

# Report

## Cabinet

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### Part 1

Date: July 2019

**Subject** Newport City Council Brexit Preparations Update

**Purpose** To present an update to Cabinet on the Brexit preparations that Newport City Council has taken.

**Author** Director of Place  
Head of People and Business Change

**Ward** All

**Summary** In 2017 the UK Government triggered Article 50 informing the EU that the UK was leaving in two years on 29<sup>th</sup> March 2019. In the run up to this date, all public sector bodies including Newport City Council made preparations based upon whether there will be a transition period or a 'No Deal'. In 2018 the Council in consultation with Welsh Local Government Association and Welsh Government established a Task & Finish Group of senior officers across the eight service areas to identify and make preparations to ensure key service areas had the necessary processes and resources in place. In addition to this activity the Council collaborated as part of the Gwent Local Resilience Forum monitoring arrangements to escalate any key issues / risks that may arise.

Following the Government's position of postponing the leave date to the end of October 2019, it was agreed to temporarily scale back the monitoring frequency of the Task & Finish Group and continue monitoring the situation until firmer information arises on the UK position. The Council is also monitoring the situation through the Council's Risk Management process with Brexit as a risk on the Council's Corporate Risk Register.

**Proposal** Cabinet is asked to consider the contents of the report in terms of the Council's Brexit preparations.

**Action by** Senior Leadership Team and Heads of Service

**Timetable** Immediate

This report was prepared after consultation with:

- Corporate Management Team
- Internal Brexit 'task and finish' officer group

**Signed**

## Background

In 2016, the UK public voted to leave the EU. Following the vote, the UK Government notified the EU that it was leaving and triggered Article 50. By triggering Article 50, the UK Government and EU had two years to negotiate and agree a withdrawal process from EU arrangements. The initial deadline date was set as 29<sup>th</sup> March 2019.

As with many other public, private and not for profit organisations, Newport City Council undertakes many activities where there is a potential impact as a result of leaving the EU. As a dock city Newport receives and sends goods to and from the EU and also has over 3,000 (4.76%) people from the EU living in the city. Newport also has many EU based companies or companies that trade with the EU such as Airbus that could be impacted by any withdrawal arrangement.

To enable the Council to make preparations, advice and guidance was provided by the Welsh Local Government Association (WLGA) and Welsh Government. Using their toolkit we established a Task & Finish Group in 2018 which is made up of senior officers across the eight service areas. In line with the toolkit we focused on three aspects:

1. **Your Organisation** (Priorities / People / Finance & Funding);
2. **Supplies and Services** (Services, suppliers and supply chain / Core Operations / Legal, Data & Regulatory)
3. **Your Place** (Local Community)

Using the toolkit the Task and Finish group was able to focus our activities and actions on these aspects and enabled us to gain an understanding on the potential impacts of a No Deal scenario. The Council's Task & Finish group will be convening at the end of June to examine the current position within the Council and progress that has been made to date. The group will continue meet until October and will be flexible to increase / decrease the frequency depending upon the UK's Brexit position. These can be found at Appendix 1 to the report. As part of the actions the Council set up [a webpage](#) on the Newport Council Website to provide advice and guidance to residents and businesses.

Newport City Council is continuing to monitor the situation closely and are receiving regular updates from the Welsh Government, WLGA, Health and our partner organisations. Regular updates will be provided to Cabinet and Cabinet Members for their portfolio by the Council's Corporate Management Team.

## Financial Summary

The Council's Finance team are monitoring any impacts on budgets through the monthly budget reporting process.

## Risks

Brexit is recorded on the Council's Corporate Risk Register which is presented to Cabinet and Audit Committee every quarter. In Quarter 4 2018/19 (March 2019) Brexit was assessed with a risk score of 12 and will continue to remain on the risk register in the foreseeable future.

Risk	Impact of Risk if it occurs* (1-5)	Probability of risk occurring (1-5)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Brexit	4	3	See Report.	Senior Leadership Team / Corporate Management Team

## **Links to Council Policies and Priorities**

Corporate Plan  
Risk Management Strategy  
Civil Contingencies Policy

## **Options Available and considered**

1. To consider the contents of the on the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.
2. To request further information or reject the contents of the report

## **Preferred Option and Why**

1. To consider the contents of the on the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.

## **Comments of Chief Financial Officer**

There are no direct financial implications arising as a result of this report. Consideration has been given to certain risk areas and assurances have been given that a no deal Brexit will not affect existing arrangements. All budget areas will continue to be monitored on a regular basis and any issues arising will be highlighted at the earliest opportunity.

## **Comments of Monitoring Officer**

There are no legal issues arising from the Report itself. Any specific legal matters will be addressed as part of the work of the Task and Finish Group and any necessary actions.

## **Comments of Head of People and Business Change**

As outlined there are potential long term impacts of Brexit which the Council must prepare for, working collaboratively with our partners. The report considers the potential for risks and opportunities and local and regional arrangements for monitoring these.

HR implications are as outlined in the report.

