

Brexit- The view from Local Government by Dr Seán Ó'Riordáin

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Summary

Brexit is increasingly looming large for the peoples of the European Union, most particularly for the people of the United Kingdom and Ireland. Increasingly it is coming to be recognised, at least in Irish Government and EU Institutional circles, that Brexit will severely impact on close neighbours of the UK, most especially Ireland. That this realisation seems to be less well understood from within the UK Government remains a major concern for all others. The devolved governments in Wales and Scotland share the many concerns expressed in Ireland. In Northern Ireland, arguably the part of the UK which is most exposed to the negative consequences of Brexit, there remains the lack of a functioning Northern Ireland Assembly which further muddies these increasingly choppy waters.

Previous LGiU Ireland Briefings on Brexit have addressed both Irish and UK Government perspectives. The Irish local government perspective is now available with the publication of a Brexit Issues Paper by the Association of Irish Local Government (AILG) and it contains more than useful recommendations for all parties currently trying to work their way through the difficult negotiations, if they were to take notice of the Issues Paper.

In this Briefing LGiU Ireland provides a comprehensive overview of the AILG Paper. It is a practical, balanced response to what is currently known about Brexit and it provides more than useful advice for local authorities as they increasingly are forced to focus their attention on the implications of the remarkable vote of the people of the UK over twelve months ago.

Introduction

Since the Brexit vote in the UK many opinions have been expressed and arguments published about the implications arising from a UK withdrawal from the world's largest trading block. Ireland's trade with the UK is larger than the combined trade of the UK with Brazil, Russia, India, China and South Africa (The BRICS as they were once known as). More importantly in so many respects, the long-term relationship between the two countries has been underpinned by on-going support, political, economic and social from the Institutions of the European Union and the individual Member States. While few would claim the Union to be perfect, there is little doubt as to the commitment of the Union to the Irish Peace Process, both in terms of moral support and, of course, economic. The Good Friday Agreement and subsequent agreements between both the Irish and UK Governments have

been underpinned in a very public manner by the other Member States, and the Governments of Australia, Canada, New Zealand and the United States.

Little wonder therefore that Brexit will be perplexing and confusing for most people including so many within the UK itself. This is reflected in the Briefings too date by the LGIU and unsurprisingly provides the backdrop to the thoughts of the AILG.

Proportion and Pragmatism

The Association acknowledges the on-going confusion but sensibly applies a reasonable approach to building an understanding of the implications of Brexit for local government in Ireland. It calls for a sense of proportion so that there is a real focus on what local government is responsible for, and what has to be delivered by local authorities across Ireland, regardless of the external goings that apply to the withdrawal of one of Ireland's main trading partners. Nonetheless, it is clear that there is going to be implications for the local economy in many parts of Ireland given that much of this specific aspect of the economy is particularly exposed to currency fluctuations, UK market access etc. It highlights the likely reality that there is going to be "inevitable economic impact" on sectors such as tourism, farming, expecting as a result a possible impact on the ability of such enterprises to pay their rates. However, it is clear that there is a resilience within the local government system to make pragmatic choices in their important role of key facilitators of local economic development. Given the manner which the local government system confronted the challenges of the past decade, this will come as no surprise to those that actually understand the level of performance which Irish local government has managed to deliver notwithstanding the impact of fiscal correction.

So correctly the AILG has called for proportion and pragmatism in responding to Brexit.

Addressing EU and National Issues from the local government perspective

The AILG acknowledge that the current environment is extraordinarily fluid. Some people retain the hope that the UK will ultimately remain although this is perhaps the ultimate in optimism! Others think that there will be a relatively benign soft form of withdrawal while for a period it seemed that the EU-UK negotiations were pointing to a severe or hard exit, bringing with it extraordinary impacts on the island of Ireland. Whatever the ultimate outcome time will tell, but, importantly, the Association do highlight the need for individual local authorities to be alert to the implications of all potential impacts and this means maintaining a prudential approach to sustaining local economies and local services.

At EU level the AILG advise that the possible increase in the peripherality of Ireland from her main markets has to be addressed. Being separated from the Mainland and having so many of our exports

transiting across a non member will require additional supports to build inter connectivity between Ireland and France for example. Transport investment and sustaining the trans European networks which are at the heart of trade between Ireland and our main markets in Belgium, France and Germany will be critical. The potential delays of products, most notably food, could at least in part be mitigated through enhanced movement from Ireland to the Mainland.

In the case of other EU supported programmes, most notably those relating to cross border projects between Ireland and Northern Ireland such as "PEACE" and "Interreg", the AILG call for protection of funds to make sure that cross border cooperation is not impacted by the UK withdrawal. Indeed, the Association highlight that this is not just an issue for authorities along the border with Northern Ireland, but also relate to programmes between the South East of Ireland and Wales and further afield. The AILG Paper highlights the importance of these initiatives to cultural and social developments in each Country.

