

Agenda Item	17
Report No	HC/42/19

HIGHLAND COUNCIL

Date: 5 September 2019

Report Title: Preparedness for EU Exit

Report By: Communications and Resilience Manager

1. Purpose/Executive Summary

1.1 This paper is to provide assurance with regard to the Resilience preparations the Council is making for a European Union (EU) Exit, both internally and with partners at local and national level.

2. Implications

2.1 Resource – In the event of any significant impact to the Council, resources would be diverted to maintain essential services and manage any consequences. £50,000 will be made available to the Council as part of Scottish Government funding for EU Exit planning to all Councils. (See para 5.5)

2.2 Legal - Preparing for emergencies and collaborating with partners is a requirement under the Civil Contingencies Act. A host of Legislative implications for EU Exit are published on the UK Government's website. The UK Government has published a series of Technical Notices that set out information to allow organisations, businesses and citizens to understand what they would need to do in a 'no-deal' scenario, so they can make informed plans and preparations.

<https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal>

2.3 Community (Equality, Poverty and Rural) – Any potential risks and impacts could have a disproportionate impact on remote and rural communities.

2.4 Climate Change / Carbon Clever – No direct implications

2.5 Risk - The implications are set out in the paper and are taken account of in the Council's Risk Register

2.6 Gaelic – No direct implications

3. Recommendations

3.1 Members are asked to:

- i. Note the Council's Resilience preparations for EU Exit

4. Introduction

4.1 There continues to be a high degree of uncertainty around the impacts of a no- deal EU Exit on the Highland Council and the wider consequential impacts on Highland.

4.2 As part of their Civil Contingencies Planning, the Scottish Government established an EU Exit Contingency Planning Sub Group of the Scottish Resilience Partnership (SRP), in November 2018. This Sub Group has continued to meet on a monthly basis following the original EU Exit date of 29 March 2019 and the initial extension of 12 April 2019. The Highland Council, together with Highlands and Islands Local Resilience Group (HILRP) partners receive regular updates from the EU Exit Contingency Planning Sub Group to ensure that we all have a shared and consistent understanding of UK and Scottish Government developments and intentions.

4.3 Various strands of work took place across the Council in preparation for the original EU Exit date on 29 March 2019. As we approach 31 October 2019, preparations are again being escalated to identify, manage and mitigate, as far as practicable, the risks and impacts of a no-deal Exit from the EU.

5. Background

5.1 In respect of civil contingencies, The Highland Council is a [Category 1 Responder](#) under the Civil Contingencies Act (2004). Along with partner agencies, the Highland Council fulfils the statutory duties under the Act through the Highlands and Islands Local Resilience Partnership (HILRP) and the North of Scotland Regional Resilience Partnership (NoSRRP). Both groups meet regularly to oversee civil contingencies arrangements for their respective areas. Civil contingency preparedness for a no-deal EU Exit has been, and continues to be, the subject of HILRP and NoSRRP workshops and meetings.

5.2 Work continues to update UK and Scottish Planning Assumptions for a no-deal EU Exit by the respective governments. Significant revision is not expected, with core assumptions and mitigating actions remaining the same. This means that the good planning which HILRP partners completed over recent months still stands. Nevertheless, some amendments will be necessary to reflect changing circumstances since March. Once the updated Scottish Planning Assumptions are made available to Local Resilience Partners, the Highland Council and the HILRP will reassess local risks and work together, where necessary, to mitigate potential impacts. Should the HILRP identify any new concerns, these will be communicated to the SRP EU Exit Contingency Planning Sub Group.

5.3 In preparation for the expected EU Exit on 29 March 2019, Police Scotland produced a national Multi-Agency Brexit Contingency Plan. The Plan includes response/recovery structures and working arrangements based on existing and well understood national coordination and resilience partnership procedures. The national Multi-

Agency Brexit Contingency Plan is currently being reviewed by Police Scotland and will be circulated to Resilience Partners for comment in September.

5.4 Timeline:

31 October 2019 is the date set for the United Kingdom to leave the EU. The current assessment of the UK Government is that potential impacts could last for up to twelve weeks (from this date). Within the twelve week period:

- Channels have been established for communications between UK Government, Scottish Government and national and local civil contingency responder organisations, as well as with the public.
- The Highland Council and HILRP partners are required to report on a daily basis to the national Multi-agency Co-ordination Centre (MACC) any significant issues arising from a no-deal EU Exit and will respond to impacts in accordance with established civil contingency arrangements.

5.5 In January 2019 the UK Government committed £56.5 million of funding to support English Local Authorities in their preparations for Brexit. A further £20 million was pledged in August 2019. In June 2019 the Scottish Government agreed to a request from COSLA, backed by SOLACE, for specific funding to assist Scottish Councils with Brexit-related local resilience co-ordination. This sum amounted to £1.6 million, or £50,000 to each Local Authority, to be provided via a redetermination in March 2020.

5.6 A proportion of this fund (£1,000 from each Local Authority) has been set aside to provide a national role to coordinate EU Exit planning. A business case will be prepared to allow the Executive Leadership Team to consider best use of the remaining funding.

