

## **ECONOMY, BUSINESS GROWTH & SKILLS OVERVIEW AND SCRUTINY COMMITTEE**

Date: 13<sup>th</sup> September 2019

Subject: Greater Manchester Brexit Preparations Update Report

Report of: Sir Richard Leese, Portfolio Lead for Business and Economy and Jim Taylor,  
Portfolio Chief Executive for Business and Economy

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### **PURPOSE OF REPORT:**

To provide an update on the preparations underway across Greater Manchester for Brexit, and considering possible mitigating actions to minimise the impact should the UK exit the EU without a deal.

### **RECOMMENDATION:**

That Scrutiny Members note the update on Brexit preparatory work underway across Greater Manchester.

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## **1. INTRODUCTION**

1.1 The UK is due to leave the EU on 31<sup>st</sup> October. The Prime Minister has vowed to leave on the 31<sup>st</sup> October “come what may”. The Government is however facing significant opposition to their current approach and, at the time of writing, the national situation remains extremely uncertain.

## **2. GM Brexit Preparedness**

2.1 A small amount of funding has been awarded to Local Authorities, Local Resilience Forum and the Combined Authority to support Brexit readiness. Agencies from across Greater Manchester have been meeting monthly to consider possible impacts arising from Brexit and to ensure appropriate preparatory actions are being taken. Those meetings of the GM Brexit Preparedness Group have now been increased in frequency to fortnightly as we near Brexit day. The membership of the Brexit Preparedness Group includes: GMCA, Local Authority representation, AGMA Resilience Unit, GMP, Growth Company, TfGM, NHS, GMCVO and Manchester Airport.

2.2 As part of the national preparations for EU exit, each Local Authority and Combined Authority has nominated a Brexit Lead Officer. In Greater Manchester we are bringing together these Lead Officers to ensure coordination of activity and consistency in approaches across GM. The district Brexit Lead Officers have joined the wider GM Brexit Preparedness Group.

2.3 In recognition of the potential for short and longer term economic impacts from the on-going uncertainty and potential no deal exit from the EU, a multi-agency Economic Resilience Taskforce has been established, bringing together key GM bodies to try to ensure a coherent and comprehensive package of support as possible is provided to businesses and individuals facing any threat of redundancy should we exit under a no deal scenario or an economic downturn occurs. The membership of the taskforce includes, GMCA and Local Authority representation, the Growth Company, Jobcentre Plus, the Cities & Local Growth Unit, Business representative organisations (including the GM Chamber of Commerce and FSB), GMCVO, Citizens Advice and Trade Union representatives.

2.4 To support and inform the work of the Economic Resilience Taskforce, a dashboard of leading indicators is being developed, to track how the national and GM economy is performing, in order to identify any possible economic shocks as early as possible. The Taskforce (and dashboard) are considering arising impacts in terms of overall economic resilience; business & sector impacts; and, impacts on GM residents. The draft dashboard is currently under development and will be shared as soon as it is completed.

2.5 In addition to the Economic Resilience Taskforce, wider preparations are being led by the GM Brexit Readiness Group and the Local Resilience Forum. Preparations are underway or being considered in the following areas:

- **Borders** – Manchester Airport is liaising directly with Government, as a point of entry to the UK. Assurances have been received regarding ongoing airport operations for both passengers and freight. Port Salford and City Airport are not considered points of entry to the UK.
- **Transport & Infrastructure** - Assessments are ongoing to ensure transport and infrastructure projects continue. A register of major infrastructure projects (over £10m) across GM is being compiled; along with an assessment of the risks potentially posed to their delivery.
- **Health & Social Care** – Preparations for the health sector is being led nationally by NHS England and Department for Health. There has been no requirement for local NHS to stockpile any medicines or medical supplies. The reliance on EU workers in the health & social care sector is a particular risk. Work has been undertaken to support health and care workers to complete the EU settlement scheme. As preparations ramp up towards October, local agencies will again engage and align with the national model.
- **Food, Water & Energy** - Activity will be led by the Local Resilience Forum, liaising with national government as required. Specific shortages are not anticipated, regular liaison with the relevant Government departments are underway.
- **Business & Economy** – Additional to the work of the Economic Resilience Taskforce, activity is ongoing to support GM businesses and raise awareness of the need to ensure preparations are underway for the changes resulting from Brexit. Concern has been raised regarding the preparedness of the SME sector specifically. The Growth Company, working with Local Authorities are planning a series of events for businesses to support them to deal with the potential effects of Brexit. They are also working with partners to improve real time information available on companies at risk. The Growth Company is also aware of the need to adapt and flex services in response to changing business needs. Additional to this, the Business Growth Hub is providing:
  - Monthly 'podcast' updates to the LA economic development teams – 10 minute updates on the business support and any changes in the info that may have an impact in SMEs
  - Monthly blogs issued – on key topics such as EU Settlement Status, retaining EU talent and supply chain issues.
  - Weekly Brexit news updates onto GC Business Growth Hub Brexit Website
  - Updates via Social media

Government has announced its intention that a UK Shared Prosperity Fund will be put in place following the UK's anticipated withdrawal from EU Structural Funds. EU Structural Funds have been a key source of locally-responsive funding for regeneration, economic development, and skills and work activity across GM over recent decades. An announcement on the design and implementation timeline for the UK Shared Prosperity Fund has been expected for some time and it was anticipated that Government would make an announcement in the September Spending Round.

However, no formal announcement was made which creates a risk that there will be delays to the Fund coming on stream.

- **Engagement with Government** - Regular reporting requirements to Government are expected to increase in volume and frequency as Brexit day nears. The Local Resilience Forum and members of the Brexit Readiness Group are engaging with the relevant departments and ensuring information requests are dealt with in a coordinated and timely manner. Engagement across working groups, analysis of impact data released, and direct departmental requests for information and local Brexit planning information have been undertaken.
- **Civil Contingencies** - Work has been undertaken to understand possible impacts on current and future risk scenarios, in both the short and medium terms. Scenario based planning exercises have taken place, and the Local Resilience Forum continues to consider possible impacts arising. Further events will be delivered to test future risk scenarios. Also, work has been delivered to ensure agencies have in place up to date and robust business continuity plans.
- **Higher Education Sector** - Work has been undertaken to understand the possible impacts on the numbers of EU students and lecturers. Early testing of the EU settlement scheme was used in the sector and support continues to be provided to ensure EU citizens apply for settled status. Assurances continue to be sought from Government for future EU research funding.
- **Organisational Readiness & Impacts** – Public sector organisations have been considering the possible impacts on their own operations arising from Brexit, including workforce and legal implications. As Brexit day nears, organisations have expressed concerns regarding potential capacity issues to meet the necessary reporting requirements and take the appropriate actions required. All districts and GMCA now have signposting information on their websites to support EU citizens resident in their area.
- **Data** - Under a no-deal scenario, the flow and transfer of personal data may be impacted. Information has been shared with public sector agencies to ensure all are undertaking the necessary preparations and advice is being passed onto businesses to ensure they can put in place any necessary mitigating actions

### 3. RECOMMENDATION:

3.1 That Scrutiny Members note the update on Brexit preparatory work underway across Greater Manchester.