

Appendix 2

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|------------------------------------|---|------------------------------|-----------------------------------|
| Item No. | Classification: Open | Date: 18 June 2019 | Decision Taker: Cabinet |
| Report title: | Impact of Brexit on Southwark - Progress Report | | |
| Ward(s) or groups affected: | All | | |
| From: | Councillor Victoria Mills, Cabinet Member for Finance, Performance and Brexit | | |

FOREWORD FROM COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR FINANCE, PERFORMANCE AND BREXIT

This report represents the latest update on the Council's preparations for Brexit as well as an update on the recent European Elections. I would particularly like to put on record my thanks for the tireless work undertaken by all Southwark elections staff to ensure European Elections happened smoothly in Southwark.

Unfortunately, this report yet again records the ongoing uncertainty Local Government faces as we approach yet another exit date, this time 31 October. Whilst it is welcome that we are considered well prepared - in comparison to others - this is little comfort in the face of many Brexit challenges and the failure of national Government to make clear what its latest policy or tactic is regarding any deal with the EU.

RECOMMENDATION(S)

That cabinet:

1. Note progress on local work in preparing for EU exit.

BACKGROUND INFORMATION

2. On 23rd June 2016 the UK voted in the EU referendum on whether the UK should 'remain' in or 'leave' the EU. 52% of those that took part in the referendum nationally voted to leave the EU. In Southwark over 72% of the residents who took part in the referendum voted to remain in the EU. Southwark is home to 41,000 non-Irish EU citizens, whose status in the UK following the departure from the EU is unclear. Providing certainty to those citizens and ensuring their rights are protected is a priority for the council.
3. As a result of triggering Article 50 of the Lisbon Treaty (i.e. the process of withdrawal by the UK from the EU) in March 2017, the deadline for the UK to leave the EU was 29 March 2019. Following a series of parliamentary votes (including three rejections of the government's "meaningful vote" on the terms of the withdrawal agreement) the deadline for EU exit was first extended by the EU to 12 April 2019. On 11 April 2019, the UK and

the EU27 then agreed to grant a flexible extension of the Article 50 period for six months to 31 October 2019. Although Parliament have rejected leaving without a deal multiple times, this remains the legal default at the end of the extension period on 31 October 2019.

4. In April the government confirmed that in light of the extension, government departments will step down the timing and pace at which some planning for Brexit work is progressing, but will continue to prepare for all Brexit scenarios.
5. Given the prolonged extension of Article 50 arrangements beyond the date when the new EU Parliament for 2019-2024 will sit, the UK, as a member of the EU, was legally required to take part in the process to elect Members of the European Parliament (MEPs). The poll took place in Southwark on Thursday 23 May.
6. A report was presented to Cabinet in January 2019 setting out the steps that the Council had taken more generally to prepare for the impact of the UK leaving the EU on the borough and our residents. In that report, the outcomes of the Southwark Brexit Panel were reported to Cabinet. Cabinet accepted all the recommendations from the Panel and officers were asked to undertake follow up work. Reports on progress of this work were presented to Cabinet in March and again in April 2019. At their meeting on 30 April, Cabinet agreed to convene a further meeting of the cross-party Brexit Panel following the annual council meeting and outcome of the EU Parliamentary Elections. A date in the coming weeks is currently being sought for this meeting.
7. This report now provides a further update on key Brexit related matters.

KEY ISSUES FOR CONSIDERATION

8. As a recap, Appendix 1 lists the recommendations from the Southwark Brexit Panel and Cabinet response. Work has been continuing, or is complete, in respect of all recommendations.
9. Managing risk. Following cabinet agreement, a Brexit risk register was published and has been updated monthly. The latest version is attached at Appendix 2. Southwark's primary responsibility is continuing to provide local services and minimising the impact of disruption on services to residents, businesses and the borough as a whole. The council regularly reviews its emergency planning and business continuity arrangements, and such review takes account of possible Brexit impact.
10. EU Elections. Elections to elect MEPs took place across the 28 member states of the European Union on 23-26 May. The Southwark poll (as part of the London region in the UK vote) took place on 23 May. Turnout in Southwark was 41.3%.
11. Given the uncertainty from government about the UK's future relationship and membership of the European Union, the Council like others across the country had to work to an extremely truncated time period within which to prepare for, plan and implement a poll that up until early April this year Election Returning Officers (EROs) were being advised to not prepare for. A senior level project board chaired by the

Returning Officer (Duncan Whitfield, Strategic Director of Finance and Governance) comprising key staff oversaw the running of the election. A communications plan for the EU election was put in place, including a dedicated page on the website and regular posting via social media for example reminding residents from the EU of the need to register to vote (by completing what is called the UC1 form) by 7 May 2019.

