

Brexit (EU Transition)

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Risk Code	CR64	Risk Title	Brexit (EU Transition)
Risk Owner	Jeanette Thompson	Updated By	Jeanette Thompson
Year Identified	2018	Council Objective	Enable an enterprising and co-operative economy
Risk Description	<p>The EU-UK Trade and Cooperation Agreement (TCA) was agreed on 24 December 2020. The European Union (Future Relationship) Bill was introduced in Parliament on 29 December 2020 to implement the provisions of the TCA, and this received Royal assent on 30 December 2020. The EU Transition period ended on 31 December 2020.</p> <p>There has been and remains ongoing uncertainty following the identification of the risk. Because of the uncertainty regarding the transition (exacerbated by the Covid-19 situation and consequential delays over negotiations), the Council could face the following risks:</p> <p><u>Service Specific</u></p> <ul style="list-style-type: none"> - Environmental and Food - insufficient staffing to cover Environmental and Food inspection issues/training post-Brexit (potential new duties to deal with soft/internal borders for import and export). - Community Engagement/Finance - likely increased financial pressures on low income/unemployed individuals and families, due to both Covid-19 and any tariffs that apply. Further reliance on food banks and assistance from the Council. <p><u>General</u></p> <ul style="list-style-type: none"> - There is a change in the demand for services, e.g. due to lower living standards. - The price of essential equipment/goods required to deliver services increases and/or the items become more difficult to obtain. If no trade agreement, tariffs will apply to imported goods and parts (likely 20%) with associated impacts for any related goods or services the Council procures or residents have to rely on, such as food. - There is a reduction in income and funding due to a decline in the demand for new housing. - The Council or contractors lose employees from EU27 countries. - Contractors fail to maintain the required level of service provision, e.g. due to the reduced availability of labour and/or equipment. - The potential for increased contract costs purely because of a change of law. - There is a reduction in income and an increase in bad debts due to a downturn in the economy. - Access to current EU funding programmes is lost. - Returns from investments reduce, although this could also mean a reduction in the rates for borrow to invest opportunities. - Electoral roll/elections issues (inaccuracies). - Workload increases to prepare for and deal with any issues, although this also provides an opportunity to identify areas of good practice and improve partnership working. - The price received for recyclable materials or the ability to dispose of recyclable materials is reduced. - Incidents of civil disorder occur. - Returning citizen service demand (health, wellbeing and other services). - UK legislation transfer to UK law and risk that constitution/delegations and authorisations not viable. - Potential data protection issues with retention and transfer of data as third country post-Brexit. <i>At 11 January 2021, the EU had still not assessed the UK's arrangements as adequate. However, under the EU-UK Trade and Cooperation Agreement (the "Agreement") concluded on 24 December 2020, a "grace period" during which the transfers of personal data from EEA Member States to the UK will not be considered a "third country" transfer under the GDPR was agreed. The Agreement provides that the specified period will last for no longer than six months from 31 December 2020. This is subject to an important caveat: if, during this period, the United Kingdom amends the data protection laws it has in place on 31 December 2020, or exercises</i> 		


