without a deal.
- 3.4 The biggest impact on Brent will be the trade and customs arrangement which will either be agreed, or revert to World Trade Organisation rules. Should World Trade Organisation rules take effect, when goods are imported to the UK, they will have to be declared (as they are from other countries outside the EU) and customs duties be paid.
- 3.5 New tariff agreements resulting from negotiations could also raise import prices which may lead to higher inflation and a lower standard of living for London residents.
- 3.6 Brent has the second highest estimated number of European residents in London comprising a fifth (22%) of its whole population. European residents who come to the UK to work have to apply for a National Insurance number. These applications have been falling steadily since 2014, across London, and saw a sharp decline last year. Since the Brexit vote, the government have introduced the EU settlement scheme, which gives European residents who register, the same rights as they currently enjoy. It is likely that with the introduction of this scheme, current European residents will remain in Brent until they would naturally move on.
- 3.7 Along with rights to live and work in the UK, another factor which is likely to affect the decisions of EU nationals is the economy in the UK and in their country of origin, as well as the relative strength of their respective currencies. The British economy is forecast to drop following Brexit, but by how much, and the length of time before it begins to recover, is uncertain.
- 3.8 The Mayor of London is running, and post-Brexit will continue to run the *London is Open* campaign, encouraging people to live, work, and visit London. Should the Brexit vote make Europeans feel unwelcome in the UK, this campaign should help mitigate this. The Mayor has also published a guidance hub to give European Londoners clear information and signpost them to relevant support, underlining the message, London is Open.

## EU settlement scheme

- 3.9 EU citizens who do not have indefinite leave to remain in the UK should apply for this scheme by 30 June 2021. There is a fee for each application, which for adults is £65<sup>1</sup>, and for children is £32.50. Irish citizens do not need to apply and can continue to enjoy their current rights. Rights for citizens of Norway, Iceland, Liechtenstein, and Switzerland are still being negotiated.
- 3.10 Brent's registration service will provide an identity verification service for EU settlement scheme applicants, through both pre-bookable, and walk in appointments. This identity verification service will check the documents belong to the person presenting them. The registrations team will also provide a mobile version of this service, visiting organisations with high numbers of European staff and spending half a day there verifying their employee's documents.
- 3.11 Brent's statutory responsibility, under the Children Act 1989, to meet the needs of children within the area who are in need covers all children who are deemed to be looked after by Brent. This includes those who are EU citizens. Brent is responsible for registering its Looked After Children on this scheme, and has a process for identifying and registering them.
- 3.12 Brent has put together a plan to engage with and support the harder to reach communities, ensuring that they understand the EU settlement scheme, and are able to register to remain in the UK with their current rights intact should they choose. The plan will include:
- Work with the Eastern European Network and other local organisations providing services to European residents to provide information and engage with residents
  - Work with local and specialised organisations to provide information, support and assistance to European residents
  - Work with neighbouring boroughs to best utilise resources and support engagement with hard to reach communities

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<sup>1</sup> 16 or over

## Workforce

- 3.13 Around 10% of Brent Council employees are originally from the EU. The proportion varies by department and service area with some service areas having one or two staff, increasing to around 20% in others. Customer Services, and CYP have the highest proportion of employees from the EU. It is worth noting that although employees may be from the EU, many have become British Citizens, or have indefinite leave to remain.
- 3.14 Brent Human Resources has plans in place to identify the EU citizens it employs, and raise the awareness of the settlement scheme throughout the council. Employees can take advantage of the registration service's verification service.
- 3.15 Although it seems there will be no immediate pressure on services through staff shortages, this may present challenges in the future, particularly for roles that are hard to fill, such as those in social work. As it becomes harder for EU citizens to work in the UK, and people naturally progress to other jobs, it could become even harder to fill these positions.
- 3.16 As part of the council's learning and development proposition, a plan is currently being developed for learning and development activity for the Strategic Priority category. This will include extending the range of apprenticeships in departments and services where there are known recruitment and retention difficulties, or where these are anticipated, to mitigate against the risk of staff shortages whilst at the same time offering career development opportunities for staff.
- 3.17 Short term workforce risk is planned for within Brent's business continuity plans. These are intended to bridge an operational gap in staff resource due to (for example) an influenza pandemic and would not be designed to deal for any length of time with a systemic stress like a chronic skill shortage, e.g. nurses or social workers.
- 3.18 Brent also has a number of contracts with large companies, including with Veolia, who provide the waste and recycling service for Brent. Over half (52%) of the Veolia workforce, and around 70% of its agency staff are from EU countries, and despite paying the London Living Wage, they anticipate it being difficult to attract workers should this source of labour lessen. Although details around migration policies is unknown, it is expected for unskilled labourers to be discouraged from coming to the UK. Currently, the contract comes to an end in March 2023, and the new contract will be commissioned at the height of post-Brexit uncertainty.

