

Report to Cabinet

Item number: 8

Contains Confidential or Exempt Information	No
Title	Preparations for Exiting the European Union
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Portfolio(s)	Cllr Bell – Leader
For Consideration By	Cabinet
Date to be Considered	October 15 th
Implementation Date if Not Called In	
Affected Wards	All

Purpose of Report:

The purpose of this report is to update Cabinet on the ways in which the council, the services it provides, the local community and local business will potentially be impacted by the UK's withdrawal from the European Union (EU) with no deal. It also highlights the activities that have been undertaken by council to mitigate risks and prepare for leaving the EU with no deal.

Our priority is to ensure our residents are supported and the council's contingency planning is being undertaken in line with advice from the Local Government Association, London Councils, the London Resilience Forum and from guidance and instructions that are being issued by Government.

1. Recommendations

1. Note the implications for the council and the borough of the issues highlighted in report.
2. Note and endorse the actions that the council is undertaking to prepare for a no-deal Brexit.
3. Note the Ministry of Housing, Communities & Local Government has committed £0.315m of funding in the form of a one-off grant for appropriate contingency planning for exiting the European Union (EU).

2. Reason for Decision and Options Considered

2.1 At the time of writing this report there is still no clear indication on whether the UK will leave the EU with a deal or without a deal. Despite this the Government remains committed to leaving the EU on the 31st of October, with or without a deal. No deal Brexit carries a number of significant implications for the borough and Ealing Council has a responsibility to prepare for all eventualities, particularly those which pose negative implications for residents, communities and organisations. The council's ongoing work outlines how it will ensure the necessary plans and preparations are in place to mitigate any potential immediate and short-term impacts and provide support and assurance where possible. Given the significance of the issue, and the uncertainty and pace of developments the council cannot afford to 'wait and see' the outcome of national developments and therefore no alternative approach has been considered at this stage.

3. Consideration

Context

3.1 On 23 June 2016 the UK voted in the EU referendum on whether the UK should 'remain' in or 'leave' the EU. 52% of those that took part in the referendum nationally voted to leave the EU. 60% of Ealing's electorate voted

to remain in the EU in the 2016 referendum. In an April 2018 meeting of the full council a motion was backed that called for the government to guarantee the rights of all EU citizens to live and work in the UK immediately , even in the event of a no-deal Brexit; and also, to give both Parliament and the British public the final say on any Brexit deal. A paper outlining the councils' preparations for leaving the EU and mitigating potential risks was presented to Cabinet in March 2019.

3.2 The 2011 census said that 12% of the borough's population is estimated to be from the EU and the majority of coming from either Poland or Ireland. In total we believe around 55,000 EU nationals call Ealing home. Further to this business in the borough have commercial relationships with many areas of the EU. Thus, the potential implications of Brexit, particularly a no deal Brexit, for the borough are therefore significant both socially and economically.

3.3 As a result of triggering Article 50 of the Lisbon Treaty (i.e. the process of withdrawal by the UK from the EU) in March 2017, the deadline for the UK to leave the EU was 29 March 2019. In the run up to this period the council ramped up its preparations and supported weekly reporting into Government. The deadline for EU exit was first extended by the EU to 12 April 2019, on 11 April 2019, the UK and the EU27 then agreed to grant a flexible extension of the Article 50 period for six months to 31 October 2019.

3.4 The Parliamentary position is fast moving and uncertain. However, the Government has stated it is still intent on the UK leaving the EU by 31 October including with no deal if necessary. All levels of Government including local government have been instructed to prepare for this scenario. This report will provide a summary of these preparations.

Local Planning in Ealing and London

3.5 Since mid-2018 Ealing council has been coordinating services approach to contingency planning for Brexit and the focus of this planning has moved to planning for no deal. These preparations include considering the impact on

our residents, our workforce, delivery of goods and services and community cohesion.

3.6 Since July the Government has substantially increased no deal planning, which had been stood down by Theresa May's Government after the April Brexit deadline passed. The Government has, via communications from the new Secretary of State for Housing, Communities and Local Government indicated that local authorities should do likewise and plan for no deal.

3.7 In August 2019 the MCHLG asked councils to designate a Brexit lead to work with central government and oversee teams in every community who will work with stakeholders in their area to plan intensively for Brexit. In Ealing, the Brexit lead is the Director of Strategy and Engagement, Kieran Read and is supported by Stuart Turner, Head of Emergency Management Service. The Government also announced £20 million more funding for councils to prepare for a no deal Brexit with additional resourcing for port authorities. The Government has indicated that it believes local authorities are now adequately resourced for no deal planning.

