

**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 26 FEBRUARY 2019**



**REPORT OF: MR COLIN KEMP, DEPUTY LEADER**

**LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF FINANCE**

**COMMUNITY COUNCIL**

**VISION**

**OUTCOME:**

**SUBJECT: SURREY COUNTY COUNCIL PREPARATIONS FOR EXITING THE EUROPEAN UNION (BREXIT)**

#### **SUMMARY OF ISSUE:**

This report updates Cabinet on the ongoing work Surrey County Council is undertaking to prepare for all eventualities of Brexit. The council's preparations aim to mitigate any potential implications for the county – particularly in the immediate and short term – and support residents, communities and organisations. Using the Ministry for Housing, Communities and Local Government preparedness checklist as a framework, the report details the work that has been undertaken by the council and for the county. It also shows the partnership work that has been taking place with central government, neighbouring counties, our boroughs and districts, health partners, local enterprise partnerships and the chamber of commerce.

#### **RECOMMENDATIONS:**

It is recommended that Cabinet endorse:

- The current position of the council's preparations, including the plans and preparations that are expected to be implemented by Friday 29 March 2019 (expected date for Britain's formal withdrawal from the European Union).

#### **REASON FOR RECOMMENDATIONS:**

Brexit carries a number of potential possibilities and implications for the county. Surrey County Council has a responsibility to prepare for all eventualities, particularly those which pose negative implications for residents, communities and organisations. The council's ongoing work outlines how it will ensure the necessary plans and preparations are in place to mitigate any potential immediate and short term implications and provide support and assurance where possible.

#### **DETAILS:**

##### **Background**

1. Britain will formally leave the European Union (EU) on Friday 29 March 2019. The government has negotiated a draft withdrawal agreement with the EU. In order to finalise

the agreement before the UK's formal withdrawal (confirming a Brexit 'Deal'<sup>1</sup>), the government must receive approval from the UK Parliament.

2. Brexit, in both a 'Deal' or 'No Deal'<sup>2</sup> scenario, presents an array of potential possibilities, implications and uncertainties. Surrey County Council has a statutory obligation to deliver key public services and a role to support residents, communities and organisations as the relationship between the UK and EU changes and develops.
3. Surrey County Council's preparations are primarily coordinated by an officer working group. The working group focuses on the council's immediate and short term planning for all Brexit eventualities, aiming to ensure the necessary mitigating plans and preparations are in place by the time Britain formally withdraws from the EU.
4. The Ministry for Housing, Communities and Local Government (MHCLG) have recently provided local authorities with a Brexit preparedness checklist (see Annex A). The checklist outlines the key areas where council's will want to ensure that the necessary plans, preparations and mitigation is undertaken.
5. The MHCLG checklist provides a framework to present the council's preparations, including the key risks within the respective key areas and the mitigating actions the council have, or will, undertake.

#### **Maintaining the delivery of statutory services**

6. The council has a core responsibility to deliver statutory services such as social care, planning, environmental and education services. Therefore, as part of Brexit preparations, the council will ensure any potential implications for service delivery are minimised and mitigated.
7. The primary risk for service delivery is a potential reduction in the council's workforce and those staff employed by providers. That is, if non-UK EU staff choose to leave or relocate there may be reduced capacity to deliver core services.
8. The council's staff are an integral part of service delivery. As an employer, the council has been supporting and reassuring members of staff that have been, or will be, affected by Brexit. Internally, the council have shared guidance and support to staff, this included an offer to reimburse staff on their EU Settlement Scheme application costs, prior to the government's announcement to waive the fees. The council will continue to provide guidance as further clarity develops from central government.

#### **Maintaining the delivery of regulatory services**

9. In partnership with Buckinghamshire County Council, the council is responsible for Trading Standards. This is considered the main regulatory service that may be affected by Brexit.
10. The Buckinghamshire and Surrey County Council Trading Standards team is a market surveillance body, responsible for inspecting goods that cross the national border. In

---

<sup>1</sup> For the purposes of this document, a 'Deal' scenario refers to the passage and royal assent of a/the Withdrawal Agreement which outlines the terms of the UK's withdrawal from the EU before the 29 March 2019

<sup>2</sup> For the purposes of this document, 'No Deal' refers to the withdrawal of the UK from the EU on 29 March 2019, without the passage of a Withdrawal Agreement.

both a 'Deal' and 'No Deal' scenario the UK will inherit new trading standard responsibilities which will have an impact on the service, including a potential increase in demand.

