
Report to: Clackmannanshire Council

Date of Meeting: 22 October 2020

Subject: EU Exit Preparedness

Report by: Strategic Director Partnership and Performance

1.0 Purpose

- 1.1. This report provides an update on the work being taken forward by Council in preparation of the end of the EU Withdrawal period on the 31st December 2020. This work is set in the context of the Reasonable Worst Case Scenario risks published by Scottish Government in 2019 and the Yellow Hammer assumptions published by the UK government also in 2019.

2.0 Recommendations

- 2.1. Council is asked to note, challenge and comment on the report as appropriate.

3.0 Considerations

- 3.1. The UK withdrew from the EU on 31 January 2020, as the EU and the UK both ratified the Withdrawal Agreement reached last October. The UK did this by way of the EU Withdrawal Agreement Act 2020. This Act also sets in UK law that the present Transition Period must end on 31 December of this year. Until then, while the UK is no longer a Member State, the EU budget, EU law and rules such as on state aid, as well as EU rules on freedom of movement, continue to be binding in the UK.
- 3.2. Negotiations for a longer-term UK-EU27 free trade and partnership agreement have continued throughout the summer and must be finalised by the European Council Summit of 15-16 October to allow sufficient time for ratification by each side. If a deal is to be reached, guidance published by both sides suggests that it may be a limited deal, with significant changes on trade in goods and particularly services, border controls, worker mobility, transport and fisheries. If the timelines outlined above are not met, there is a risk that no deal will be agreed by the 31st December 2020.
- 3.3. In September 2019 the UK government published its so called Yellow Hammer papers which set out the main risks associated with leaving the EU with no deal in place. These assumptions were later published and can be found at:
<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/>

- 3.4. In October 2019 the Scottish Government created a set of similar risk assumptions for Scotland which provided guidance on the Reasonable Worst Case Scenarios arising from a no deal position and the actions being taken to prepare for these risks. These were later published and can be found at <https://www.gov.scot/publications/scottish-government-overview-no-deal-preparations/pages/2/>
- 3.5. A significant amount of work has been undertaken to review these risks and required mitigations in Scotland and by each Local Authority, and other partners across the public sector. This work commenced in 2019 and has been reviewed on a number of occasions since then, with new guidance and information emerging periodically and helping to shape assumptions for Scotland. In Clackmannanshire each risk has been assessed to determine the local impact on the Councils ability to continue delivering services, and the possible local impact on our communities too.
- 3.6. Since March 2020 the UK and much of Europe has been responding to the Coronavirus global pandemic. This has had an inevitable impact on EU Exit preparations, the potential risks and mitigations which may or may not have a compounding effect for local communities. Reflecting on the pandemic recovery journey Local Authorities have once again reviewed their preparedness for EU Exit and the likely implications from the 1st January 2021.
- 3.7. At the time this report is being prepared there is no detail of the deal that may emerge. Details on many aspects of EU Exit however have been published which has helped to shape our understanding of potential local impacts. This has covered aspects including immigration, border control arrangements and necessary work on items of legislation required to be put in place which has been taken forward by both UK and Scottish Governments.
- 3.8. In Clackmannanshire we have undertaken work to review our EU Exit Risks and Mitigations framework. This work was completed in September, and aimed to reflect learning from Covid Pandemic recovery, reflecting any changes to the Reasonable Worst Case Scenario Risks and also our preparedness taking into cognisance work undertaken over the past 6 months around Pandemic recovery.
- 3.9. This work has identified a number of themes which remain an ongoing risk for Clackmannanshire. These are set out below with a brief description of the potential impact and work being undertaken to mitigate that impact.
 - a) Capacity, Layering and Concurrent Events
- 3.10 This theme reflects the Councils capacity to respond to multiple events taking place at the same time given our relative size and capacity of services. EU exit will take place at a time that pandemic recovery work is ongoing along with the usual seasonal pressures the Council faces over the winter months. It is recognised that this would place additional demand across all Council services.