3.8 To take account of the increased risk of leaving the EU with no deal Ealing has increased the tempo of Brexit Preparedness Group who will now be meeting weekly to ensure preparations for no deal remain on track. This group comprising cross service representatives provides an overview of the following:

- Better understand the likely impacts on services of Brexit.
- To raise issues to Strategic Leadership Team
- To maintain oversight of preparedness.
- To monitor and report on issues experienced by services during the run up to and the period after Brexit.

3.9 Much of the work of this group is driven by the Brexit Action Plan, attached at **Appendix 1**. This document aims to assemble a clear and concise plan for preparing the council for the impact of Brexit. It has been

updated with new priorities added while maintaining oversight of completed actions to ensure they remain effective. The council retains its separate Gold arrangements for emergency management outside of Brexit planning.

3.10 Oversight of the Brexit Preparedness Group is maintained by Strategic Leadership Team with regular briefings delivered to them to advise of progress on planning, ensure gaps are identified and to seek decisions and guidance on policy.

3.11 Many of the risks and issues associated with Brexit are regional and at a regional level for London, Contingency Planning is taking place under the auspices of the London Resilience Forum. Ealing is playing an active part to support this planning and is contributing, with all other London Boroughs, to information requests on impacts and implications as we further refine our understanding the impacts of a 'no deal' scenario.

3.12 Further to ensure that government is sited on local issues, the UK has been divided into 9 hubs, with each hub represented by a Local Authority Chief Executive. London is one of these hubs and is represented by Chief Executives of London Councils. To ensure they are aware of all the latest information a weekly reporting structure across London has been established with the first teleconference having taken place on the 10th of September

Approach to planning

3.13 The council's approach to planning for Brexit and perform its community leadership role is described as prepare, promote, engage and ensure the council, residents and businesses are informed and ready for the impacts of Brexit.

- **Prepare**

3.14 In addition to the governance measures outlined above to prepare council services for the impacts of no-deal Brexit EMS has begun the process

of fully reviewing the corporate Business Continuity Management (BCM) programme ensuring services have updated their BCM plans and identified critical services have completed their business impact assessment (BIA) with consideration to:

- Impact on staffing, recruitment and retention.
- Impact on the supply chain (internal and procured).

3.15 It should be highlighted that BCM is designed to ensure services can maintain operations in the event of short-term disruptive events until normal services can be resumed.

- **Promote**

3.16 The council as a leader of place has an important role to play in helping residents and businesses prepare and communications are central to this. The council's communication plan sets out how we are keeping our staff, residents and businesses informed about what they need to do to prepare for Brexit. We will continue to inform people about the plans the council has in place, and how and how we will seek to influence key decision-makers to work to limit any negative impacts of their decisions on the borough. The council's objectives are to:

- Ensure that all our key audiences are aware of any action they need to take and where to get help if required.
- Reassure residents that the council has plans in place for Brexit, based on the information available.
- Ensure residents and staff who are EU citizens know they are welcome in Ealing and that the council values them and wants them to stay.
- Keep staff informed of our plans, and ensure they know what they need to do to support those plans.

- Support community cohesion by identifying and explaining the contribution to the life of the borough that EU residents and businesses bring.

3.17 To this end a dedicated web page on the council's website has been created. www.ealing.gov.uk/Brexit. It holds current and relevant information for both EU residents and businesses. In addition, we have and continue continuing to use our range of communication channels including:

1. Social media to promote awareness and community cohesion messaging.
2. Around Ealing and Ealing News Extra.
3. Council Tax and Business Rate bill letters
4. The council's business e-newsletter which goes to approximately 10,000 Ealing businesses
5. Letters to residents in advance of the EU elections
6. Intranet, Inside Ealing and other staff channels

- **Engage**

3.18 As a Council we are engaging with all our communities and partners to ensure we are sharing information and are aware of the issues that will affect them. This has included meeting with voluntary and community partners, faith groups and others.

3.19 The council is engaged with regional partners and government to receive the latest information, which is cascaded to services through the Brexit Preparedness Group

3.20 At a borough level Ealing is engaging with partners through the Borough Resilience Forum and Safer Ealing partnership to understand the impact of Brexit for Emergency Services and other key partners. The issue has also been discussed at a strategic level by the Local Strategic Partnership.

3.21 Brexit is now a standing item on the Borough Resilience Forum agenda and the Council will be working with partners to develop a local risk register to identify and mitigate Brexit risks.

- **Ensure**

3.22 As a council we are working with our communities to ensure that those eligible EU nationals apply for settled status. This work has been well received and Ealing has the third highest uptake in those seeking to apply for the EU settlement scheme¹. Between August 2018 and 30 June 2019 approximately 18 150 EU residents from Ealing have applied for settled status.

