
Report To:	Environment and Regeneration Committee	Date:	27 August 2020
Report By:	Corporate Director Environment, Regeneration and Resources	Report No:	ENVO25/20/MM
Contact Officer:	Martin McNab	Contact No:	01475 714246
Subject:	Withdrawal from the European Union - Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on the current risks arising from the UK's withdrawal from the European Union.

2.0 SUMMARY

- 2.1 Members will be aware that the UK formally withdrew from the European Union at the end of January this year. Since then negotiations have been ongoing between the UK and the EU on a future trade deal. The UK is subject to transitional arrangements up until December 31 this year.
- 2.2 If a deal is not reached the transitional arrangements will end and the UK will be trading with the EU on World Trade Organisation (WTO) terms. Officers have reviewed the risk register produced in 2019 to address the risks arising from a no-deal Brexit and are content that these remain accurate.
- 2.3 The Council's Crisis & Resilience Management Team (CRMT) will meet to discuss the risks and mitigations put in place and a further report will be brought to the October Committee giving an up to date position together with an assessment of the likelihood of a trade deal at that time.

3.0 RECOMMENDATION

- 3.1 That Members note the contents of this report.

4.0 BACKGROUND

- 4.1 The UK formally left the EU at 11 pm on 31 January 2020. Since then however the UK has been subject to transitional arrangements maintaining the status quo while negotiations proceed on a future trade agreement. These transitional arrangements end on December 31 2020 following which, if a deal has not been concluded, the UK will revert to dealing with the EU on World Trade Organisation (WTO) terms.
- 4.2 In the run up to the various EU withdrawal deadlines in 2019 a risk register was produced outlining the risks of a “no-deal Brexit” to Inverclyde. Officers have reviewed this and are confident that the individual risks identified remain valid. Obviously these have since been overlain by the impacts of COVID-19 which will have an effect on the overall resilience of communities and the economy. The current Risk Register is attached at Appendix 1.
- 4.3 Members will also recall that the Scottish Government produced an assessment of Local Level Brexit Vulnerabilities in October 2020. At the time 35 of the 114 data zones in Inverclyde featured in Decile 1 to 3 of the vulnerability rankings, mainly on the basis of income deprivation. Obviously since this was produced the SIMD data has been updated together with the COVID-19 pandemic. Officers will report back to Committee should this study be updated or any further significant studies be published.

5.0 PLANNING FOR A NO DEAL SCENARIO

- 5.1 Planning continues both within Inverclyde and nationally to deal with the possibility of a ‘no deal’ Brexit. The corporate arrangements for this remain as previously reported to the Committee.
- 5.2 The Council’s Resilience Management Team (CRMT) met in August 2020 and considered the Council’s risk assessment for a no-deal scenario. In general the risks were found to be little changed from those pertaining in 2019 however it must be recognised that any further economic impact from a no-deal scenario will now come on top of the impacts of the COVID-19 pandemic.

6.0 IMPLICATIONS

6.1 Finance

There are no immediate financial implications arising from this report.

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/(savings)

Cost Centre	Budget Heading	With effect from	Annual net impact £000	Virement From	Other Comments
N/A					

6.2 Legal

There are no immediate legal issues arising from this report.

6.3 Human Resources

There are no immediate HR issues arising from this report.

6.4 Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
X	NO - This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore no Equality Impact Assessment is required.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

6.5 Repopulation

There are no impacts on repopulation arising from this report.

7.0 CONSULTATIONS

7.1 None

8.0 BACKGROUND PAPERS

8.1 Withdrawal From the European Union, Environment & Regeneration Committee March 2018 ENV018/19/MM

Withdrawal from the European Union - Update, Environment and Regeneration Committee August 2019 ENV043/19/MM

Withdrawal from the European Union - Update, Environment and Regeneration Committee 17 October 2019 ENV050/19/MM

Withdrawal from the European Union - Update, Environment and Regeneration Committee 31 October 2019 ENV049/19/MM

