

Committee(s)	Dated:
Planning & Transportation Committee – For information	18 06 2019
Subject: Department of the Built Environment: ‘Brexit’ Update	Public
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Summary

This short report updates Members on the potential implications of Brexit for the Department of the Built Environment.

The report notes that risks are also being considered corporately and focusses on those issues which have a particular relevance for the Department. A key consideration is to ensure that the plans, strategies, projects and services being delivered by the Department can still be delivered during and after Brexit. The Department’s role in ‘shaping’ the future City will remain important to ensure that it remains a ‘vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK’, as set out in the Corporate Plan.

Recommendation(s)

Members are recommended to:

- Note this report and that further update reports will be made to subsequent meetings of the Committee as appropriate.

Main Report

Background

1. The UK Government’s commitment to the withdrawal of the UK from the EU will have wide ranging implications for the country, the City, the City Corporation and the Department of the Built Environment. It will create opportunities to be seized and risks to be mitigated. The opportunities and risks will depend on the detailed withdrawal arrangements which are yet to be agreed. Meanwhile a priority is to ensure that foreseeable risks have been mitigated where practical and that the service remains resilient in uncertain times.

Risks

2. Risks which apply to all parts of the organisation are being addressed corporately, but these will still need to be mitigated to some extent at departmental level to ensure that the Department remains in a position to implement its business plan. Examples include the potential short-term and longer-term impacts on supply chains, staff retention, income streams and the demand for services. Such risks could affect delivery of the Department's projects and services if they were to constrain availability of staff and materials. They could also affect the Department's income streams and the demand for its services if Brexit were to lead to significant changes in behaviour. These risks affect all departments and the Director of the Built Environment represents the Department at the corporate working group.
3. Brexit will have short-term and long-term effects on economic and employment growth, in the City and elsewhere, depending on the detailed arrangements to be agreed. Whatever those arrangements, London's strong underlying strengths as a global business centre will remain, meaning it is necessary to plan for sustainable long-term growth.
4. Evidence so far suggests that there is a continuing strong demand to invest in and develop in the City. 565,000 square metres of new office stock have been completed since 2016, leading to a net increase in City office stock from 8.72 to 8.95 million square metres. Employment in the City has also increased from 484,000 to 513,000 during this period. There are another 1.21 million square metres of office floorspace under construction. Planning applications for large developments have continued to be received resulting in large committee agendas at times. Pre-application discussions are also continuing in relation to a number of major development projects.

Conclusion

5. At this stage the Department considers that it will be able to deliver its services and implement its business plan during and after Brexit. However the uncertain wider situation means that further updates will continue to be provided by the Director in spoken or written form to subsequent committee meetings as appropriate.

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