

TITLE OF REPORT: Update on EU Exit Preparations

REPORT OF: Tony Alder, Acting Strategic Director, Communities & Environment

Purpose of the Report

1. The purpose of this report is to provide an update to Cabinet in relation to EU Exit preparations also referred to as 'Brexit'.

Background

2. As a reminder, on the 14th of November 2018, the UK and EU provisionally agreed the terms of the UK's withdrawal from the EU. The agreement specifies a transition period for the UK until December 2020, although this can be extended by mutual arrangement.
3. At the time of writing this report (15 March 2019), it is still very unclear as to when or what the final outcome of EU Exit will be. Leaving the EU will result in several changes that will affect, for example, businesses, individual citizens, the local economy, workforce, regulatory services and communities.
4. However, until the final outcome is known it is difficult to determine its exact impact. Due to the ongoing high degree of uncertainty, the Government and the Council will need to be prepared for all eventualities (including a no deal exit) and keep up-to-date with developments, regularly reviewing the areas of highest potential impact. This will enable us to strengthen resilience and develop any necessary contingency plans
5. This report summarises the Council's current preparations of the UK leaving the EU.

Proposal

6. It is proposed that Cabinet note the current information update on the Council's preparations in place for the potential impacts of EU Exit and agree to a future programme of members seminars at appropriate stages of the EU Exit process.

Recommendations

7. Cabinet is asked to note the Council's preparations for the potential impacts of EU Exit and agree to a future programme of members seminars at appropriate stages of the EU Exit process.

For the following reason:

To ensure that the Council has proportionate preparations in place for the potential impacts of EU Exit within Gateshead.

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Policy Context

1. This report has been prepared taking into consideration the Corporate Risk Management Framework, the Strategic Resilience and Emergency Planning Framework and Making Gateshead a place where everyone thrives.

The Council's planning and readiness to respond

2. The Council's Corporate Risk and Resilience Group is continuing to monitor the potential local impact of EU Exit planning, considering the implications for Gateshead and assessing the Council's readiness to respond until a final agreement is known.
3. As announcements are made by the Government, in the short-term the group is continuing to identify any relevant mitigations and controls using existing Business Continuity; Resilience and Emergency Planning; Financial plans and processes; and the management of concurrent risks. This will be included as a key corporate risk in the Council's Strategic Risk Register.
4. The longer-term outcomes and the process of exiting the EU are being considered and the Council along with regional partners are undertaking work to understand the future requirements and plan for potential longer-term impacts.
5. By exception, there are several potential implications that the Council is considering:
 - Citizens' rights
 - Community tension and cohesion issues
 - Future of Economic Development Funding
 - Legal, Procurement and Regulatory Changes
 - Local Economy
 - Local Growth
 - New burdens responsibilities
 - Regulatory services
 - Supply chain distribution
 - Workforce issues
6. Until the final agreement is known it is difficult to determine what the exact impact will be, and the Council will need to be prepared for all eventualities.

Additional Resources

7. On 28 January 2019, the Secretary of State announced new funding to support local authorities in their preparations for Brexit. Gateshead will receive

£210,000 (£105,000 in 2018/19, and £105,000 in 2019/20). Allocation of the funding and any grant conditions will be confirmed in due course.

8. In addition, Northumbria Local Resilience Forum has received £38,000 of additional funding from the Secretary of State to support EU Exit planning and allocation of this funding is to be determined.

Civil contingency planning and partnership working

9. Local Resilience Forums (LRFs) have been undertaking extensive proportionate contingency planning in the event the UK leaves the EU with no deal or alternative measures in place. Locally, this activity is being led by the Northumbria Local Resilience Forum Chair working with Executive Strategic Board Members and associated thematic groups. The Council is liaising closely with neighbouring local authorities on our approach and co-ordinating joint collaborative action where necessary, including taking a lead role within the Northumbria LRF.

Communication, Information Sharing and Engagement

10. Nationally, the Cabinet Office Civil Contingencies Secretariat, and the Ministry for Housing, Communities and Local Government (MHCLG) Resilience and Emergencies Division are coordinating communication, engagement and information sharing.
11. The Secretary of State for Housing, Communities and Local Government, James Brokenshire, took the step of writing to all Council leaders where he made clear that it was “essential” for Councils to ensure they were “all undertaking the necessary local planning and preparations” in the event of no-deal.
12. MHCLG are continuing to closely engage with local authorities so that they and their residents are well-prepared for the UK leaving the European Union on 29 March 2019. To support this activity, a network of 9 local authority chief executives from across England has been established. For the North East area, the lead is Martin Swales, Chief Executive from South Tyneside. The chief executives will engage with Councils in their region to share information on preparations to support an orderly exit. Simultaneously, Local Authority Chief Executives continue to be kept well-informed on national policy on EU exit that could have implications for local services, businesses and residents.
13. Nationally, the Council is continuing to participate in Government teleconferences and exit planning workshops, coordinated by MHCLG, alongside the LGA (Local Government Association), SOLACE (Society of Local Authority Chief Executives), Core Cities, Key Cities, the County Councils Network and SIGOMA (Special Interest Group of Municipal Authorities) to influence contingency planning and post Brexit policy making.

Future Announcements

14. Further information will be provided to Councillors when EU Exit-related announcements are made by the Government.

Consultation

15. The Council's Corporate Risk and Resilience Group, along with additional officers from groups and services within the Council, have been consulted on the preparation of this report.
16. All Cabinet Portfolio Holders have also been consulted on the preparation of this report.

Implications of Recommended Options

17. **Resources:**

a) Financial Implications – The Strategic Director, Corporate Resources confirms that funding of £210,000 has been made available by government to the Council to assist in EU planning and preparations. Allocation of the funding and any grant conditions will be confirmed in due course. The wider financial implications following EU Exit remain very uncertain and will be the subject of future reports, including the implications for inward investment from the private sector and government grant funding into Gateshead.

b) Human Resources Implications – the Council is closely monitoring current Government advice in relation to employees and the EU Settlement Scheme, utilising the <https://euexit.campaign.gov.uk/> for the most up to date advice and guidance.

c) Property Implications - There are no property implications directly arising from this report.

22. **Risk Management Implications** – the impact of the UK's exit from the EU is being monitored and will be included as a key corporate risk in the Council's Strategic Risk Register.
23. **Equality and Diversity Implications** - There are no current equality and diversity implications identified however this will be monitored once a final agreement is known to ensure there is continued support to residents and communities.
24. **Crime and Disorder Implications** – There is a potential for the UK's Exit from the EU to lead to a rise in community tensions and increased instances of hate crime.
25. **Health Implications** – There is potential that the health effects of EU Exit are wide-ranging. Potential impacts at a system level could include staffing within

the NHS, access to health care for UK Citizens in the EU and EU citizen's access to UK services, supply of medicines, access to medical radioactive isotopes and the loss of EU legislation in areas such as tobacco, environment, housing and food safety and nutrition. A comprehensive assessment of the exact impact upon the population of Gateshead however, cannot be made until a final agreement is in place.

26. **Sustainability Implications** – The preparations and plans in place will ensure as far as possible that the Council maintains a sustainable position.
27. **Human Rights Implications** – There are no imminent implications in relation to changes to Human Rights Law. Statistics show that Gateshead and the North East has experienced relatively little migration, and suggests population and workforce change in Gateshead is potentially more heavily influenced by free movement than international migration.
28. **Area and Ward Implications** - This report affects all wards.
29. **Background Information**
 - 'Making Gateshead a place where everyone thrives'
 - Civil Contingencies Act (2004)
 - <https://euexit.campaign.gov.uk/> - Government advice and guidance