11. The service has been proactively engaging with government departments and other authorities in order to ensure contingency plans are in place. These plans include prioritising more market surveillance on products to ensure they comply with regulations and exploring options to respond to demand such as employing additional staff. The service will continue to monitor developments and liaise with government departments, particularly to ensure key staff are trained following clarity around new, or changes in, legislation.

### **Understanding and mitigating the impact from any Border areas**

12. Whilst Surrey has no borders with other countries, the county may experience indirect border disruption spilling over from neighbouring areas. In particular, the council have been assessing potential implications due to disruptions experienced in Kent.
13. The particular risk is potential implications for traffic flow (the challenges around congestion for Kent are detailed comprehensively in recent a Kent County Council report<sup>3</sup>). Any major implications for traffic flow in neighbouring areas on the national border, particularly due to freight congestion, will have a knock on affect for Surrey. The council have been working closely with neighbouring authorities, particularly with Kent County Council and Essex County Council, to support their traffic management plans (including Operation Stack and Operation Brock). These plans aim to maintain traffic, particularly freight, fluidity. Furthermore, as part of Surrey's Local Resilience Forum capabilities, the council have been planning highways welfare arrangements to support motorists during any periods of stationary traffic.

### **The impact on supply chains**

14. The council relies on suppliers to help deliver services. Through engagement with suppliers, particularly the Care and Construction industries, the primary risk is around potential staff shortages. Any staff shortages for suppliers may incur additional costs to the council to maintain service provisions. The council is establishing contingency plans with suppliers and providing support for their preparations.

### **Data handling**

15. There are some EU databases that help support service delivery, for instance to help trading standards understand which goods, foods and businesses pose any threats. The council have been assessing any potential impact on services due to changes in accessibility to EU databases and information flow. The council will continue to maintain a watching brief and align contingency plans with governmental and the Information Commissioner's Office guidance.

### **Local partnership working**

16. Working with partners is an integral part of countywide and council Brexit planning. Joint-planning is required to ensure Surrey remains open for business and any impact on resident's day-to-day lives and activities is minimised.

---

<sup>3</sup> See [Brexit Preparedness – Kent County Council update](#)

17. A key partnership with a central role in Brexit planning is Surrey's Local Resilience Forum (LRF). The LRF is a multi-agency partnership that brings together all agencies which have a significant role in responding to, and recovering from, the effects of emergencies. Representatives include Surrey County Council, NHS England, Environment Agency and boroughs and districts, which are all Category 1 responders under the Civil Contingencies Act 2004. The LRF is also supported by Category 2 responders, such as Highways England and utility companies<sup>4</sup>.
18. With regards to Brexit planning, The LRF's strategic intent is to mitigate any negative or detrimental immediate effects in Surrey. This entails ensuring residents are reassured, both individuals and communities are treated with dignity and respect, and business activity in our communities is supported. The LRF is also a key communication stream between the council and central government. LRF capabilities have a countywide focus but compliment and align with the council's plans and preparations.
19. In addition to the LRF, the council has been working with numerous stakeholders and has had an active role in a number of other partnerships, including:
- a. Boroughs and districts. The council have been working closely with boroughs and districts to ensure plans and preparations align, particularly around support for vulnerable residents.
  - b. South East 7 (SE7). SE7 is a partnership comprised of seven South East councils (Brighton and Hove, East Sussex, Hampshire, Kent, Medway, Surrey, West Sussex). The council has been liaising with SE7 around joint-planning opportunities and identifying key risks for the South East region. SE7 also acts as communication stream between South East local authorities and central government.
  - c. Businesses, Local Enterprise Partnerships and Surrey Chamber of Commerce. The council has been engaging with the local business stakeholders to understand their concerns and how the council can provide support.
  - d. Local Government Association (LGA). The council have been engaging with, and contributing to, the work of the LGA's Brexit Taskforce.

### **Communication with residents and organisations**

20. The council has a responsibility to support residents, ensuring they are settled and reassured within their communities. Furthermore, the council has a role in 'place shaping' Surrey which entails working with businesses to develop strategies for increasing the skills and employment of our residents and supporting other organisations, such as the voluntary, community and faith sector to help Surrey's communities prosper.
21. In addition to the aforementioned direct engagement with various stakeholders, the council is supporting residents and organisations through digital platforms, namely a web page on the Surrey County Council website<sup>5</sup>. The web page acts as a signposting tool, utilising official sources (e.g. gov.uk) to provide key information and guidance.

