

Resources Scrutiny Commission

Date 6 December 2018



Report of: Director: Policy, Strategy & Partnerships

Title: Bristol City Council Draft Brexit No Deal Scenario Assessment

Ward: All

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Recommendation

That the Resources & Scrutiny Commission:

- Note and comment on the draft Brexit No Deal Scenario Assessment to help inform further development of the assessment.

The significant issues in the report are:

Resources Scrutiny is asked to comment on a working draft of a high level assessment of the potential implications for Bristol City Council of a No Deal Brexit. The draft assesses high-level threats and opportunities associated with seven areas of business focus; Finance & Funding, Civil Contingencies, Workforce, Legal & Regulatory, Supply Chain, Key Operations and the City Economy (in the context of its direct relation to BCC).

The draft assessment outlines steps the council has taken, or may wish to consider taking, to ensure that any potential negative impacts of Brexit on citizens and key services are minimized, while any potential opportunities are maximized.

The draft assessment focuses on a No Deal Brexit, but this is not an indication of the council's anticipated outcome. It reflects prudence in planning, because we consider this to be the scenario with the most variables and the most significant short term organisational impact.

The highest scored areas of threat which the commission may wish to focus are: i) The potential impact on council income and inward investment, ii) Potential effects on Social Care workforce, iii) Issues relating to civil contingencies, and iv) impacts on the city economy.



1. Summary

Bristol City Council is taking steps to ensure that it is prepared for Brexit. This report considers the potential implications for the council of a No Deal Brexit and some of the wider organisational consequences of the UK’s withdrawal from the EU. Threats and opportunities are considered against the following seven workstreams:

- Workforce
- Legal & Regulatory
- Supply Chain
- Key Operations
- City Economy
- Funding & Finance
- Civil Contingencies

At this stage the assessment is a working draft and the council is engaging with various stakeholders, including this scrutiny commission, to seek feedback and input.

Subject to finalising the assessment and to any decision by the council’s Corporate Leadership Board, the proposed actions would be incorporated into service plans and, ultimately, the council’s annual Business Plan 2019/20.

The draft currently identifies the most impactful threats and opportunities of a No Deal scenario as:

Opportunities:

1. To strengthen the case for devolution of powers and money to city regions, including shaping the development of the UK Shared Prosperity Fund so that it is complementary to devolution and local priorities
2. Maintaining the existing strong focus on recruiting to care jobs in Bristol
3. Provide reassurance to EU citizens in the council’s workforce through pro-active communication, offering advice and guidance on residency and employment rights – and how to access the Mayor’s commitment to fund the cost of Settled Status applications

Threats:

1. Potential impact on inward investment and council income, loss of EU grant funding and inflationary pressures caused by fluctuations in the value of sterling
2. Pressures on workforce and supply chain in the social care sector could lead to disruption to services and failure to meet statutory duties
3. Those outlined in the Avon & Somerset Local Resilience Forum (A&SLRF) community risk register, including disruption to food and fuel supplies
4. A period of negative or restricted economic growth, impacting upon trade, investment, business confidence, council funding and finance, the labour market and key sectors of the city economy

The commission should note, however, that threats and opportunities are not limited to those noted above. The draft scoring is indicative and applies to a No Deal scenario, so it is **not** a current assessment of risk of the Brexit process. This is an important distinction to make when considering the contents.

2. Context

On 23 June 2016 the United Kingdom voted to leave the European Union.

Whilst nationally 52% of voters opted to leave, in Bristol there was a 62% vote to remain. The UK Government invoked Article 50 of the Treaty of the European Union in March 2017, triggering a two year process, culminating in the UK formally leaving the EU on 29 March 2019, or at the end of any agreed transition period.

Negotiations on terms of the UK’s withdrawal are now drawing to a close. At time of publication the EU and the UK had reached agreement on a draft Withdrawal Agreement. However, if this agreement is not approved by the UK Parliament the UK could still leave without a deal.

3. Consultation

a) Internal

This assessment has been compiled with input from colleagues in Adult Social Care, Children and Families Services, the Civil Contingencies Unit, Economic Development, Legal, Finance, International, Policy, Strategy & Partnerships, Procurement, Risk & Insurance and Workforce & Change. It has been shared informally with the Mayor, Deputy Mayor (Finance, Governance and Performance), Corporate Leadership Board and Extended Leadership Team (Directors).

b) External

This draft assessment focuses primarily on the council’s organisational preparedness and began with engagement with Grant Thornton, who ran a ‘Brexit Room’ workshop for workstream leads and provided external input and assurance on some of the issues and factors which should be considered.

The draft has been shared with city partners, including the Bristol-Brexit Response Group and neighbouring authorities. Their feedback will help inform further joint work and the continuous development of the council’s and the city’s Brexit planning.

5. Public Sector Equality Duties

As this report is a hypothetical scenario assessment, rather than a formal policy or proposal, a full Equality Impact Assessment is not applicable.

However, as more becomes clear about the status of Brexit and the potential Withdrawal Agreement the council will use this assessment to help inform its planning and decide what actions are necessary and proportionate. Any policy or key decisions arising as a result would require individual Equality Impact Relevance Checks and full Equality Impact Assessments where necessary.

The council will also consider the overarching potential impact of Brexit on people with protected characteristics in Bristol and use the outcomes to inform these Equality Impact

assessments.

Appendices:

- a) Working draft: Bristol City Council - Brexit ‘No Deal’ Scenario Assessment
- b) Facilitating Bristol to prepare for Brexit (Grant Thornton output)

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

- a) Bristol Brexit Response Group [Initial Report](#)
- b) Housing, Communities and Local Government Committee [Brexit and Local Government Inquiry](#)
- c) UK Government Technical Notices – [How to prepare if the UK leaves the EU with No Deal](#)
- d) Bristol City Council [Business Continuity Report](#)
- e) Local Government Association – [The future relationship between the UK and the EU](#)
- f) Local Government Association – [No Deal – Key changes for councils](#)
- g) Local Government Association – [European Union Bill Briefing](#)
- h) Office for Budget Responsibility – [Economic and Fiscal Outlook October 2018](#)
- i) Centre for Cities – [Cities Outlook 2017](#)

- j) Bristol City Council – [Economic Briefing September 2018](#)
- k) Bristol City Council – [State of Bristol 2017-2018](#)