3.23 The council; has a responsibility to ensure that applications for settled status are made for looked after children and care leavers who are EU nationals. Application are being made for all young people to whom the council is the corporate parent.

3.24 The council has also partnered with Ealing CVS to provide advice and support to EU nationals seeking to go through the settlement process. Ealing CVS is one of just 57 organisations selected across the country by the government to provide an EU settlement service, and it is now serving the west London area.

3.25 The council's registrars service is also on hand to support EU citizens with the identification verification process of the European Settlement Service. For a charge of £15 (pre-booked) and for £25 Saturday or a weekday drop-in appointment registrar will support EU citizens through the process.

3.26 To ensure that Ealing is prepared for the impacts of Brexit and other disruptive events, the council has instructed services to review business

¹ <https://www.gov.uk/government/statistics/eu-settlement-scheme-quarterly-statistics-june-2019>

continuity plans as part of the annual review and has convened a Brexit preparedness group for services to support planning for a no-deal scenario. Details are summarised in the action plan, but Brexit specific actions have included:

- Engaging with technology providers to ensure GDPR compliance post Brexit.
- Identifying businesses who export food and animal products to the EU and sharing details with Government so that they can target information.
- Engaging with providers of key council responsibility e.g. providers of school meals to ensure the council can meet its responsibilities
- Engaging with Ealing foodbank to understand the current picture and future capacity to support vulnerable households

Impacts and Risks for the Council

3.27 Leaving the EU with no deal will have a big impact on Ealing, on our businesses, and on our communities, and there are many risks involved. The recent publication of the Yellowhammer report has shown the significant expected impact of leaving the EU with no-deal. While the Yellowhammer report states these are worse case scenarios in the event that these risks materialise, they will be significant and beyond the ability of the council to effectively mitigate. This is due to the fact that they relate to factors including the national immigration regime, value of sterling on international currency markets, international trade and the behaviour of foreign Governments and international companies as well as domestic Government, business and consumers. This means that while the Council has focussed on mitigating risk for community and business, in the event of a no deal Brexit the mitigations the council can deliver will not mitigate all risks. However, we believe the actions that we have taken ensure that we are well prepared as we can be within the constraints and resourcing available.

3.28 Local planning to understand the potential impact and risks from Brexit has been based on the council's corporate risk assessment process.

It must be noted that risks are continually evolving as new risks are identified and mitigation is added. The risks that this register identifies have been discussed with senior officers within the council, the Chief Executive and presented to Strategic Leadership Team. Ealing has also undertaken a review of the key impacts on services and identified cross-cutting risks that will affect multiple services. These have been broadly divided into risks that may manifest directly after Brexit, those that will impact over the medium term and those that will appear over a longer period.

Week 1 after the EU exit

3.29 Leaving the EU on the 31st of October should be seen in the context of:

- Beginning of Winter, which will lead to the usual pressures on NHS and Social Services
- Growing season for the UK would have ended
- Seasonal events e.g. Halloween and Remembrance
- The sustained reduction in resources for local government and the reduced financial resilience that the council has to withstand shocks.
- Risks listed below will likely to occur concurrently and not in isolation.

Key Council and Community Risks

Period	Risk	Mitigation
Day 1 – 30 after EU exit Short term risks	Disruption to food supplies leading to increase in food prices for some foods. Risks to service delivery where the council is responsible for providing	Modest funding has been set aside to support foodbanks should an increase in costs lead to supply issues and risk to vulnerable residents.

	<p>food e.g. schools, retains responsibility e.g. ASC and more widely to vulnerable residents</p>	<p>We have received assurance from the Harrisons that they have plans in place to ensure school meals are maintained.</p> <p>Social services have been allocated funding to recruit additional staff to monitor and engage with social care supplies to ensure they have robust plans in place to cover all eventualities including provision of food to service users.</p>
<p>Day 1 – 30 after EU exit</p> <p>Short term risks</p>	<p>Disruption to fuel supply may impact on cost and service delivery via suppliers as well as direct delivery by Ealing council.</p>	<p>Reviewed the fuel shortage plan. It is noted that government must declare a fuel emergency before plan can be activated.</p> <p>Liaison with suppliers to ensure they have contingencies in place.</p> <p>Many council staff could work remotely if needed.</p>
<p>Day 1 – 30 after EU exit</p> <p>Short term risks</p>	<p>Increase in community tensions leading to civil unrest, rise in hate crime and increase in extremism.</p>	<p>Proactive communications plan focussing on inclusion/</p> <p>Engagement event with VCS & faith and community</p>

