

| | |
|------------------------|------------------------------|
| Committee Title | Audit & Governance Committee |
| Date | 16 November 2020 |
| Report Title | EU Exit Update |

For Recommendation to Cabinet

Portfolio Holder: Cllr S Flower, Leader of the Council

Local Councillor(s): All

Executive Director: J Sellgren, Executive Director of Place

Report Author: John Sellgren

Title: Executive Director for Place

Tel: 01305 224216

Email: john.sellgren@dorsetcouncil.gov.uk

Report Status: Public

Recommendation:

The Committee notes the contents of the report and endorses the actions being taken in respect of Dorset Council's preparations for EU Exit.

Reason for Recommendation:

This is the final report on EU Exit to come to the Committee before the end of the EU Exit transition period.

1. Executive Summary

1.1 Background

- 1.1.1 Following the exit of the United Kingdom (UK) from the European Union (EU) earlier this year on 31 January 2020, the UK and the EU entered a transition period for the negotiation of the future relationship. This transition period ends on 31 December 2020.
- 1.1.2 Trade talks have been ongoing. The Local Government Association (LGA) has been working hard to lobby Government to address the risks and opportunities resulting from the trade talks on behalf of the sector. The LGA continues to reinforce the point that EU Exit is not the only challenge which council are managing during this autumn and winter. In particular they have emphasised the demand placed on some regulatory services which are at the

forefront of the work to protect communities from Covid-19 as well as preparations for EU Exit.

- 1.1.3 Whilst there will be no legal cliff edge in January as most EU rules and laws have or will be converted into UK law, there are other changes for councils including new responsibilities for regulatory services, possible changes in data governance and proposals for new UK migration rules which have a bearing on staff recruitment processes.
- 1.1.4 The Cabinet Office has also taken the opportunity of EU Exit to review EU procurement law and is seeking greater local flexibilities in these processes once the UK is no longer part of the European arrangements.
- 1.1.5 The Ministry of Communities, Housing and Local Government (MHCLG) has continued to provide comprehensive advice for councils and has brought this together on a section of the gov.uk website.

1.2 EU Settlement Scheme

- 1.2.1 The EU Settlement Scheme applies to EU citizens, resident in the UK by 31 December 2020. EU citizens and members of their family (including non-EU citizens) need to apply to the EU Settlement Scheme to continue to live, work and study in the UK beyond 30 June 2021.
- 1.2.2 In line with Government guidance Dorset Council has provided information about the EU Settlement Scheme for EU citizens living in the area. It has sought to ensure awareness of the Scheme and to signpost EU citizens requiring further information or advice to Citizens Advice Bournemouth, Christchurch and Poole who are providing a EUSS support service across both the Dorset Council and BCP council areas, their contract has recently been extended by the Home Office to March 2021.
- 1.2.3 The Home Office EU Settlement Scheme local authority statistics show that 5,580 applications (covering the period 28/08/28-30/06/20) had been made in the Dorset Council area, of which 3,510 have settled status and 1,710 have pre-settled status.
- 1.2.4 The Citizens Advice service offers support through face-to-face appointments, phone, email and video calls. The service will be focusing on the Dorset Council area over the next few months, as it estimates that only 43% of the EU citizens living in Dorset have registered for the scheme.
- 1.2.5 The service will be engaging with parish and town councils, councillors, local businesses and using local newsletters to raise awareness of the scheme and the support available.

- 1.2.6 Regular communications about the EU Settlement Scheme have also been shared internally for Dorset Council employees, encouraging them to register and use the services of Citizens Advice if necessary.
- 1.2.7 Where appropriate looked after children and care leavers who would need to apply for settled status are supported by Children's Services to do so.

1.3 Changes to immigration rules

- 1.3.1 Legislation has been laid in Parliament for a number of changes to the Immigration Rules. These changes provide the foundation for the new Points-Based Immigration System which will apply from 1 January 2021. This will impact any employer hiring from outside the UK's resident labour market (except Irish citizens). The new rules build upon the measures outlined by the Government in policy statements which were published in February 2020 and July 2020.

