

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Deputy Chief Executive (Place)

To

Cabinet

On

17<sup>th</sup> September 2019

Report prepared by: Emma Cooney, Director of Regeneration  
and Business Development  
Senior Officer Lead for Brexit

---

## Council Preparations for Brexit

Relevant Scrutiny Committee(s): Policy and Resources

Cabinet Member: Councillor Ian Gilbert

Part 1 (Public Agenda Item)

---

### 1. Purpose of Report

The purpose of the report is to provide Cabinet with an update on the Council's preparations for leaving the European Union (EU) ("Brexit") following the report received by Cabinet on 17<sup>th</sup> January 2019 and in light of the Secretary of State's letter of 6<sup>th</sup> August 2019 to council leaders.

### 2. Recommendations

- 2.1 That Members note the work done by the Council to date to prepare for the UK's exit from the European Union (EU).

### 3. Background

- 3.1 The Cabinet report of 17<sup>th</sup> January 2019 (minute 606 refers) set the context and outlined the risks and opportunities for the Council and the borough in regards to EU Exit, which at the time was scheduled to take place on 29<sup>th</sup> March 2019.
- 3.2 In the intervening period an extension period for Brexit was approved by the EU to finalise and agree an exit deal. However, the deal was not supported by Parliament and following the resignation of Theresa May, Boris Johnson, as the new Prime Minister, has committed to leaving the EU on 31<sup>st</sup> October with or without a deal. Consequently preparation for a no deal exit is regaining greater focus as now, a very possible outcome.
- 3.3 The new Secretary of State for Housing, Communities and Local Government (MHCLG) wrote to all local authority leaders on 6<sup>th</sup> August 2019 (**Appendix 1**). The letter asked each authority to identify a named senior officer as Brexit lead for the Council and set out a range of responsibilities they expect the Council, led by the officer, to meet in the context of the expected impacts of EU Exit on the local area.

- 3.4** In January 2019, following the Cabinet report, the Director of Regeneration and Business Development was identified to take the lead for the Council's preparations for EU Exit and a cross-Council working group was established. Since then this working group, chaired by the Brexit lead, has met on a regular basis.
- 3.5** The activity of the working group, and its resulting impact on the Council's preparations, broadly correlate with many of the responsibilities identified in the letter from the Secretary of State; however, there are some aspects which will require review and further action in light of the letter and the expectations detailed therein.

## **4. Summary of preparations undertaken to date**

### **4.1 Staff**

- A cross-organisation working group has been in place since January meeting on a regular basis. The working group is increasingly considering impacts of EU Exit in the short to medium term following Exit day in addition to preparations for potential issues which may arise immediately around 31<sup>st</sup> October.
- Information about EU Exit and the EU Settlement Scheme (the scheme to process the applications of EU citizens currently living in the UK to allow them to remain in the UK after Brexit) is available on the intranet and support is available through HR for affected staff.
- Across Essex there are a number of sites where the impact of EU Exit, particularly in a no-deal scenario, might require greater response, such as ports, so mutual aid may be called upon to assist.
- Cyber Security workshops have been available for staff as part of general upskilling and awareness raising but also in recognition that the Exit period may be seen as an opportunity for increased cyber-crime.
- Organisation-wide weekly reporting was in place in the lead up to and in the wake of 29<sup>th</sup> March to capture any issues and opportunities to be dealt with accordingly. This weekly reporting has been paused in line with the reporting which was in place with the Essex Resilience Forum and the East of England Local Government Association (EELGA) and is being reinstated from September.
- The March exit date fell during school Easter holiday time so annual leave, particularly at CMT level, was managed to ensure sufficient capacity should pressures arise. This will be reviewed again in relation to the 31st October exit date.

### **4.2 Community Leadership and Service Delivery**

- Businesses – following an independent piece of work which was undertaken last year to understand the challenges and opportunities for

local businesses, a task and finish group was established through the Southend Business Partnership, chaired by a business representative. Through the BEST (Business Essex, Southend and Thurrock) Growth Hub engagement, businesses are now asked to complete a survey about their consideration of and preparation for EU Exit, the results of which are shared via the national Growth Hub network and the Council's working group. Opportunities to provide further support through national funding being made available are being explored.

