

## **Context**

The reorganisation of local government in Northern Ireland in 2015 also delivered significant new responsibilities to the 11 new councils, most notably in relation to community planning and economic development.

Councils now work in partnership with other public service providers to devise and implement a shared vision for the economic, social and environmental well-being of their locality; with the power to adopt innovative approaches to improving the well-being of citizens. Within this, there is also a renewed emphasis on performance improvement in the delivery of high-quality, efficient services.

Brexit poses a series of fundamental challenges for local government in Northern Ireland, both collectively as a sector and individually as authorities.

## **Broader challenges**

Naturally, local stakeholders, particularly business communities and the community and voluntary sector, will look to councils for reassurance and guidance as we move through the Brexit process.

This may be particularly acute in relation to the two enhanced functions taken on board in 2015 and councils will need to assess what impact Brexit and the negotiation process could have in these areas:

- Community planning – how will Brexit affect the ability of local councils to deliver on community plan outcomes and, in particular, on the collaborative working now in place with other agencies. Essentially, will Brexit become the dominant issue of discussion thus derailing other work?
- Economic development – how will Brexit impact upon their local firms in terms of their markets and skills base and what might this mean for locational decisions or, indeed, the long term future viability of businesses?

Exploring the potential for councils to come to a common position as to how they might work collaboratively with each other and partner agencies will be an important aspect of addressing these concerns.

Of course, geography matters here, both in terms of potential impacts and opportunities. For example, EU funding, cross border collaborations and communities will be more directly relevant to councils near the border, and this must be kept in mind.

To that end, exploration of common positions along geographic blocs (e.g. the North-West, the 'border region', the 'Eastern Corridor' etc) could be a more beneficial way of addressing both these over arching concerns and the specific issues discussed in more detail below.

## Specific issues

The issues Brexit raised for local government are many and multi-faceted. Early consideration might be given to the following, as a starting point.

### *Public Procurement*

As public bodies in their own right, local councils are currently subject to the rules of public procurement framed by the EU, as part of its Single Market regulations. Such state aid rules have implications for local authorities, effectively prohibiting proactive and interventionist approaches to 'source or buy local'.

How might these change, depending on the UK's (non-) membership of/participation in/access to the European Single Market and/or Customs Union?

### *Structural, Cohesion and Peace Funding*

Since the 1980s, local authorities across Northern Ireland have benefited from access to the EU's structural and cohesion funds, and from EU Peace Programmes following the Belfast / Good Friday Agreement in 1998.

These funds are widely regarded to have been beneficial, enhancing the work of local councils and others in community development, economic development and the promotion of cross-community peace and reconciliation.

Until 2020, the EU's Structural and Cohesion Funds exceed £800m per annum, representing a major element of additional public expenditure and having major implications for the local community, voluntary and social sector and their ability to sustain services (NI receives twice as much per capita than the UK average.)

A significant portion of these funds are disbursed through or by local authorities in Northern Ireland, in conjunction with a range of government departments, social economy organisations, enterprise partners and cross-border agencies.

Will substitute funds be forthcoming from UK Central Government to continue these activities?  
What are the implications if substitute funding is not made available?

## *Regulation*

As well as direct and indirect financial flows, local authorities play a critical role in the implementation and oversight of an enormous spectrum of EU regulations governing everything from environmental protection (on land e.g. waste disposal; at sea e.g. beach quality; and in the air, e.g. pollution levels); planning and building controls; employment rights; and, health & safety.

Following Brexit, will all of these responsibilities remain with local authorities – and will alternative funding flows be enabled to ensure that local authorities have the capacity to continue discharging their current responsibilities?

An unequivocal guarantee that councils will receive in full their anticipated scale of EU funding up to 2020 is essential – as is a comparable commitment to successor arrangements.

## *Economic implications*

Like the rest of the UK, Northern Ireland will be affected by the macro level economic impact of Brexit in terms of national economic growth, productivity, labour markets etc. However, by dint of its physical adjacency to the Irish Republic (and therefore the EU), there are a whole raft of other implications including the impact on cross-border travel to work, shopping and leisure patterns, together with others relating to the conduct of business which is frequently undertaken across an effectively 'invisible' border.

While these have always been subject to the effects of currency movements, the effects are potentially exacerbated in the context of a more sustained readjustment of the Sterling-Euro exchange rate, not to mention the impact of newly introduced customs measures, however mediated (manually or 'electronic'), to 'police' trade beyond Brexit.

Within the scope of the Single Market and/or Customs Union regulations, what is the scope for a special dispensation for Northern Ireland in whole or part (and/or indeed for the Republic of Ireland within the EU), enabling current North-South trade and travel flows to continue unimpeded but without also compromising the equally critical East-West movement of people, goods and services, given Northern Ireland's integral status within the UK and the British marketplace?

## *Political and Governance implications*

Whatever the format of Brexit, and however harmonious or otherwise the eventual arrangements that are brokered both for the immediate 'exit' as well as for any transitional period, pending any successor arrangements taking shape, it is likely that there will be a substantial repatriation of powers from Brussels to the UK.

However, will that shift be mirrored with a comparable devolution of powers internally within the UK, firstly from Whitehall and Westminster to Stormont, and secondly, from Stormont to local government?

The uncertainty is not helped by the continuing upheaval in Stormont itself, with the possibility of Direct Rule overshadowing developments.

For the moment, however, there is a potential for an onward flow of responsibilities, with local authorities awarded additional powers to ensure that their obligation to develop and enhance the well-being of their respective local areas is pursued vigorously, exploiting any opportunities emergent from Brexit.

Brexit offers an opportunity at least for a fresh reaffirmation of the role of local government, supported by strong and financially robust arrangements. However, will centralisation be what emerges?

### *Global Britain – Enduring Local Relationships*

If the new UK Industrial Strategy is developed, what does ‘Global Britain’ mean for local government?

Alongside EU-secession, in the context of a possible UK withdrawal from the Council of Europe and its Congress of Local and Regional Authorities, will local authorities be permitted to continue to participate in cross-border and transnational projects aimed at improving economic development, sustainability, and good governance?

Such cross border links and relations have long been the hallmark of local government relations spanning the north of the island of Ireland and local authorities will be keen to ensure the continued effective and close cooperation with one another around areas of mutual concern to ensure that old barriers – of the mind as well as in physical form - do not reappear.

Through its representative bodies such as NILGA and SOLACE, local government in Northern Ireland will seek to articulate both a clear outline of the issues facing local councils together with a bold and confident case for an expansive and positive role for local government in the new dispensation, post-Brexit.

### **Questions for round table discussions:**

1. Mindful of the uncertainty over the future of the devolved institutions in Northern Ireland, beyond measures already taken, what additional steps can local authorities take, acting individually and as a collective, to ensure that the voice of their localities and of Northern Ireland as a whole is heard in the forthcoming Brexit negotiations, and that every effort is made to minimise and remove possible risks to the economic and social well-being of their communities?
2. How can local authorities emerge stronger and more resilient, better able to develop the well-being of their respective areas in the post-Brexit era (perhaps as part of a review of EU competencies and their location)?

3. What impacts might Brexit have on new or expanded local government functions and what measures can be taken to reduce any risk to being able to fulfil these?
4. What is the profile of all EU funding at the local government level and how important is this to community development and regeneration planning?
5. How might Brexit impact on cooperation and collaboration between Councils both within NI and on a cross-border basis? What steps should be taken to reduce the possibility of negative impacts?