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**To:** Leadership Board

**On:** 4 December 2019

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**Report by:** Chief Executive

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**Heading:** Preparations for the planned withdrawal of the UK from the EU

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## **1. Summary**

- 1.1 Regular updates have been provided to the Leadership Board in relation to the UK's planned withdrawal from the EU. The previous report on 1 May 2019 provided an update to elected members on the Brexit negotiation process, and an overview of key areas of preparation being progressed by officers in relation to the potential of a no deal Brexit scenario being realised.
- 1.2 Elected members will be aware that a revised draft agreement between the UK Government and EU member states was reached during early October 2019. Subsequent to a range of parliamentary processes and discussion, members of the UK Parliament voted by majority to hold a general election on 12 December 2019, with the EU extending the Article 50 withdrawal period to 31 January 2020.
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## **2. Recommendations**

- 2.1 It is recommended that elected members note:
- The updated information provided within this report and;

- The activities undertaken by council officers to prepare appropriately for a no deal Brexit scenario as highlighted in the risk register attached at Appendix 1.
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### **3. Background**

- 3.1 Regular updates in relation to Brexit have been provided to members of the board, with a specific focus on providing information on the activities being undertaken by officers to prepare for the potential of the UK leaving the EU without a withdrawal agreement being in place.
- 3.2 In the last update to Board on 1 May 2019, it was reported that the EU had granted an extension to the Article 50 withdrawal process until 31 October 2019. Elected members will be aware that a new law was passed during September 2019, which is referred to as the Benn Act. This required the UK Government to request an extension to the withdrawal process from the EU to 31 January 2020, should a deal not be approved by the UK Parliament by 19 October 2019.
- 3.3 A revised draft agreement between the EU and UK Government was reached during October, however this still requires to move through all required parliamentary processes at a UK and EU level. The EU has subsequently agreed to extend the withdrawal period until 31 January 2020.
- 3.4 On 29 October 2019, MPs voted by majority to hold a general election on 12 December.

### **4. Preparations for no deal Brexit**

- 4.1 Officers continue to undertake all required actions to prepare effectively for the potential of a no deal Brexit to be realised. The Chief Executive chairs a regular internal group which considers the organisation's readiness for a no deal Brexit scenario. The work of this group will be complemented by that of the Strategic Brexit Officer Group, which has recently been established and is chaired by the Director of Finance and Resources. This group will consider the medium to longer term impacts of EU exit, in terms of the Council's finances, the local economy etc.
- 4.2 In terms of the preparedness for a potential no deal Brexit, officers have continued to review activities in relation to:

- Availability of goods and services
- Support for vulnerable people / food insecurity
- Support for businesses
- The EU settlement scheme – making local people aware of the scheme and the requirement to apply, with digital support provided in libraries to get online.
- Workforce support including communications to staff and signposting to all relevant information

- 4.3 A copy of the risk register, with documented controls to mitigate impact, is provided within Appendix 1. All risks and associated controls / actions have been reviewed, with a specific focus on assessing levels of preparedness for a no deal Brexit over the winter period. The organisation has very well-established contingency planning arrangements and plans covering the winter period, in conjunction with all statutory partners.
- 4.4 Funding of £50,000 has been allocated to each Council by the Scottish Government to support contingency planning activities at local levels.
- 4.5 A key area of preparation for the council relates to the potential impact on the Council's supply chain of specific goods and services, and the requirement to mitigate the impact of this on the delivery of services, particularly those to vulnerable groups. For example, the Council's procurement team and service managers have worked very closely to consider the impact of availability of food products in terms of school meals, community meals, care homes etc. The impact of food price increases is also being monitored internally in terms of the impact on the Council's budget, as well as the impact on vulnerable people.

### **Export Health certificates**

- 4.6 Within the report to Leadership Board on 1 May 2019, it was noted that specific impacts had been identified in relation to the Council's regulatory services in the events of a no deal Brexit being realised. In particular this related to the provision of export health certificates that would be required in relation to food inspection. Work has been progressed at a national level by COSLA in partnership with local authorities and professional organisations, on potentially options to manage the significant increase in certification which would be required should the UK leave the EU without a deal. This is likely to require additional funding at a local authority level, with discussions progressing between COSLA and the Scottish Government.

