

## **UK Withdrawal from the EU**

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### **1.0 INTRODUCTION**

- 2.1 In response to the UK's withdrawal from the European Union, officers from within the Council and the Health and Social Care Partnership continue to review and prepare for all potential risks and opportunities.

### **2.0 RECOMMENDATIONS**

- 2.1 Members of the Community Planning Group are asked to be assured that the Council and the HSPC are as well prepared as they can be with regards to exiting the EU, and are actively engaged with our partners through the local and national resilience frameworks

### **3.0 DETAIL**

- 3.1 The UK withdrew from the EU on 31<sup>st</sup> January 2020, as the EU and the UK both ratified the Withdrawal Agreement in October 2019. This Act also sets in UK law that the present Transition Period must end on 31<sup>st</sup> December of this year.
- 3.2 Negotiations for a longer-term UK-EU27 free trade and partnership agreement continued throughout the summer 2020 and into October and it remains to be seen if these discussions continue or if they have ended without an agreement. It appears at this stage that any free trade deal will be limited with significant changes on trade in goods, services, border controls, mobility, transport and fisheries.
- 3.3 If a trade deal is not in place between UK-EU, the UK will fall back on World Trade Organisation rules resulting in tariffs on goods and little practical cooperation to smooth border checks.

3.4 The key aspects of the UK Internal Market Bill, tabled by the UK Government on 9<sup>th</sup> September 2020, are as follows:

- it introduces non-discrimination and mutual recognition across the different parts of the UK, including the power to disapply provisions of the Withdrawal Agreement in connection to Northern Ireland;
- it defines State Aid as a reserved power expanding the functions of the Competition and Markets Authority (CMA) by creating an Office for the Internal Market (OIM) as a subset of the CMA. With regard to State Aid, it has been announced by the Business Secretary that the UK will follow World Trade Organisation subsidy rules from 1<sup>st</sup> January 2021 with guidance issued to local authorities by the end of the calendar year. However, it remains unclear how Local Government might formally be recognised and consulted by the OIM; and
- it legislates for the replacement of EU funds, through the launch of the UK Shared Prosperity Fund, also as a reserved power.

3.5 Further to a presentation from my predecessor Cleland Sneddon to the Community Planning Partnership in March 2019, in 2018 the Council CEO established a Tactical Team to ensure that the Council and the Health and Social Care Partnership (HSCP) is sufficiently prepared for all risks and opportunities that may arise from the withdrawal from the EU; the Tactical Team reports directly to the Strategic Management Team.

3.6 The Tactical Team continues to liaise with all resilience partners and stakeholders whilst maintaining an overview of risks and mitigations to ensure readiness for business continuity in the event of disruptions to operating as 'business as usual'.

3.7 Some areas of risk that attract specific attention from the Tactical Team includes;

- Exports:
- Fisheries:
- State Aid:
- Replacement of Structural Funds;
- Food supply chains:
- Supporting vulnerable and depopulating communities:
- Private sector workforce recruitment and retainment.

3.8 The Council and the HSCP recognises that their role is to work with others in preparing for the impact and opportunities from the EU Withdrawal and continue to maintain dialogue with all resilience partners on an ongoing basis, work with partners including communities and business and influence decisions at a national level where there is a recognised impact on Argyll and Bute.

3.9 Community Planning Group members should be assured that the Council/ HSCP and partners remain ready to respond to any changes and decisions and will continue to forward plan for all and any foreseeable issues and opportunities.

#### **4.0 CONCLUSION**

4.1 The UK Government's withdrawal from the EU raises a number of risks and opportunities and the Council and the HSCP continue to liaise with all partners to ensure we remain ready to ensure business continuity whilst monitoring impacts on our communities.

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