

EAST RENFREWSHIRE COUNCIL  
AUDIT AND SCRUTINY COMMITTEE

13 AUGUST 2020

Report by Directors of Corporate & Community Services and Environment

WITHDRAWAL FROM THE EUROPEAN UNION

**PURPOSE OF REPORT**

1. This report provides an update on the United Kingdom's (UK's) exit from the European Union (EU) and East Renfrewshire Council's work in response to this.
2. Audit Scotland's report *Preparing for Withdrawal from the European Union* is considered.

**RECOMMENDATION**

3. It is recommended that the Audit and Scrutiny Committee consider this report.

**BACKGROUND**

4. A copy of the Audit Scotland report *Preparing for Withdrawal from the European Union*, published in December 2019, was circulated to Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, the Members leading the review of this particular report are Councillor Miller and Councillor Grant.
5. Following ratification of the Withdrawal Agreement, the UK ceased to be a member of the EU on 31 January 2020; entering a transition period in operation to 31 December 2020.
6. During the transition the UK is subject to EU laws and protections; without influencing decisions. This meant there was initially no change to trade, rights, etc. Any extension of the transition had to be agreed by 1 July 2020. As this date has passed, there is no obvious mechanism for further extension of the transition period.
7. From the 1 January 2021, the EU and UK enter a new relationship; based on current negotiations. If no agreement is made, the outcome has been equated to previous No Deal concerns; particularly regarding goods, services and the legal framework. To allow sufficient ratification, any agreement must be finalised by 31 October 2020.
8. To prepare for Brexit, East Renfrewshire Council has a well-established Brexit Working Group; containing representatives from each Department and key services.

**AUDIT SCOTLAND REPORT**

9. The December 2019 paper outlines public sector preparations for the March and October 2019 withdrawal dates, concluding they were reasonable against an uncertain backdrop.

10. Audit Scotland recognise Brexit impacts will only be realised when the finality of UK and EU negotiations is known. However, existing public sector pressures will likely be exacerbated; including:

- Staffing / service provision, linked to declining migration and a diminishing working-age population. Areas including health, social care and teaching are already pressured.
- Financial pressure; already stretched budgets are vulnerable to further cost increases.
- Trade uncertainty arising from custom check delays or price increases. Food, medicines, medical equipment, veterinary medicines are all highly imported goods.
- While social and economic consequences are likely to be widely felt, more rural areas and lower income communities face a proportionally higher risk.

11. Audit Scotland's report highlights that public bodies should proportionately plan for Brexit. Risks identified should be regularly reviewed based on lessons learned and changing circumstances.

12. It should be noted that Audit Scotland reported ahead of the Covid-19 pandemic. As such, pressures highlighted have already been exacerbated and may be more so by Brexit.

#### **BREXIT WORKING GROUP**

13. In preparation for Brexit, the Council has an established Working Group; with representatives from each Department and key areas. While meetings were cancelled from March 2020 to focus on Coronavirus; group members continued to share updates. Resuming formally in July, meetings will be monthly – until an October review, which will consider if more frequent meetings are required to focus on No Deal mitigations.

14. The Brexit Working Group coordinates overall planning and preparations for EU Exit. Issues such as Contingency Planning, Workforce, Communications, Economic Development and Procurement are considered. The group and the Council is linked to a number of reporting mechanisms and forums for sharing best practice.

15. The Brexit Working Group will regularly reconsider priorities and focus to ensure that any appropriate considerations are escalated ahead of transition expiry. Current priorities are:

- Ensure the Brexit Risk Register is up to date and reflective of the situation.
- Use learning from the January 2020 Table Top Exercise (referenced in paragraphs 19 and 20) to shape preparedness.
- Consider ways to promote the EU Settlement Scheme to our staff and communities.
- Continue to monitor legislative and trade changes, considering impact upon our services – particularly relating to enforcement activity and Export Health Certification.
- Continue to deal with any information requests.

#### **BREXIT RISK REGISTER**

16. The Brexit Risk Register is regularly updated, seeking to identify the risks the Council faces and any steps that can be taken to mitigate these risks. Any significant risks feed into the Council's Strategic Risk Register, which contains an overarching risk at this level.

17. The latest refresh of the Brexit Risk Register reflects the remaining uncertainty and that No Deal is a tangible threat once again. Risks are broadly categorised into themes:

- Procurement & Supply Chain – primarily to Council services, but with the acknowledgement supply chains will be widely affected.
- People – reflecting our workforce, those under our care and community cohesion.
- Economy – reflecting financial uncertainty for the council, the wider local economy, import / export and potentially diverging standards of goods, laws & services.
- Data & Information Sharing
- Public Order – appreciating the strong views felt across society on Brexit.

18. Key risks within the Brexit Risk Register highlight the potential for regulatory differentiation between the UK and EU, which would impact on goods / services; or the legislative framework in which key services (e.g. Trading Standards, Environmental Health) operate.

### **EU EXIT EXERCISE**

19. In January 2020, a Table Top Exercise took place – seeking to test the Brexit Working Group and Council Resilience Management Team against EU Exit scenarios. While Brexit was the backdrop for scenarios, Business Continuity and broader incident response were explored. The exercise sought to promote open discussion in a relaxed environment.

20. The Exercise evidenced a strong knowledge of risks faced across Departments. Feedback highlighted the event as a beneficial opportunity to share knowledge. There was recognition that a number of potential disruptions may be business as usual – but the challenge would be in relation to frequency or even concurrency of disruption. As such, the key learning from the exercise was to maintain awareness of Brexit as it evolves and sharing knowledge beyond the Brexit Working Group.