## Local industries

- 3.19 Much work has been done whilst developing the Responsible Growth Strategy, analysing key sectors and how Brexit will affect them. There are two sectors in Brent on which Brexit will have the biggest impact: the construction, and food and drink industries.
- 3.20 27% of London's construction workforce comes from the EU. Both the Chequers plan, and no deal restrict free movement of labour and could result in a skills shortage in the construction industry as well as pressure on wages, causing construction firms to face higher project costs and reduce current turnovers.
- 3.21 The customs deal will also affect this industry in terms of sourcing its supplies, no customs deal would mean that supplies from the EU would both incur a tariff, and will also take longer to process, delaying the construction process. A report by KPMG predicts that between 10% and 15% (of Gross Value Added, GVA) will be affected. Another report, by Cambridge Econometrics predicts the effect of soft and hard exit on London by 2030. Its predictions about London employment in the construction sector equates to around 6% decrease in employment in Brent, which is about 10,000 employees for both a soft and hard exit.
- 3.22 Food and drink manufacturing will have the largest trade impacts across the sectors, as the EU is the main commercial partner for the sector, with expected increases in export and import prices. Similarly, food and drink manufacturing employs a large share of EU workers, making it exposed to supply-side constraints. There is uncertainty around food standards law following Brexit. Currently it is enshrined in EU law, and standards following Brexit may change.

## Small and medium sized enterprises

- 3.23 Small and medium sized enterprises (SMEs) form the vast majority of business in Brent. It is not known the extent to which they trade with EU countries or employ EU nationals, both of which are will likely be affected by Brexit. However, any economic downturn would result in reduced business rate revenue for the council, which will be one of its main sources of income by 2020. However, the Federation of Small Businesses found when surveying their members that almost one third of small firms do business with or within the EU. Different

industries employ different skill levels, medium skilled<sup>2</sup> level EU workers are the most commonly employed, and are predominant in the construction, and manufacturing sectors. The survey highlighted three key concerns held by SMEs:

- accessing the skills they need
- ability to grow the business
- enforcing new immigration rules

3.24 Brent could consider what it could do to support local small and medium sized enterprises. It should be noted that a 2017 scrutiny task group report about Small and Medium sized Enterprises (SMEs), the recommendation was made to *“develop a skills programme to ensure that SMEs have access to appropriately skilled, locally based staff”*. In response to this recommendation Brent Start developed wider courses aimed at SMEs, for example, digital skills. The Business Board, whose members represent a diverse range of size and sectors including SMEs, act as ambassadors for the Borough’s business community. A follow up report from March 2018, a year after the scrutiny task group, reported that this board *“is in the process of selecting further priorities for action from a range of possible projects, which includes local skills development to meet workforce needs.”* This programme is used to develop local talent ensuring SMEs have access to the skills they require.

3.25 It is worth noting that in 2020 adult education will devolve to local regions. Brent will have more ability to influence the London spending. This means that Brent will be able to provide training to fill gaps locally, specifically in areas which are particularly at risk including education, health, social care, and administration.

