

To: Leadership Board

On: 1 May 2019

Report by: Chief Executive

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

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 20 February 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 In the intervening period, a significant amount of further uncertainty has arisen, with the proposed UK/EU withdrawal agreement being rejected by the House of Commons on a number of occasions. As elected members will be aware the UK therefore did not leave the EU as initially intended on 29 March 2019, with a final extension to the withdrawal date to 31 October 2019 being agreed by the EU in mid April. Whilst the focus of current negotiations is to ensure that the UK leaves the EU with a withdrawal agreement being reached by 31 October 2019, the possibility remains that the UK could leave the EU without a deal being in place.
- 1.3 The key focus of this paper therefore is to provide an update to elected members on the preparations which have been made to date with partners to prepare for a no deal Brexit scenario. The approach taken has been pragmatic and proportionate, with action taken based on the information available to officers at this time. Local preparations have and will continue to be monitored on a regular basis to mitigate potential impacts identified as the negotiations continue to progress.

- 1.4 The paper also highlights in section 5, work that continues to be progressed in relation to understanding and planning for the medium to longer term impacts of EU withdrawal. An internal Strategic Brexit Officer Group will be established, which will be chaired by the Director of Finance and Resources. This senior officer group will review developments and emerging information on an ongoing basis and ensure Council services respond to longer term impacts effectively.

2 Recommendations

- 2.1 It is recommended that elected members note:
- The updated information provided within this report;
 - The activities undertaken by council officers to prepare appropriately for a no deal Brexit scenario;
 - The establishment of a Strategic Brexit Group for senior officers to maintain corporate oversight of the impact of EU withdrawal; and;
 - The preparations being made by officers to hold European Parliament elections on 23rd May 2019.

3 Background

- 3.1 A draft withdrawal agreement was initially published by the EU and UK on 25 November 2018. The draft withdrawal agreement is legally binding and was accompanied by the publication of a political agreement which sets out the future scope of the relationship between the UK and the EU. The political agreement is not legally binding and sets out the direction of travel and timelines for agreeing the specific legal nature of this political and economic relationship.
- 3.2 As elected members will be aware, the proposed UK/EU withdrawal agreement was rejected by the House of Commons on a number of occasions in early 2019, and the UK therefore did not leave the EU as initially intended on 29 March 2019.
- 3.3 The EU granted an initial extension to the Article 50 withdrawal process until 12 April 2019, however this was subsequently extended until 31 October 2019. The UK can however leave the EU before the 31 October 2019 if the withdrawal is ratified by the UK and EU before this date.
- 3.4 The UK Government has publicly stated that it is currently focusing its activities on Parliament approving the withdrawal agreement prior to 22 May 2019, in order that the UK does not have to participate in the European Parliament elections which take place on 23rd May 2019.

- 3.5 Over and above these ongoing developments, the Regional Returning Officer for the Electoral Region of Scotland has given notice that an election is to be held for six (6) members of the European Parliament. The Chief Executive, as Local Returning Officer for Renfrewshire, has subsequently ensured that all required preparations are being made to hold European Parliament elections in Renfrewshire on 23rd May 2019.

4. Preparations for the UK's withdrawal from the EU without an agreed deal (No-deal Brexit)

- 4.1 As highlighted within the report to Leadership Board on 20 February 2019, in the short to medium term a no deal Brexit scenario is highly likely to mean that the relationship between the UK and EU will change and come under immediate pressure. It is anticipated that the most significant risks will be in relation to freedom of movement for people, and trade relating to goods and services.
- 4.2 It is important that the response of the Council in terms of preparing for a no deal Brexit is proportionate and pragmatic. Multi agency liaison is a key way for the Councils and associated partners to meet their duties under the Civil Contingencies Act. This recognises the principles of Integrated Emergency Management and the shared responsibilities of all organisations in the event of an incident arising. The Council is now using the strong relationships with key partners that have been developed through forums such as the West of Scotland Regional Resilience Partnership (WoS RRP), as well as local site-specific groups to develop better understanding of potential Brexit implications and consider appropriate mitigation.
- 4.3 Previous papers to the Leadership Board highlighted three main areas of concern for the local authority in terms of no deal Brexit:
- Impact in relation to contracts for goods and services through for example supply chain issues.
 - Impact on regulatory services such as trading standards and food inspection due to increased demand on these services.
 - Implications for employees and services in relation to residency and immigration
- 4.4 The Chief Executive previously chaired a weekly Brexit Readiness Group which co-ordinated and implemented all actions required to prepare for a no deal scenario. These actions were identified based on available information and will continue to be reviewed during the extension period currently in place to 31 October 2019.
- 4.5 Specific actions undertaken included:

- Analysis of potential implications of supply chain disruption and how these could impact particular services to vulnerable people.
Services have identified options to enable them to respond flexibly to the availability of certain goods and products, and are ensuring that stock levels are maintained and maximised across essential supplies.
- Preparing for potentially increased pressures on the Council's Regulatory Services, and in particular the work that is undertaken with local businesses and at the Airport to ensure food standards are met, to combat organised crime and to ensure efficient imports and exports are maintained in partnership with Border Force.
Resourcing requirements have been assessed within these services, and with planned recruitment now underway.
- The organisation continues to signpost both Council employees and local citizens to UK and Scottish Government websites which provide guidance and information in relation to the EU Settlement Scheme. The Scheme formally opened on 30 March 2019 and will be open until 30 June 2021.

5. Preparing for the longer term impact of Brexit

5.1 Regardless of whether the UK leaves the EU with or without a deal, there will be longer term impacts which will require to be effectively managed by the Council and partners. To respond to these impacts, a Strategic Brexit Officer Group has been established within the organisation. This is a senior officer group which is chaired by the Director of Finance and Resources.

5.2 The group will meet on a 6 weekly basis and will analyse the impact of EU withdrawal in terms of:

- Economic growth and employment
- EU funding
- Suppliers and markets which may impact the provision of services
- The financial position of the Council
- Poverty (including food poverty)
- Potential increased numbers of citizens returning to the UK where previously resident in an EU country
- The EU Settlement scheme
- Ongoing support for employees impacted by EU Exit, whether directly or indirectly
- Workforce planning implications linked specifically to EU exit

- 5.3 Links will be established with the Community Planning Partnership Group, which has already conducted a risk assessment workshop to consider the medium to longer term impacts of EU withdrawal.
- 5.4 The purpose of this officer group will also be to identify and take forward an appropriate response to impacts identified on a corporate basis.

Implications of the Report

1. **Financial** – the Brexit vote presents significant economic and financial risks for the Council as outlined in the report.
2. **HR & Organisational Development** – as outlined in the report.
3. **Council Plan & Community Planning** – as outlined in the report.
4. **Legal** – as outlined in the report.
5. **Property/Assets** – No implications.
6. **Information Technology** – No implications.
7. **Equality & Human Rights** - 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. 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** – No implications.
9. **Procurement** – as outlined in the report.
10. **Risk** - as outlined in the report.
11. **Privacy Impact** – No implications.
12. **COSLA Policy position** – as outlined in the report.

Cosla Policy Position – Regular engagement has been undertaken with national groups and organisations and other local authorities through COSLA. COSLA Leaders supported a position in December 2018 for a People's Vote to be conducted to address concerns in relation to the EU Withdrawal process.

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