

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">7 OCTOBER 2019</p>	
<p>REMAIN IN H&F – OUR RESPONSE TO BREXIT</p>	
<p>Report of the Cabinet Member for The Economy – Councillor Andrew Jones</p>	
<p>Open Report</p>	
<p>Classification - For Information</p> <p>Key Decision: Yes</p>	
<p>Consultation All Council Departments</p>	
<p>Wards Affected: All</p>	
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1. EXECUTIVE SUMMARY

- 1.1. On 23rd June 2016, the result of the European Referendum in the London Borough of Hammersmith & Fulham was 70% Remain and 30% Leave. The Council recognises this democratic mandate and commits to continuing to work to stop Brexit and for the UK to remain a full member of the European Union. Therefore, the London Borough of Hammersmith & Fulham agrees that its formal position is to remain in the EU and to continue to work for the rest of the UK to join it in that position.
- 1.2. Hammersmith & Fulham Council is proud of the diversity of the borough's population. The borough has strong European and international ties, with over 40% of the population born outside of the UK from over 100 different countries. It is home to large French, Irish, Spanish, Polish and Italian born populations, and has become home to people from across Europe. The Council has set the ambition for Hammersmith & Fulham to be the best borough in Europe for business to start up, survive and grow with the emergence of 'West Tech' as a beacon of innovation and growth. The

borough is home to internationally renowned businesses and many of the borough's businesses are foreign-owned.

- 1.3. The Council believes that Brexit will diminish the economic prosperity of our borough and undermine the delivery of our Industrial Strategy, "Economic Growth for Everyone". It is a regressive and socially divisive policy that this Council will campaign to stop. The policy statement in this paper, that Cabinet is being asked to approve, sets out the council's opposition to Brexit and confirms that it will do everything in its power to prevent it happening.
- 1.4. The Council values its European Union citizens, who have chosen to live and work in the borough. They make an important contribution to civic, cultural and economic life, with many delivering essential public services to residents of the borough. Brexit has created uncertainty for the country and locally for residents and workers. This Council believes the UK leaving the EU will have negative impacts on many people who live and work in the borough and wishes to ensure that those impacts are reduced, where possible, by positive action and through mitigating actions.
- 1.5. Hammersmith & Fulham has been preparing for Brexit for the past year with plans in place. Although the Council will be unable to prevent some of the expected negative impacts from Brexit, particularly from a no-deal scenario, we are committed to working with our partners to ensure the borough remains open to Europe, the rights of all citizens and the Council's workforce are protected and essential services continue to be delivered to vulnerable residents.
- 1.6. The current Brexit deadline is 31 October 2019 but recent legislation now requires that the Prime Minister seek an extension to the Article 50 deadline if there is no deal agreed by 19 October. If no withdrawal agreement is passed by both Parliament and the EU before 31 October then the country faces a no-deal Brexit or a further extension. H&F Council is completely opposed to Brexit and this paper sets out the nature of that position.

2. RECOMMENDATIONS

- 2.1. That Cabinet agrees the adoption of the following policy statement: *H&F Council is opposed to Brexit and will do everything in its power to promote the benefits of the UK remaining in the European Union and to seek a People's Vote on any Brexit deal, with an option to remain. We will continue to take positive action to ensure that all EU citizens feel welcome in Hammersmith & Fulham and do all we can to encourage them to remain in our borough.*
- 2.2. That the Leader appoints a Lead Member for Stopping Brexit.
- 2.3. That in the event that the UK leaves the EU, H&F Council will do everything it reasonably can to mitigate the risks of negative impacts on EU citizens living and working in the borough, and on Hammersmith & Fulham residents and businesses in the borough.

3. REASONS FOR DECISION

- 3.1. In the 2016 EU referendum, 70% of the vote in Hammersmith & Fulham was for the UK to remain in the EU. The Council has a democratic mandate to represent its citizens so it stands alongside the vast majority of the population, who wish to remain in the EU.
- 3.2. The Council believes that Brexit will diminish the economic prosperity of our borough and undermine the delivery of our Industrial Strategy, “Economic Growth for Everyone”. It is a regressive and socially divisive policy that will have a negative impact on the majority of the borough’s residents.