3.11 The Council has undertaken significant work to help mitigate this risk. This has included a review of business continuity plans, training and exercising for key managers and services through established IMT arrangements; joint work through regional and local multi-agency partnerships and review of key strategies, plans and contingency arrangements. Preparedness and response around EU Exit risks are aligned with existing Covid recovery arrangements to minimise duplication and pressures on key services. Mutual aid arrangements are in place with neighbouring Councils to assist if required.

b) Border arrangements; Travel and Goods and Supplies

3.12 This theme reflects on the impact that border arrangements and potential disruptions to goods, supplies and services may have on the delivery of Council services. New arrangements affecting the import and export of goods and commodities, is likely to impact the Council in key service areas. Impacts may include disruption to the supply chain and delays and also potentially rising costs of commodities and goods associated with supply and demand factors and increased administrative costs facing suppliers. Impacts on local Environment Health and Trading Standards services are also likely to increase with additional pressures on regulation, controls and compliance.

3.13 Impacts on local businesses, particularly SMEs, are likely to compound for many the challenges brought by the Pandemic. Their ability to be able to respond is critical and work is ongoing with partners to raise local awareness of the changes affecting border arrangements and importing and exporting of goods. Work is underway to link local businesses with nationally available support, advice and guidance on EU Exit and new border arrangements. Work has been undertaken in the Council to map particular pressures and put in place contingency plans.

c) Wider Economic Impacts for Clackmannanshire

3.14 Linked to the previous one this theme is focussed on the wider economic factors for Clackmannanshire. Clackmannanshire's economic profile reflects a number of measures suggesting lower economic resilience when compared to neighbouring authorities. A lower jobs to people ratio; lower employment rates; lower business base and GDP and higher levels of economic inactivity.

3.15 Local businesses have already faced a challenging 2020/21 as a result of the pandemic and EU Exit challenges may compound these pressures with implications on the wider economy. Conversely EU Exit may provide opportunities for local businesses to diversify or extend into new markets. As with Covid, it may be some time before we see economic impacts taking effect.

d) Impacts on Vulnerable People and Food Supply

3.16 Again, linked with the previous theme there is risk of a disproportionate impact from EU Exit on the vulnerable families and communities in Clackmannanshire. Again, this is likely to compound an already difficult vulnerability and poverty picture for Clackmannanshire. There is a risk of increased costs for goods, supplies and services, including potentially around fresh food supplies. Coupled with wider economic impacts some families and communities already struggling financially may see those issues increase.

Along with our local partners, we have seen significant progress being made around food insecurity in Clackmannanshire, through our pandemic response and recovery activity. This work has ensured that Clackmannanshire is better resilient and better prepared to respond to particular challenges or concerns around food availability or costs.

e) Immigration and the Scottish Workforce

- 3.17 This theme covers new immigration arrangements, citizens rights and how that might impact on the local workforce delivering critical services. New immigration arrangements come into force on the 1st January 2021, although processes for applying for 'settled status' and 'right to remain' have been in place since 2019. Work has been undertaken since then with partners to raise awareness of the new arrangements and the support available to assist non UK EU citizens to apply to remain in the UK.
- 3.18 Work has been undertaken by Council services to support members of our workforce who might be impacted by new rules and information pages have been updated on our website and shared regularly with employees and through social media channels. Business Continuity plans have reviewed significant risks in the availability of workforce in key sectors and contingency plans prepared.

f) Other risks under review

- 3.18 This theme includes an increase in demonstration and disorder; information and data and impacts on financial services. These are risks which are informed through situational awareness and will be monitored through various multi-agency partnerships over the course of the coming months.

Conclusions

- 3.19 This report provides an update on the work being taken forward to prepare the Council for EU Exit.

4.0 Sustainability Implications

4.1.

5.0 Resource Implications

5.1. *Financial Details*

5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes

5.3. Finance have been consulted and have agreed the financial implications as set out in the report.

Yes

5.4. *Staffing*

6.0 Exempt Reports

6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all
Our families; children and young people will have the best possible start in life
Women and girls will be confident and aspirational, and achieve their full potential
Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Yes No

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None.

11.0 Background Papers


11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

| NAME | DESIGNATION | TEL NO / EXTENSION |
|---------------|---|---------------------------|
| Cherie Jarvie | Senior Manager Partnership and Transformation | 2365 |

Approved by

| NAME | DESIGNATION | SIGNATURE |
|-----------------|--------------------|---|
| Stuart Crickmar | Strategic Director |  |