
REPORT FOR: CABINET

Date of Meeting:	19 March 2020
Subject:	Council Preparations for Brexit
Key Decision:	No
Responsible Officer:	Alex Dewsnap, Director of Strategy and Partnerships
Portfolio Holder:	Councillor Graham Henson, Leader and Portfolio Holder for Strategy, Partnerships, Devolution & Customer Services.
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All Wards
Enclosures:	None

Section 1 – Summary and Recommendations

This report sets out the work that the Council has undertaken to date and plans to carry out in the future in response to the UK's departure from the European Union, which took place on the 31st January 2020.

Recommendations:

Cabinet is requested to:

- a) Note the activity which has been undertaken to date and the

- planned actions; and
- b) Agree that the areas currently being funded from monies received from Government to support Brexit locally remain the priority areas for this funding to be spent on throughout 2020.

Reason (For recommendations):

The Council has a duty under the Civil Contingencies Act 2004 to put in place adequate resilience arrangements in the borough. As the impact of the UKs' exit from the European Union on the 31st January 2020 still has a number of potential scenarios following the end of the Transition Period in December 2020, it is important that the Council plans accordingly.

Section 2 – Report

Introduction

1. Cabinet received a report in October 2019 setting out the Council's preparations for the UK's departure from the European Union (EU), which at that stage were based upon both 'deal' and 'no deal' options. As the UK has now formally left the EU on the 31st January 2020 with a deal and entered into a Transition Period until December 2020, this report highlights the continued work the Council is undertaking to prepare for the end of the Transition Period, and in particular the work to support Settled Status.
2. The report in October delegated to the Chief Executive, in consultation with the Leader, the ability to make any urgent or immediate decision on activity if the UK left the EU with 'No Deal' on the 31st October 2019 or any other future date. Given the Transition Period ends in December 2020, at which it is assumed that a number of arrangements are in place covering trade, laws, movement of people etc, there is still a risk that some of these arrangements may not be fully in place at the time the Transition Period formally ends. Therefore it is sensible to retain the delegation that Cabinet agreed on the 10th October 2019 and align it to any need for urgent or immediate decisions in the run up to or following the end of the Transition Period on the 31st December 2020.

The National Context

3. Following the General Election on 12th December 2019, and the Conservative majority Government formed as a result, the date for leaving the European Union was confirmed as the 31st January 2020. On the 23rd January 2020, the European Union (Withdrawal Agreement) Bill 2019-20 received Royal Assent to become the European Union (Withdrawal Agreement) Act 2020 (EUA). The UK therefore left the European Union on the 31st January and entered into the Transition Period, which is due to end on the 31st December 2020.

The Harrow Context

4. This report sets out to create an understanding of the risks, issues and opportunities that the UK's exiting of the EU may have upon the borough. As before, the Council's contingency planning has tried to take account of all scenarios post December 2020, but principally the most important consideration for the Council is with regard to Settled Status, both in terms of ensuring that those Harrow residents who are affected by this are fully aware of what they need to do should they wish to remain in the UK, but also for the Council to consider any changes we may need to make to policies and procedures to ensure we have fully taken account of the changes Settled Status means for anyone in receipt of Council services.
5. The Council's contingency planning arrangements have used the criteria developed by the Ministry of Housing, Communities and Local Government (MHCLG) in partnership with London Councils and the London Resilience Forum (which is made up of London Local Authorities, Emergency Services, Central and Regional Government bodies) in 2018. These criteria have been used to understand the distinction between the activity which is being led on at a regional level (such as medicine supply) and that activity where local leadership is required. This paper focuses on the local arrangements.
6. The planning criteria which have been advised by MHCLG, London Councils and the London Resilience Forum for Local Authorities are as follows:
 - a) Our Communities (EU & EEA) & Settled Status
 - b) Community Cohesion
 - c) Workforce:
 - i. Workforce – Impact of Settled Status
 - ii. Workforce – Recruitment & Retention (eg Dom Care)
 - d) Workforce of Partners
 - e) Impact (direct or indirect) of Border Areas
 - f) Legislation & Regulatory Powers to Deliver Our Services
 - g) Impact on procurement/supply chain
 - h) Local Business Preparedness
 - i) Data Handling & Processing Arrangements
 - j) Reliance/exposure on EU funding
7. Since January 2019, the Council has completed a monthly assessment against these areas, with the latest assessment and actions set out below against each of the headings.