3.26 The value of the pound impacts on both the import and the export markets. It is worth noting that when it decreases, and the import market is negatively affected, the exact opposite is true for the export market. Companies within Brent which export to the EU and other countries, are likely to be positively impacted as the

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<sup>2</sup> SOC level 2, and 3 – higher than GCSE level, but below degree level

value of the pound decreases. Tourism is also likely to be positively affected by a lower value of the pound.

### Public services

- 3.27 There are two hospitals in Brent, Northwick Park and Central Middlesex Hospital. In the NHS in North West London, 7% of all staff are European. This ranges from less than 1% of qualified ambulance staff, to 10% of doctors (including locums). A report by Mercer found that one in three doctors in the UK hope to retire by 2020. Our older population, aged 65 and over is expected to increase by one third over the next ten years, so the demand on our medical services will increase. Staffing shortages is a real problem for the NHS nationwide, and plans need to be made both locally, and nationally to attract more young people to the field.
- 3.28 Another concern raised is access to medicine and medicinal technologies. The regulatory arrangements for medicines and medical devices are complex, and changes may have an impact on supplies across Europe. It is estimated that Switzerland, despite having a bilateral trade agreement with the EU, gains access to new medicines on average 157 days later than the EU. For Australia, and Canada it is up to 12 months later.
- 3.29 Unless specifically agreed in Brexit negotiations, UK companies will not legally be able to supply medicines to the EU, and vice versa. There are 978 medicines which will need to be approved for the UK market if no deal is reached or this is not specified in negotiations. The supply of medical devices would also be under threat.
- 3.30 Just under a third of the workforce in the drug and alcohol sector are EU nationals. It is difficult to find prescribing nurses, and many prescribing nurses in Brent are European. It would be significantly affect the service if these nurses left. A key theme that came out of the discussion about the uncertain future was the impact on commissioned services staff who are feeling vulnerable and how they are supported by staff and managers.
- 3.31 As well as making up the workforce, EU nationals comprise a proportion of customers and service-users for the council and its partners. They are under-represented amongst adult social care clients, and housing and council tax benefits claimants, while European migrant workers make up a large proportion of rough sleepers in the borough.

## Schools

- 3.32 Schools in Brent have a large proportion of EU students, which reflects the local community. Last year there was a dip in the number of school places required for reception and year one. The school place projections suggest that this dip will last for a few years, and then numbers will rise again. The falling demographics are caused by different reasons, including a reduction in migration as people are choosing not to come to Brent. The number of pupils that qualify for the English as an Additional Language (EAL) measure in reception and year one has fallen by nearly 10%.
- 3.33 Although schools are responsible for their own budgets, and managing their staff, the council is working with schools adversely affected by the drop in pupil numbers, putting plans in place to mitigate the financial risks associated with changing pupil numbers for example agreeing short-term caps on admission numbers.
- 3.34 It is worth noting that the National Funding Formula, which calculates how much funding each school receives is based on the number of pupils, the characteristics of the intake of pupils and a few school and local-level factors. Lower pupil numbers will result in less funding for the school.

## Supply Chain

- 3.35 Should the UK leave the EU without a customs deal in place, the price of food imported to the UK will increase. This increase in price is likely to be passed on to the consumer. Brent has the third lowest average wage in London, and one third of its children are estimated to be living in poverty. An increase in food prices will push families further into poverty.
- 3.36 Brent has a number of very active foodbanks, who as well as providing food parcels for those most in need, provide classes around food growing, cooking and managing food on a budget, and other support for residents. Brent should continue to implement the recommendations made by the scrutiny task group about foodbanks, and also encourage more donations to foodbanks through initiatives such as interfaith week, and Mitzvah day.
- 3.37 If the French introduce custom checks, the freight coming into the UK via Dover, and the Channel Tunnel, could be reduced by as much as 85%. The Government is proposing a Government Owned or Operated Logistics (GOOL) scheme in which they obtain (either through buying, leasing, or converting military vessels) roll-on roll-off lorry ferries to ensure vital supplies such as food and medicines continue to reach the UK if it leaves the EU with no deal.