12. The number of applications for UC1 forms successfully received from EU citizens and processed in time for the 7 May deadline was 7,356.
13. Recognising the risk of disenfranchisement of EU citizens living in, and wanting to vote in, Southwark (caused by the contracted timeline to prepare and plan in comparison to previous EU polls) the Cabinet Member for Finance, Performance and Brexit wrote on 3 May to the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster. The letter (Appendix 3) requested that the government removes the deadline for submitting a UC1 so that EU nationals can submit at any time, up to and including at a polling place on the day of the poll. No response to the letter was given or received.
14. The Cabinet Office have confirmed that what it deems to be 'reasonable costs' incurred by Southwark for the effective management of the EU election will be reimbursed. This is in line with other national polls. The Returning Officer expects that the full and final cost for delivery of the EU election in Southwark, without sufficient notice for preparation, will have exceeded £550k. The short window for planning and preparation will have led to an increase in the cost that would have otherwise been necessary for the running of this election. As such, representation will be made to government to request that the Council be fairly reimbursed for any unanticipated, additional costs for the EU poll arising from the uncertainty associated with Brexit.
15. EU settlement scheme. The council continues to develop its understanding of the impact of Brexit on our workforce, our services, our partners and our residents, including our more vulnerable residents and those for which we have important care responsibilities. One very live area is with regards the EU settlement scheme. To date (21 January to 7 June), a total of 1741 customers have utilised the ID verification service in Southwark of which 22% are Southwark residents. The number of individuals making appointments in Southwark accounts for approximately 19% of the total number across England, Wales and Scotland.
16. The Council values the contribution and commitment of its EU workforce in providing quality services for all borough residents. A series of drop in and advice sessions on preparing for EU exit, in particular with regards the EU settlement scheme, has taken place for staff across office and depot sites. More than 60 employees have been supported to complete their settled status applications by our teams so far with more events planned for later in the summer and autumn. In May the Home Office praised the work of the Council as a responsible and supportive employer in piloting and publicising the EU Settlement Scheme with those workers who are EU nationals.
17. EU Exit preparedness - national. On 3 April 2019 the Housing, Communities and Local Government Select Committee published a report on their inquiry into Brexit and Local Government, which have potential implications for the Council in how it might further plan

and prepare for EU Exit. The report urged the government to improve information sharing with local government on Brexit alongside setting out how funding and powers could be further devolved following Brexit.

18. The report set out ten recommendations. These included: ensuring the government maintained mechanisms for engagement and information sharing with local government during and immediately after the UK's withdrawal from the EU, especially important in the context of a no deal scenario; the government take steps to address short term workforce shortages especially areas highlighted by Councils as of greater risk such as construction and social care; that central government funding provision is provided on all new burdens arising from EU Exit; that government urgently advance plans for establishment of the UK Shared Prosperity Fund including setting out consultation on its design and administration within a fortnight of 12 April 2019.
19. On 3 June the government published its response which accepted the report's recommendations. However some of this is already compromised by more recent events - information on the UK Shared Prosperity Fund is yet to be published with the government indicating this will follow the Spending Review, itself of which is now unlikely to take place this summer due to the Conservative Party leadership election process.
20. Also at the national level, a report was published on 7 June by the National Audit Officer into the costs to government of Brexit planning. The report stated that £97million was the minimum expenditure by government departments on EU Exit consultancy work up to April 2019, which was £32million additional to what the Cabinet Office had reported to have spent or agreed to spend from April 2018 to April 2019. An inquiry by the Public Accounts Committee into the use of consultants by government to prepare for exiting the EU commenced on 12 June 2019.
21. EU Exit preparedness - local. Feedback through national and regional mechanisms is that Southwark has prepared well when compared to others. In the light of the flexible extension to EU Exit to 31 October and the suspension of regional and national arrangements that were in place between local government and the Ministry for Housing, Communities and Local Government (MHCLG) the officer Brexit board meetings, chaired by the Chief Executive, have been paused. The Chief Executive will keep this under review. This will include taking advice as needed from London Resilience Forum (LRF) who oversees pan-London business continuity and emergency planning including that pertaining to Brexit.
22. Communications. Cabinet agreed that a comprehensive communications plan be developed looking at all avenues we have to engage with residents. Our key messages have been set out and agreed actions are taking place to ensure we keep residents, staff and businesses up to date with relevant information. There is a specific focus on ensuring our EU residents and staff know they are welcome in Southwark, and detailing the support available to them with regards to the EU settlement scheme. We continue to communicate regularly with residents, staff and businesses about the UK's exit from the EU, through the media, social media, our newsletters, intranet and Southwark Life magazine. An area dedicated to Brexit remains on the council's website (www.southwark.gov.uk/brexit).