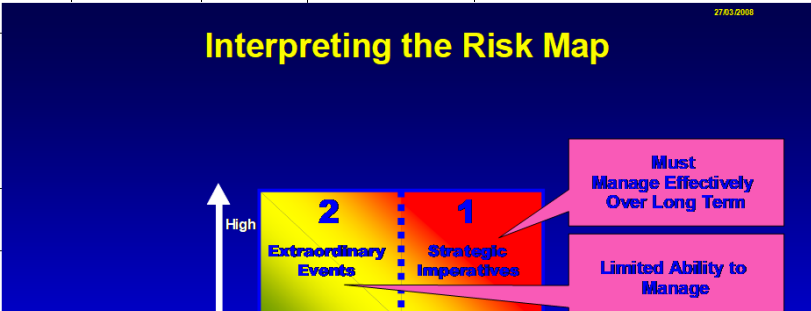
Withdrawal from the European Union - Update, Environment and Regeneration Committee January 2020 ENV009/20/SA/MM

										Organisation:	Inverclyde Council		
										Risk Register:	Brexit		
										Assessors:	Martin McNab		
										Date:	10th August 2020		
										Version	2.5		
Risk No	Planning Assumption Category	Scottish Government RWCS Planning Assumption Detail	Local Issue?	*Description of local RISK Concern (x,y,z)	IMPACT Rating (A)	L'HOOD Rating (B)	Quartile	Risk Score (A*B)	Change in Score	Current Controls	Who is Responsible? (name or title)	Additional Controls/Mitigating Actions & Time Frames with End Dates	Review Date
4	Disruption of Services	The RWCS assumes that low income groups may be disproportionately affected by price rises in utilities and services such as food and fuel.	Y	Potential major issue going forward in Inverclyde.	3	3	3	9		Fareshare have been given further funding from SG. Scottish Government has also set aside £7M for a Rapid Poverty Mitigation Fund to "scale up current poverty mitigation measures including the Scottish Welfare Fund". Estimates of the impact and costs in Inverclyde have been provided nationally through SOLACE	Head of Strategy & Support Services HSCP/ Chief Financial Officer	Will need to assess impact on an ongoing basis. Further information on how the rapid poverty mitigation fund will be administered will be sought.	01/11/2020
1	Disruption of Services	The RWCS assumes that there will not be an overall shortage of food in the UK but it is likely there will be a reduction in choice due to border and supply chain disruption. Certain types of fresh food supply will decrease. This may lead to an increase in price. Whilst it is felt that the assumption regarding overall food supply holds true across the UK it is possible that the reduction in choice, particularly for perishable products, may be more marked the further north the end point for distribution lies. The UK growing season will have come to an end and the Agri-food chain will be under increased pressure due to preparations for Christmas. There is a risk that customer behaviour will cause or exacerbate food supply disruption.	Y	Potential issue with supplies to Schools and care homes. May result in reduction in choice. Early indications were that in the event of shortages that the nutritional standards in the Food and Drink in Schools (Scotland) Regulations might not be enforced in the event of a no deal EU Exit. The expectation is now that these standards should be achievable.	3	2	3	6.0		Education Services working to provide assurance that nutritional needs can be met through substitution/menu changes. Contingency stocks of dry goods will be maintained at elevated levels through 2020. Inverclyde HSCP is working with local provider organisations to assess areas of perceived or potential risk related to Brexit. The majority of key providers have been assessed for readiness. This work will be maintained through 2020.	Head of Culture, Communities & Educational Resources / Head of Strategy & Support Services HSCP	Education supplies will be maintained at elevated levels through 2020. HSCP officers will continue to work with providers to develop mitigation responses.	01/11/2020
2	Disruption of Services	The RWCS is that regional traffic disruption caused by border delays could affect fuel distribution. Customer behaviour could then exacerbate any localised shortages. The most significant single risk is fuel supply to London and parts of the South-East.	Y	At present indications are that this would be as risk in the South East but knock on effects cannot be excluded.	2	3	2	6.0		IC has significantly greater fuel reserves (diesel) than was the case earlier in the year. Currently we have 2.5-3 months supply of diesel. Education services have also sought reassurance from SPT on school transport contracts.	Head of Environmental & Public Protection/ Head of Culture, Communities & Educational Resources.	Situation will be kept under review	01/11/2020