1.4 Regulatory services

- 1.4.1 A huge amount of work has been done at national level to ensure a usable legal framework is in place to regulate businesses in respect of the supply of food and consumer goods, whatever the outcome of EU negotiations. Dorset Council's Trading Standards and Environmental Health Officers will need to be fully conversant with any finalised legal changes so as to support local business and ensure compliance. Uncertainty remains until a deal or not is confirmed.
- 1.4.2 A significant additional burden (est. 1.0 FTE) will fall to the Food, Safety and Port Health Team with them needing to issue Fish Export Health Certificates to allow Dorset fish exporters, notably two major ones, to sell every consignment they export to the EU. Officers will also have to initially inspect and register all fishing vessels used to catch fish that goes to other UK distributors that export. This is identified as a high risk on the EU Brexit Risk Register. New national systems have been tested and are in place ready to replace the existing European product safety databases and a key animal import tracking system, which has minimised what were previously high risk concerns. Changes to the use of 'pet passports' may cause some confusion and lead to heightened concern about pets illegally coming in to the UK. A new scheme will be in place for UK pet owners.
- 1.4.3 While changes to what goods ports handle locally are possible, significant shifts are not expected in the short-term.

1.5 Procurement

- 1.5.1 The current public sector procurement rules are derived from EU Directive 2014 and were adopted to UK Law as Public Contract Regulations 2015 (PCR15).
- 1.5.2 As UK Law, PCR15 as it stands now will remain in place until December 2020 and any amendments thereafter will be minor in terms of removing Europe references such as the Official Journal of the European Union (OJEU) and Euros. This law cannot cease unless decreed by Parliament.
- 1.5.3 Public Procurement Rules Reforms are being undertaken by the Government Cabinet Office with the aim to establish a new, more simplistic, UK procurement law based on Government Procurement Agreement (GPA) as set by the World Trade Organisation (WTO). The Cabinet Office is due to publish a Green Paper on the Reforms shortly for public sector consultation before the proposed new UK procurement law is presented to Parliament. It is currently anticipated that any new UK procurement law will not be in place until 2024.
- 1.5.4 The UK public sector remains and will continue to remain under any new UK procurement law, bound by the GPA which opens up £1.3 trillion in public procurement opportunities in more than 48 countries to British businesses.
- 1.5.5 It is the intention that the Council will explore any opportunities that arise as a result of any change to public sector procurement.

1.6 Data management

- 1.6.1 At the end transition period, the General Data Protection Regulation will be retained in UK domestic law as the ‘UK GDPR’. This creates legal uncertainty regarding the ongoing lawfulness of some personal data transfers from the European Economic Area to the UK after the transition period. In the worst case scenario, some personal data flows could become unlawful. This would cause substantial difficulties, including potential loss of access to personal data hosted by major cloud providers such as Microsoft. Alternatively, and perhaps more likely, the EU may require organisations to implement safeguards for these data flows, or the EU Commission could decide the UK’s data protection regime is “adequate” and permit data flows to continue unimpeded. Work is ongoing to ensure that the council has identified all IT applications in its own operations that are at risk by these changes and that appropriate business continuity plans are in place.

1.7 Adult Services

- 1.7.1 Adult Social Care has continued to provide information and guidance regarding EU Exit to all local social care providers and the Directorate's own workforce. An overview of the sector's business continuity arrangements has been maintained to ensure preparedness. EU Exit has also been included within both the Directorate's Winter Plan and the wider Integrated Care System Winter Plan in order to ensure that any presented risks are linked and mitigations put in place as appropriate.

1.8 Childrens Services

- 1.8.1 The provision of services to children relies to some extent on those for whom obtaining settled status would be appropriate. This would include some who are working directly in council services but more significant would be those who are working in partner agencies, schools and where we have commissioned services. Awareness has been raised with these services around the need to work with staff in order to maintain service delivery. In addition, there are dependencies for schools on meal provision which has supply chain outside the UK. For some time schools and the council have sought to ensure security and contingency in the supply chain to ensure continuity of delivery to the appropriate standards by contractors.

1.9 Place services – waste

- 1.9.1 Dorset's Residual Waste disposal is largely dependent on Refuse Derived Fuel (RDF) Export. All risks in relation to this are classified as medium but the export of RDF holds the greatest potential disruption for Dorset waste services. As such over the past few weeks staff have again engaged with our principal contractors (New Earth Solutions) and the Environment Agency to refresh scenario planning in the event the RDF supply chain is disrupted. A proportion of RDF has been recovered nationally in recent months but until September 2021 we foresee a dependence on export for the majority of this residual waste.

1.10 Reasonable worst case scenario planning assumptions

- 1.10.1 In September 2020 the Cabinet Office issued a set of reasonable worst case scenario planning assumptions to support Local Resilience Forums (LRF) and bodies charged with civil contingencies planning responsibilities to prepare for the ending of the Transition Period.