Our Communities (EU & EEA) & Settled Status

8. Harrow has a significant EU & EEA population and the full impact of settled status is not yet completely known, (including the impact of longer term being without status), However, according to the Home Offices' most recent update, as of 31 December 2019 there were 30,630 Settled Status applications from Harrow, of which approximately 18,000 were recorded from Romanian nationals. This gives us roughly a 10,000 increase in

applications from August 2019 where there were 19,910 applications and an 8,000 increase of Romanian national applications from 10,000 (again as of August 2019).

9. In terms of actions the Council and other agencies have been taking we have been promoting Harrow Law Centre awareness sessions for residents who may be effected/may have queries and have also been using the Controlling Migration Fund to create contacts and build networks to support the Council and its relationship specifically with residents from Eastern Europe. In January 2020 the Council held a community event with the Romanian Embassy in Burnt Oak Broadway, targeted at residents from the Eastern European community and Settled Status was a topic of discussion, with support signposted.
10. We have appointed a fixed term resource to help get the message out about Settled Status to our wider community by engaging with residents and community leaders (including shops and cafes) in areas where we know there are a high number of EU or EEA residents living, particularly in the East of the Borough. We have briefed Council Officers on Settled Status and in particular those services such as Childrens and Adults who have a responsibility for the Settled Status Applications of those in our care. We are also match-funding Citizens Advice and Harrow Law Centre to support Harrow residents on Settled Status (see Finance section) although this funding ends on 31st March 2020. We are also working with the other infrastructure organisations in the voluntary sector, i.e. Voluntary Action Harrow, Young Harrow Foundation, the Voluntary Sector Forum and Harrow Community Action to support messaging and engagement to other community groups who can support the message out on Settled Status to EU and EEA residents.
11. As the date for which applications for Settled Status to have been completed is June 2021, it is also important that the Council starts to consider any implications for residents accessing services post June 2021 where they do not have Settled Status. Although no guidance has been received as yet on what Councils should do, it is clear already that certain functions require proof of residency in order to access services, e.g. tenancies. Therefore it is important that the Council starts to consider what the implications for residents accessing services might be if they require Settled Status and do not have it. For children, safeguarding legislation means that this is not relevant as the Council has a duty to support regardless of nationality. However, for adults, this is not the case, and further work is required to understand how Councils in general should approach this challenge across all non-universal services.
12. On the basis that the impact on access to Council services is a Local Government issue, rather than just a Harrow Council issue, we are asking London Councils and the Local Government Association to consider the impact of Settled Status in this regard before the Council starts work on any policy changes locally.
13. We have assessed the overall risk of this criteria as Amber.

Community Cohesion

14. There is concern around the potential for polarisation in the community to be caused in part as a result of the Brexit process. There is also concern about the current climate in which there is potential for a rise in hate crimes. However, to date these concerns have not arisen, and the actual date of leaving the European Union did not create any issues in Harrow from the perspective of Community Cohesion. We have in place measures to ensure engagement with local communities, however the council recognise that hate crimes tend to be significantly under-reported. There are also in addition limited “Go To” points for Eastern European nationals in the borough. We have consequently put in place clear signposting to government advice on settled status. Council services have also been briefed on the impact on services of settled status (as set out above). In the 2019 Residents Survey a score above 75% was achieved when asking residents about their feelings towards neighbours. We have assessed the overall risk of this criteria as Amber.

Workforce – Impact of Settled Status

15. We have not yet got all the data on our staff and applicability of Settled Status to them. SAP does not record nationality. However in the People Directorate we have audited staff lists and people affected have been advised to apply for settled status and are doing so. Our latest data is that out of 2100 total council staff we do not hold relevant nationality data on 685 staff and for schools the equivalent figures are 3500 and 991. Overall taking the Council and schools combined there are some 343 staff who we definitely know need to apply for Settled Status should they wish to stay in the UK after June 2021. We have held a number of sessions for staff on Settled Status during December 2019, January and February 2020 to raise awareness and provide advice, both to support them in their interactions with residents and service users (particularly Adults and Childrens Services) but also to support their own circumstances, as a large number of attendees have been staff who were EU/EEA nationals). We have assessed the overall risk of this criteria as Red principally due to the fact that the Council does not have nationality details on 685 staff.

