

# THE UNCERTAINTY AND COMPLEXITY OF BREXIT

A discussion document on Brexit, published by the Association of Irish Local Government, outlines the ways in which the local government sector in Ireland could respond to issues arising from Brexit, and highlights potential consequences to the sector.

**T**he Irish Government and many State agencies have put in place consultative structures to reach out to the many strands of society and the sectors of the economy which may be impacted by Brexit.

The facts and figures of Ireland's economic relationship with the UK and the EU have been well rehearsed. The local government sector has played its part in readying for Brexit with the border local authorities leading the way in terms of attempting to predict the shape of cross-border relationships in a post-Brexit Ireland.

In other parts of the country local authorities have organised seminars through the Local Enterprise Offices (LEOs) to help the small business sector to ready itself for the challenges of Brexit.

## UNPRECEDENTED SITUATION

Firstly, uncertainty has become the dominant theme associated with Brexit, and because Brexit is unprecedented – never before has a member state left the EU – there is no template to visualise what the future will look like following the UK withdrawal.

The situation is further exacerbated by the fluid political situation which surrounds the negotiations. There is no certainty on where on a scale from 'soft' to 'hard' the eventual settlement will lie – making it extremely difficult to forecast how something as specific as local authority services will be changed by the eventual working out of Brexit. A second complication in relation to forecasting Brexit outcomes is the complexity of the relationships involved.

### There are three sets of relationships affected by Brexit:

- The relationship between the European Union and the UK;
- The relationship between the Republic of Ireland and the UK;
- The relationship between the Republic of Ireland and Northern Ireland.

## PROPORTION AND PRAGMATISM

Two background themes which need to be taken into account in any consideration of Brexit are proportion and pragmatism. While Brexit will have implications yet to be determined, the fact remains that core local government services will continue to be delivered.

The routines of housing provision, planning business, playground provision, public lighting, library facilities and many other local government services, are not Brexit-dependant in their own right and will continue in place as they have through



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other policy challenges faced on the island of Ireland over many decades.

A sense of proportion must be retained in relation to Brexit so that the real issues can be clarified against the background of the wider spectrum of local authority activity.

There will be, of course, remain concerns about what seems an inevitable economic impact of Brexit with tourism, farming, and producer enterprises likely to sustain difficulties in turnover arising from the currency fluctuations and the costs that Brexit might create for the free movement of people and commerce.

This, in turn, could impact on the ability of small business to pay rates income to councils. However, any such reverses in revenue will be in the context of impact on revenues and taxes throughout the economy.

The local government sector will not be alone in such a scenario. Local authorities will be faced with working through such impacts in a pragmatic way - making the kinds of choices between income and spending which are part and parcel of local authority budgeting.

## EUROPEAN UNION ISSUES

- The European Union must be urged to recognise Ireland's extra peripherality following a full Brexit. Already peripheral being on the western extremity of the continent, Ireland will now find itself separated from the European mainland by a non-EU member state straddling many transport routes to the continent.



## LOCAL AUTHORITY ISSUES

**Local authorities will be encouraged to Brexit proof their key planning documents such as the County Development Plans and Local Area Plans, so as to respond to issues posed by Brexit.**

- It is proposed that local authorities use whatever economic levers are available to them – including the LEOs and LCDCs – to mitigate the impacts of Brexit and, equally, to be able to take advantage of any opportunities presented.
- The Department of Housing would consider any legislative amendments that need to be made to allow councils to amend statutory documents such as development plans to take account of the implications of Brexit.

- The EU must be conscious of the need to support transport investment relating to road, rail and marine connections which will help to ensure efficient connection between Ireland and the European Union.
- The programmes funded by the EU/UK/Irish co-funded 'Peace' and 'Inter-Reg' schemes need to be protected in the light of any funding challenges that might emerge after Brexit. Such programmes include the key cross-border programmes as well as the Inter-Reg programmes connecting the South East of Ireland and Wales. These programmes have immense importance in terms of cultural and social support to communities.

- Local Government to bring together local government leaders to discuss Brexit-related issues and how local government can be empowered to deal with the implications – challenging and positive – arising from the future relationship of the EU and the UK.
- Local Enterprise Offices in each local authority will continue to support and advise local businesses in terms of identifying and responding to the potential and challenges presented by Brexit.
- Arrangements for the cross-border delivery of services – e.g. agreements on cross-border fire services cover – should be assessed to ensure that they are resilient in the face of Brexit.
- It is timely for local authorities to re-visit town twinning links to assess opportunities for maintaining links and reinforcing connections with communities in EU member states, bearing in mind the roles that personal, social and sporting connections play in sustaining commitment to the ideals of the European Union.

## NATIONAL ISSUES

**Both through the EU negotiations, and any bi-lateral discussions with the UK, the Irish Government is urged to strive for the following outcomes as far as is possibly consistent with membership of the wider EU:**

- Travel between Ireland and the UK to be facilitated in the most fluid way possible bearing in mind the critical nature of personal, tourist and business travel to Irish society and economy. This applies both to travel across the border and to travel between Ireland and Great Britain.
- Any measures which may impact on the free movement of goods, services and trade of all kinds between Ireland and the UK to be minimised. In particular that any procedures relating to checking of the transit of people, goods and services have the lightest footprint possible with minimal delays and costs involved.
- Consideration be given to access to a tariff-sharing scheme on a tapering basis so as to help SMES and farming/agri-food enterprises absorb initial shocks should sudden tariff barriers emerge.
- Irish and UK governments to secure funding and drive forward delivery of key road, rail and ferry connections between the south and the north of Ireland so as to ensure maximum linkage between all parts of the island.
- In all Brexit discussions the civic, cultural and social dimensions of relationships between the Republic of Ireland and the UK be core considerations along with the economic implications.

## AILG PLAN OF ACTION

- The Association will develop its initial engagement with the County and City Management Association (CCMA) so that both the elected and the executive echelons of local government can reinforce the sector's approach to the emerging situation.
- Once the framework of Brexit is clarified the AILG will include presentations on Brexit as part of its training programme for councillors, relevant not alone to members in the border counties but to members of local authorities throughout Ireland.
- The AILG will maintain its existing positive contact with the Northern Ireland Local Government Association, so that a channel of communication is present to identify Brexit-related outcomes affecting the local government interest throughout the island of Ireland.
- The AILG will include input in its training activities from the Regional Assemblies who have a key role regarding EU and Inter-Reg programmes.
- The AILG will schedule events in its normal programme of meetings to take place in border counties so that delegates from all local authorities can develop an understanding

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of the full range of cross-border civic, social and cultural connections which benefit not alone the border counties but civic society across all parts of the country.

- Through its membership of the Council of Europe's Congress of Local & Regional Authorities in Europe the AILG will seek to comment on any consequences of Brexit that may impact on the Council of Europe's principles on trans-frontier co-operation between local authorities.

## PRUDENT PREPARATIONS

The AILG has considered the wide spectrum of issues that would potentially impact on the local government sector following Brexit in 2019. The level of uncertainty surrounding the eventual shape of Brexit precludes any firm conclusions.

However, a range of national and local recommendations are worth putting on record as being prudent preparations on the assumption that a Brexit, in some shape or form, will materialise.

The fluidity and uncertainty of the situation is a challenge for even the best-resourced agencies attempting to forecast the outcome of Brexit.

Therefore, the AILG will monitor and revisit its Brexit Issues Paper when – and indeed, if – the high-level negotiations on Brexit produce a level of certainty from which valid conclusions can be drawn.

