

Overview and Scrutiny Management Board

17 January 2019



Report of: Director: Policy, Strategy & Partnerships

Title: Bristol City Council Brexit 'No Deal' Scenario Assessment

Ward: All

Officer Presenting Report: Tim Borrett, Director: Policy, Strategy & Partnerships

Contact Telephone Number: 0117 922 3332

Recommendation

That the Overview and Scrutiny Management Board:

- Note the Brexit No Deal Scenario Assessment
- Provide feedback and views for the council's Brexit Project Board to consider as part of its preparations for Brexit

The significant issues in the report are:

The assessment considers high-level threats and opportunities associated with eight areas of business focus; Finance & Funding, Civil Contingencies, Workforce, Legal & Regulatory, Supply Chain, Housing, Key Operations and the City Economy (in the context of its direct relation to BCC).

The assessment outlines steps the council has taken, or may wish to take, to ensure that any potential negative impacts of Brexit on citizens and key services are minimised, whilst any potential opportunities are maximised.

The assessment focuses on a No Deal Brexit to reflect 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 Board 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.

A draft of this assessment was published in December 2018 for consultation with key partners and councillors, and was presented to the Resources Scrutiny Commission on 6 December 2018. The feedback received has informed this final version, as has further engagement with multiple government departments as part of its national preparedness workshops for the local government sector.

This version of the assessment includes more detail on issues around housing, regulatory services and community cohesion, alongside revisions to content and scoring regarding the council’s Supply Chain, where the level of threat has increased.

Since publication of the draft assessment officers from across the council have continued to engage with central government departments and have attended Ministry of Housing, Communities and Local Government-led No Deal workshops. The updated assessment reflects the latest advice and guidance arising from this ongoing engagement.

Threats and opportunities are considered against the following eight workstreams:

1. Finance & Funding
2. Civil Contingencies
3. Workforce
4. Legal & Regulatory
5. Supply Chain
6. Housing
7. Key Operations:
 - Social Care
 - Regulatory Services
8. City Economy

The assessment 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

5. Increased or displaced trade through the Port of Bristol (Avonmouth and Royal Portbury Docks), and / or requests for Mutual Aid from Channel ports leading to a sharp increase in demand on Trading Standards and Port Health teams

The Board should note, however, that threats and opportunities are not limited to those noted above. The scoring has been undertaken in line with the council’s current risk framework criteria and applies to a No Deal scenario, so it is **not** a current assessment of risk of the overall Brexit process¹. 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. Next Steps

The proposed actions within the assessment will now be taken to the council’s new Brexit Project Board, which brings together officers across the council to ensure there is join-up and corporate oversight of the council’s preparations. It will decide which actions to take, where necessary seeking decisions from the council’s Corporate Leadership Board and/or political leads in accordance with the council’s formal Decision Pathway. These actions are a matter of judgement based on a frequently changing national picture and will seek to take a balanced and proportionate approach to risk management, so it should not be assumed that all of the actions suggested in this assessment will automatically apply, even in a No Deal scenario, as there are many variables and external factors outside of our control which would need consideration at the point of making a decision.

Insofar as possible the council’s annual Business Plan 2019/20 will describe the actions which have been (or will be) taken, but it should be noted that this will only reflect a point in time when the Business Plan is completed.

4. Consultation

a) Internal

¹ This assertion is correct at the time of publishing this report on 9 January 2019, but predates Parliamentary debate scheduled for 15 January 2019.

This assessment has been compiled with input from colleagues in Adult Social Care, Children and Families Services, the Civil Contingencies Unit, Economic Development, Housing, Legal, Finance, International, Policy, Strategy & Partnerships, Procurement, Risk & Insurance, Stronger Neighbourhoods and Workforce & Change.

It has been considered by the Corporate Leadership Board, Mayor, Deputy Mayor (Finance, Governance and Performance) and Extended Leadership Team (Directors), along with the Resources Scrutiny Commission (6 December 2018).

b) External

This 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 assessment was shared with city partners, including the Bristol-Brexit Response Group and neighbouring authorities and WECA. Where feedback has been received this has been considered in preparing the final document.

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 will 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) Bristol City Council - Brexit ‘No Deal’ Scenario Assessment
- b) Brexit ‘No Deal’ Scenario Assessment – Summary of Changes
- c) 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](#)