This document has been reviewed by the Dorset LRF (of which Dorset Council is a member) to assess the implications on a multi-agency basis. It has also been reviewed by Dorset Council to consider the implications for the

council's own operations. This work has informed the review of the council's own EU Exit Risk Register and contingency plans prepared by the Dorset LRF.

1.11 Emergency Planning and Risk

- 1.11.1 The Council's Emergency Response Plan sets out a command and control structure, with Executive and Corporate Directors undertaking the Gold (Strategic) role and Heads of Service acting as Silver (Tactical). Support is provided by a 24/7 Emergency Planning team. This command and control structure works in conjunction with LRF partners to understand the impacts of risks, plan appropriate action and respond should civil emergencies arise.
- 1.11.2 The risk register, which is summarised within Appendix A, sets out the key potential risk exposures identified by Dorset Council services, together with the actions being taken to mitigate the risks to an acceptable level.
- 1.11.3 From an emergency planning perspective a key current risk is the ability to respond to concurrent incidents, such as any potential adverse consequences of EU Exit running alongside the current Covid-19 response, periods of severe weather and seasonal flu. The LRF has mobilised Strategic and Tactical Coordinating Groups involving senior officers from across partner organisations to coordinate the preparations and response to any such concurrency.

2. Financial Implications

Government has provided additional funding of £504,284 to support the Council with its EU Exit preparations. To date the Council has allocated the funding to pay for the staff time involved in preparing for EU Exit (£62,000), in providing information about the EU Settlement Scheme (£1,806) in funding a business information and advice service (£25,912). The remaining amount has been held back for contingency arrangements relating to the ending of the transition period and supporting the council's responsibilities through the Dorset Local Resilience Forum and for the reimbursement of any outstanding staff time associated with the EU Exit preparations.

3. Well-being and Health Implications

The well-being and health implications arising from this report are as a consequence of changes in Government legislation and guidance arising from the UK's exit from the EU. These are therefore addressed within the relevant service areas as detailed in the report.

4. Climate implications

There are no direct implications of this report on the Council's commitments in respect for the Climate and Ecological Emergency.

5. Other Implications

The implications of EU Exit on the operation of the Council and the delivery of its service services are the subject of this report. The report is not concerned with any wider or other implications.

6. Risk Assessment

A risk assessment of EU Exit is a substantive consideration of this report and the extract from the Council's risk register is set out in Appendix A

7. Equalities Impact Assessment

This report details the actions being taken by the Council as a result of changes in Government legislation and guidance arising from the UK's exit from the EU. The Equalities Impact Assessments are therefore those which relate to the relevant services as detailed in the report.

8. Appendices

Appendix A – EU Exit Risk Management Update

9. Background Papers - None

Footnote:

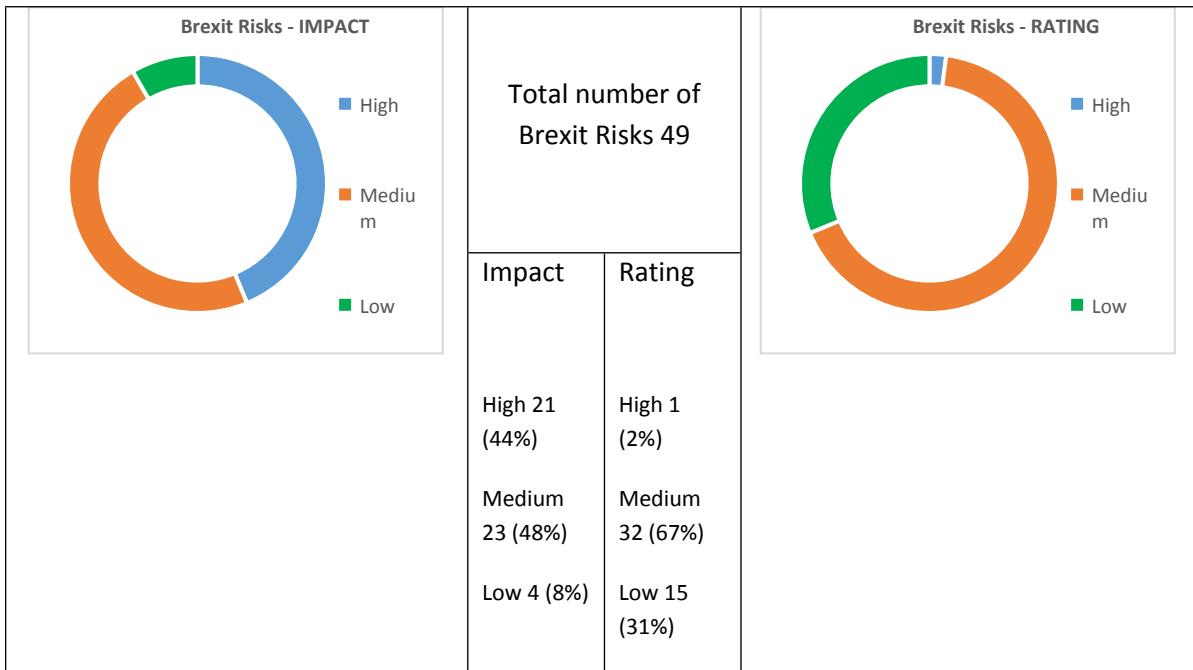
Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Appendix A