3	Disruption of Services	The RWCS is that supply of medicines and medical supplies will be impacted by reduced flow rates across the short Channel straits.	Y	HSCP has identified risks around short supply of prescription only medication (POM)	3	3	2	9.0	Increase of 3 (Likelihood raised from 2 to 3)	National guidance is currently against stockpiling albeit some has occurred prior to this position at both a territorial HB and national level. The HSCP is also looking to develop an EMR for prescribing to build in additional resilience.	Chief Financial Officer	Regular meetings between HSCP & GG & C HB. Actions around the contingency planning of private & 3rd sector partners mentioned above will also have an impact on this. HSCP will continue to work with NHS GG&C Prescribing Team to monitor this	01/11/2020
5	Demonstrations and Disorder	Increased tensions in Northern Ireland as a result of EU Exit arrangements has the potential to influence certain communities in Scotland.	Y	West of Scotland communities may be vulnerable to this risk.	2	3	2	6		No particular concerns relating to Inverclyde raised at Strategic Counter Terrorism/Serious & Organised Crime (CT/SOC) meetings. There is a need to plan for a no deal scenario.	Head of Environmental & Public Protection	Will continue to liaise with partners through normal CT-SOC arrangements to keep abreast of risks.	01/11/2020
6	Scottish Workforce	There will be a significant number of job losses across Scotland due to the loss of market access, increased export costs, or decisions to relocate – this change is unlikely to happen immediately at the point of a no deal.	Y	Risk likely to be across Scotland	3	2	3	6			Head of Planning & Economic Regeneration	Council will carry out contingency planning for the allocation of central government grants and subsidy should this be forthcoming to assist local employment. No transparency over this as yet however.	01/11/2020
13	Travel, Freight and Borders	N/A	Y	There is no identified risk in the RWCS planning assumptions however consideration must be given to the potential risk of displacement of freight traffic to Greenock Ocean Terminal. This would primarily be a regulatory risk as it is unlikely that Public Protection would have the capacity in either Trading Standards or Environmental Health to deal with this. It should be noted that at present the bulk of activity at GOT is export rather than import.	2	3	2	6		In spite of there being no identified risk in the RWCS Planning assumptions The SG Mitigating Actions published on 8 October state that "Transport Scotland is also working with the logistics industry to explore promotion around the ability for some goods to be moved by container through existing services from Grangemouth and Greenock Ocean Terminal as an alternative to the short straits crossing."	Head of Environmental & Public Protection	Peel Ports report no direct contact from SG /Transport Scotland as of 18 October 2019/	01/11/2020
7	Demonstrations and Disorder	Various risks in RWCS mostly centred around large population centres (Glasgow, Dundee, Edinburgh and Aberdeen) or impact on Police Scotland by mutual aid requests.	Y	Local impact if any will be likely to relate to reduction in police resource due to staff being redeployed elsewhere.	2	2	4	4		Good partnership arrangements and links already exist with Police Scotland.	Head of Environmental & Public Protection	Will discuss further at an area and divisional level and with Local Resilience Partnership (LRP)	01/11/2020

8	Scottish Workforce	There will be a shortage of highly skilled workers in certain professions which currently rely on migrant workers – e.g. education and healthcare; public health veterinarians. While there will be no changes to the free movement of labour until the UK Government introduce new migration legislation, we do expect to see further pressures in areas that are already experiencing recruitment challenges.	Y	Not a Council risk but may be an issue for GG & C HB Acute sector	2	2	4	4.0		Consideration has been given to this risk but the exposure in Inverclyde is expected to be minimal.	Head of Strategy & Support Services HSCP	HSCP to keep abreast of any issues	01/11/2020
9	Travel, Freight and Borders	Congestion at the short Channel straits crossing may lead to delays in the export of time sensitive and economically important goods such as fresh seafood. This could also result in animal welfare issues in the transport of livestock.	N	Not a local risk. May be a mutual aid issue with other local authorities however and risk assessed on that basis.	1	3	2	3		SoCOEH working closely with Food Standards Scotland, Marine Scotland & SG on mitigation.	Head of Environmental & Public Protection	Will keep abreast of national picture and situation with neighbouring authorities. Request for information from FSS/SG/COSLA responded to.	01/11/2020
10	Disruption of Services	The RWCS assumes that any disruption to reduce, delay or stop supply of medicines for UK veterinary use would impact the UKs ability to prevent and control disease outbreaks, with potential impacts for animal health and welfare, the environment, and wider food safety/availability and zoonotic diseases which can impact human health.	Y	Local implications would be as a result of national issue.	1	3	2	3			Head of Environmental & Public Protection	EH & TS will keep a watching brief with Health & Veterinary partners. If issues do arise they are likely to be downstream in time.	01/11/2020
11	Travel, Freight and Borders	Reduction in capacity on the short Channel straits crossing - resulting in delay to the distribution of goods to Scotland. This would have residual consequences for a range of sectors that rely on just-in-time delivery of crucial supplies such as medicines and medical supplies, animal feed, and food ingredients.	Y	General food & medicines risk covered by linked disruption of services risks. In terms of food ingredients there may be a risk to local manufacturers.	1	2	4	2		Local manufacturers have been contacted & given advice by economic development. Links to Scottish Enterprise & Scottish Government advice including grant schemes on Council Website.	Head of Planning & Economic Regeneration		01/11/2020
12	Information & Data Sharing	Issues with flow of data between UK & EU	Y	Potential issues with data sharing with respect to food & feed safety and in respect of product safety. Indications are that UK will still have access to European alert systems but this is by no means guaranteed,	2	1	4	2		Council has responded to requests nationally regarding any vulnerabilities to issues around data sharing.	Head of Environmental & Public Protection	Will need to assess impact on an ongoing basis.	01/11/2020

