

Date: 31st January 2020

Subject: Brexit Update and Economic Dashboard

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

PURPOSE OF REPORT

To provide GMCA with the latest position regarding the national Brexit negotiations following the General Election, and to highlight how Greater Manchester will continue to prepare for EU exit and future trading arrangements. The latest version of the Greater Manchester Economic Resilience Dashboard is also provided.

RECOMMENDATIONS:

The GMCA is requested to:

1. Note and comment on the Brexit update and the work underway to ensure Greater Manchester is prepared for EU exit and future trading arrangements
2. Note and comment on the latest update of the Greater Manchester Economic Resilience Dashboard

CONTACT OFFICERS:

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BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

Equalities Implications:

There are no direct equalities impacts arising from this report.

Climate Change Impact Assessment and Mitigation Measures:

- 1. No direct impacts arising from this report.*
- 2. The details of the deal agreed nationally on the UK's exit from the EU may impact on overall climate change ambitions, legislation and possible future mitigating actions.*

Risk Management:

Possible risks arising from the UK's exit from the EU are being monitored as part of Brexit planning activities.

Legal Considerations:

None

Financial Consequences – Revenue:

None

Financial Consequences – Capital:

None

Number of attachments to the report: 1

Comments/recommendations from Overview & Scrutiny Committee

None

BACKGROUND PAPERS:

The author of the report must include list of those documents on the subject matter which:

- Disclose any facts or matter on which the report or an important part of the report is based;
- Which have been relied on to a material extent in preparing the report

TRACKING/PROCESS	[All sections to be completed]
Does this report relate to a major strategic decision, as set out in the GMCA Constitution	No

EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		Please state the reason the report is exempt from call-in
GM Transport Committee	Overview & Scrutiny Committee	

1. LATEST NATIONAL POSITION

- 1.1 Following the successful election campaign, Boris Johnson as Prime Minister, with an 80-seat majority will now be able to get his Withdrawal Agreement through Parliament, with the UK set to leave the EU on 31st January.
- 1.2 On 20th December, MPs voted 358 to 234 in favour of the EU Withdrawal Bill. The Bill bans an extension to the transition period beyond the end of 2020. MPs also backed a timetable for debate over three days from 7th January, where it is expected to clear the House of Commons before then being passed to the House of Lords. Mr Johnson insists that the Government will get the Withdrawal Bill into law by the 31st January deadline, and that a trade deal can be in place by the end of the transition period.
- 1.3 The Government has formally halted Operation Yellowhammer, with immediate effect, as the likelihood of the UK leaving the UK without a deal at the end of January is now extremely low.
- 1.4 Boris Johnson hosted the president of the European Commission, Ursula Von Der Leyen, where he reiterated the Government's determination not to extend the transition period.
- 1.5 Senior figures in Brussels have suggested concluding the trade negotiations by the end of 2020, is all but impossible. Concerns also remain regarding the Irish Border, but Mr Johnson has again restated that Northern Ireland businesses will face "no barriers of any kind".
- 1.6 UK/EU talks will open with an EU demand of alignment with union rules. The EU has already indicated its red lines, and EU leaders have warned that the price of a quick deal including tariff-free access to the single market would be agreeing to the level playing field on workers' rights and environmental protections.

2. GREATER MANCHESTER BREXIT PREPARATIONS

- 2.1 Now the national position is clearer, the multi-agency Greater Manchester Brexit Readiness Group continues to meet regularly and consider implications and actions arising to ensure Greater Manchester is prepared for Brexit and future trading arrangements.
- 2.2 Based on the preparatory work undertaken for previous exit dates, the Group will consider impacts arising in the following areas (and any additional as new issues arise):
 - **Borders** – Manchester Airport is liaising directly with Government, as a point of entry to the UK.
 - **Transport & Infrastructure** - Assessments are ongoing to ensure transport and infrastructure projects continue.

- **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.
- **Food, Water & Energy** - Activity will be led by the Local Resilience Forum, liaising with national government as required.
- **Business & Economy** – In recognition of the potential for short and longer term economic impacts from the on-going uncertainty, 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 an economic downturn occurs. Concern has been raised regarding the preparedness of the SME sector specifically.
- **Engagement with Government** - 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.
- **Civil Contingencies** - Work has been undertaken to understand possible impacts on current and future risk scenarios, in both the short and medium terms.
- **Higher Education Sector** - Work has been undertaken to understand the possible impacts on the numbers of EU students and lecturers.
- **Organisational Readiness & Impacts** – Public sector organisations have been considering the possible impacts on their own operations arising from Brexit, including workforce and legal implications.
- **Data** - 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

2.3 The Greater Manchester Economic Resilience Taskforce also continues to meet, 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.

2.4 To support and inform the work of the Economic Resilience Taskforce, a dashboard of leading indicators has been 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 latest version of the dashboard can be viewed live at this link (and is attached at Annex A):
<https://www.gmtableau.nhs.uk/#/site/GMCA/views/GMEconomicResilienceDashboard-January2020/FrontSheet?.iid=1>

2.5 Regular updates on preparatory activities led by Greater Manchester will be provided to the Combined Authority and scrutiny Members, and additional detail provided as the national negotiations and timeline become clearer.

3. RECOMMENDATIONS:

The GMCA is requested to:

1. Note and comment on the Brexit update and the work underway to ensure Greater Manchester is prepared for EU exit and future trading arrangements
2. Note and comment on the latest update of the Greater Manchester Economic Resilience Dashboard