### **EU SETTLEMENT SCHEME**

21. The EU Settlement Scheme is the process for EU, European Economic Area or Swiss citizens to apply to continue living in the UK after 31 December 2020. It is a free, online process where successful applicants will receive either Settled or Pre-Settled status; depending on the period of continuously living in the UK. Under the Withdrawal Agreement, the deadline for applications under the Scheme will be 30 June 2021.

22. Home Office figures published for the period up to 31 March 2020 show that 850 East Renfrewshire residents have applied under the Scheme. This represents 43% of our estimated 2,000 EU national population (using the National Records of Scotland Annual Population Survey). The next Local Authority data release on the Settlement Scheme is likely to be in August, providing data to the end of June 2020.

23. The Council will signpost information on the Scheme to our staff and the public. East Renfrewshire Culture and Leisure are a recognised digital support provider; which allows booking appointment slots to guide applicants through the online process, at a location convenient to them.

24. In seeking to increase awareness of the Settlement Scheme, the Council implemented a dedicated EU Exit page on our website in January 2020. Having researched the output from elsewhere; the page is predominantly for signposting. For the Settlement Scheme this links to the application process, and avenues of support. The Council website also seeks to direct visitors to up to date information from the UK and Scottish Government; and direct businesses to support available from the enterprises and skills agencies.

25. Work undertaken to promote the Settlement Scheme has included ensuring information is available on the Council Intranet around key dates. The Council has linked with Citizens Advice and with Voluntary Action, with a view to enhancing signposting, sharing challenges and trends, while joining up on working where possible.

## **REGULATORY DIVERGENCE AND EXPORT HEALTH CERTIFICATION**

26. A key concern in relation to a “No Deal” exit is in relation to the legal framework which supports Council activity. EU legislation underpins a significant amount of Council work, including key enforcement activity such as in Environmental Health and Trading Standards. Without EU legislation being appropriately replaced or reflected in UK law, there is potential that many of the standards we uphold or seek to enforce would no longer be applicable.

27. In response to the legal framework concerns, the Scottish Government have published the UK Withdrawal from the European Union (Continuity) (Scotland) Bill [2020]. If enacted, this will empower Scottish Ministers to keep devolved areas of law in line with the EU, following the transition period expiry. However, it should be noted that the Bill is primarily focussed on Environmental protections and that there are still areas requiring UK Parliament action.

28. One of the most significant concerns arising from any No Deal scenario is in relation to Export Health Certification. Currently, products of animal origin exported to some nations outside the EU require an Export Health Certificate (EHC), authorised by a suitably qualified Council Environmental Health Officer. Current estimates are that approximately 15,000 EHCs are issued in Scotland each year; in a No Deal scenario, this is believed to increase well beyond 100,000. In addition to burdens to businesses, it has been recognised that there are not enough suitable Local Authority officers nationally to cope with the increased EHC regimen.

29. Any solutions to the issue of EHCs come against the backdrop of declining Environmental Health Office numbers and resourcing nationally. Additionally, the profession is intrinsically linked to the ongoing Coronavirus response, which will further stretch any available resourcing for EHCs. The future requirements for EHCs will depend on the trade discussions between the UK and EU, meaning there is continued uncertainty. Environmental Health professionals and COSLA have continued to press on solutions for EHCs, as well as the longer term protection of the Environmental Health profession.

## **INFORMATION REQUESTS**

30. In the immediate period prior to March, April and October 2019 deadlines for a Withdrawal Agreement to be reached, the Council was required to submit daily reporting to a Scottish national Multi Agency Coordination Centre (MACC). Dependent on the status of negotiations and potential for a No Deal exit, the MACC may re-emerge, requiring a resumption of daily Council reporting.

31. COSLA are developing a regular Risk Monitoring Framework for Local Authorities, for implementation in January 2021. This will monitor the impacts of Brexit using a data dashboard, containing information indicators in areas such as Social Care, Vulnerable Communities, EU Settlement Scheme, etc. This will identify where issues that may require

support arise, or emerging trends. Upon commencement of the Framework, we will provide regular data returns.

### **FINANCE AND EFFICIENCY**

32. There are currently no finance and efficiency implications arising from this report.

### **CONSULTATION**

33. This report has been produced with input from the Council's Brexit Working Group.

### **PARTNERSHIP WORKING**

34. This report details work of the Council's Brexit Working Group, a cross-discipline group of Council Officers. Each Council Department is represented along with a number of key areas. Additionally, the Council has worked with COSLA, Voluntary Action East Renfrewshire, the Scottish Government and Citizens Advice as part of Brexit preparations.

### **IMPLICATIONS OF THE PROPOSALS**

35. There are currently no staffing, property, legal, IT, State Aid, equalities and sustainability implications arising from this report.

### **CONCLUSION**

36. In providing a broad overview of the status of the UK's exit from the EU, this report seeks to outline the main preparatory work undertaken by East Renfrewshire Council for Brexit. While the regularity of this work has been impacted by the Covid-19 pandemic response; many of the procedures and preparations were well established, having been implemented for previous Brexit deadlines. The pressures of a No Deal end to the transition period have been exacerbated as a result of the Coronavirus global pandemic.

### **RECOMMENDATION**

37. It is recommended that the Audit and Scrutiny Committee consider this report.

Directors of Corporate & Community Service and Environment  
July 2020

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### Background Papers

1. Audit Scotland report Preparing for Withdrawal from the European Union

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