Workforce – Recruitment & Retention

16. In Childrens Services there is a risk of not being able to recruit from EU countries that would indeed be limiting to the service and their operations (esp. under the £26k salary mark). This indicates an amber status for the service. In Adult Services research with provider organisations indicates that they will not have a problem across all sectors in the short term (most have contingency plans in place) but may have a medium term issue in the residential care sector only with the domiciliary care sector indicated as more resilient. In Housing whilst they have no significant concerns, a concern relates to labour/skills shortages of contractors in the maintenance and development of the homes within Housing Services. The WLA are communicating with providers as a group in a hope to receive a clearer and more detailed response when asking about their

Brexit preparedness. We have assessed the overall risk of this criteria as AMBER.

Workforce of Partners

17. The risk to the Council is indirect and our ability to manage the risk is dependent on information being provided to us as the Council does not hold/collect this information (on nationality) on partners. Partners means other public sector or similar organisations we work with including the voluntary sector, adults/children's care home providers, the NHS and Police. The WLA is looking at some of the jointly commissioned services and possible impact. It is indicated (incl. feedback from the Borough Resilience Forum) that this risk is AMBER for the short-term though could increase in significance in the longer term, particularly in relation to Adults Social Care costs.

Impact (direct or indirect) of Border Areas

18. Harrow does not have any physical border areas within the borough, so there are no direct impacts envisaged at this stage. However, Harrow does have some indirect border areas that could affect the borough, eg the Eurostar terminal at KC St Pancras is on the Metropolitan Line that passes through Harrow. Also, Heathrow Airport is located in the London Borough of Hillingdon. Depending on how the Transition Period ends there could be a knock on effect on Harrow, with increased traffic in these areas and surrounding arterial routes such as the M25/M40/ M1. We have assessed the overall risk of this criteria as Amber due to the unknown situation regarding border controls, but recognising that our own contingency plans do not explicitly have to deal with such a risk.

Legislation & Regulatory Powers to Deliver Our Services

19. The situation is being monitored by the relevant regulators (e.g. Food Standards Agency) who will advise us and we are currently in communication with the main statutory bodies (FSA, HSE, DEFRA) to understand the situation with regards the legislation we enforce locally. Health and Safety and related enforcement is largely unaffected, as most is UK legislation. Food Safety / Standards are linked to EU legislation and there may be changes to these on the basis of a desire from the UK Government to reduce alignment with current EU rules when the Transition Period ends. London and National discussions are taking place. Waste and Environmental Legislation is predominantly EU based, however there is a Brexit task force made up of key stakeholders within the waste and environment sector that have advised that initially EU legislation would be adopted. The real impact around waste would be the impact on the ports and exporting waste for disposal / recovery. This is being mitigated via our disposal outlets as best as possible. We have assessed the overall risk of this criteria as Amber.

Impact on procurement/supply chain

20. Locally this risk is considered green but we are reluctant to change it from Amber because of London wide risks, the unknown strategic positioning of organisations in our supply chain and also because of the political uncertainty around Brexit. Through our procurement programme we have not experienced a situation where Brexit risk has been built into tender responses. Bidders have not asked explicit questions about potential risks. However there is still a degree of wider risk and the unknown that guides the AMBER RAG status for the impact of Brexit on supply chain. With a large regeneration programme we also need to be diligent of the resource risks to the construction industry's reliance on foreign labour in London – 45% from abroad (27% from the EU); Imports: 68% of imported materials are from the EU. Supply chain import costs could increase if the pound weakens. We have assessed the overall risk of this criteria as Amber.

Local Business Preparedness

21. The Large Employer Network members have acknowledged the continuing uncertainty of the Brexit situation and its effects on business although no adverse effects are being reported. Via our grass-roots contacts, both formal and informal, a “business as usual” attitude is in place whilst the issue is still unresolved. Economic Development provides Brexit- information via the monthly local business newsletter and will resume running Brexit-related events in 2020. We are also intending to implement some signposting on the council's website to the .Gov documents around supporting the preparation of businesses. We have assessed the overall risk of this criteria as Amber.

Data Handling & Processing Arrangements

22. Minor potential impact in holding data in EU servers but can be mitigated with European Commission standard contractual clauses if the UK does not receive an adequacy statement. In the case of a no deal there will be no standing down of good governance relating to the processing of data. If a deal is reached after the Transition Period ends it is expected that the Data Protection Act 2018 will receive minor amendments to remove EU references but nothing that would adversely affect council business. We have assessed the overall risk of this criteria as Amber/Green.

Reliance/exposure on EU funding

23. There is a Government guarantee in place to cover European Social Fund Projects (2014-2020) so we have assessed the overall risk of this to be Green.

