

Cabinet



Date of meeting:	08 December 2020
Title of Report:	Economic Impact and Business Preparedness
Lead Member:	Councillor Tudor Evans OBE (Leader)
Lead Strategic Director:	Giles Perritt (Assistant Chief Executive)
Author:	Kevin McKenzie
Contact Email:	kevin.mckenzie@plymouth.co.uk
Your Reference:	CAB/003/081220
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To respond to the report of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO) and to acknowledge the recommendation of the Committee that works to deliver the Council's pledge (11) is now completed.

Pledge 11

Not enough work has been done on the economic impact of Brexit – both positive and negative – on the City Council and Plymouth in general. We will make sure that research is undertaken and is made available to the public.

Recommendations and Reasons

That, further to the report presented to Cabinet on 10 November covering Brexit Risks and Mitigations, Cabinet :-

Notes: -

- The report of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO); Economic Impacts and Business Preparedness
- The additional evidence presented at the BILCO meeting held on 2 December 2020 relating to business preparedness

Thanks: -

- The Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee for its work over the last two years to undertake research into the economic impacts of Brexit.
- Sarah Holmes, a Legal Director of solicitors, Womble Bond Dickinson for her contribution to preparing the city for the end of the Brexit transition period.

Agrees: -

- To sign off on Pledge 11 as completed at the January 2021 meeting of Cabinet after a pledge on a page has been prepared.

Asks the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee: -

- To review its current terms of reference, which are set out in the Council's Constitution, in the light of the end of the Brexit transition period;

- To make recommendations to Cabinet and Council about how they could be amended to better reflect organisational and city wide need.

Alternative options considered and rejected

The proposals made by the Brexit, Infrastructure and Legislation Overview and Scrutiny Committee were considered and amended as above.

Relevance to the Corporate Plan and/or the Plymouth Plan

The report has significant implications for the delivery of the Corporate Plan and the Plymouth Plan in particular : -

- Our growing city pledge to deliver economic growth that benefits as many people as possible
- Our Plymouth Plan commitment to actively work to promote Plymouth's as an international city.

Implications for the Medium Term Financial Plan and Resource Implications:

There are significant implications for the Medium Term Financial Plan arising from the evidence presented in this report these are anticipated in the associated entry on our strategic risk register. There are no new cost pressures that are not set out as part of in year monitoring and/or next year's budget.

Carbon Footprint (Environmental) Implications:

Significant environmental implications are identified in the report, in particular the stated intention of Government to diverge from the currently applicable statutory provisions for environmental protection which are derived from EU law.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Brexit related risks are included in our strategic risk register where appropriate. Our Brexit office maintains risk registers covering both organisational and citywide risk which are regularly reviewed.

An EIA has been conducted against these recommendations and is appended.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable)						
		<i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Cabinet response to Scrutiny							
B	Scrutiny Report – Economic Impact and Business Preparedness							
C	Equalities Impact Assessment							

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	1	2	3	4	5	6	7
Brexit, Business and Brute Facts							

Sign off:

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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 03/11/2020											
Cabinet Member approval: Councillor Tudor Evans OBE (Leader)											
Date approved: 04/11/2020											

1. Introduction and background

- 1.1 The appended report of summarises the work of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO) as it relates to the Council's Pledge 11.

Not enough work has been done on the economic impact of Brexit – both positive and negative – on the City Council and Plymouth in general. We will make sure that research is undertaken and is made available to the public.

- 1.2 The report also details the committee's examination of the extent of business preparedness for the end of the Brexit Transition Period.
- 1.3 The committee asks that Cabinet reviews its terms of reference in the light of the end of the transition period. Cabinet agrees that a review is necessary but feels that BILCO is best placed to frame its own terms of reference and that Cabinet would be happy to receive their recommendations on this matter.

2. Scrutiny recommendations and Cabinet response.

- 2.1 The report collates and updates the evidence received by BILCO since its first meeting in June 2018. It is organised in two parts, the first part concerns the themes set out below;-

- Executive Summary
- A Brexit overview
- The economic contribution from trade with the EU
- Public Spending and fiscal impacts
- EU Funding and the shared prosperity fund UKSPF
- Research and development
- Regulatory environment
- Workforce and skills
- Ports and borders
- HMRC excise and vat
- Business continuity

- 2.2 The second part provides evidence of the Committee's examination of business preparedness. Some further evidence was presented to the most recent session of the committee on 2 December and this is appended to the main report. Specifically this includes: -

- A presentation given by Sarah Holmes, a legal director of solicitors Womble Bond Dickinson, titled Brexit, Business and Brute Facts.
- The outcome of a brief survey carried out at the Plymouth Area Business Council
- Some written information submitted by the Plymouth Manufacturing Group who were invited but were unfortunately unable to attend.