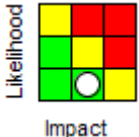
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	<p><i>certain powers under the Data Protection Act 2018 or the UK GDPR without the agreement of the EU Partnership Council, the specified period shall automatically end.</i></p>
Opportunities	<ul style="list-style-type: none"> - Potential investment opportunities, e.g. linked to lower interest rates or property prices. - Preparations identify areas of good practice and improve partnership working. - The Council becomes generally more resilient, not just in relation to Brexit - <i>although very difficult to assess if this is at all realistic in the current Covid-19 situation.</i>
Consequences	<ul style="list-style-type: none"> - Quality of service provision deteriorates. - Projects fail to be delivered. - Failure to respond effectively to an increased demand for services, which negatively affects residents. - Damage to reputation. - Increased pressure on staff.
Work Completed	<ul style="list-style-type: none"> - Senior Policy Officer developed an Impact Log at the time to chart potential impacts of Brexit to North Hertfordshire. - Brexit Impact Log reported to SMT in December 2018 (this was subsequently used by Project Board, Service Director - Legal & Community and leadership team to manage the risks and associated preparations). - Preparedness document reported to SMT in March 2019 (pre-first proposed leave date) and updated in June 2019. - Hertfordshire Local Resilience Forum implemented a Strategic Co-ordinating Group for Brexit. - Food Safety lead officers attending Food Resilience Forum and training regionally. - Ministry of Housing, Communities and Local Government (MHCLG) put in place intelligence gathering arrangements to collate the regional impact and preparations for Brexit. - MHCLG announced additional funding for local government to prepare for Brexit (£35K to NHDC). - e-tendering system able to transmit to the new government e-procurement system in the event of a no-deal Brexit. - Risk entry presented to the Finance, Audit and Risk Committee on 21 March 2019 (following a review by the Risk Management Group and SMT) and the committee recommended to Cabinet that the risk be introduced as a Corporate Risk with a risk score of "9", due to the current level of uncertainty. - Service Director Legal & Community co-ordinating from March 2019. - Additional new burdens distribution of funding of £17,484 for 2019/20. - Officer Project group established April 2019. - EU elections Project Board established, and elections undertaken in May 2019. - Brexit Project Board first meeting 29 July 2019 with Leader as Member. - Brexit Preparedness web page set up and link added to electronic orders sent to suppliers. - Brexit added to project monitoring reports sent to Overview and Scrutiny on a quarterly basis. - Regular Member updates provided. - 31 October 2019 Preparation work stood down due to the Parliamentary election due on 12 December 2019. - Brexit Officer Herts group and other local authority/central government activities stood down, other than exception reporting to EELGA. - New Brexit date of 31 January 2020 approved by the EU. - Parliamentary election undertaken on 12 December 2019. - Drafted contract clause to cover data transfer – use of change of law provision to impose. - Worked with LLG and MHCLG on process mapping for governance/secondary legislation process mapping. - Constitution/delegation and warrant checks undertaken. - Relevant managers checked policies for compliance and enforcement post Brexit issues. - European Union (Withdrawal Agreement) Act Bill received Royal Assent on 23 January 2020, the UK left the EU on 31 January 2020, with a transition period to 31 December 2020. - Lead Officer attended further meetings on the Settlement Scheme (county level and central) in January 2020. - EU Transition web page live and kept under review (Communications team has this as a standing item for their bi-monthly meetings). Tab on website re-instated to go to relevant page on web. - Global Brexit Update circulated to all staff and councillors on 31 January 2020.