Options considered

24. As the exiting of the European Union (EU) by the UK is a national policy which has now been executed, there are no other options for the Council to consider other than preparing for the potential eventualities that exiting

from the EU creates. Therefore this paper covers only these eventualities and the Council's preparation for them.

Risk Management Implications

25. The Council reviews the risks of Brexit on a monthly basis through the cross-council Brexit Steering Group. As the UK has now left the European Union with a Deal, the risk of a 'No Deal Brexit' does not exist in that form anymore. However, there still remains a risk that at the end of the Transition Period in December 2020 the UK will not have all of the new arrangements in place covering its new relationship with European Union. The impact of what this might look like is currently unknown, so mitigations will have to be considered as more information is known throughout the year on this.
26. The Council can however impact on the awareness of Settled Status within its communities so the mitigation being pursued is to avoid a large number of residents not applying for Settled Status who wish to remain in the UK, by the end date of June 2021 (for those people who have resided in the UK before December 2020).

Procurement Implications

27. There are no direct procurement implications from Brexit, other than those outlined in the Supply Chain section above.

Legal Implications

28. There are no direct legal implications which would affect only Harrow Council as opposed to Local Authorities in general as a result of Brexit. Therefore the legal issues are being dealt with at a regional and national level.
29. On 23rd January 2020, the European Union (Withdrawal Agreement) Bill 2019-20 **received** Royal Assent to become the European Union (Withdrawal Agreement) Act 2020 (EUA).
30. Many new Statutory Instruments were previously prepared for a 'no deal' scenario, generally providing for the continuation of existing EU rules but allowing for enforcement and oversight by UK rather than EU institutions. The EUA now envisages that these statutory instruments will be brought into effect at the end of the Transition Period unless the government brings forward replacement legislation in the meantime, to take effect from the start of 2021. .

Financial Implications

31. In the latter part of 2018/19 additional funding of £40m was provided by the Government to local authorities to support Brexit work, and whilst much of this was focused on specific areas such as Kent and other port authorities where greatest impact is expected to be felt, money is also

provided to other councils to support their planning (which for Harrow came in two tranches of £105k, one in 2018/19 and one in 2019/20). A further £20m was allocated in July 2019 to Councils, so in effect Harrow has received £315k in total.

32. Consideration has been given to how the money provided to Harrow can be best utilised and the following are the initial spend areas which were reported to Cabinet in October. Further funding requirements can be built into future proposals on the basis that there are ring fenced funds available as set out above. Given the Council's current financial challenges, the following spend has only used one of the tranches of funding received. This will still enable the Council to be supporting activity into the Summer of 2020. If there is a need to spend additional monies this will then be drawn down from the additional monies received in July 2019.

Requirement	Purpose	Cost
Additional Policy Officer support (9 month role)	Support across the settled status community engagement work.	£39k
Civica admin resource (circa 1 month)	To ensure we know the nationality of all our staff and how many are EU or EEA citizens.	£5k
Funding enhancements for CAB and Law Centre	Support on settled status, community engagement and communications (including more Law Centre engagement sessions with greater support in the promoting these) as well as creating additional capacity.	£51k
Communications	Enhanced communications (internal and external) to ensure a clear message and support people in understanding what Brexit means for them / what they need to do.	£10k

Equalities implications / Public Sector Equality Duty

33. An EQIA has not been carried out at a local level.

Council Priorities

34. The Council agreed a new set of Corporate Priorities on 27th February 2020. Principally, this report most supports the overarching ambition to Tackle Inequality and Disadvantage and the priority to Celebrate our Communities and Cohesion, because of the targeted work on Settled

Status which is seen as the primary risk for the Borough following the UK's departure from the European Union.

Section 3 - Statutory Officer Clearance

Name: Sharon Daniels	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 9 th February 2020		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 11 th February 2020		
Name: Nimesh Mehta	<input checked="" type="checkbox"/>	Head of Procurement
Date: 5 th February 2020		

Name: Sean Harriss	<input checked="" type="checkbox"/>	Chief Executive
Date: 11 th March 2020		

MANDATORY	
Ward Councillors notified:	No – All Wards Affected
EqIA carried out:	No
EqIA cleared by:	

Section 4 - Contact Details and Background Papers

Contact: Alex Dewsnap, Director of Strategy and Partnerships,
Ext 8250, alex.dewsnap@harrow.gov.uk

Background Papers: None

**Call-In Waived by the
Chair of Overview and
Scrutiny Committee**

NO