

**CYNGOR SIR POWYS COUNTY COUNCIL
ECONOMY, RESIDENTS, COMMUNITIES AND GOVERNANCE SCRUTINY
COMMITTEE**

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SUBJECT: Powys County Council – Brexit Preparedness

REPORT FOR: Information/Discussion

Introduction

This report provides an overview on the work being undertaken by Powys County Council since the 2016 referendum to prepare for the range of possible Brexit outcomes, including a no deal exit. Given the fast-changing wider context of Brexit, a verbal update on the latest situation will be given at the meeting.

Context

On 23rd June 2016, the United Kingdom (UK) voted to leave the European Union (EU). Voters in Powys were aligned with the national trend with, 53.7% of Powys voters wishing to leave the EU. The UK Government invoked Article 50 of the Treaty of the EU in March 2017, triggering a two-year process. The UK Government failed to negotiate a deal that was able to meet the approval of Parliament. Therefore, this negotiation period was extended to October 31st 2019. If no Brexit deal is agreed by this date, or no further extension to the deadline is requested (and agreed), the UK will automatically leave the EU with no deal on October 31st 2019.

However the UK Parliament has passed legislation against a no deal exit from the EU, despite this the UK Government is adamant that the UK will be leaving the EU on 31st October, with or without a deal.

If a deal were to be agreed, there would be a transition period. This would provide more time for details of the future relationship between the UK and the EU to be worked through. During this period, current arrangements would continue, with the UK remaining part of the customs union and single market, subject to EU legislation and eligible for EU funding programmes.

If by 19th October (i.e. after the EU summit on 17th - 18th October) no agreement has been brokered, the Prime Minister is now bound by the recent legislation to ask the EU for another extension to 31st January 2020. Again, current arrangements would continue in the interim.

Powys County Council Preparedness

Since the 2016 referendum Powys County Council (PCC) along with all other local authorities in Wales, has been planning for different Brexit scenarios including a 'No Deal' situation. PCC's preparations have had three main areas of focus:

- A. Brexit Working Group (External);
- B. Brexit Coordination Group (Internal);
- C. Dyfed Powys Local Resilience Forum (DPLRF).

A. Brexit Working Group (External)

The Leader of the Council, Cllr Rosemarie Harris, has formed a Brexit Working Group, involving a number of public and private sector partners. The Leader acts as Chair of this group, which is held on a quarterly basis. The Economic Development and Regeneration Service lead this Group, and provide the secretariat.

The Brexit Working Group comprises of PCC Officers, Members, partner organisations, as well as key representative group (for example the NFU, FUW, FSB, and Mid Wales Manufacturing). The purpose of this group is share information and build stronger working relationships between PCC, other public sector partners, and the business community.

B. Brexit Coordination Group (Internal)

The Director of Economy and Environment is acting as the lead officer for Brexit preparedness, and is Chairman of the internal Brexit Coordination Group (BCG), which comprises of representatives from all key service areas. The BCG has been meeting regularly (on a needs basis, currently monthly), and will continue to do so for the foreseeable future.

Based on identified best practice from Rhondda Cynon Taf County Borough Council, the BCG has launched a Brexit preparedness website (www.powys.gov.uk/brexit). This website has been designed to signpost residents, businesses, and voluntary organisations to external sources of information and assistance.

This group has overseen the sharing of communications messages (with residents, suppliers, and staff), promotion of the EU Settled Status Scheme (330 applicants to date), and the updating of relevant contingency planning documents.

Utilising the Welsh Local Government Association (WLGA) Brexit Advice Hub and the WLGA/Grant Thornton Brexit Preparedness Toolkit, this group has undertaken analysis into the potential impact of a no deal Brexit on Powys County Council, and all service areas within the Council have completed an impact assessment based on a no deal Brexit.

Although attention of the BCG has been focussed on a no deal Brexit. This is not an indication of the anticipated outcome of Brexit negotiations, but it is a reflection of prudent planning. In undertaking this work, the BCG has looked specifically at threats and opportunities to PCC, and has not sought to offer commentary or opinion on Brexit.

Brexit Impact Assessments

All service areas in Powys County Council have completed a Brexit Impact Assessment, and in doing so have identified the key impacts that a 'No Deal' Brexit would have on PCC. This process identified a total of 99 potential impacts of Brexit, with these impacts being felt to varying degrees (4 of which are deemed opportunity risks).

The potential impacts of Brexit have been considered by each individual service area, and where appropriate business continuity measures have been identified. Each service area has reviewed their Business Continuity Plan (BCP), and the Corporate BCP has been updated. These BCP's will be the main mechanism of response should PCC experience any adverse impact due to Brexit

From this service level analysis, 11 risks that warrant highlighting and attention at a strategic level have been identified. Using the WLGA Brexit Preparedness Toolkit, the key impacts of Brexit that require attention at a strategic level can be summarised under the following categories:

- Core Operations;
- Funding and Finance;
- Legal, Data, and Regulatory;
- Local Community;
- People;
- Services, Suppliers, and Supply Chain.

The Strategic Brexit Risk Register is attached as Annex A.

It should be noted that although PCC may be unable to address many of the Brexit issues directly, it may well have to respond to them. In addition, these assessments capture the situation at a particular point in time, Brexit is a dynamic process, which the council will continue to plan and respond to as more information becomes available.

C. Dyfed Powys Local Resilience Forum

Following direction from Welsh Government, the DPLRF formed a Brexit Preparedness Group, which first met in October 2018. The group is currently chaired by Dyfed Powys Police (DPP), with Powys County Council being represented the Head of Property, Planning, and Public Protection; Project Officer, Events/Civil Contingencies; or the Civil Contingencies Officer, and feeds directly into the Brexit Coordination Group.

This group assess the strategic risks to the wider DPLRF as a result of a no deal Brexit, whilst individual agencies have retained the responsibility to assess internal risks which may impact business as usual.

The DPLRF Brexit Preparedness Group was stood down in April 2019. However, these meetings have recently resumed, and are currently being held on a fortnightly

basis. Frequency of these meeting will increase if necessary, or if any multi-agency response is required.

Conclusion

There are still many unknown factors that will influence the final Brexit outcome, at this stage, the UK and Welsh Government have indicated that no deal preparation should continue up to the point at which the UK and EU Parliaments ratify any deal.

The potential impact and costs of Brexit on Powys County Council are unknown. Grant Thornton, on behalf of the WLGA, are undertaking a piece of detailed research on the issue of cost and service pressures on each Welsh local authority in the event of a no deal Brexit.

PCC are currently awaiting confirmation from the UK Government/Welsh Government as new the new preparation and reporting requirements. All risk/impact assessments previously undertaken with regards to a no deal Brexit remain valid. Our internal and the DPLRF teams, structures and reporting mechanisms remain, and are ready to be stood up when notice is given.

A recent review of local authority preparedness by the WLGA has concluded that Powys County Council are as prepared as other local authorities in Wales, with some areas of work being highlighted as best practice.

Council officers will continue to liaise with Welsh Government, the WLGA, partners, suppliers and contractors to ensure we are prepared for a no deal Brexit and so that impact on the Council's services and local communities is minimised.

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