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- Jo Dufficy attended the EU Settlement Scheme National Conference on 10 February 2020.
- Project Board updates provided monthly from March 2020. These highlighted the issues faced nationally, which have been exacerbated by the Covid-19 pandemic. Virtual meetings recommended in October 2020.
- Emergency Planning Officer and Information Communication Technology Manager proposed extending the fuel storage at the DCO, although no resource to take this forward at this time. Project Board to consider whether this is required at this stage.
- EU Transition Officers met on 18 June 2020 to discuss planning for managing impacts at the strategic level in Hertfordshire (group subsequently subsumed into a new EU Transition Tactical Co-ordination Group).
- Hertfordshire EU Transition Tactical Co-ordination Group established in July 2020 and commenced meetings on 24 September 2020.
- Brexit working group meeting took place on 17 July 2020 (HCC, the Growth Hub, Herts LEP, the Chamber of Commerce and Frank Harrison attending from NHDC); although there have been national announcements on new border arrangements, there was frustration regarding the lack of detail as to how this will work.
- Countywide EU Settlement meeting on 21 July 2020, with confirmation that there are differing approaches to this, with some being effectively mothballed due to Covid-19.
- Defra readiness assessment.
- Careline stockpiled essential equipment.
- Weekly exceptions and tension monitoring reports sent and received.
- Liaised with Businesses/BIDs/LEP and Chamber of Commerce directly or via the Herts group. Herts Economic Development Officers Group (HEDOG) meetings cover this issue.
- Signposted businesses looking for guidance to the Growth Hub, Wenta, Better Business for All and to the LEP schemes (the LEP ran a series of Brexit webinars and workshops pre Covid-19). Circulated various preparation toolkits and webinars via a new Herts LEP & Growth Hub page (which NHDC has links to).
- Posters for the Settlement Scheme put up in the DCO and sent to local minority groups, libraries and Member surgeries. Assistance offered by Customer Services via We Are Digital referral from government.
- Use of MHCLG communications toolkits to roll out signposting information.
- Used funding to procure for three years specific software for regulatory issues for imports/exports.
- All Service Directors asked to review their delegations based on the updated wording re EU transition (and Covid regulations) and completed in December 2020.
- Worked with strategically important contractors to understand the risks they would face and to ensure plans were being taken to mitigate those risks. Legal contacted the big four and Controls, Risk and Performance contacted Capita for further updates in December 2020. Contract Managers reminded in December 2020 to contact key suppliers.
- The EU-UK Trade and Cooperation Agreement (TCA) was agreed on 24 December 2020. The European Union (Future Relationship) Bill was introduced in Parliament on 29 December 2020 to implement the provisions of the TCA, and this received Royal assent on 30 December 2020.
- The EU Transition period ended on 31 December 2020.
- The majority of corporate monitoring of the process, including associated risks, was undertaken by the Project Board through an established PESTLE risk plan. The lead officer was also part of a countywide group that devised a risk plan based on wider planning assumptions, which was presented to the Strategic Co-ordination Group and all Chief Executives, and where appropriate, these were fed through into the NHDC risk plan and actions.
- The Hertfordshire EU Tactical Co-ordination Group meetings continued in January 2021, being closed, with a debrief assessment in February 2021. The situation continued to be monitored. This and updates on issues/actions were reported through to the Brexit/EU Transition Project Board.
- Completed project to extend fuel storage at the DCO on 28 March 2021. Expenditure was authorised by the Project Board.
- The final Project Board took place on 8 April 2021 and having considered the outstanding issues being outside of the Council's control, have moved these for any relevant monitoring to the Response and Recovery Board (namely issues that may arise in terms of borders, inland borders and Environmental staffing resilience). Remaining uncommitted new burdens funding to be considered in the round of other available funding for local businesses/residents.