Purpose of the Risk Management Update: The Corporate Risk Register EU Exit extract sets out the risks that have a potential to affect Dorset Council's delivery of services to residents. The register sets out the control procedures in place to mitigate risks and are assigned to appropriate officers. The Risk Register provides assurance that relevant risks have been identified as Brexit Risks and that appropriate action plans are in place. This report presents the EU Exit Risk Register as at 22 October 2020 and contains summary information on changes made to the Risk Register.

It should be noted for the purposes of this report the Assurance team focused on HIGH impact risks as set out below.



As highlighted above Dorset Council currently manage **48** Brexit risks on the register as at 27 October 2020.

There is currently a risk that has HIGH IMPACT with a rating of HIGH as highlighted below:

| Service – Place – Community and Public Protection |
|---|
| Risk 178 - Failure to issue new Export Health Certificates for fish leading to business block/ failure and /or other service disruption (Impact High ; Likelihood Low; Risk Rating HIGH) |
| Activity and Comments - DEFRA grant secured for £25k in the case of No Deal to back fill. Plans in place to contract out backfill work as required. Eight officers now authorised as Certifying Officers (CO) and access to the APHA system for the Export Certificates in place. Visits made to businesses intending to export fish to the EU by CO's. Further Actions - No further actions currently – watching brief linking in with the Brexit Ops work in place at Dorset Council. FSA grant provided of £25k for purpose to date. |

The following MEDIUM risks have HIGH IMPACT but lower likelihood:

| Ref | Description |
|-----|--|
| 184 | Disruption to transfer of personal data to/from processors in the European Economic Area (Impact High, Likelihood Low; Risk Rating MEDIUM) |
| 25 | Increased referrals as carers and/or good neighbours absorb additional pressures (Impact High, Likelihood Low; Risk Rating MEDIUM) |
| 26 | Shortages of fuel means domiciliary care staff unable to travel, leaving people at risk (Impact High, Likelihood Low; Risk Rating MEDIUM) |
| 23 | Increased demand on Social Work for statutory assessment and reviews due to possible Provider Failure resulting in delaying time for completion of assessment and increasing in time for those awaiting commencement of assessment (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 21 | Uncertainty of EU Exit/BREXIT outcomes results in service provider failure (Impact High; Likelihood Low; Risk Rating MEDIUM) |

| | |
|-----|--|
| | |
| 33 | Potential increase in hate crime incidents following a no deal EU Exit/BREXIT (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 35 | Potential increases in extremist activity (far right / far left) (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 36 | Potential for public disorder issues in the event of No Deal EU Exit/BREXIT (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 38 | Increased school closures, due to a range of No Deal BREXIT related impacts (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 185 | Inability to access Fuel for Highways Critical Service (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 49 | Disruption to supply of construction minerals impacting on the Councils ability to support the construction industry (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 50 | No Deal BREXIT influences a fall in oil prices affecting viability of Wytch Farm (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 51 | Tariff on export of waste affecting contractual arrangements (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 52 | Uncertainties of BREXIT impact on the local plan policy framework (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 53 | Impacts of BREXIT on legislative basis for environmental policies (Impact High; Likelihood Low; Risk Rating MEDIUM) |

| | |
|-----|---|
| | |
| 41 | Dorset's Residual Waste disposal is largely dependent on Refuse Derived Fuel (RDF) Export (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 42 | Local waste storage capacity (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 178 | Failure to issue new Export Health Certificates for fish leading to business block/failure and /or other service disruption (Impact High; Likelihood Low; Risk Rating HIGH) |
| 28 | Loss of pet passport allowing movement of pets may lead to increase pet smuggling / disease (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 32 | Access to information systems on product safety and animal movement across Europe may be lost. (Impact High; Likelihood Low; Risk Rating MEDIUM) |
| 175 | Waste Services - Fuel (Impact High; Likelihood Low; Risk Rating MEDIUM) |