

Agenda Item: 7a

One Nottingham Board

Title of Paper: Post EU Referendum/BREXIT Update

Date: 13 January 2017

1. Purpose and Background

This is the second part of the regular updates to the Board relating to referendum result. It is an update and an opportunity for members to share experiences and intelligence.

This has never happened before. There is no model for Brexit or learning to build upon. This makes any assessment of risks and opportunities necessarily speculative.

What remains clear is that Brexit is a historically complex area of emerging national policy that will have significant impacts on the economy and wider public life.

The result of the referendum is not legally binding. Article 50 is yet to be used, and the terms (and aims) of any exit renegotiation will remain unclear for some time.

2. Recommendations

ON Board members are invited to contribute to the discussion at the meeting and to feedback to the City Council as to their experiences and their view of any risks and opportunities. NCC would welcome any further views or input from One Nottingham members on a continuing basis.

3. Timings

The Government has committed to using Article 50 of the Treaty of the European Union by the end of March. This would trigger a two-year period to negotiate the UK's exit.

It is possible that the Supreme Court will decide in a ruling that is expected early this month, that the Government must take an Act through Parliament prior to the use of Article 50.

3. Key Issues

Key representatives of the EU have said that the EU will not negotiate a deal that addresses the UK's relationship with the EU (e.g. Trade) in parallel with the two years of exit negotiations. If this position holds, then the UK will need to either negotiate a transition deal in parallel with exit negotiations over the two years, or will leave the EU on what has become known as "Hard Brexit" terms in 2019.

It is estimated that 45% of Nottingham's exports go to the EU.

Legislatively it seems that the proposed "Great Repeal Bill" will look to largely enshrine existing EU law into UK law directly on the basis that any desirable changes can be made by

	<p>Government at a later stage post Brexit.</p> <p>Any future restrictions to migration may impact on the ability of key sectors to recruit employees with the appropriate skills. This may particularly impact areas such as e.g. adult care and construction.</p>
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4. EU Funding	
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	<p>D2N2's European Funds (ESIF) allocation for 2014-2020 is £214.3m. The Chancellor has pledged that local areas with existing EU funding agreements signed off by the time we exit the EU would receive replacement funding.</p> <p>Nottingham has seen significant European Funding in the past including funding for Bio City, Old Market Square, Nottingham Contemporary and the New Art Exchange.</p> <p>The City has seen at least £190 million of EU funded projects since 2000 via the ERDF, ESF, Horizon 2020 and FP7 funding programmes.</p> <p>Over recent years, around £20 million of our two leading Universities' total annual income has been derived from research grants from EU sources.</p>
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5. Recent Developments	
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	<p>Sir Ivan Rogers resigned as the UK's ambassador to the EU and has been replaced by Sir Tim Barrow.</p> <p>The former governor of the Bank of England, Lord King, has urged the UK to seize the "real opportunities" presented by Brexit.</p> <p>The Prime Minister will make a speech on Brexit in later January.</p>
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6. Next Steps / Asks of Partners	
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	<p>The Council NCC is currently utilising our membership of the Local Government Association and our Core Cities status to ensure our experience and needs are heard.</p> <p>NCC are seeking feedback from partners such as the two Universities and Hospitals as to their experiences and their view of any risks and opportunities.</p> <p>NCC would welcome any further views or input from One Nottingham members on a continuing basis.</p>
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7. Contact Details	
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<p>Name: James Schrodell</p> <p> 0115 87 61040</p> <p> james.schrodell@nottinghamcity.gov.uk</p>	
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