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<p>Ongoing Work</p>	<p>- Service Director - Legal & Community monitoring the latest EU transition developments (national and local) and providing regular updates to SMT. - Updates provided to Senior Managers, Staff and Members, e.g. via MIS and Insight. - Feeding up and down from county, regional and national liaison groups on a frequent basis. - Follow up actions of Council motion of 12 September 2019 – communication of no deal to residents/positive steps to highlight applying for settled status, local events and surgery support for EU nationals wanting to secure settled status. The Project Board acknowledged the actions taken so far. Will maintain NHDC’s ‘Brexit and Beyond’ page – with relevant links for the foreseeable future – which links through to settled status application. Continue to push out relevant information via social media. - Various environmental/food related residual risks: inland borders; lack of competent food enforcement officers available to deal with these issues (and Covid); Food Standards Agency clarification and guidance. Herts County Food Resilience Group/Environmental Group monitoring these regularly, requesting information/updates from the Food Standards Agency and Government. To the extent required, this will be monitored by the Response and Recovery Board and be part of business-as-usual. - Remaining uncommitted new burdens funding of £32,300. Officer/Member group to consider this with other appropriate funding available (three current strands) and a joined-up response/use to be monitored through the Response and Recovery Board as appropriate.</p> <p><u>SMART Actions</u> Officers are working hard to keep up to date with the constantly evolving situation and to communicate this across the authority, including undertaking the ongoing, recurring activities listed above. At this time, however, the Council has limited ability to further mitigate the level of risk, as this is dependent on significant issues being determined/resolved at a national/EU level. Therefore, we are unable to set SMART actions for this risk as most of this will be outside of NHDC control. As referenced above, relevant monitoring transferred to the Response and Recovery Board (namely issues that may arise in terms of borders, inland borders, Environmental staffing resilience and use of remaining uncommitted new burdens funding).</p>		
<p>Current Overall Risk Score</p>	<p>5</p>		
<p>Current Impact Score</p>	<p>2</p>	<p>Current Likelihood Score</p>	<p>2</p>
<p>Current Risk Matrix</p>		<p>Target Risk Matrix</p>	
<p>Date Reviewed</p>	<p>08-Apr-2021</p>	<p>Next Review Date</p>	<p>08-Oct-2021</p>
<p>Latest Note</p>	<p>14-Apr-2021 <u>Update by Jeanette Thompson – 8 April 2021</u> Various actions have taken place since the last review in January 2021. Hertfordshire EU TCG monitored the ports, flow of goods and highways issues. As reported through various resilience sub-groups or partner organisations, nothing of significance arose during that time in terms of delays or hold ups. No rise in public tension or cultural infighting was noted. The Met stood down its arrangements to focus on Covid. Whilst it was noted that some of this may be due to the delay in implementing full controls until June 2021, the EU TCG was stood down at the end of January 2021, a debrief review undertaken of the actions/outcomes of the group and the debrief recommendations fed through to the overall Strategic Coordination Group (which were approved and now feed into LRF Major Incident Framework). This has also been considered at the Project Board mentioned below. The NHDC Project Board met on 8 April 2021 to consider the outstanding issues/actions. For those that had not been closed, the following was agreed: - Various environmental/food related: inland borders; lack of competent food enforcement officers available to deal with these issues (and Covid); Food Standards Agency clarification and guidance. <i>To the extent required, this will be monitored by the Response and Recovery Board and be part of business-as-usual.</i></p>		

- Remaining uncommitted new burdens funding of £32,300. *Officer/Member group to consider this with other appropriate funding available (3 current strands) and a joined-up response/use to be monitored through the Response and Recovery Board as appropriate.*

- Follow up actions of Council motion of 12 September 2019 – communication of no deal to residents/positive steps to highlight applying for settled status, local events and surgery support for EU nationals wanting to secure settled status. *The Project Board acknowledged the actions taken so far. Will maintain NHDC's 'Brexit and Beyond' [1] page – with relevant links for the foreseeable future – which links through to settled status application. Continue to push out relevant information via social media.*

Note statistical information available – last from September 2020 from Government: The total number of national applications received up to 30 September 2020 was 4,062,000.

<https://www.gov.uk/government/statistics/eu-settlement-scheme-quarterly-statistics-september-2020>. North Hertfordshire - 4,200 applications.

It is difficult to compare this with anticipated numbers, e.g. as against any Electoral Register (ER). Settled status is not noted on the ER. The register is a list of those wanting to register; there may be other residents who have not registered. As at 1 April 2021, we wrote to 3,146 EU Citizens on the ER, and the 4,200 *is likely to include dependents*. It is an increase from 2019, when we had 2,904 registered.

The Project Board also considered the NHDC Corporate Risk rating. Whilst it was a matter for the Risk Management Group and Finance, Audit and Risk Committee, it thought that the impact and likelihood of the risks envisaged when the Corporate Risk was identified in 2018 had reduced.

There was some certainty in respect of the TCA and Act and operations. It was, however, acknowledged that some risks were ongoing national ones in respect of Northern Ireland, challenges from the EU and border ones may yet materialise once full border controls and checks are implemented (from June 2021). Herts County Food Resilience Group/Environmental Group were monitoring these regularly, requesting information/updates from the Food Standards Agency and Government. Relevant issues can be monitored through the Response and Recovery Board as needed. A risk matrix score of 2 for likelihood and impact was mentioned, although not specifically recommended. Have currently reduced the risk rating to 2/2.

[1] <https://www.north-herts.gov.uk/home/business/brexit-and-beyond>