4. PROPOSAL AND ISSUES

- 4.1. Hammersmith & Fulham Council is opposed to Brexit. To support this position, the Council intends to adopt the following policy statement:

H&F Council is opposed to Brexit and will do everything in its power to promote the benefits of the UK remaining in the European Union and to seek a People’s Vote on any Brexit deal, with an option to remain. We will continue to take positive action to ensure that all EU citizens feel welcome in Hammersmith & Fulham and do all we can to encourage them to remain in our borough.

- 4.2. The Council is opposed to Brexit because it goes against the will of the majority of the population of the borough. The Council supports the wide range of evidence, including commentary from the Bank of England, trade bodies and leading local, regional and national politicians, that Brexit will have negative impacts across a number of areas. The Council’s work preparing for Brexit suggests negative impacts in the following areas:

- Workforce – there are expected to be workforce pressures, particularly in the health and social care fields and in construction and development;
- Goods and services – restrictions on trade are likely to lead to supply chain issues affecting housing, health and social care provision;
- EU legislation – this has brought progressive changes to UK law, in areas such as waste and environmental standards, that might be lost in the event of a no-deal Brexit;
- Community cohesion – around the time of the referendum there was an increase in xenophobic graffiti and verbal attacks in H&F and there remains a danger that this might re-emerge around the time of Brexit, as conflicting tensions come to the surface;
- Economy – there are likely to be increasing inflationary pressures on the UK economy and on the Council’s budget.

- 4.3. The actions that H&F is taking, or planning to take, to mitigate the risks of negative impacts in these areas is set out in the briefing paper appended to this report. A summary of these actions is set out below.

Workforce

- 4.4. All services and agencies, including our social care providers, have prepared Business Continuity Plans that set out plans to mitigate against any loss of EU labour and/or any additional costs associated with labour shortages. This is most likely to occur in social care services, where a 3% increase in staffing costs would amount to additional annual costs of £1.4m.
- 4.5. We are providing a free scanning and verification service to enable all EU citizens who are H&F residents to apply for 'Settled Status' to ensure that they can remain in the borough, retaining their current rights to work in the UK. We are also funding two specialist advisers in local advice centres to assist EU citizens through the application process for the EU Settlement Scheme.

Goods and services

- 4.6. A cross-departmental Service Resilience Group (SRG), chaired by the Chief Executive and consisting of the Strategic Directors from the Strategic Leadership Team and technical leads, has formed strategies around contingencies for partial or whole loss of critical suppliers, such as sourcing from alternative markets and gaining insight of the local area distribution network.
- 4.7. In addition to the SRG, 'Tiger Teams' have been formed with specific Assistant Directors given lead responsibility for making urgent decisions in key areas of the council's operations, i.e.: Finance; Workforce; Community Cohesion; Housing and homelessness; Supply chain; Education; Regulatory, IT and; Demand for services.
- 4.8. With changes to the council's IT network, all services have reviewed Service Continuity Plans to ensure they respond to Brexit and other changes.
- 4.9. We are funding the provision of diagnostic workshops for local businesses to assist them with their preparations for Brexit.

Community cohesion

- 4.10. To celebrate the many residents that have come from Europe and thrived after making H&F their home, in 2018 we established a dedicated website 'H&F: Heart of Europe'. This website provides information on the wealth of European food, drink, history and cultural links which enrich communities across the borough. There is also information, advice and guidance for residents and businesses on the EU settlement scheme and links to other sources of help through the H&F Law Centre and government.
- 4.11. The Prevent teams across London are monitoring community tensions on a regular basis in the run up to Brexit and will continue to do so post-Brexit.