## **5. Next steps**

- 5.1 Officers will continue to review levels of preparedness given any new or emerging information which is made available. Regular updates will continue to be provided to the Leadership Board, with a view to

providing information and assurance to elected members on levels of preparedness.

## Implications of the Report

1. **Financial** – the financial risk to the Council continues to be closely monitored, with potential commodity price increases being kept under review.
2. **HR & Organisational Development** – as outlined in the report.
3. **Community Planning** – as outlined in the report.
4. **Legal** - none.
5. **Property/Assets** – none.
6. **Information Technology** – none.
7. **Equality & Human Rights** – none.
  - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none.
9. **Procurement** – none.
10. **Risk** - none.
11. **Privacy Impact** – none.
12. **COSLA** - Regular engagement has been undertaken with national groups and organisations and other local authorities through COSLA.
13. **Climate Risk** - none

## Appendix 1

"Context	Risk Statement	Owned by	Current Risk Control Measures in Place as at October 2019	Likelihood	Impact	Evaluation
Brexit Readiness  <u>Context:</u> ▪ Potential for a 'no deal' Brexit ▪ Workforce implications ▪ Goods/ supply implications ▪ Funding implications ▪ Contractual implications ▪ Legislative implications ▪ Service implications ▪ Import/ export implications – increased certification required and impact on border control and regulatory services ▪ Public uncertainty ▪ Preparedness for a possible General Election taking place ▪ Potential data access risk (European servers)	The council needs to corporately and effectively prepare for Brexit and specifically a no deal Brexit, working alongside key partners, otherwise there is a risk of disruption to service provision, an increase in workforce and financial pressures and difficulty in responding effectively to impacts on the public (such as potential increases in costs of living and vulnerability).	Brexit Readiness Steering Group	<p><b><u>GOVERNANCE</u></b></p> (1) Brexit Readiness Steering Group established (2) Council engaged with a wide range of regional and national bodies focused on contingency planning for Brexit (3) CPP Brexit workshop undertaken and initial CPP risk assessment and action plan established with two follow-up sessions arranged (4) Brexit Contingency activation plan created (5) Chief Exec agreed to keep a watching brief on Scot Govt command and control arrangements and potential impact on council. (6) Strategic Brexit Risk group set up to address longer term risks (7) Ongoing briefings to CMT on supply chain/ sub-contractor risk	03	04	12 High
			<p><b><u>WORKFORCE</u></b></p> (8) Council staff lettered with information, Brexit team brief issued and Brexit page on Intranet and Website launched. Arrangements in place to enable any other employees impacted to come forward for advice. Website updated following Leadership Board paper and to reflect launch of Scottish Government website for preparing for Brexit. Council is promoting and signposting to the Scottish Government site. (9) Careful management of leave around the critical period CMT/ CRMT/ BRSG (10) Training events for relevant identified staff Continue to be carried out (11) Mapping of locations of home and workplace for front line staff completed			
			<p><b><u>GOODS, SERVICES &amp; SUPPLIES</u></b></p> (12) For product safety and food import/export – agreed recruitment to relevant posts – Nationwide working group established (13) NHS GG&C engaged with the Chief Pharmacist while working closely with colleagues in the Department of Health in England and with the pharmaceutical industry to ensure stocks of medicines are managed effectively (14) HSCP working with GPs to support appropriate public response re medication supplies (15) Children's Services and HSCP have identified groups or individuals where food is 'medicine' and numbers are relatively low (16) Scotland Excel have carried out a full category assessment of supply chains and for catering have additionally been liaising with school catering managers (17) Brakes have confirmed high levels of confidence in ability to continue supply.. Noting up to 4-day delay as reasonable worst-case scenario (18) Bunkered fuel tanks, salt levels and heating fuel sites are being kept topped up (19) National emergency plan for fuel in place (20) Local fuel allocation priorities determined			