At national level the Association urges the Government to "strive for...outcomes as far as is possible consistent with membership of the wider EU:". In doing so the AILG clearly underpins its political support for a Union where Ireland plays a central role. It call for the Government to work towards a fluid travel between the UK and especially Northern Ireland "...bearing in mind the critical nature of personal, tourist and business travel to Irish society and economy." Furthermore, it clearly states the importance of minimising, so far as possible, negative impacts "...on the movement of goods, services and trade of all kinds...". Practically it wants "a light footprint...", a good way of avoiding what many will recall as the wholly unacceptable approach of earlier times to cross border movement between both jurisdictions.

It makes a useful suggestion about the introduction of tariff sharing schemes on a tapering basis to help local SMEs and the food/agri sector adjust to potential sudden imposition of tariffs, presumably given the likely delay that will arise between UK exit and the agreement of a trade treaty between the EU and the UK.

Shared effort on building cross border infrastructure such as road and rail are also called for and, arguably most critically, a clear effort to have Ireland-UK civic, cultural and social dimensions at the heart of all future efforts to come to a conclusion on the transition to withdrawal. Economic considerations are very important but in many ways these are readily addressable, if challenging, it is the socio-cultural implications of lines being redrawn on the island which are most worry some and challenging, particularly to the democratic institutions at local level in Ireland, Northern Ireland and Wales.

Local Authority Sector Issues

The AILG calls on all local authorities to begin consideration of proofing policy documents most notably the county/city development plans as these are developed. Clearly such broad policy statements will be impacted to some extent given the impact on the local economy for example. The response by individual authorities will vary given the different levels of risk of exposure but nonetheless the Association clearly suggests that the various economic levers of local government could help to mitigate some of the more egregious impacts of a UK decision to withdraw from the Union. Many local authorities in recent years have taken a very pro-active approach to tourism development, building relations with our worldwide diaspora, and other economic and socio-cultural initiatives to beat economic austerity and it may be time to re-examine the potential of such initiatives to do so again.

In addition, the Association calls on the Department of Housing, Planning and Local Government to create a forum to allow for a centre-local approach to confronting challenges from Brexit. They note that other Departments have already been successful in bringing together stakeholders in tourism, Culture etc to do so.

The role of the Local Enterprise Office is also highlighted. Arguably the most tangible of the reforms of recent years, the LEOs have successfully bedded down within the local authorities and have continued to make a substantial contribution to local regeneration, underpinning a remarkable blossoming of entrepreneurship and economic activity. Many LEOs they note have already advanced local actions to help local enterprises to begin the transition into a post Brexit economic environment.

They highlight also the need to sustain cross border cooperation between local authorities, especially where there are shared service provisions in place. While the Association again recognises the unexplored potential of town twinning and the capacity it brings for building contacts into the wider Europe.

Future Effort

The Association has taken an active role in building understanding on Brexit within local government in Ireland. In addition, it is working with its counterpart in Northern Ireland, an important platform given the current conditions prevailing in Northern Ireland. In this Issues Paper the AILG commit to continuing this role and to ensuring that those willing to listen to the voice of local democracy in Ireland will receive a well thought though expression of the concerns which the local government

system in Ireland is having to confront, most notably those authorities with an immediate border to their north and across the sea to the east.

As negotiations continue between the EU and UK the AILG have committed to keeping all in local government informed as their thinking develops. Furthermore there is the declaration in the Issues Paper that it will provide the necessary training across local authority membership in Ireland to ensure that elected members across Ireland are fully alert to the various options available to address the very real challenges of decisions others will be taking in the foreseeable future and beyond. It also affirms its commitment to working with its European Partners, many of whom have similar concerns to the membership of the AILG.

Comment

The initiative demonstrated by the Association of Irish Local Government to set out its thoughts and recommendations on this critical issue for Ireland has to be welcomed. Hearing the voice of local government in Irish centred affairs is difficult at the best of times but in this particular set of challenges the Association has produced a clearly considered locally driven perspective which many should welcome. Indeed it will no doubt be heard and welcomed in Government circles in Ireland as well as the European Institutions. More interestingly, there will be many in Northern Ireland and along the border between Ireland, Northern Ireland, Wales and even in Scotland who will be happy to see the Irish local government association taking a stance and seeing that voice being listened to at a time where their voices are largely ignored by their negotiating representatives.

LGIU Ireland will continue to cover the issues surrounding Brexit as negotiations continue in the coming months and probably year.