



**THE NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION**

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# Memo

**DATE: 24/06/2016**

**FROM: Derek McCallan**

**TO: Council Chief Executives (for further distribution as appropriate)**

**CC: NILGA Executive Members**

## **UK Referendum Vote: Initial Impact Commentary for Councils in NI.**

1. Practically and immediately, European Structural & Social Funds and related programmes of work with council and other leverage funding through to mid 2018 *appear* to be sustainable; formal exit negotiations are set to be effective from October 2016, when a new UK Prime Minister will lead a negotiation team.
2. However, no State has left the European Union before, and the rules for exit – contained in Article 50 of the Treaty of Lisbon that commences UK exit negotiations – are brief. The form of any withdrawal agreement would depend on the negotiations and there is therefore no guarantee the UK would find the terms acceptable.
3. Prior to and during the two-year negotiation period, EU laws and fiscal commitments will still apply to the UK. The UK will continue to participate in other EU business as normal, but it will not participate in internal EU discussions or decisions on its own withdrawal. On the EU side, the Article 50 Agreement will be negotiated by the European Commission following a mandate from 27 EU ministers and concluded by 27 EU governments.
4. The final deal at the end of a negotiated UK exit from the EU will need to be ratified by EU leaders via a qualified majority vote, a majority in the European Parliament and by the remaining 27 national parliaments across the EU.
5. In the meantime, NILGA as one of four local government associations working collectively in local government's interests will seek to ensure that councils including NI councils views are represented around the table when decisions are

taken over how to replace / withdraw / taper EU Governance, Laws, Regulations and Finances as part of the above mentioned exit negotiations.

6. As you are fully aware, EU Laws and Regulations impact on many council services, with waste, employment, environmental standards and licensing just four of many.

There cannot be an assumption that power over these services is simply transferred from Brussels to Westminster and Stormont. If services are delivered locally, then the power over how to run them should to some degree rest locally too.

7. Communities across NI have been allocated circa £1.1 billion of locally distributed EU regeneration funding up to 2020. This includes familiar initiatives such as Growth & Jobs, Peace IV, Interreg V, European Social Funding to name four. It is important for the Government nationally and regionally to guarantee it will protect this vital funding to avoid essential growth-boosting projects stalling and local economies across the 11 council areas being stifled – between now and 2020 and beyond this.
8. Crucial, also, will be negotiations around the movement of (i) trade and (ii) people – particularly in terms of the IRL / NI land border. As such, the negotiations MUST include explicit commitments to free economic and social movement on the island; reported to be worth approximately £880 million per week to NI.
9. NILGA will continue to represent the interests of NI councils in Brussels as the UK's exit from the EU is negotiated, and will be with the NI Office in Brussels next week to determine and report on next steps. As such, it will over the coming months seek to have councils views articulated and will, in turn, inform councils as developments take place.
10. Other Points to Consider:
  - **Farming:** Currently the operation of the EU's Common Agricultural Policy accounts for some 82% of farm income across Northern Ireland. The figure of aid for the period 2014-20 is estimated at some €3billion. Is it now *hoped* that the UK Treasury would replace these funds with UK monies.
  - **Structural Funds & Peace Support:** these are estimated to support 30,000 jobs in NI with a stronger concentration per employee, per capita, in rural areas of NI. Local councils may need to consider a Resilience Strategy – with associated lobbying for a LG Communities 'Transformation Fund' (see NILGA's Programme for Local Government, NI Executive Commitments three and ten as part of our response guidance to the PfG Framework) within the Economic, Social and Investment Strategies to follow in October 2016.

Any further questions and information requests may be directed to Dr. Ken Bishop, Head of Programmes (Investments and Partners) NILGA by email [k.bishop@nilga.org](mailto:k.bishop@nilga.org) or mobile 07976920556.

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