- 3.38 Food shortages, and other impacts of leaving the EU which affect the whole country will have strategies led by Central Government. Brent has short term risk management strategies in place as part of its emergency planning to manage risks, and ensure business continuity. It reviews its business continuity plans annually for all services, and the focus of this year's planning is on the supply chain, and supplier continuity. Brent has systems in place to respond to government emergency strategies, for example, in a fuel shortage Brent has a list of priority need for fuel vouchers.
- 3.39 Currently Brent's street lighting service is supplied by a French Company. This company has a UK base, so Brexit is not likely to impact it significantly. It is also due to be re-tendered soon. The pest control service provided by Brent Council uses baits and poisons believed to be made in Europe and imported to the UK by the supplier. This is a small part of the service, and any increase could be passed on to the customer without a significant increase. UK supplies might be equally competitive. The funeral service leases their vehicles from a national framework. Additional tariffs may affect the price of some commercial vehicles, but UK made vehicles could be used as an alternative. Again the cost could be passed on to the customer, estimated at around 10p per customer.

### Funding and financial issues

- 3.40 The Living Room which was previously funded with EU monies, is now funded through other funding streams. The only programme Brent has which is match funded by the EU and government, is the five year work and health programme. The work and health programme is devolved from central government to London and commissioned under the West London Alliance (WLA). This project will be evaluated at the end of its term, and decisions will then be made about its effectiveness. This year's outcome based review (OBR) focuses on mental health and employment. The in depth work undertaken throughout the OBR will determine the level and breadth of need in Brent, and as well as determining specific local requirements should also identify better ways of working which will then be implemented.
- 3.41 Although we don't receive other funding from the European Social Fund (ESF), there will be projects in Brent and London which do. When this funding finishes, these projects, and the support they provide might also end. The quality of these programmes is unknown.
- 3.42 In Brent ESOL funding is provided by the government, and is not funded by EU money, so will not be affected by the UK leaving the EU.
- 3.43 Some experts have predicted that Brexit will negatively affect the value of the pound, and the economy. These experts say that long-term, the economy will be

expected to grow, but more slowly than expected before Brexit. This slower growth will have an impact on the Council's budget in relation to growth and collection of business rates and council tax. This would have to be accommodated in future budget proposals and could lead to some very hard decisions being made about non-statutory council services.

- 3.44 The effect of Brexit, and indeed, the future of the housing market is unknown, although Mark Carney, Governor of the Bank of England predicts that a no deal Brexit could cut house prices by up to 35%. House prices seemed to be untouched immediately by the Brexit vote, and indeed increased over the following year. House prices have since slowed nationwide, and in London, fell by 0.7% over the last year. The underlying uncertainty around Brexit is thought to have contributed to this fall. The viability of regeneration and capital projects are dependent on house prices, and selling houses to private buyers. Large decreases in house prices will negatively affect the many regeneration projects currently running and planned in Brent. Savills estate agent have released projections for the housing market for the next five years. They have projected an initial 2% decrease for 2018, followed by a year of no growth and then three years of growth, with a five-year compound growth of 7.1%. For outer London, the initial decline appears to mostly be in prime properties. If these predictions are correct, there will be little effect on our regeneration projects.

## Laws

- 3.45 EU laws affect a wide variety of the council's activity. The European Union (Withdrawal) Bill will enshrine all existing law into UK law at the point of Brexit, following which this will be reviewed and amended by Parliament. Additionally, secondary legislation will be used by ministers to amend these laws where necessary for them to work post-Brexit, e.g. to set up replacement processes or bodies. Currently 9% of these laws have been passed by central government into UK law.
- 3.46 There are a number of areas in particular where the law affecting the council's activity will be affected. These are:
- Environmental requirements regarding air quality, environmental assessments for planning, and protection of bio-diversity. This includes national fines for poor performance against air quality standards, as well as standards for municipal buildings and energy.
  - Rules for how waste must be collected, transported, recovered and disposed of, and recycling and recovery targets for 2020. These include requirements governing permits, registration, and inspection, as well as for measures to encourage the prevention or reduction of waste by means of recycling, re-use, reclamation, or use as a source of energy.