23. Supporting Southwark's communities. Officers recently met with senior representatives from Community Southwark to discuss what further work may be required in supporting harder to reach groups and individuals who may be disproportionately affected as a result of Brexit impact. Given the flexible extension on EU Exit to 31 October, the extent of impact may not be fully known until (and more likely) beyond that date. The council remains committed to providing additional local support where required to mitigate specific local impact of Brexit on Southwark's communities including through a one off fund to provide grants to voluntary and community groups to support vulnerable people through Brexit.
24. Tourism impact. One of the issues that the cross-party Brexit panel considered was publication of a local tourism strategy and action plan to ensure a sector that could remain strong during Brexit contributes to the local economy and job creation. In response the Cabinet agreed that given the importance of a pan-London response on tourism, work on this should be progressed with relevant organisations such as London First.
25. In May, London First published analysis on income generated to the London economy from international tourists on a borough by borough basis. The report entitled "mapping the local value of international visitors" identified that international visitors contributed £13billion to London's economy in 2017. The boroughs are categorised as either central tourism 'core', 'halo' of growth opportunity (which Southwark is categorised as and represent the majority) or other boroughs beyond the 'halo'. The 17 'halo' boroughs account for a fifth of London's international tourism spend. According to the study tourism in Southwark represents £134million gross value added to the London economy with 3,189 full time jobs. 4% of all bed spaces in London are in Southwark, or 6,092 bedrooms. The report and a sub-regional response (including in the light of potential Brexit impacts) is being considered by Central London Forward, of which Southwark is a member.

Next steps

26. The Council will continue to prepare for implications of Brexit on the borough in the light of the best information it has available. As reflected through the work of the cross-party Brexit panel and onward representation to government, the Council has maintained that there are broader risks attached to Brexit that go beyond mitigating short term business continuity impacts.
27. The impact of Brexit on the business of government and in particular the future local government funding is significant with further delays now expected to the spending review and the increased likelihood of a one year settlement for all Councils. Although a one year settlement provides immediate certainty, this is more than outweighed by the risk created by government of the Council being unable to plan more effectively for the medium term across the range of local services it provides. Officers will continue to keep the risk register under review especially with regards these economic and financial risks. However greater certainty and information from government in respect of guidance, planning and financial mitigation of local Brexit impact on Southwark communities (short and longer term) is required at the earliest possible opportunity.

28. In the light of ongoing uncertainty nationally, and to provide a further opportunity to discuss the impact of Brexit on Southwark communities, a further meeting of the cross-party Brexit Panel is being convened for later in June / July.

Policy implications

29. The Council Plan 2018-22 sets out the overall policy framework. This plan describes the commitments, measures and milestones to achieve the Council vision of a fairer future for all. It was adopted by Council Assembly in November 2018 and provides a council wide plan for delivery across all services to 2022. In agreeing the recommendations of the Southwark Brexit Panel in full (see Appendix 1) the cabinet may make future decisions that impact on future policy. In doing so this will need to be cognisant of the Council Plan and relevant supporting plans and strategies.

Community impact statement

30. The UK's exit from the EU is an issue of national importance and the impact of Brexit locally will be significant. Although the proposed date of UK withdrawal from the EU has been granted a flexible extension to 31 October 2019, assessing and preparing for the potential consequences of Brexit will help the council better understand implications on any particular group or groups of individuals in our community. The Public Sector Equality Duty will be taken into account when considering any changes to policy arising from the impact of Brexit on Southwark. This will include discussion with the voluntary and community sector partners and with health and social care partners, to identify any vulnerable groups and individuals who may be in particular need of targeted support.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

31. This report notes progress on work following adoption of the recommendations from the Southwark Brexit Panel in January 2019. Local authorities in England have a "general power of competence" in accordance with section 1 Localism Act 2011 meaning that they have power to do any thing that individuals generally may do. Councils also have the power under section 111 Local Government Act 1972 to do anything calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The recommendations here relate to actions that the Council should take in the light of the referendum decision for the UK to leave the EU, and as such are executive decisions covering a range of functions including the general power of competence. The public sector equality duty in section 149 Equality Act 2010 is relevant to this decision. This requires the council, and the decision, in the exercise of all its functions, to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and

persons who do not share it.

Consideration of the community impact statement above is relevant to meeting this duty

Strategic Director of Finance and Governance

32. This report notes progress on work following adoption of the recommendations from the Southwark Brexit Panel in January 2019 and subsequent actions arising.
33. The Policy and Resources Strategy 2019-20 report to cabinet on 5 February 2019, subsequently agreed by Council Assembly on 27 February 2019, set aside a sum of £2m from the London Devolution Reserve to act as a special risk reserve to protect the council against the negative effects of Brexit. This resource is available for one-off purposes in accordance with council priorities and is expected to fund the various initiatives arising from this report.
34. A further £300,000 commitment was added to the base budget from 2019-20 to cover any operational cost pressures arising from the outcome of the Brexit negotiation on Southwark. These funds will be prioritised to support the recommendations made by the Southwark Brexit Panel.
35. Alongside the Local Government Finance Settlement, the Government announced that local authorities across England would receive grant funding to support their preparations for Brexit. Southwark's allocation will be £0.210m (£0.105m in 2018-19 and 2019-20).
36. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

Reasons for lateness

37. The report is late so officers can take account of the most up to date information pertaining to the negotiating position between the UK and the EU, where relevant and to ensure cabinet are informed of the most up to date information with regards level of local preparedness.

Reasons for urgency

38. The report is urgent as Cabinet requested a further progress report on Brexit impact and preparedness ahead of the planned cross-party Brexit panel which is planned to take place in late June / July (specific date subject to confirmation at time of writing).

APPENDICES

| No. | Title |
|------------|---|
| Appendix 1 | Southwark Brexit Panel recommendations and Cabinet response |
| Appendix 2 | Southwark Council Brexit risk register (version, June 2019) |
| Appendix 3 | Copy of letter from Councillor Mills, Cabinet Member for Finance, Performance and Brexit to Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (3 May 2019) |

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|---|---|---------------------------------|
| Southwark Brexit Panel – Recommendations to Cabinet | 160 Tooley Street, London SE1 2QH http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=6108&Ver=4 Item 16 | Paula Thornton 020 7525 4395 |
| Mapping the local value of international visitors, London First | https://www.londonfirst.co.uk/sites/default/files/documents/2019-05/TouristInformation_0.pdf | Stephen Gaskell 020 7525 7293 |
| Departments' use of consultants to support preparations for EU Exit, National Audit Office report | https://www.nao.org.uk/wp-content/uploads/2019/05/Departments-use-of-consultants-to-support-preparations-for-EU-Exit-Summary.pdf | Stephen Gaskell 020 7525 7293 |
| Government response to the Housing, Communities and Local Government Select Committee report on Brexit and Local Government, MHCLG. | https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/806121/CCS207_CCS0519310696-001_Government_Response_on_Brexit_and_local_government_Print_5_.pdf | Stephen Gaskell 020 7525 7293 |

AUDIT TRAIL

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|---|---|--------------------------|
| Lead Officer | Eleanor Kelly, Chief Executive | |
| Report Author | Stephen Gaskell, Head of Chief Executive's Office | |
| Version | Final | |
| Dated | 18 June 2019 | |
| Key Decision? | No | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments Included |
| Director of Law and Democracy | Yes | Yes |
| Strategic Director of Finance and Governance | Yes | Yes |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Team | | 18 June 2019 |

Appendix 1. Southwark Brexit Panel recommendations and Cabinet response

| No. | Southwark Brexit Panel recommendation | Cabinet response |
|-----|---|--|
| 1 | Publish the Council's Brexit contingency planning, financial planning and risk register in January 2019 with a further update in February 2019 and again in March 2019. This should include making sure contractors also have continuity plans in place and that the council is working closely with the GLA and other London Boroughs to ensure we have robust emergency planning in place especially in the event of no deal. | Agreed. |
| 2 | Continue to develop our understanding of the impact of Brexit on the council, our workforce, our services, our partners and our residents, and the council's role in helping them to prepare for Brexit. | Agreed. |
| 3 | Identify and assess the risks to public order associated with a no-deal Brexit and develop contingency plans accordingly to respond to and mitigate against those risks. | Agreed. |
| 4 | Publish and review the work already undertaken about the potential impact on Southwark Council's workforce. | Agreed. |
| 5 | Cover the cost of applying for settled status for Southwark Council employees. | Agreed. |
| 6 | Request information from contractors on their workforce impact assessments. | Agreed. |
| 7 | The Council should cover the cost of applying for settled status for all children in its care. | Agreed; also a statutory requirement. |
| 8 | Southwark Council should create a one-off fund that will make grants to voluntary and community groups to support vulnerable people through Brexit. This would ensure difficult to reach groups are supported to apply for settled status and any other difficulties emerging for EU citizens as a result of Brexit. | <p>Agreed; to be informed by the outcomes of work from (9) and (10) below.</p> <p>In order to support residents and staff:</p> <ul style="list-style-type: none"> • Southwark is one of only two London Boroughs piloting a document scanning service • Local libraries will be providing an Assisted Digital Service. |
| 9 | Collate information and resources being provided by other organisations about support for EU citizens, the settled status application process and other relevant information, and signpost to voluntary and community sector organisations offering support. | Officers to undertake necessary work and report back on progress. |

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| 10 | Identify vulnerable individuals and groups who may struggle with the settled status application process or be unaware of what they need to do, including older people (including in care homes or supported housing) and some people with disabilities, and work with voluntary and community groups to ensure those people are communicated with effectively. | Officers to undertake necessary work and report back on progress. |
| 11 | Request clear guidance from central government about process for EU citizens during the transition period and in the event of no-deal. | Agreed. |
| 12 | Engage with partners and local businesses to encourage them to support their EU workers to apply for settled status – this could be through schools and health partners but also working through the Southwark Business Forum. | Agreed. |
| 13 | Prepare a comprehensive communications plan looking at all avenues we have to engage with residents, including: <ul style="list-style-type: none"> • Sharing information through direct mailings, council website, council publications, social media etc.; • Signposting to support and information available; • Clearly communicate the message that the council wants EU citizens living in Southwark to stay in the borough; • Identify organisations and partners who could communicate with residents about settled status process (e.g. NHS, GP surgeries, Job Centres) and encourage them to make information available. | Agreed. |
| 14 | Review the information available on the council website for businesses (including new businesses starting up in the borough) to make it as easy as possible for businesses to understand their obligations and changes to regulations etc. This is important and helpful whether there are changes following Brexit or not. | Agreed. |
| 15 | Note the potential impact of Brexit on the local economy and job market, particularly in key sectors identified in the Brexit Panel evidence sessions – construction, hospitality, social care, and digital and creative. Consider how this could be linked-in to the current work being done on Labour Market Intelligence and vacancies by the Council. | Noted. |
| 16 | Look to fast track work streams in the Council's Skills Strategy to help support local residents to be upskilled and fill potential gaps in the hospitality, health and social care and construction workforces. | Agreed as part of skills strategy delivery plan. |
| 17 | The Council should publish a Tourism Strategy and Action Plan by autumn 2019 to ensure a sector that could remain strong during Brexit contributes to the local economy and job creation. This does not need to be limited to the direct link with Brexit but rather be a wider piece of work that seeks to | In taking this forward and given the importance of a pan-London response on tourism, work with |

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| | <p>promote the strong cultural offer in Southwark and whilst balancing the potential pressures tourism can place on our residential communities.</p> | <p>relevant organisations such as London First in response.</p> |
| 18 | <p>The evidence gathered by the Brexit Panel overwhelmingly made the case that remaining in the EU would be beneficial for Southwark. The panel calls on cabinet to continue to press for the best outcome for Southwark and to strongly make the case, on behalf of the 72% of residents who voted to Remain and based on the clear evidence gathered by the panel, that Southwark would be better off if the UK were to remain in the EU.</p> | <p>Cabinet note the findings of the panel.</p> |

APPENDIX 2. Southwark Council Brexit Risk Register

Live at: 18/06/2019

Risk register

The council have set up a dedicated website page to signpost to, and access information and advice on, Brexit. Go to: <https://www.southwark.gov.uk/brexit-guidance>

| (Category) Risk | Mitigating activity / current response | Risk Assessment | | Strategic Director | Risk owner | Further information |
|--|--|-----------------|------------|---|-------------------------------|--|
| | | Impact | Likelihood | | | |
| <p>UPDATED – 28.05.19</p> <p>(Legal & Regulatory / Operational)</p> <p>Requirement for local areas to deliver European Parliamentary Elections on 23-26 May 2019 with resultant planning, resourcing and broader place consequences.</p> | <p>The abolition of European Parliamentary Elections was contingent on the UK leaving the EU as governed by legislation associated with the triggering of ‘Article 50’ arrangements. The EU have agreed to extend Article 50 arrangements to no later than 31 October 2019. Had the UK exited the EU on 29 March 2019, no European Parliamentary Elections would have taken place. However, the delay to EU Exit meant the European Parliamentary Elections went ahead. The Council delivered a vote and subsequent count <u>on 23-26 May</u>, having to do so over a much reduced preparation period.</p> | HIGH | HIGH | Strategic Director of Finance and Governance | Director of Law and Democracy | HM Cabinet Office have confirmed they will reimburse Returning Officers for reasonable spending on contingency preparations for the possibility of European Parliamentary Elections. |
| <p>(Economic / Operational)</p> <p>Investors redirecting their funding from social care providers into other markets or investments or providers choosing not to operate in the UK / Southwark in future.</p> | <p>Southwark is not exposed to any greater risk than other comparable areas and managing and responding to provider failure is a duty within the Care Act which the Council will manage through business continuity planning and robust commissioning. The council continues to engage with providers to ensure they have their own continuity plans in place.</p> | MEDIUM | MEDIUM | Strategic Director, Children’s and Adult Services | Director of Commissioning | |
| | Work with LGA, lobby central government | MEDIUM | MEDIUM | Chief | Relevant | |

| | | | | | | |
|--|--|---------------|---------------|---|--|---|
| <p>(Legal & Regulatory)</p> <p>Delays in enacting, and increasing complexity associated with, legislative landscape arising from continued uncertainty of when and how the UK will withdraw from the EU impacting on the Council's ability to undertake statutory obligations that link to any such legislation.</p> | <p>and continue to make representation through regional arrangements set up by MHCLG in planning and preparing for EU Exit, to safeguard and mitigate any impact as a result of central government not arriving at clear guidance nor Parliament a clear legislative position with regards statutory instruments and other such mechanisms that govern council activity.</p> | | | <p>Officer Team</p> | <p>Director lead; Director of Law & Democracy (Corporate)</p> | |
| <p>(Economic. Local economy & community)</p> <p>Detrimental impacts of Brexit on communities across the borough.</p> | <p>We have agreed key priorities as set out in our Council Plan alongside a resource plan as part of our budget setting process to deliver for communities in our borough. We will continue to protect the interests of our residents and deliver quality local services whatever circumstances the borough faces at a macro-level.</p> | <p>HIGH</p> | <p>MEDIUM</p> | <p>Chief Officer Team</p> | <p>Relevant Director Lead; Head of Chief Exec's Office; Head of Communications</p> | <p>See Council Plan 2018-22</p> |
| <p>(Economic. Local economy & community)</p> <p>Detrimental impact on staff and students from the EU who reside in Southwark and / or attend local universities.</p> | <p>The Council's cross-party Brexit panel heard from local universities about the significance of EU funding and shared research capability with other EU countries. The implementation of a local skills strategy, alongside working with the GLA to lobby to protect the interests of London's international reputation in education and research is critical.</p> | <p>MEDIUM</p> | <p>MEDIUM</p> | <p>Chief Executive; Strategic Director of Children's and Adult Services</p> | <p>Director of Education; Head of Chief Executive's Office</p> | |

