

EXECUTIVE BOARD
19TH SEPTEMBER 2016

Subject: **BREXIT AND THE ITS POTENTIAL IMPACT ON
CARMARTHENSHIRE**

Purpose: The purpose of this report is to outline current understanding of the Brexit vote and the potential implications on the level of European funding received by the County as well as steps being taken to mitigate the immediate impact on Carmarthenshire.

Recommendations:

- To receive the report for information
- To continue to put pressure on central Governments (Wales and UK) to ensure accelerated spend and continued investment post Brexit
- To support the WLGA in lobbying for a guaranteed funding commitment from the UK Government to meet any shortfall in the European Funding allocated to Wales up until the end of the current programming period i.e. 2020.
- To seek endorsement to progress these current projects in order to accelerate their delivery

Reasons:

To ensure minimum impact post Brexit and long term support for business and economic growth in the County.

Scrutiny committee to be consulted – N/A

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr Meryl Gravell

Directorate

Chief Executives,
Regeneration & Policy

Name of Head of Service:

Wendy Walters

Report Author:

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Designations:

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**EXECUTIVE SUMMARY
EXECUTIVE BOARD
19TH SEPTEMBER 2016**

BREXIT AND THE POTENTIAL IMPACT ON CARMARTHENSHIRE

BRIEF SUMMARY OF PURPOSE OF REPORT

Introduction

The purpose of this report is to outline current understanding of the Brexit vote and the potential implications on the level of European funding received by the County as well as steps being taken to mitigate the immediate impact on Carmarthenshire.

Background

The announcement of the Brexit vote has obvious implications for Carmarthenshire and Wales as a whole in terms of the funding received.

Carmarthenshire has benefitted significantly over recent years with the Authority alone drawing down investment of over £150million from the Convergence and Rural Development Plan programmes (2007-14) which has resulted in more than 2000 new jobs being created. Under the current programmes (2014-2020), the Authority is directly involved in a number of projects, some of which have already been approved and delivery has commenced, whereas others are still at business planning stage. A full list of projects, their current status and their indicative timeframes are included at Annex 1. We therefore seek endorsement to progress these current projects in order to accelerate their delivery.

Following the Brexit announcement, the Prime Minister has announced that the UK will have 2 years from when Article 50 is invoked which is unlikely to happen until October 2016 at the earliest. This may well change in light of the recent changes in Government. The worst case scenario for when EU funding might cease is the end of 2018.

How are we responding in Carmarthenshire?

In order to mitigate the potential loss and risks to the Authority, we are currently undertaking a number of actions to ensure that existing commitments are secured, and actions to restore public confidence, as noted below:

Working closely with Welsh Government to assist in bringing forward investment earlier than originally planned

Supporting the WLGA in lobbying for a guaranteed funding commitment from the UK Government to meet any shortfall in the European Funding allocated to Wales up until the end of the current programming period i.e. 2020.

Working closely with the Welsh European Funding Office to ensure that the Authority is fully aware of any policy changes within the funding bodies that may have implications on local delivery of projects.

Mitigating risk in relation to existing applications by reviewing all projects that have already commenced and also those projects that are currently being developed to ensure that they are still deliverable, should the funding period be curtailed.

Restoring public confidence by producing a positive PR campaign over the next 12 months to provide a positive message to local businesses and communities that despite Brexit there is a great deal of investment being delivered within the county

Conclusion

In conclusion, the Brexit announcement will inevitably have significant implications on the future level of funding received by the County. The Authority is working closely with the WLGA to lobby ministers in Whitehall and Welsh Government for reassurance that funding lost via European sources will not be lost to Wales and to the county. Whilst it is hoped that Welsh Government will be able to secure additional funds for Wales, the outcome of which will remain unclear for many months.

In the meantime, there is still a great deal of investment being delivered in the county via approved projects which we will continue to monitor and review. Working in conjunction with the funding bodies, we will endeavour to secure as much funding as possible to support the delivery of our regeneration aspirations.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **Wendy Walters**

Assistant Chief Executive

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	YES	YES	NONE

Finance - The Authority is currently involved in the delivery of 4 approved projects, including Cynnydd, Workways +, the Regional Engagement Team and Communities 4 Work, some of which are due to operate post December 2018. Whilst we hope that these projects will be able to continue for the full term, we are working with the project teams to ensure that they are made aware of any changes from the funding bodies so that they can plan accordingly. We are also reviewing all projects that are currently being developed or are within the WEF0/Welsh Government appraisal process to ensure that they are still deliverable, should the funding period be curtailed. This is of particular relevance to the larger capital projects, the scale of which may need to be re-visited as a result.

Risk Management Issues - The uncertainty relating to the timing of Brexit and associated implications on funding programmes requires careful monitoring. We will continue to work closely with the funding bodies to ensure that we are fully aware of any policy changes which may affect delivery of projects. We also need to be mindful that where there are commitments by the Authority (staffing, office rental, any external contracts with suppliers etc) post 2018 that there is potential risk should we exit the EU in 2018.

Staffing Implications - As above, any changes to the timeframe relating to the closure of existing programmes, may have an impact on staff employed to deliver projects. We will continue to work with all project managers to ensure that they are kept up to date with any developments and policy changes made by the funding bodies so that they can plan accordingly.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **Wendy Walters**

Assistant Chief Executive

1. Scrutiny Committee N/A
2. Local Member(s) N/A
3. Community / Town Council N/A
4. Relevant Partners N/A
5. Staff Side Representatives and other Organisations N/A

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE