

Overview and Scrutiny Management Board

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Report of: Tim Borrett, Director: Policy, Strategy and Partnerships

Title: Preparedness for EU Exit (Brexit)

Ward: All

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Recommendation

For the Overview and Scrutiny Management Board to note preparedness activity ahead of the UK's scheduled departure from the European Union on 31 October 2019.

The significant issues in the report are:

The council is operating a Brexit Project Board which meets monthly as a mechanism to coordinate and oversee activity and risk. It is participating actively in the multi-agency civil contingencies forum (Avon and Somerset Local Resilience Forum) and is also liaising with HM Government both directly and via a regional reporting structure established through South West Councils.

Whilst there is a level of assurance over council planning and preparedness activity, the lack of national clarity over Brexit presents significant challenges and threats; particularly external threats (such as to supply chain preparedness) over which the council has little or no control.

1. Summary

The United Kingdom is scheduled to exit the European Union on 31 October 2019, with wide-reaching implications for Bristol City Council as a local authority.

Whilst there is steady progress on the council's planned preparedness activities, there are a wide range of potential threats and a lack of clarity on whether the UK faces a no-deal exit, a transitioned exit or another extension of Article 50.

The uncertainty over whether a Withdrawal Agreement will be passed before the 31 October deadline means that the council is continuing to actively prepare for No Deal, which remains the legal default. The council's preparedness activities have continued to be coordinated by the Brexit Project Board, which is responsible for managing and responding to identified risks. Government activity is expected to step up 'at pace' in September.

2. Context

2.1 Scenario assessment

In November 2018 the council published a draft [no-deal scenario assessment](#) and consulted scrutiny colleagues and other stakeholders.

An updated finalised assessment was published on 18 January 2019. Since this time the council has been operating the Brexit Project Board, taking part in the formal government engagement channels and updating all councillors via regular written updates from the chair of the Brexit Project Board.

2.2 Brexit Project Board and actions

The Brexit Project Board is made up of officers from a range of council service areas, each responsible for one of the eight work streams identified in the No Deal scenario assessment. The Board reviews identified risks and the progress of agreed actions. It also responds to new or emerging issues.

No Deal Brexit Coordination Group

In response to the heightened risk of a No Deal exit before the previous deadline, a temporary, 'Brexit Coordination Group' was established to manage the operational impacts which may arise. The group met on a daily basis and was responsible for:

- Collecting information and understanding the impact of a disorderly Brexit on Council service delivery
- Overseeing BCC's liaison with the Avon and Somerset Local Resilience Forum (ASLRF) partners
- Supporting the formation of Brexit-related external communications and communications to internal stakeholders, including elected members and staff

Following the extension of Article 50 the group was stood down but will be reactivated if the national situation means that an operational response is necessary.

Since the last OSMB update, work streams have continued to monitor risk and progress preparedness activities:

Social Care

Providers of residential and nursing care continue to report significant recruitment challenges, with a noticeable trend of EU workers returning home, without a counterbalancing flow of replacement workers.

As set out in the scenario assessment, the sector both nationally and locally is heavily dependent on migrant labour; 19% of workers in the Bristol, North Somerset and South Gloucestershire CCG area are non-UK born.

In our engagement with central government we have raised concerns about the impact of Brexit on the sector and urged them to make the security and sustainability of the Social Care workforce a post-Brexit priority. We have highlighted that forthcoming changes to the immigration system, including the introduction of a £30,000 minimum salary threshold, could further impact on providers' ability to recruit and retain staff.

EU Settlement Scheme

Work is underway to develop a greater understanding of Bristol's EU citizen demographics – both those that have already applied for the scheme and those that haven't. This will help us better target local communications to supplement national efforts. Whilst over 750,000 people have successfully applied nationally, concerns have been raised through the Bristol Brexit Response Group about the level of awareness amongst vulnerable, elderly and hard to reach groups.

We are looking at how we can work with organisations from the voluntary and community sector, such as St Pauls Advice Centre and the Bristol Law Centre. We have trained staff at the Citizens Service Point to assist residents with the application process. Document scanners have now been installed and this will make the application process quicker and more straightforward. We are providing this service free of charge.

We anticipate needing to invest money and staff resource in enhanced local communications and engagement activity from November onwards.

Supply Chain

A lack of centralised contract information was identified as an issue and as a result we have recruited an analyst on a temporary basis. Their task will be to centralise the data and update both the Procurement Management team and Brexit Project Board. The aim is to increase our understanding of the level of preparedness in the council's supply chain, particularly amongst key suppliers. This information will enable us to better predict and respond to any delays or disruption to key suppliers.

Anecdotal feedback via the Bristol Brexit Response group suggests that business preparedness is generally split into thirds – a third well-prepared, a third making progress and a third

relatively unprepared. There is some limited anecdotal evidence suggesting that some businesses may be more reticent to prepare in ways which require investment, for example maintaining higher levels of stock, following the ‘false alarm’ of the March deadline.

Housing

The council’s main contractors have been contacted and we have received assurance statements. In order to try and keep continuity of supply, some materials have been purchased in advance.

However, the general uncertainty is impacting contractor confidence and we are experiencing delays and reduced capacity which is impacting delivery of works programmes.

The Housing Revenue Account’s business plan modelling has been updated to assess negative impact of disorderly Brexit. In response to concerns about a potential rise in homelessness and increased demand on temporary accommodation, we have modelled the financial impact of various levels of increased demand.

Community Cohesion

Filming has taken place for a community cohesion campaign. One Saturday 27th April 70 members of the public came to Bottleyard studios to be part of the filming. It will be formally launched on 18 July, with a digital focus but also offline marketing.

A grant of £20,000 will be issued in the coming weeks, subject to internal approval, to support community cohesion work in four disadvantaged neighbourhoods using Forum Theatre as tool to open up conversations about lived experience and oppression and what we can do to counter this.

Workforce

In March we wrote to EU staff members to provide information about how their citizen and residency rights will be affected by Brexit. We also signposted them to official advice and guidance about the EU Settlement Scheme. To support this, we also arranged a series of drop-in session to provide more detailed in-person signposting advice and support.

2.3 Use of contingency funding

The council has received £210k national non-ringfenced funding from HM Government over two years for Brexit preparedness and has set aside an additional £250,000 in reserves to support preparation and as a reactive contingency.

Among the actions requiring the use of the contingency funding provided by government are:

- Community cohesion – outreach and engagement project: up to £30k
- Communications (including SME engagement/advice, community cohesion campaign, enhanced internal communications): up to £40k

- Project Support – cross-skilled capacity to assist project reporting, internal/external reporting and command/control structures, Civil Protection Unit resilience (noting potential for future 24/7 national reporting structure to COBR): up to £45k
- Procurement – temporary additional capacity to assist with ensuring suppliers have contingency plans and business continuity plans in place (both for existing and new suppliers and their onward supply chains before and after EU Exit): up to £30k
- Security for European Elections - £1,500

The amount of contingency funding spent to date is as follows:

- Communications - £4,578
- Procurement - £28,850
- Project Support - £4,008
- Community Cohesion - £20,000 (subject to Commissioning and Procurement Group approval)
- Security for European Elections - £0 (payments likely to be made later in the month once final totals confirmed)

In addition, we are expecting a large proportion of the £40,000 communications allocation to be drawn down over the next month. This will be used to support the development of the 'We Are Bristol' community cohesion campaign. The communications budget is also likely to be used to support targeted communications to vulnerable groups in relation to the EU Settlement Scheme, which may require an increase in budget.

2.4 Civil contingencies and business continuity

Multi-agency Strategic and Tactical Coordinating Groups meet regularly under the umbrella of the Avon and Somerset Local Resilience Forum (LRF), chaired by Avon and Somerset Police. The LRF reports weekly back to the Ministry for Housing, Communities and Local Government.

We are expecting a higher reporting burden from September and for requests for information from HM Government to increase in line with proportionate national preparedness.

Among the 'no deal' issues previously identified by the council and partners are waste export, food supply assurance and fuel shortage planning. However it should be noted that no national shortages are projected and preparedness advice is very much in line with standard contingency measures. With regards food supply the advice is that a shortage in supply should not be anticipated, though there may be a short-term limiting of consumer choice.

Each council service has a Business Continuity Plan describing how it can continue in any given circumstances. A programme to review and update these has been completed council-wide ensuring a 'Brexit lens' has been applied.

2.5 HM Government engagement

Since the extension of Article 50, the formal feedback process via South West Councils has been put on hold. This process gave councils a mechanism to engage directly with central government on a wide range of Brexit-related.

Although there is not yet a date for the resumption of this weekly reporting channel, Government has acknowledged its value and civil servants are awaiting a direction from Ministers about when it should resume.

MHCLG have been asked to work to resolve outstanding issues raised through the weekly returns.

A Regional Chief Executives meeting took place in June, the first since before the extension of Article 50. The outcomes included:

- MHCLG committed to more clearly define the role of local authorities and local resilience forums and to share more detailed planning assumptions with local areas.
- Some concern was expressed about the ability to step up activity once again and a frustration about time lost to support planning.
- Economic impact – the main focus of the workshop was on economic shocks that could impact on each region. MHCLG are keen to look at economic data coming out of each region and how they can respond and prepare. Further information will be coming out about the type of data MHCLG wants to collect and what it will use it for.
- MHCLG are keen to understand the cost of No Deal to local authorities and the use of the contingency funding allocated to each Council. MHCLG confirmed that there is no further funding anticipated at the moment. Chief Executive's asked MHCLG to be clear about what they expect from local authorities in No Deal, so that local authorities can set out what this would cost.

With regards the UK Shared Prosperity Fund, (UKSPF) members may wish to note that the government, which missed its own pre-Christmas deadline for launching a consultation, are now saying that details will not be published until after the UK has left the EU. This is contributing to an increased level of financial uncertainty facing authorities as they plan their budgets for 2020/21 onwards.

2.6 Communications

A programme of communication is underway and includes a fortnightly update email to all councillors.

The council's communication plan includes sharing and amplifying national campaigns, contributing to the LRF's Warning and Informing plan and running specific internal and external campaigns. In totality the work reflects the following objectives: i. internal readiness, ii. signposting local businesses and residents to advice, iii. uniting local communities and iv. building resilience.

A range of toolkits, frequently asked questions and key messages has been prepared to support councillors with frontline queries and casework relating to Brexit.

3. Policy

Preparedness work is being undertaken in line with the relevant council policies relating to risk management, project management, civil contingency and business continuity.

Insofar as possible, work is being guided by the cross-cutting principles adopted by Full Council as part of the [Corporate Strategy 2018 – 2023](#), in particular:

- Build city resilience, improving our ability to cope with environmental, economic or social ‘shocks and stresses’
- Focus on planned long-term outcomes not short-term fixes, prioritising early intervention and prevention
- Contribute to safer communities, including zero-tolerance to abuse or crime based on gender, disability, race, age, religion or sexuality
- Maximise opportunities to work with partners and other stakeholders locally, nationally and globally

4. Consultation

a) Internal

Council-wide ongoing engagement is continuing, with this issue remaining a regular item at the council’s Statutory and Policy Board and at Overview and Scrutiny Management Board.

b) External

The council is engaging extensively with HM Government and the Avon and Somerset Local Resilience Forum (plus Tension Monitoring Group) as described earlier in this report. The council is engaging partners in the Bristol Brexit Response Group at a senior and officer level.

5. Public Sector Equality Duties

- 5a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic

that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);

- encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

- 5b) Decision making relating to Brexit preparedness has been undertaken with due regard for our duties under the Public Sector Equality Duty, with Officer Executive Decision papers accompanied by an Equalities Relevance Check informed by the council's Brexit Equalities Impact Overview.

Appendices:

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

- Corporate Strategy 2018 – 2023 - <https://www.bristol.gov.uk/policies-plans-strategies/corporate-strategy>
- Bristol City Council Brexit No Deal Scenario Assessment - <https://www.bristol.gov.uk/mayor/bristol-and-brexit>
- Officer Executive Decision – Brexit preparedness resourcing - <https://democracy.bristol.gov.uk/ieDecisionDetails.aspx?ID=456>