- 2.3 The attention of Cabinet is also drawn to the appended Equality Impact Assessment that evidences that Brexit will have an adverse impact on the City's EU migrant population that is not fully mitigated by the European Union Settlement Scheme. Cabinet endorsed two recommendations that seek to address this deficit at its November meeting: -

- We are successfully locating and communicating with EU citizens in Plymouth who have not yet applied for settled status, and that;
- A needs assessment is conducted to identify vulnerable EU citizens and the support we can offer to assist them to apply for settled status.

EQUALITY IMPACT ASSESSMENT

Brexit Scrutiny Economic Impacts and Business Readiness STAGE 1: What is being assessed and by whom?

What is being assessed - including a brief description of aims and objectives?

The report of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO) and to respond to the recommendation of the Committee that work to deliver the Council's Pledge (11) is now completed.

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Brexit Scrutiny Economic Impacts and Business Readiness STAGE 1: What is being assessed and by whom?	
	<ul style="list-style-type: none"> To make recommendations to Cabinet and Council about how they could be amended to better reflect organisational and city wide need.
Responsible Officer	Kevin McKenzie
Department and Service	Policy and Intelligence
Date of Assessment	04/12/20

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
Age	<p>The ONS mid-year population estimates from 2016 are as follows:</p> <p>Under 5 15,881 6.0%</p> <p>Under 16 46,808 17.7%</p> <p>Under 18 52,354 19.8%</p> <p>18-24 33,253 12.6%</p> <p>15-64 172,805 65.4%</p> <p>65 and over 47,112 17.8%</p> <p>75 and over 21,401 8.1%</p> <p>85 and over 6,224 2.4%</p>	None anticipated		

<p>Disability</p>	<p>A total of 31,164 people declared themselves as having a long-term health problem or disability in the 2011 Census.</p> <p>1,297 adults currently registered with a GP in Plymouth have some form of a Learning Disability (2013/14).</p>	<p>None anticipated</p>		
<p>Faith, Religion or Belief</p>	<p>Christianity is the biggest faith in the city with more than 58 per cent of the population (148,917 people).</p> <p>32.9 per cent (84,326) of the Plymouth population stated they had no religion.</p> <p>Those with a Hindu, Buddhist, Jewish or Sikh religion combined totalled less than 1 per cent.</p>	<p>None anticipated</p>		
<p>Gender - including marriage, pregnancy and maternity</p>	<p>Overall 50.2 per cent of our population are women and 49.8 per cent are men.</p>	<p>None anticipated</p>		

Gender Reassignment	It is estimated that there may be somewhere between 1,287 and 2,146 adults in the city that are experiencing some degree of gender variance.	None anticipated		
Race	There are currently between 10 and 13,000 EU Migrants resident in our City, of those that have arrived since 2005 the majority have limited English skills.	EU residents especially those who do not speak English as their first language are likely to be adversely impacted.	<p>We need to address this problem but our bid to tackle the lack of advice and support available in the City was rejected by the Home Office.</p> <p>We may need to consider translating any local advice that is relevant in to a community language.</p>	Brexit Office before July 2021
Sexual Orientation -including Civil Partnership	On average, respondents were less satisfied with their life nowadays than the general population, scoring it 6.5 out of 10, compared with 7.7 for the general UK population. Trans men scored 5.1 and Trans women scored 5.5.	No impact anticipated		

STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken		
Local Priorities	Implications	Timescale and who is responsible?
Reduce the gap in average hourly pay between men and women by 2020.	No adverse impact – wages may decline for a variety of reasons but no expectation this will be a disproportionate impact.	No action required
Increase the number of hate crime incidents reported and maintain good satisfaction rates in dealing with racist, disablist, homophobic, transphobic and faith, religion and belief incidents by 2020.	No adverse impact from the recommendations but Brexit may have had increased the incidence of hate crime rates against migrant communities.	This will be picked up through our Safer Communities Partnership - no specific action required
Good relations between different communities (community cohesion)	Brexit has deepened divisions between some communities of identity, the old and the young, migrants and residents those who support it and those who do not.	We are currently delivering a programme in our least cohesive communities aimed at reducing community tensions.

STAGE 4: Publication			
		Date	04/12/20