- Regulatory Services – there are some significant changes in regards to this service and for the businesses it engages with including product labelling, food exports and new systems.
- Community – through the Community Action Group (CAG) and Hate Crime Champions the working group continues to review whether EU Exit is resulting in any community tensions and increases in hate crime reporting. To date no impact has been seen. The inter-faith working group has also been engaged about the subject. The Council is also in conversation with the Citizens Advice Service (CAS) regarding the demand they are seeing for support with the Settlement Scheme.
- Communication – The Council has fully participated in the two-way reporting with Whitehall via the nominated regional Chief Executive representative (via EELGA). Until 31st March reporting was weekly, this has been stood-down for the time being with reports by exception and is expected to be reinstated soon. Links to Government information relating to EU Exit are provided on the Council's website. The Council has also undertaken to promote key messages as appropriate, however to date there has been little engagement on social media when items have been posted.
- Contracts and suppliers – Prior 29<sup>th</sup> March the Council's largest and main contractors were approached in regards to their preparations for EU Exit and labour impacts both in the context of community leadership and to understand potential impacts on Council services. Most were receptive and no particular concerns were raised. This will be revisited in the run-up to 31st October. The Council has also had to review where contractors and suppliers, which hold personal data relating to the Council's services, store the data to meet data security requirements and have found that all will be compliant post EU Exit.
- Indirect services - through officers and partners a watching brief is being kept on services which are not delivered by the Council but are of a wider interest and significance.

#### **4.3 Emergency Planning and Business Continuity Planning**

- Business Continuity Planning – all services across the Council have reviewed their business continuity plans in the context of EU Exit, with support provided through the emergency planning service where needed.

A further review of these will be requested in the period leading up to 31st October.

- Emergency Planning – The Emergency Planning team has led on liaison with the Essex Resilience Forum (ERF) which has had a specific focus on EU Exit, particularly implications of a no-deal scenario, across the member organisations. A number of staff have attended training days, including one specifically focussed on media and communication. Weekly reporting was in place at the start of the year which was a two way cascade; this has been stood down with reporting by exception and will be reinstated in due course. Similarly the weekly calls which were set up prior to 29th March exit date.

## **5. Meeting the responsibilities detailed in the Secretary of State's letter**

**5.1** The Secretary of State's letter of 6<sup>th</sup> August to all Council Leaders sets out a number of responsibilities expected of Local Authorities through the identified lead officer. These are detailed below with an overview of how these are being met together with additional steps the Council may wish to take.

- A) Ensuring the council has taken all reasonable steps, in line with relevant guidance and messaging coming from Government and its agencies, to prepare for our exit from the EU on 31 October. This should include clear communication to local residents and businesses to support their own preparations for Brexit and a plan for how the council would communicate important messages to stakeholders;
- *The Council has a dedicated webpage for Brexit which provides information for residents and employers, with links to further information from government or sector sources.*
  - *The Council has used some of the Government's 'communications toolkit' to share messages about Brexit on social media however has had no response or engagement in these instances. As further communications material becomes available and the leave date approaches the Council's media and communications team will increase communication, targeting messages where appropriate. It is important that the Council is a trusted source of information without causing unnecessary alarm.*
  - *Businesses have been engaged with via multiple routes including Regulatory Services, the BEST Growth Hub, the Southend Business Partnership, and through discussion with suppliers to the Council to understand their preparation and expected impact of Brexit. This will continue over coming weeks. Government is keen to gain greater intelligence about local business impacts and trends.*
  - *The Council's Media and Communication team is represented on the cross-organisation working group and has attended county-wide ERF exercises and workshops specifically aimed at communication.*
- B) Ensuring the Council has a team in place which is equipped to support the delivery of Brexit, ready for the period around 31 October;