			<p>(21)Boiler redundancy and redeployment of parts can be carried out</p> <p>(22)Food/ school meals stock being maintained</p> <p>(23)Border Force, Food Standards Scotland and Police Scotland engagement to discuss impact on partner agencies at the Airport - meetings ongoing</p> <p>(24)Advance purchasing of relevant identified items completed (service parts for lifts etc) - Requirement will continue to be reviewed by services</p> <p><b><u>PLACE</u></b></p> <p>(25)Corporate Communications team continuing to update public, staff and members as information becomes available</p> <p>(26)All key holders of Council data can either migrate information back to the UK or have given assurances that we will be able to access our data through them</p> <p>(27)Business Continuity Plans updated for Brexit</p> <p>(28)Care Home contingency plans in place (homes surveyed to ascertain impact re EU national employees)</p> <p>(29)Preplanning for potential General election in place</p> <p>(30)Digiteers and Citizens Advice Bureau available to support people needing to apply on line for settlement status</p> <p>(31)Insurance position for school trips has been clarified</p> <p><b><u>FUNDING</u></b></p> <p>(32)Council analysis completed to identify contracts based on euros</p>			
<b>Linked Actions</b>				<b>Assigned</b>	<b>Due Date</b>	<b>Status</b>
<b>Workforce</b>						
1.	All Actions Complete					
<b>Goods, Services &amp; Supply Chains</b>						
2.	All Actions Complete					
<b>Place</b>						
3.	All Actions Complete					
<b>Funding</b>						
4.	All Actions Complete					

<p><u>Workforce:</u></p> <ul style="list-style-type: none"> <li>▪ Parts of workforce most at risk from the impact of EU withdrawal?</li> <li>▪ Particular workforce issues that are specific to our local area?</li> <li>▪ No. of Non-UK EU workers in council?</li> <li>▪ Implications of withdrawal on long-term workforce planning?</li> <li>▪ Implications for local workforce in our economic strategies</li> <li>▪ Effect on organisation of reduced access to EU Labour</li> <li>▪ Effect on ability to recruit were there to be a reduction in the currency value</li> </ul>	<p><u>Goods, services &amp; supply chains:</u></p> <ul style="list-style-type: none"> <li>▪ Critical areas that may be impacted if supply interrupted?</li> <li>▪ Availability of resources/need for stockpiling?</li> <li>▪ 3rd sector providers/links to contingency planning?</li> <li>▪ Supply chain resilience/discussions with suppliers?</li> <li>▪ Effect on trading standards if mutual recognition ends between UK and EU</li> <li>▪ Effect of new import and export checks that may be required</li> <li>▪ Implications of any change to state aid rules and/or processes</li> <li>▪ Effects on contracts of currency fluctuations</li> <li>▪ Goods or services that local area relies on from EU countries</li> <li>▪ Opportunities for collaboration with or to help suppliers</li> </ul>	<p><u>Place:</u></p> <ul style="list-style-type: none"> <li>▪ Issues identified through/ with CPP partners</li> <li>▪ Issues identified through/ with private sector partners</li> <li>▪ Dialogue with communities about possible effects of a no deal?</li> <li>▪ Effects outwith organisation – e.g. any sectors in your area that rely on Non-UK EU workers</li> <li>▪ Council priorities for providing support and assistance to communities?</li> <li>▪ Impact on transport networks?</li> <li>▪ Impact of large numbers of UK citizens returning from other parts of the EU</li> </ul>	<p><u>Funding:</u></p> <ul style="list-style-type: none"> <li>▪ Impact of any fluctuations in the currency rate to income (e.g. council tax, non-domestic rates)</li> <li>▪ Impact of any fluctuations in the currency rate to expenditure</li> <li>▪ Impact of the loss of any EU Funding (e.g. European Structural Funds)</li> <li>▪ Impact on future economic growth</li> <li>▪ Impact on any infrastructure and regeneration projects and plans</li> <li>▪ Impact on social inclusion issues (e.g. welfare fund)</li> </ul>
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