		<p>leaders on 2 October with planned follow up.</p> <p>Prevent team has established means to monitor and address community tensions.</p> <p>Monitor and report on any rises in hate crime</p>
<p>1 – 6 Months</p> <p>Medium term risks</p>	<p>Rising provider costs could lead to failure of a care provider, difficulties for providers to retain and recruit staff and a gradual decline in quality of services.</p>	<p>Keep up to date with and continue to follow advice and guidance from the Department for Health and Social Care and the Department for Education.</p> <p>Communicate with local providers and escalate any concerns immediately to the Department for Health and Social Care and Department of Education. Additional resource has been allocated to support this activity.</p> <p>Update business continuity plans in case of provider failure</p>
<p>1 – 6 Months</p> <p>Medium term risks</p>	<p>Work Force</p> <p>Many sectors are reliant on EU staff, including the health, care, hospitality and</p>	<p>Promotion of the EU settlement scheme to all staff, and to the public</p>

	<p>environment sectors.</p> <p>Future immigration rules are likely to allow recruitment for higher-earning jobs, but lobbying has already begun for the earning limits to be decreased.</p>	<p>Work with specialist organisations (ECVS) to promote the EU settlement scheme to the harder to reach population</p> <p>.</p>
<p>1 – 6 Months</p> <p>Medium term risks</p>	<p>If enforcement bodies do not ensure compliance with regulations, the UK will become a priority destination for substandard, unsafe or counterfeit goods.</p>	<p>Increase in staffing for regulatory services to ensure they have capacity to manage an increase in demand on their service,</p>
<p>6 month – 1 year</p> <p>Long term risks</p>	<p>Economic risks</p> <ul style="list-style-type: none"> - such as loss of planning income - Increase in costs for construction projects - Increased supplier costs reflecting wage and import cost rises - Increased costs for items paid for in foreign currency (e.g. ICT licensing) - Impact to public finances 	<p>While the risks can be identified they will prove difficult to mitigate against if materialising at scale.</p> <p>Support LGA and London Council calls for councils to be supported with resources</p>

Next Steps

3.30 Over the coming months the Council will continue to prepare for implications of Brexit on the borough in the light of the best information it has

available. As reflected through the work of the Brexit Preparedness Group, the Council has maintained that there are broader risks attached to Brexit that go beyond mitigation through short term business continuity solutions.

3.31 The council further supports the LGA position that in the event that the UK does leave the EU this must not simply represent a repatriation of sovereignty to the UK but be accompanied by a devolution of authority within the UK to local level including to local authorities and a commitment to involving local government in the design of future policy solutions.

4. Financial, Resource and Property Implications

4.1 The Government has recognised that leaving the EU will impact local authorities, and has assigned a sum of money, which it has distributed, to the local authorities in the UK. We have set aside our allocation and will use Brexit Risk Register to recognise how leaving the EU impact on Ealing and determine how the money should be used.

Budget

4.2 The council has been promised £0.315m to support appropriate contingency planning for exiting the EU. £0.210m has been received and a further £0.105m has been promised to the council to support preparations for no deal Brexit. While the extra funding is welcome given the severity and nature of risks identified above it is unlikely to mitigate fully against the risks of a no deal Brexit if they manifest in full.

4.3 SLT has agreed the following framework to ensure that the council is able to maximize the use of this resource. Before accessing the fund, the following should have been investigated:

1. Tap into additional funds where available e.g. the Food Standards Agency
2. Record activity to support one off/new burden bid to Govt

3. Prioritized use of the £0.315m we have been allocated as follows:

- Priority activity once channels above exhausted
- Political priority/direction

Request for access to Brexit Fund

4.4 The following allocations have been approved by SLT through this framework.

Service	Need	Amount requested
Regulatory Services	<p>Request for funding to support the increase in the number of Regulatory Services Officers as the expected impact of Brexit on the service has been raised as a high risk on the Brexit Risk register.</p> <ul style="list-style-type: none">- The following impacts relating to Brexit are expected:- Extra work/training for staff to understand legislative- Increase in requests for help and advice from businesses- Need to increase inspections etc. to ensure awareness and compliance, all of which will increase demand for our regulatory services.- There is also a reputational risk that If enforcement bodies do not ensure compliance with regulations, the UK will become a priority destination for substandard, unsafe or counterfeit goods. <p>The request to access £100k for 2</p>	£0.1m