14	Travel, Freight and Borders	UK citizens travelling to and from the EU will be subject to increased immigration checks at EU border posts. Dependent on the plans EU member states put in place to cope with these increased immigration checks it is likely that delays will occur for UK arrivals and departures at EU airports and ports. This could cause some disruption on transport services and travellers may decide to use alternative routes.	N	Not a local risk. Cruise ship traffic which has not previously docked at a UK port very rare (at most one per year on transatlantic relocation). These are generally from outwith the EU therefore no change is foreseen.	0	0	0	0		N/A	N/A	01/11/2020	
3	Disruption of Services	The RWCS is that supply of medicines and medical supplies will be impacted by reduced flow rates across the short Channel straits.	Y	Pandemic Flu and Vaccine availability	0	1	0	0	1	Latest Scottish Government information is that this year's flu vaccine is now in the country, so distribution will begin as per usual processes.	HSCP Clinical Director & Chief Nurse	Work is being coordinated nationally and GG&C wide. HSCP will ensure it complies with GG&C arrangements	01/11/2020
15	Scottish Workforce	There will be a shortage of entry level workers, including those with lower skills, those who gain their qualifications largely through work based training, and those in less highly-paid sectors – the loss of free movement and anticipated changes to the UK Migration policies (a skills-based approach with continuation of minimum salary levels) is likely to significantly reduce the pool of workers currently servicing sectors such as hospitality, tourism, agriculture, food processing and social care.	N	Previous research shows no particular issues with workforce at this level in Inverclyde.			0	0.0					



Requires active management.

High impact/high likelihood: risk requires active management to manage down and

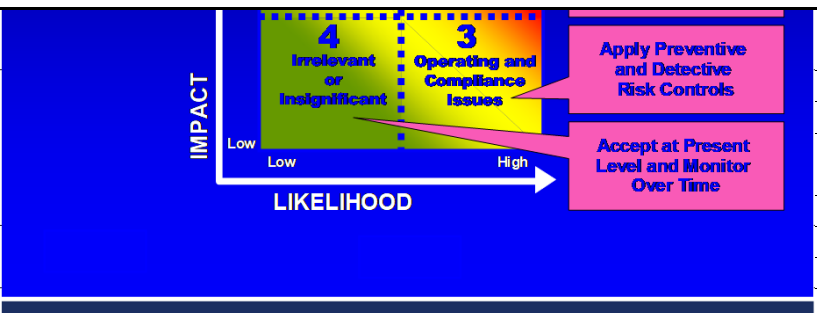
Very High (16-25)

Contingency plans.

A robust contingency plan may suffice together with early warning mechanism

High (10-15)

Good Housekeeping.

Some risk mitigation to reduce likelihood if this can be done cost effectively, but good housekeeping to ensure the impact re			Medium (5-9)				
		Review periodically.					
		Risks are unlikely to require mitigating actions but status should be reviewed frequen	Low (1-4)				