

Committee: **Corporate Overview Scrutiny Committee**
Date of meeting: **11 December 2020**
Report Subject: **Preparations for EU Transition**
Portfolio Holder: **Councillor Nigel Daniels, Leader of the Council**
Report Submitted by: **Bernadette Elias, Head of Governance & Partnerships and David Arnold, Policy Officer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	26/11/20	01.12.20			11/12/20	13.01.21		

1. **Purpose of the Report**
This report provides an update on the preparatory work undertaken during the EU Transition Period prior to it ending on 31st December 2020.
2. **Scope and Background**
 - 2.1 The UK left the EU on 31st Jan 2020 and entered a transition period until 31st December 2020, during which the UK's relationship with the EU has remained largely the same as it was.
 - 2.2 A level of uncertainty still remains of what the full implications of exiting the EU will be for local authorities in Wales. This uncertainty, combined with the ongoing impact of the Covid19 pandemic, has impacted the scope of preparedness activity and modelling that can be undertaken at local authority level.
 - 2.3 The officer Core Planning Group has continued to meet during the pandemic to facilitate EU transition preparations. The Corporate Policy Team receives information from the Welsh Local Government Association (WLGA) and Welsh Government about the national picture, as well as information from the Home Office regarding the EU Settlement Scheme (EUSS). The policy officer supporting this work is represented on the WLGA Brexit Coordinator network.
 - 2.4 An update report was presented to the Corporate Overview Scrutiny Committee in September 2019, with a further report agreed to be presented when the national state of play became clearer. In addition, Elected Members received a briefing on exiting the EU in October 2019. A follow up all Member briefing session has been organised for 3rd December 2020.
3. **Options for Recommendation**
 - 3.1 **Option One**
The Corporate Overview Scrutiny Committee:
 - I. notes the progress made during the transition period prior to the report being presented to Executive for approval; and

II. receives update reports as part of its forward work programme.

3.2 **Option Two**

The Corporate Overview Scrutiny Committee:

- I. notes the progress made during the transition period and make any specific comments or recommendations prior to the report being presented to the Executive for approval; and
- II. receives update reports as part of its forward work programme.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

Ensuring the Council is prepared to take advantage of any opportunities or mitigate against the risks associated with exiting the EU supports the Corporate Plan and Well-being Plan priorities.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

Preparing the Council for the opportunities and risks associated with the UK's exit from the EU is currently being managed through existing resources.

The WLGA submitted a bid to the Welsh Government's EU Transition Fund for each Welsh local authority to receive £45,000 funding during 2019/20 and 2020/21 towards corporate capacity support for resourced work on preparing for and responding to exiting the EU. The Council has now received this funding to support the corporate Brexit planning work already being facilitated by the Corporate Policy Officer. This funding for all 22 councils in Wales was secured by the WLGA as part of their Brexit Transition Support Programme. We are currently awaiting a decision from Welsh Government on whether this funding for local authorities will continue in 2021/22, with representations being made about the importance of the funding for councils to prepare and respond to the impact of EU transition.

There is a UK Treasury guarantee that current EU Structural and Investment Fund (ESIF) allocations will be honoured up to the end of the current EU funding programme (December 2020, with spending until 2023) but nothing confirmed beyond this point at present. The UK Government has announced that they will provide further clarity about replacement EU funding through the UK Shared Prosperity Fund (UKSPF) soon.

5.2 ***Risk including Mitigating Actions***

Exiting the EU has been identified as a risk in the corporate risk register. This informed the risk register developed by the core officer group which is based on available intelligence and information (attached at Appendix A). The local risk assessment has also been informed by the WLGA's EU transition support programme for local authorities (Appendix B) and the Welsh Government's own End of EU Transition Action Plan (Appendix C).

5.3 **Legal**

Some existing governance processes and officer authorisations for Council services who implement activity currently delivered by EU directives may need to be amended. Current indications suggest that the majority of EU legislation relating to Council regulations will be transposed into UK law.

5.4 **Human Resources**

The Head of Governance and Partnerships has been assigned as the Council's lead officer for EU transition working with a lead Policy Officer within the Corporate Team coordinating the council-wide approach working closely with services, the WLGA and the UK Government.

The Organisational Development department carried out an analysis of Council staff nationalities in order to identify potential gaps in provision for any services areas reliant on staff who are EU nationals without British citizenship. This work revealed <10 members of staff across all Council directorates (including Schools) who are EU nationals. They have received support and information they need about the EUSS through their line managers and via the staff Intranet.