	regulatory officers for 1 year to manage the transition of the regulatory legislation, respond to the expected increase in demand and to make the service more resilient to staff changes.	
Social Services	<p>The social care system is already fragile with some providers failing in recent years due to financial pressures. Any impacts are on the system are likely to emerge over a period of months due to issues such as inflation and workforce availability. Winter weather illness could increase pressure on the system resulting in a rise in fatalities. Any failures would increase demand on other providers, local authorities and quite probably the NHS. Should the flu vaccine and other medicines not be available this could lead to higher demand on NHS services, which in turn could result in hospitals looking to discharge</p> <p>Social Care to support commissioned service providers and care homes it is imperative the service seeking to recruit 2 support officers for a short-term period to help with identifying issues and raising these at the earliest opportunity.</p> <p>Request access to £0.05 to employ 2 support officers on short term contracts to support Social Services preparations.</p>	£0.05m
Brexit Preparedness	<p>Brexit Preparedness</p> <p>Access to the fund to support the</p>	£0.025m

Group	<p>recruitment of a Brexit Preparedness support officer to support the council's preparations for Brexit. This role would undertake the following duties</p> <ul style="list-style-type: none"> • Brexit preparedness group minutes/support – weekly (poss. daily in event of no deal) • Collating briefing etc to London Councils/GLA/MHCLG – again initially weekly but likely to move to daily • Organising logistics for events e.g. business and VCS briefings etc which we are expected to hold • Chasing up intelligence requests e.g. from VCS/business/services in the event of no deal 	
Food bank	Funding should be put aside to support foodbanks should an increase in costs lead to supply issues and risk to vulnerable residents. EMS are meeting with Ealing Food Bank to consider delivery issues.	£0.020m
Communications	Funds for printing, media campaigns etc.	£0.015m
Total	£0.21m (leaving a contingency fund of £0.105m)	

4.5 The remaining £0.015m would give the council some flexibility to respond to risks as they arise and/or if there is a further delay to Brexit whilst ensuring that appropriate action is taken at this point to mitigate key risks.

5. Legal

5.1 The legal implications of the United Kingdom leaving the European Union are wide ranging and complex for the Borough, its residents and businesses.

This report sets out the measures that have been taken by the Council to try and anticipate any service issues that may result from Brexit and also provides details of issues that are being looked at on a London wide basis. However, with no agreement in place between the UK and the EU and the continuing uncertainty about the possibility of a no deal exit, the precise legal implications of the UK's proposed departure remain unclear and will need to be kept under close review as events continue to happen nationally.

6. Value for Money

6.1 We will need to carefully monitor the impact of any changes on our services and budgets, particularly if supply chain costs increase e.g. materials and fuels.

7. Risk Management

7.1 Exiting the EU is on the council's corporate risk register and continues to be monitored internally. Three specific risks are identified:

ESR0002 – Changes in the political or economic climate:

BREXIT – The UK leaves the EU with **no deal** may have significant consequences that impact locally on the Council and the Borough

ESR0003 – Changes in the political or economic climate:

BREXIT - The UK leaves the EU with a negotiated settlement including agreed exit terms, trade framework and transition period with continuation of trade talks

ESR0004 – Changes in the political or economic climate:

BREXIT - The UK continues to delay departure from the EU.

7.2 A detailed description of council risks associated with no deal is listed above

8. Links to Strategic Objectives

8.1 There is no direct link to the council's corporate priorities however, maintaining community cohesion through any period of change will be a priority for the council.

9. Human Rights, Equalities and Community Cohesion

9.1 The Human Rights Act was passed into UK law in 1998. The human rights contained within this law are based on the articles of the European Convention on Human Rights. The Act 'gives further effect' to rights and freedoms guaranteed under the European Convention. It is unclear which EU-origin laws and regulation that the UK will continue to adhere to or seek to repeal.

9.2 Many areas saw a rise in reported hate crime immediately following the referendum result and there is evidence, collected both locally as well as regionally and nationally that shows different European communities expressing concern about the future. In the lead up to and following the date of the exit of the UK from the EU there could be implications for community cohesion within the borough and the potential for an increase in instances of hate crime.

10. Staffing/Workforce and Accommodation implications

10.1 As noted above there are significant staffing and workforce issues associated with Brexit.

- In any Brexit EU nationals (excluding Irish citizens) will need to apply for settled status to continue to live and work in the UK.
- There are workforce risks – particularly where EU nationals represent a significant part of a supplier's workforce.

- To staff travel – particularly in the event that there is disruption to the fuel supply. The impact of planning for significant change and mitigating risk is diverting staff capacity in key areas

11. Property and Assets

11.1 None.

12. Any other implications

12.1 None

13. Appendices

Appendix 1 - Ealing Council Brexit Action Plan – October 2019.