- 4.12. The CommUNITY Day event of 21 July 2019, held in Ravenscourt Park, focussed on a celebration of the borough's diversity in the shadow of Brexit. We are currently promoting a message of cohesion with 200 lamp post banners across the borough stating that 'Everyone's Welcome in Hammersmith & Fulham'.

Economic impact

- 4.13. In the event of a no-deal Brexit that results in a negative impact on H&F in this financial year, we will make use of the general contingency in the 2019/20 budget, which currently stands at some £2.5m. A negative impact on the 2020/21 budget will be mitigated by the reprioritisation of budgets, Section 106 and Community Infrastructure Levy (s106/CIL) funding and capital budgets.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. The Council could choose not to publish a formal policy on Brexit but this may leave residents, businesses and staff unclear as to the position of the authority on an issue of major concern. It is proposed that a clear policy be set out to avoid any uncertainty as we head towards the extended Article 50 deadline for the UK exit from the EU.

6. CONSULTATION

- 6.1. The author of this report has consulted with all Council departments in preparing this report.

7. EQUALITY IMPLICATIONS

- 7.1. Although there may be equality implications arising from Brexit itself, there are no equality implications arising from the recommendations in this report.
- 7.2. Implications verified by: Fawad Bhatti, Social Inclusion Policy Manager, tel. 07500 103617.

8. LEGAL IMPLICATIONS

- 8.1. There are no legal implications arising from this report.
- 8.2. Implications completed by: Rhian Davies, Assistant Director, Legal and Democratic Services, tel. 07827 663794.

9. FINANCIAL IMPLICATIONS

- 9.1. There are many and varied potential financial implications of Brexit. The briefing paper sets out areas of financial risk including price inflation and interest rates, loss of funding and the impact of uncertainty and any slowdown in the wider economy on Council services and regeneration. Officers will

continue to monitor and re-assess financial planning assumptions in these areas as further information becomes available.

- 9.2. Implications verified by Emily Hill, Assistant Director, Corporate Finance, tel. 020 8753 3145.

10. IMPLICATIONS FOR LOCAL BUSINESS

- 10.1. The potential implications for business of Brexit are covered in the briefing paper. Most economic commentators are agreed that there will be a negative impact on many UK businesses from Brexit. The adoption of the policy statement will make H&F's position on Brexit clear to all businesses in the borough.
- 10.2. Implications verified by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.

11. COMMERCIAL IMPLICATIONS

- 11.1 Industries such as construction, hospitality & catering, healthcare and retail sectors will be directly affected by Brexit. Pay rates may have to increase (to attract resident workers) and this could affect the Council commercially as contract prices might increase. Supply chain issues, arising from Brexit, may also present problems for commerce and industry.
- 11.2 Implications verified/completed by: Andra Ulianov, Procurement, tel. 07776672876.

12. IT IMPLICATIONS

- 12.1. There are no direct ICT implications arising from this report.
- 12.2. The potential risks arising from Brexit are in the appendix and IT services is evaluating the impact on our service delivery. Given likely inflationary pressures of a 'no-deal' Brexit, IT costs are expected to increase for the purchase of products which come from outside the UK.
- 12.3. Implications verified/completed by: Veronica Barella, Chief information Officer, tel. 020 8753 2927.

13. RISK MANAGEMENT

- 13.1 The risk of a 'no-deal' Brexit (Workforce, Housing, Contracts, Residents, Finances) was added to the Council's Corporate Risk Register last year and continues to be regularly updated.
- 13.2 The attached briefing paper sets out officers' assessment of the potential impact of this risk on service delivery and details a range of current and planned mitigations which will be in place should this risk materialise. This is the latest in a series of papers prepared to ensure that the Council is

assessing the impact of the decision to leave the EU on or after 31 October 2019 and whether or not a withdrawal agreement is agreed with the European Union.

13.3 Implications verified by: David Hughes, Director of Audit, Fraud, Risk and Insurance, tel: 020 7361 2389.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
	None		

LIST OF APPENDICES:

Appendix 1: Brexit Briefing No.9