There are also specific requirements for certain types of waste, including electrical equipment, vehicles, batteries, and hazardous waste.

- Trading standards and regulatory services. Government has committed to future high standards of consumer protection but quite how this will work should reciprocal arrangements not been agreed with the other EU members is unclear. The Chartered Trading Standards Institute have been working with Government on these issues. Their work focuses on a number of threats, including fair trading, e-commerce, security, and travel.
- Procurement, including publication in the Official Journal of the EU of tenders covered by the Public Contracts Regulations 2015 and or Concessions Contracts Regulation 2016. These currently keep the public procurement market open across the EU, in keeping with free movement requirements, and require public procurement to focus on value for money considerations. They also facilitate involvement of small and medium-sized businesses, and set requirements for the social and environmental aspects of procurement. (It should be noted that public procurement is also subject to World Trade Organisation, (WTO) agreements, which the UK may revert to following its exit from the EU).
- Rules about aid to businesses, including tax reliefs and exemptions. The current regulations prevent the Government from providing state aid, tax relief, and tax exemptions of over £200,000 in any three year period. (WTO rules in this area will continue to apply in the UK after Brexit.)
- Treatment of council services for VAT, and the system by which HMRC reimburses councils for VAT.
- Transport, including commissioning, concessions regimes, road safety (including limits on drivers' hours), passenger rights and disabled access. This also covers electric charging points and HGV road tolls. (There is funding for local authorities with major road or rail corridors through the EU Connecting Europe Facility.)
- Freedom to invest in particular financial products. EU rules regulate which financial products local authorities can invest in, and the level of expert advice they must receive before investing.
- Employment and workforce (relevant to councils in their capacity as employers). EU law requires employers to provide workers with a statement of terms and conditions for workers. The EU working time directive states a maximum number of hours for a working week, and daily rest periods. There are also equal treatment rights for part-time, fixed-term, and agency workers, and rights relating to holiday pay, TUPE protection, equal pay, maternity rights, parental leave, and discrimination.

- 3.47 The repatriation of powers from the EU to the UK will provide opportunities to consider devolution of these to levels below Westminster, including to local level. However, these will be longer term concerns.

#### Voting rights

- 3.48 There are 228,781 people registered to vote in Brent, 18% of whom are European. It has been reported in the press that voting rights will be extended for EU citizens living in the UK allowing them to vote in general elections and referendums as well. Should this be implemented, it will not make any difference locally as EU citizens can currently vote in local elections.

## **4.0 Financial Implications**

- 4.1 There remains significant uncertainty as to how the Government will respond to the choices and trade-offs facing it during the negotiations and there is still no meaningful basis for predicting a precise outcome which could be relied upon. Even if the outcome of the negotiations were predictable, its impact on the economy and the public finances would still be uncertain, and therefore it is difficult to translate the impact down to individual local authority level.

## **5.0 Legal Implications**

- 5.1 Much of this is contained in the body of the report. Most of the council's statutory powers and duties come from domestic legislation, although a significant part of that legislation is underpinned by EU law. When the UK leave the EU all EU law will transpose into UK law, following which the UK Government will be able to keep, amend or discard each law under the European Union (Withdrawal) Act 2018. Regulations to address legal issues arising from Brexit can be made under the Act. A number of other bills have been making their way through Parliament covering, for example, trade, migration and Haulage.

## **6.0 Equality Implications**

- 6.1 The equalities implications following the results of the referendum to leave the European Union are far reaching as this report highlights. It is not possible at this time to fully identify and assess the equalities implications of the referendum.

## 7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 There are no direct staffing/accommodation implications arising for this information paper, other than the ones already highlighted in the main body of the report.

**Report Sign Off:**

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