Two additional community cohesion coordinators for West Gwent (covering Blaenau Gwent, Torfaen and Caerphilly) were appointed in June 2019, funded by the Welsh Government's EU Transition Fund. The coordinators have been working closely with local community groups, libraries and businesses etc. to engage with vulnerable or hard-to-reach groups of EU citizens in West Gwent.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

The core planning group developed an impact and risk assessment to identify and respond to the local risks and opportunities associated with leaving the EU. The assessment includes measures to mitigate against the risks outlined in Appendix A.

6.1.1 **Summary of key activity**

Analysis of the December 2019 Electoral Register revealed that there were around 650 non-UK, non-Irish EU citizens registered to addresses within Blaenau Gwent. This figure for EU citizens in Blaenau Gwent as a whole is expected to be higher once European children under 18 and adults not registered to vote are taken into account.

6.1.2 One of the national risks identified for businesses and local authorities has been the introduction of new rulings around Export Health Certificates (EHC). The Council is currently working with local food manufacturers to signpost them to information about the new regulations and establish the levels of EHC demand from 1st Jan 2021 onwards.

6.1.3 In addition to the Covid-related financial support from Welsh Government currently available to local businesses, guidance from Welsh Government is also available in order to highlight any supply chain issues or how they can

meet new import and export regulatory requirements. The Council is working to promote and maximise this support to local businesses.

- 6.1.4 Blaenau Gwent has a high proportion of manufacturing, retail and automotive businesses who face the dual risk of financial implications associated with Covid19 and the end of the EU transition period. Combined with above Wales average rates of people with no qualifications, people claiming unemployment related benefits since March 2020, and employees working in sectors most at risk from Covid19, vulnerability from ongoing economic impact is a risk. These risks inform the activity being undertaken across the Council to support communities in Blaenau Gwent and to mitigate impact where possible.
- 6.1.5 The Council is also working to identify and maximise opportunities for Blaenau Gwent as the UK exits the EU.
- 6.1.6 The UK Internal Markets Bill would introduce a new legal power for UK Government to replace EU funds through the new UKSPF, enabling UK Government to provide funding throughout the UK in relation to infrastructure, economic development, culture, sport, skills and training. It is not yet clear what role Welsh Government and local authorities in Wales will have in administering this new funding locally, the Council is continuing to monitor these developments closely.
- 6.2 ***Expected outcome for the public***
Monitoring the local impact and undertaking preparatory work in order to maximise opportunities or mitigate against any risks from the UK's exit from the EU will help to create a more resilient and prepared local authority for the public.
- 6.3 ***Involvement (consultation, engagement, participation)***
The core planning group is coordinating engagement activities with local business groups and individual businesses to determine their views, concerns and preparations for EU transition, as well as to understand any local reliance on goods or skills from the EU. Community Cohesion Coordinate engagement, WLGA network etc.
- 6.4 ***Thinking for the Long term (forward planning)***
Putting robust preparations in place will enable the Council to prepare for and take advantage of any long-term funding opportunities created by the UK's exit from the EU. The preparation work undertaken during transition aims to assist BG meet the challenges and impact of exiting the EU
- 6.5 ***Preventative focus***
The preventative nature of the sub-regional Community Cohesion Officer work programme includes work to champion diversity and promote social inclusion amongst people of all different backgrounds.

6.6 ***Collaboration / partnership working***

We are receiving advice from Welsh Government and working closely with the WLGA as part of the WLGA Brexit coordinators network to assist with best-practice and information sharing amongst Welsh councils.

At an appropriate time, any impact of exiting the EU on residents and public services may need to be considered by the Blaenau Gwent Public Services Board. However, opportunities to link the impact of EU Transition into the PSB's strategic work programme are being considered; for example, the economic impact Covid19 recovery theme and the PSB Foundational Economy and Sustainable Food Partnership programmes will help to mitigate against any local economic impact of EU Transition going forward.

6.7 ***Integration (across service areas)***

The core planning group reports to CLT, which is chaired by the Council's Managing Director. Planning group membership includes representatives from across all council services. It is a mechanism for sharing and disseminating information across the organisation using a coordinated, integrated and collaborative approach across services.

6.8 ***EqIA***

Work undertaken by the community cohesion staff will contribute towards support for people with protected characteristics.

7. **Monitoring Arrangements**

EU transition preparatory work is being monitored by the core planning group, which reports to CLT. There are also update reports that will form part of the forward work programme of the Committee.

Background Documents /Electronic Links

- *Appendix A – BGCBC EU Transition Action Plan*
- *Appendix B – [WLGA EU Transition Support Programme Local Authority Brexit Exposure Dashboards](#)*
- *Appendix C – [Welsh Government End of EU Transition Action Plan 2020](#)*