5.7 A broader exercise to identify costs to Councils of the ongoing EU Exit process is underway. COSLA will continue to raise Local Government spending pressures with the Scottish Government, and refer cases where expenditure is required to meet the specific needs of EU Exit preparedness. Cabinet Secretary for Communities and Local Government, Aileen Campbell, has stated the Scottish Government would consider any quantified needs that Local Government has around Brexit preparations.

6. Business Continuity

6.1 EU Exit is recognised as a corporate risk on the Council's Corporate Risk Register, with a number of work streams to mitigate the direct risks to the organisation.

6.2 In respect of organisational resilience, and as a requirement of the Civil Contingencies Act (2004), the Highland Council maintains Business Continuity Plans in which Services have identified core functions and how these will be delivered in the event of any potential disruptive events affecting staff, utilities, supplies etc.

6.3 Business Continuity Plans are regularly reviewed and exercised by Services. In reviewing Business Continuity Plans, Services have been asked to consider potential EU Exit consequences, the likelihood of impact and to plan any mitigation where possible. A particular impact anticipated is in the number of export health certificates (EHCs) required for fish and shellfish exports to the EU which will necessitate a significant increase in workload for the Environmental Health Team.

6.4 An internal reporting structure has been established to enable executive oversight of any significant issues and the reporting of these through the national reporting mechanism to the Police Scotland MACC.

- 6.5 Should an event occur which impacts significantly on the Highlands and Islands, the Highlands and Islands Local Resilience Partnership (HILRP) will establish a multi-agency group to co-ordinate the activities of the public bodies and others in responding to the emergency, as part of the usual civil contingency response structures and arrangements.
- 6.6 Following the UK's decision to leave the EU, the UK Government gave a guarantee that all funding commitments would be met by the UK Government should the UK's exit mean any funding could no longer be drawn down. This guarantee has been restated in subsequent communications. However, as this was conditional on the UK leaving with some form of deal in place, clarification needs to be sought on what might happen in the event of a no deal Brexit.
- 6.7 An information page has been set up on the Council's Intranet to signpost information and updates to staff across all Services. This information is available to Members.
- 6.8 A public [webpage](#) has been established to describe the work of the Council and partners and provide more information for our EU staff and citizens. This will be updated as information becomes available.

7. Longer term planning

- 7.1 Once the 12 week response phase is over, each Local Authority will be responsible for leading the longer term readjustment to exiting the EU within their area.
- 7.2 A Scottish Resilience Partnership (SRP) EU Exit Recovery Sub Group is currently developing a structure, within which, the impact of civil contingency *specific* EU Exit consequences can be managed over the longer term.
- 7.3 However, the majority of longer term potential impacts are likely to be out with the scope of civil contingency planning. Impacts in relation to the Highland economy, workforce, demography and welfare may emerge gradually over time and will require innovative policy, rather than civil contingency intervention, to address. The extent and nature of longer term impacts are the subject of ongoing discussions with COSLA and our regional partners in a number of forums.
- 7.4 Much of the work to identify potential impacts has been done in collaboration with our partners in the Highlands and Islands European Partnership. Between the Council and HIEP a series of documents on key issues have been produced and responses made to a number of Government consultations on anticipated Brexit impacts. COSLA has also undertaken a significant amount of work on the potential impacts of Brexit on behalf of Local Authorities and there were instances where we either attended events to feed in a Highland view or made written submissions.
- 7.5 A great deal of work in relation to the wider economy of Highland has taken place since the 2016 referendum but this has tended to focus more on the longer term policy position in the UK as EU policies cease. As part of this work the Council adopted a series of position papers at their meeting in September 2018. These covered:-
- The need for a regional policy to replace the EU cohesion policy
 - Inward migration & workforce needs
 - Access to EU markets
 - Agriculture and the rural economy

The Council identified these as policy [priorities](#) for post Brexit. The subjects were also discussed at a Brexit seminar in November 2018 organised by the Council and involving business groups as well as Elected Members and Council officers where the Council position was supported by the wider audience.

- 7.6 Work is ongoing to support businesses, which focuses more specifically on the immediate effects including the potential of a no-deal Brexit. At a council level this is led by Business Gateway and complements the business advice on Brexit readiness being delivered through the national portal at <https://www.prepareforbrexit.scot>
- 7.7 On 19 September 2019, a 'Workforce Migration, Talent Attraction and the Future for Highlands and Islands' event will be held in Inverness in partnership with EDAS (Economic Development Association Scotland), Highland Council and Highlands and Islands Enterprise. This event will highlight issues around workforce availability and talent attraction, and will specifically consider the effects of Brexit and measures to mitigate its impact.
- 7.8 A national [public information site](#), maintained by the Scottish Government, continues to provide information on EU Exit and how it may affect people and businesses in Scotland.
- 7.9 The Member Brexit Working Group, chaired by Cllr Jimmy Gray, will be reconvened in late September to review priority policy areas previously agreed at Council in 2018.

Date: 26 August 2019

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