| (Category) Risk | Mitigating activity / current response | Risk Assessment | | Strategic Director | Risk owner | Further information |
|--|---|-----------------|--------|---|--|--|
| <p>(Economic. Local economy & community)</p> <p>Increased demand for local community support / advice services due to an economic downturn from an unmanaged withdrawal from the EU by the government.</p> | <p>The Bank of England have estimated a worse case scenario of 8% reduction in national income arising from an unmanaged withdrawal from the EU, which may have similar to worse effect than the 2008-10 recession. The council working alongside relevant partner organisations in education, health & care will plan, prepare for and respond to any enhanced demand as best given local resources and make a strong case to government to appropriately invest in voluntary and community services such as community resilience, mental health support and wellbeing, in localities most affected.</p> | HIGH | MEDIUM | Strategic Director, Place & Wellbeing; Strategic Director, Children and Adults' | Director of Communities | |
| <p>(Economic. Local economy & community)</p> <p>Vulnerable people and groups may be more impacted by Brexit through difficulties applying for EU Settled Status.</p> | <p>It is crucial that the government provide appropriate and timely advice and guidance and ensure localities receive sufficient financial support in the immediate, short and longer term. The council has established a risk reserve alongside a one off fund to make grants to voluntary and community groups available to support the most vulnerable through Brexit. The council have also established a local support offer to residents who are required to apply for settled status.</p> | HIGH | MEDIUM | Strategic Director, Housing and Modernisation; Strategic Director, Environment & Leisure. | Director of Customer Experience; Director of Leisure | <p>See Cabinet report; Southwark Brexit Panel – recommendations to Cabinet</p> <p>Information on who is eligible to apply for EU Settled Status during the pilot phase can be found on the Gov.uk website.</p> |

| (Category) Risk | Mitigating activity / current response | Risk Assessment | | Strategic Director | Risk owner | Further information |
|---|--|-----------------|--------|--|---|---|
| <p>(Economic. Local economy & community)</p> <p>Residents are unaware of potential impacts associated with the UK exiting from the EU with resultant broader community impact arising. This includes more specifically the EU Settlement Scheme and how to apply where this is appropriate.</p> | <p>It is crucial that the government provide appropriate and timely advice and guidance and ensure localities receive appropriate financial support in the immediate, short and longer term. The council have put together a comprehensive communications plan looking at all avenues to engage with residents.</p> | MEDIUM | MEDIUM | Chief Executive | Head of Communications | <p>Information on who is eligible to apply for EU Settled Status during the pilot phase can be found on the Gov.uk website.</p> |
| <p>(Economic. Local economy & community)</p> <p>Raised anxiety and frustration from local business attached to uncertainty and difficulty in planning ahead with regards stock, supply chain issues, recruitment and investment plans.</p> | <p>The government must signal at the earliest opportunity the implications and requirements of local business in preparing for whatever deal / no deal scenario. This should include sufficient transition time to embed regulatory changes. The council continues to review the information made available to support local business in understanding their obligations (subject to clarity in advice and guidance from government). The council will continue to make the case that businesses are not penalised where there is limited time and lack of capacity to implement regulatory changes.</p> | HIGH | MEDIUM | Chief Executive; Strategic Director, Environment & Leisure | Head of Chief Executive's Office; Director of Environment | <p>Further information on preparing for the EU Exit produced by the government can also be found via this link</p> |

| (Category) Risk | Mitigating activity / current response | Risk Assessment | | Strategic Director | Risk owner | Further information |
|---|---|-----------------|--------|---|---|---------------------|
| <p>(Economic. Local economy & community)</p> <p>Difficulties in local business recruiting staff, potential increases in labour costs and medium term skills shortages in key sectors such as construction and health and social care.</p> | <p>The council, working with local partners, have agreed a skills strategy and action plan overseen by a skills delivery partnership. This includes developing a Construction Skills Centre and Passmore Centre for apprenticeships in key sectors. The council will continue to make the case to government that an appropriate resource strategy is in place to invest in future skills needs and one that recognises and maintains London's primacy in contributing to UK plc.</p> | MEDIUM | MEDIUM | Chief Executive; Strategic Director, Children's and Adults' | Head of Chief Executive's Office; Director of Education | |
| <p>(Economic / Operational)</p> <p>Brexit impact arising on the health sector including the NHS and public health services (e.g. supply and demand).</p> | <p>Southwark's health economy represents a significant sector, including the presence of world class institutions locally. Concerns associated with Brexit impact are around supplies, regulation, workforce and skills and the impact on access to care and support. The council will continue to make the case for Southwark residents to government on properly recognising the impact that may result from an unmanaged Brexit on stretched communities. The government must provide appropriate resource to mitigate these impacts and help localities capacity build to support communities through this significant change period. In the short term, the council continues to engage with the education, health & social care sector on contingency planning and there needs to be clear communication by central government about potential impacts locally.</p> | HIGH | LOW | Strategic Director, Place and Wellbeing (Director of Public Health); Strategic Director, Children's & Adults' | Director of Commissioning | |