- *Following the January 2019 Cabinet report a cross organisation working group was established to inform and support the Council's preparations for Brexit. This working group is still in place and meeting regularly.*
  - *In the two months prior to 29th March weekly reporting was in place via the Senior Leadership Group to capture information from across the organisation which was then used to inform the working group, ERF reporting and EELGA reporting. This was stood down in line with external arrangements following the extension announcement and will be reinstated at the end of August. In the interim reporting by exception arrangements have been in place. Internal reporting is being reinstated from September.*
  - *Preparations for the 29th March exit date resulted in all Business Continuity Plans (BCPs) being reviewed across the Council in the context of Brexit so each individual team should also be equipped, as far as is reasonable, to respond in relation to their service as well as the organisation as a whole. These will be reviewed again in the run up to 31st October to take any changes into consideration.*
- C) Overseeing the expenditure of the specific Brexit funding allocated to their council and ensuring it is effectively contributing to local preparations;
- *Requests for a funding allocation from the Brexit monies have been discussed at the working group and agreed with the lead officer. This will continue and will include any further funding the Council receives in support of Brexit preparation following the Secretary of State's announcement.*
- D) Playing a full part in your Local Resilience Forum to ensure that its plans for No Deal take account of relevant local circumstances and potential impacts on local communities.
- *The Council's Resilience Team has led on engagement with the Essex Resilience Forum (ERF) and has actively engaged in their preparation, working arrangements and reporting. This has included involving other colleagues in training sessions and group calls. The Resilience Team is represented on the cross-Council working group and their engagement there and with the ERF will continue going forward.*
- E) Bringing together local public service providers, the voluntary and community sector, community groups and businesses to effectively prepare for the potential local impacts of leaving the EU without a deal;
- *The Council has engaged with different groups in different ways to date – such as Council suppliers, the interfaith working group and the Southend Business Partnership.*
  - *Through the working group the Council will engage with partners across Southend to understand the preparations underway, the systems which may be effected and if support from the Council is needed, without stepping into a space which is already occupied by organisations who are well placed to meet the particular needs of those who they engage with. This will need to be an ongoing conversation as the range of possible impacts will extend beyond Exit day, particularly in a no deal scenario.*

- F) Acting as the principal contact point for your regional lead chief executive and central Government;
- *As the Council identified a lead officer at the start of 2019 this arrangement has been in place since January, prior to the letter. The Director of Regeneration and Business Development has chaired the working group which has coordinated responses to the regional chief executive lead and the ERF as well as attending ERF training and update calls. The Director of Regeneration and Business Development has been confirmed as to the lead officer to central Government and since then has joined the first of a series of webinars with other lead officers.*
  - *Further, Council officers have represented the Council and the East of England in central Government engagement sessions held in August on specific themes.*
- G) Proactively raising with central Government or your regional chief executive representative any emerging trends, issues and other local intelligence that might assist in No Deal preparations.
- *Using information gathered from the weekly updates at the start of the year and information available through the working group, relevant local intelligence, concerns and trends have been shared with the regional chief executive, via EELGA. This will continue to be the case noting the potential for increased frequency of reporting the closer to 31st October. Consequently there will likely be an increased ask of staff across the Council and its partners to respond to requests for more information more regularly.*

## **6. Other Options**

- 6.1** To reduce or cease the Council's preparations for Brexit. The result of this would significantly compromise the Council's ability to respond as the consequences of Brexit are realised which in turn can destabilise community engagement and cohesion. Failure to engage in Brexit preparations could potentially result in legal challenge or affect future funding opportunities for the Council.
- 6.2** To dedicate further staff time and resources to preparations for Brexit. The result of this would have an impact on the day to day delivery of services as resources are diverted to focus on Brexit preparations.

## **7. Reasons for Recommendations**

To enable the Council to respond to Brexit in the services it delivers and as a community leader.

## **8. Corporate Implications**

### **8.1 Contribution to the Southend 2050 Road Map**

The range of implications of Brexit, in both deal and no deal scenarios will impact on Southend 2050 in myriad ways. The aim of the planning, which has been underway since January, has been to minimise disruption and negative impacts where it is practicable to do so.