---

<sup>4</sup> See [Surrey's Local Resilience Forum](#)

<sup>5</sup> See [Surrey County Council and Brexit](#)

### CONSULTATION:

22. Engaging with stakeholders is a key part of Brexit planning. Through the LRF the council have been liaising with public bodies such as emergency services, health bodies, government agencies, other local authorities.
23. As part of wider planning, the council has been engaging with external stakeholders such as businesses, local enterprise partnerships, organisations from the voluntary, community and faith sector to understand implications within the respective sectors.
24. Internally, the council has been engaging with officers from numerous services and the relevant Cabinet Members.

### RISK MANAGEMENT AND IMPLICATIONS:

25. As part of the council's initial emergency planning, the government asked local authorities to review their emergency plans and assess whether Brexit had any impact on these. It was concluded that our emergency plans were sound and addressed any possible worse case scenarios.

### FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

26. As the Surrey LRF budget holder, the council will be receiving a funding allocation from MHCLG as part the funding announced to support Local Resilience Forums. The council will receive the allocated £38,043.48 and has a legal and fiscal responsibility to spend this in line with the MHCLG criteria (see Annex B).
27. In addition to the funding for the LRF, the council will also receive a £175,000 grant from central government over the next two years to fund planning and manage capacity to respond to any Brexit implications<sup>6</sup>.

### SECTION 151 OFFICER COMMENTARY

28. Brexit presents the County Council with a series of risks and implications which are outlined in this paper. Although it is not presently possible to quantify these with any accuracy, the preparations for its impact will lead to additional costs that may exceed the government funding available.

### LEGAL IMPLICATIONS – MONITORING OFFICER

29. Under the Civil Contingencies Act 2004 the Council has a duty to assess, plan and advise in relation to an emergency. The term “emergency” is widely defined as being an event or situation which threatens serious damage to human welfare, the environment or national security. In pursuance of this duty the Council is working with its partner agencies to identify, assess and plan for emergency situations that may arise as a result of Brexit.
30. At this point the Cabinet is only being asked to note that this work is being carried out and to endorse its continuance. No legal implications flow from that.

<sup>6</sup> See [Councils in England to receive over £50 million to support Brexit preparations](#)

## EQUALITIES AND DIVERSITY

31. An Equality Impact Assessment (EIA) is not needed for this report as the decisions asked of Cabinet do not have any direct equality implications. However, when there is clarity around the terms of Brexit, any subsequent services changes will be accompanied by an EIA.
32. Under Equality Act 2010, race is considered a protected characteristic – this includes nationality. Brexit will have a disproportionate impact on EU nationals. Therefore, as the terms of Brexit become clearer, the council will need to establish an understanding of the implications for affected residents and staff.

## WHAT HAPPENS NEXT:

33. The council will continue the ongoing work to ensure Surrey is prepared for all Brexit eventualities. The working group will continue to coordinate the council's Brexit preparations.

---

### Contact Officer:

Thomas Pickup, Policy and Strategic Partnerships Officer, 01737737391

### Consulted:

Surrey County Council's Corporate Leadership Team  
Surrey County Council's Brexit Working Group  
Chair of the Surrey Local Resilience Forum

### Annexes:

Annex A – MHCLG local authority preparedness checklist  
Annex B – Local Resilience Forum Additional Funding Letter

### Sources/background papers:

- Report from Kent County Council: Brexit Preparedness – Kent County Council Update (<https://democracy.kent.gov.uk/documents/s88112/Item%20%20-%20Brexit.pdf>)
  - Surrey's Local Resilience Forum (<https://www.surreycc.gov.uk/people-and-community/emergency-planning-and-community-safety/emergency-planning/surreys-local-resilience-forum>)
  - Surrey County Council and Brexit (<https://www.surreycc.gov.uk/council-and-democracy/brexit-support>)
  - HM Government: The withdrawal agreement and political declaration on our future relationship with the EU ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/759023/25\\_November\\_Explanatory\\_slides\\_for\\_the\\_Withdrawal\\_Agreement\\_and\\_Political\\_Declaration\\_on\\_our\\_future\\_relationship\\_with\\_the\\_EU.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/759023/25_November_Explanatory_slides_for_the_Withdrawal_Agreement_and_Political_Declaration_on_our_future_relationship_with_the_EU.pdf))
  - Brexit funding for local authorities (<https://www.gov.uk/government/news/councils-in-england-to-receive-over-50-million-to-support-brexit-preparations>)
-