## **Comments of Cabinet Member**

The Leader of the Council is briefed on all aspects of risk management within the Council and related Brexit issues and work.

## **Local issues**

Members to be aware the impacts that Brexit can have on our Local Communities and business.

## **Scrutiny Committees**

The Council's Audit Committee receives regular risk register updates on the Council's Risk Register which includes the Brexit Risk.

## **Equalities Impact Assessment**

Not applicable.

## **Children and Families (Wales) Measure**

Not applicable.

## **Wellbeing of Future Generations (Wales) Act 2015**

There are potential long term impacts of Brexit which could affect the future demand on our services to provide the necessary support, advice and guidance. There may also be opportunities that could arise and the Council will need to make preparations to accordingly. In preparation we have been working collaboratively across the Council and with our partners to make sure that our services to prevent any scenario where services are disrupted and to provide resilience across the City and to our local partners. We have also been involving our stakeholders and where necessary providing the necessary advice and guidance to those that need our support. Going forward we will continue to monitor and report where necessary any impacts which Brexit could have on the delivery of our services.

## **Crime and Disorder Act 1998**

Not applicable.

## **Consultation**

Senior Leadership Team  
Corporate Management Team  
Brexit Task & Finish Group

## **Background Papers**

Corporate Risk Register to Cabinet 19<sup>th</sup> June 2019  
Welsh Government website '[Preparing Wales to leave the EU](#)'  
Welsh Local Government Association '[Brexit Website](#)'  
Newport City Council's '[Brexit Webpage](#)'

Dated: July 2019

## Appendix 1 – Summary actions taken through the Task & Finish Group

Theme	Progress of Activity completed by Newport Council to 30 <sup>th</sup> June 2019
<b>Your Organisation (Governance)</b>	We delivered an open presentation in collaboration with the Welsh Local Government Association (WLGA) to Councillors in March 2019 to inform them of the arrangements being undertaken by the Council, WLGA and Welsh Government.
<b>Your Organisation (Risk Management)</b>	The Council has a Brexit risk monitored through the Corporate Risk Register and reflected the work being undertaken by the Council's Task and Finish Group.
<b>Your Organisation (EU workers in Newport City Council)</b>	Our HR team analysed the number of staff that originate from the EU. In Newport City Council we confirmed that we have under 100 members of staff from the EU. To support these members of staff as well as other members of staff in Newport we issued guidance and directed staff to the Home Office website.
<b>Your Organisation (Finance and Funding)</b>	Under the current arrangements Newport City Council receives approximately £500k from EU funding to support the Inspire to Achieve programme and other similar activities. We have been guaranteed by the Welsh Government that the funding will be available to 2022.
<b>Your Organisation (Finance and Funding)</b>	Welsh Local Government Association has allocated £45k to local authorities to support its Brexit arrangements. The funding is being to appoint a fixed term post, and support future communications and contingencies towards Brexit related activity.
<b>Supplies and Services</b>	As with many other organisations in the UK, a significant proportion of equipment and supplies come from the EU. Assurances were provided through the Council's Procurement team and our key partners (Newport Norse, SRS and Newport Live) that appropriate action had been taken to obtain assurances over availability of goods and services.
<b>Supplies and Services (Social Services)</b>	Throughout the process the Council has been in regular contact with its partners, providers and the Health service where arrangements are in place to manage the availability care provision and supplies. As Newport has a large population from the EU citizens mechanisms are in place and communications issued to identify any children, adults that are in our care to enable them to apply for settled status.
<b>Supplies and Services (Regulatory Services)</b>	As a dock city the Council's Regulatory Services have been liaising with the Association of British Ports and the Local Gwent Resilience Forum on managing regulatory checks on exported supplies. Regulatory Services have also completed additional training to enable them to undertake additional checks.
<b>Local Community</b>	As a member of the Gwent Local Resilience Forum (LRF) we have established mechanisms to monitor and report on any civil contingencies impacts. The Gwent LRF have reviewed their existing risk register for potential Brexit implications and have also worked with Welsh Government / Central Government with regard to the mitigation of potential new Brexit related risks. The Gwent LRF are continuing to monitor the situation closely with our partners.

<b>Local Community</b>	To support our EU communities we received additional funding from the Welsh Government to employ 2 Cohesion Officers (one based in Newport, one in Monmouthshire, hosted by NCC), based within our Connected Communities Team. These fixed term 2 year posts will focus on mitigating any identified increase in Brexit related community tensions, and supporting communities that are particularly affected, for example, European Economic Active (EEA) citizens.
<b>Local Community</b>	The Council set up <a href="#">a webpage</a> on the Newport Council Website to provide advice and guidance to residents and businesses and provided links to the Welsh Government Brexit webpages and Home Office pages. An email address has been set up for community tensions to be reported and monitored, and details of racist incidents are now shared weekly by Gwent Police. An EU forum has been established, bringing service providers who work with EEA citizens together on a regular basis to co-ordinate provision and ensure consistent communications are shared with communities and agencies. Links have been established with those schools that have a high EEA pupil population and drop in sessions are ongoing, offering advice and support to parents.