### **8.2 Financial Implications**

In 2018 £210k was granted to the Council on a formula basis to support its preparation. To date a new fuel bunker has been purchased to provide resilience for key Council services should there be a short term fuel shortage. Funding has also been earmarked for fixed term additional Regulatory Services capacity in recognition that there will be greater demand with respect to product safety, e-commerce, fair trading and import/export which is expected to exceed the existing capacity of the team, as well as there being potential calls for mutual aid in other locations.

Funding from other sources has been sought with £10k secured from the Food Standards Agency to date.

The Secretary of State's letter also set out that the £20m funding to support Local Authorities in their preparation for Brexit. A press release issued on 21<sup>st</sup> August states that unitary authorities will receive £104,984 each.

Over a number of years the Council has been successful in securing UK Government and European funding for a range of projects. Treasury has underwritten European Structural Funds until the end of 20/21 following which the UK Shared Prosperity Fund (UKSPF) is due to go live, however there are currently no details as to the value, nature and timing of this fund. In the meantime there are a number of projects which will reach the end of their funding cycle for which extensions are being sought. However it is possible that in the context of everything that is happening in relation to Brexit preparations, decisions on these will not be made swiftly enough to provide staff with confidence that contracts will be extended resulting in them looking for alternative employment. The loss of such staff would diminish the Council's capacity to respond to and provide support in the case of local economic shocks.

### **8.3 Legal Implications**

The Civil Contingencies Act 2004 sets out the framework for responding to emergency situations. The term "emergency" is widely defined as being an event or situation which threatens serious damage to human welfare, to the environment or to national security. The Council has a duty to assess and plan in relation to an emergency which may occur as a result of Brexit.

The Council will need to remain mindful of the State Aid rules in the provision of any loans, grants or other assistance resulting from any contingency financial

provision should EU Exit delay funding announcements for projects. Advice will be provided if and when required upon a case by case basis.

#### **8.4 People Implications**

For staff needing to go through the EU Settlement scheme there is information available on the intranet and support via Human Resources.

It is estimated that the staff time spent on Brexit preparations in relation to the working group exceeds 220 hours to date. Additionally officers have been engaged with communication and reporting, emergency planning, business engagement and in-service preparations. The amount of time spent is not calculable but is estimated to represent at least one and a half times that. These figures do not include preparation for, and holding European Elections in June 2019.

The staff resource involved going forward will depend on whether the UK leaves with a deal and the issues and opportunities which arise as a result.

#### **8.5 Property Implications**

The issues log managed by the working group has identified a range of possible property implications, such as a possible increase in the cost of materials used to maintain buildings due to exchange rate changes and tariffs. These will have to be managed on a case by case basis.

#### **8.6 Consultation**

The Council has not undertaken a consultation on Brexit, though the BEST Growth Hub surveys businesses engaging with it at the request of central Government.

#### **8.7 Equalities and Diversity Implications**

The range of implications of Brexit from both deal and no deal scenarios are vast. Particular attention is being paid to those needing to access the EU Settlement Scheme and possible hate crime incidents. Support and a watching brief will be maintained as appropriate.

#### **8.8 Risk Assessment**

The Cabinet report of 17<sup>th</sup> January highlighted the potential risks and opportunities for the Council and the revision of the Council Risk Register accordingly. An issues log is maintained and regularly reviewed by the Brexit working group.

#### **8.9 Value for Money**

Not applicable



#### **8.10 Community Safety Implications**

The risk of increased hate crime and community tensions has been highlighted nationally in relation to Brexit. There is ongoing communication with the police to understand and identify any incidents locally.

#### **8.11 Environmental Impact**

The Cabinet report of 17<sup>th</sup> January identified a range of environmental issues to which there has been no change.

### **9. Background Papers**

**Brexit – Implications:** Cabinet report of 17<sup>th</sup> January 2019 (minute 606 refers)

### **10. Appendices**

**Appendix 1 – Letter from the Secretary of State, 6<sup>th</sup> August 2019**