

Our asks of Government on Brexit and urban transport

It is not within the remit of UTG to take a position on Brexit one way or the other. However, Brexit will have significant implications for urban transport, and the authorities that oversee it, so this paper sets out the issues that the UK government should be acting upon in relation to Brexit and this key sector.

People

Give maximum assurances for existing EU staff in the transport sector.

Some of our members employ large numbers of staff from other parts of the EU. We need to retain these staff, and for that they need absolute certainty about their status. We therefore support the EU Settlement Scheme, which offers a simplified and cheaper system for recognising people's right to settled status, and trust the government will ensure this is well publicised and implemented efficiently and humanely, irrespective of whether there is a Brexit deal.

Allow us to recruit new international staff at all skills levels, including from the EU.

Many of our members will still need to meet their skills needs by recruiting foreign nationals, including from our closest neighbours, the EU. While we are still in the EU, and during the transition period, the rules for recruiting EU staff will be unchanged; however, we do not know how long this period will last and official figures show a sharp drop in EU migrants coming to the UK. Meanwhile, we do not have in place a new migration system to make up for any shortfalls in staffing from the EU. The signs are this new system will focus on high skills and high wages, whereas our skills needs will have to be met at all levels, including basic and intermediate.

Make employment in the transport sector more attractive to UK employees and ensure they have the skills we need.

If we are to lose our current open system for recruiting from Europe, and any new immigration system is mainly geared at those with higher skills, we are going to have to ensure our own nationals are attracted to employment in the transport sector and that they can fill our skills gaps. This may also include reforming UK employment and skills funding.

Funding and investment

Make the Shared Prosperity Fund work for urban mobility.

The Government has proposed a new Shared Prosperity Fund (SPF) to replace current EU Structural and Investment Funds (ESIF) in the UK. We very much welcome this, and the promise that the SPF will be of equivalent value to ESIF. However, the difficulty in using the ESIF for urban mobility projects has been a great frustration for our members, so we'd like to see the SPF correct this and have a clear thematic focus on sustainable urban mobility. We also stress it is the city regions that have the governance and capacity to deliver the new fund.

Buy into the new EU transport funds.

We welcome that the political statement on the future relationship between the UK and EU puts a strong emphasis on the UK having continued access to post-2020 EU trans-national funds. Our members have made great use of trans-national funds, getting to work with geographies facing similar issues to their own and learning together rather than reinventing the wheel. Much of the lead practice on urban renewal, and mobility's role within this, is in Europe and we need this funding in order to continue working deeply with our European counterparts. Of particular interest to our members will be Horizon Europe and the new Interreg funds: we welcome government's commitment to buy into the former and ask it to do the same for the latter. If it is legally possible, we would also like to keep access to the Connecting Europe Facility, so as to avoid leaving a UK-sized hole in Europe's key transport infrastructure.

We ask that the UK either maintains its membership of the EIB or establishes a comparable domestic instrument. The EIB has been an important partner for our members, making valued investment in transport and other infrastructure. The EIB's interest rates have been consistently very competitive compared to other long-term funding options, such as the Public Works Loans Board (PWLB) and capital markets. Furthermore, EIB facilities have allowed UTG members to agree the interest rate and start date of a loan well ahead of the required drawdown; this has been a key tool in the management of interest-rate risk and funding risk and has provided increased certainty on financing costs over the planning period.

Invest to improve our urban public transport infrastructure and rolling stock in a more difficult economic climate.

The government's own economic forecasts show that, whatever the Brexit scenario, the UK will be worse off compared to the status quo. This potentially means lower tax receipts, leading to less money being available for key public investments, such as on urban transport. Yet it is precisely these types of investments that are needed to kick-start the economy. Meanwhile, some of our members have reported difficulties in procuring key materials and parts from abroad because of the fall in

value of the pound. Whatever the economic scenario, we ask government to commit to increasing levels of investment in urban public transport and sustainable inter-regional transport.

The policy framework

Make the transition arrangements clearer.

The extent and duration of technical and regulatory alignment between the EU and Britain post-Brexit is wholly unclear. During the transition period, we know alignment will still be necessary. However, we cannot be sure how long this period will last, and so which new legislative proposals are likely to apply to us. The withdrawal agreement states transition will end in December 2020 but allows for an extension, should the future trade agreement not be in place by this time. It looks highly likely this extension will be required, which would mean that a lot of new proposals from the new European Commission and European Parliament could end up applying to us. The UK needs to be open early on about exactly how long transition will last.

Use us as your advocates.

In the medium term it looks likely the UK will still have to abide by new EU rules on transport while losing most of its say in how these rules are formed. We ask UK government to recognise that UTG and other UK local and regional bodies and transport actors are very well connected to trans-national networks in Brussels that lobby together on EU transport policy. We are also less associated with Brexit in European partners' minds than UK government is. We can therefore be valuable advocates for UK government on EU policy developments, on issues where our respective positions chime. For us to do this, you have to work closely with us.

When negotiating the future relationship, consider what works best for UK urban mobility.

We appreciate that, for the future relationship with the EU, how much the UK is bound by EU transport policy will to a large extent be determined by how much market access we want across sectors. However, we ask, as we enter the negotiation phase for the future relationship that government take into account the regulatory and market-access needs of transport in UK cities. It can only do this by establishing a close, regular relationship with us around the negotiations. This can also help government to be better informed when formulating its new domestic agenda for transport, for instance in any repatriated legislative areas post-Brexit.

Place-based impact

Remember we are a key sector and a representative mix of geographies.

It is well recognised Brexit will affect different parts of the country in different ways. UTG's partnership (its core and associate members) are drawn from city regions all over the country, operating in different regulatory and investment frameworks, and different economic realities. As city regions, many of our members are at the heart of the devolution agenda. All are working on a key sector – urban mobility – for promoting economic growth and quality of life in their cities, by for instance helping people to get into work, encouraging them to walk and cycle and be active, cutting pollution and noise, revolutionising urban design and planning, integrating climate considerations and green infrastructure into our urban environment, and creating new employment opportunities around green vehicles. We are therefore a key partner in the challenges of boosting the economy, improving quality of life and bringing decision-making closer to people, in a post-Brexit UK.