| (Category) Risk | Mitigating activity / current response | Risk Assessment | | Strategic Director | Risk owner | Further information |
|---|--|-----------------|--------|---|---|---------------------|
| (Economic / Legal & Regulatory) Changes to consumer protection requirements across the EU affecting residents and local businesses. | The council will seek clear and comprehensive guidance from government on changes to laws in the UK and in EU member states where relevant so that there can be clear communication with businesses and assessment of any impact on local services. | MEDIUM | LOW | Strategic Director, Finance & Governance; Strategic Director, Environment & Leisure | Director of Law & Democracy ; Director of Environment | |
| (Financial) HM Treasury do not fully acknowledge nor appropriately mitigate the financial strain on the Council of service and other such demands arising from Brexit. | Although one off injections of cash is welcome, the council believes this falls short of how the government should be supporting localities through the impact of Brexit, both directly and indirectly. The council have established a risk reserve to mitigate any Brexit impact plus a one off fund to make grants available to voluntary and community groups. The section 151 officer will continue to lobby government to ensure they appropriately compensate for where the council have had to resource immediate, short and long term impacts arising from Brexit. | HIGH | MEDIUM | Strategic Director, Finance & Governance | Director of Finance; Head of Communications | |
| (Staffing & Culture) Loss of employees from non UK EU countries impacting the council operational capacity. | The council is engaging closely with the Home Office to ensure our staff are as well supported as possible in applying for settled status. This includes drop-in sessions with a particular focus on staff with lower digital literacy and where English is not their first language. Service lead officers will continue to undertake workforce and resilience planning in line with normal resource planning processes. The council will also be contacting contractors to ensure they have tested their own workforce impact assessments arising from Brexit. | MEDIUM | LOW | Strategic Director, Housing and Modernisation | Head of HR | |

| (Category) Risk | Mitigating activity / current response | Risk Assessment | | Strategic Director | Risk owner | Further information |
|--|---|-----------------|--------|---|---|---------------------|
| (Operational) Shortages of food post Brexit caused by backlogs and delays at ports/customs. | The council will operate its business continuity plans alongside tested plans in line with the pan-London Resilience Forum, which has plans in place in response to food and fuel shortages across the city. This includes activation of plans to support the most vulnerable; work with schools; and ensuring clear activation of plans with relevant providers of services such as meals on wheels. Clear communications planning will also be activated in line with this. | HIGH | MEDIUM | Strategic Director of Children's and Adult Services | Director of Adult Social Care; Director of Children and Families; Director of Education | |
| (Operational) Shortages of fuel post Brexit caused by backlogs and heightened demand attached to perception of shortages arising. | The council will operate its business continuity plans alongside tested plans in line with the pan-London Resilience Forum, which has plans in place in response to food and fuel shortages across the city. This includes activation of plans to support the most vulnerable; work with schools; and ensuring clear activation of plans that affect particular services such as social care and specialist transport services. Clear communications planning will also be activated in line with this. | HIGH | MEDIUM | Strategic Director of Children's and Adult Services; Strategic Director, Environment and Leisure | Director of Adult Social Care; Director of Children and Families; Director of Education; Director of Environment | |
| (Operational) Shortages of specialist equipment and/or medication for those individuals in receipt of support / need. | The council will operate its business continuity plans alongside tested plans in line with the pan-London Resilience Forum. This includes activation of plans to support the most vulnerable; work with providers of health and care; and ensuring clear activation of plans with relevant providers of services of such community equipment. The council also engages with health partners and other local authorities to mitigate impact. | HIGH | MEDIUM | Strategic Director of Children's and Adult Services | Director of Commissioning | |

| (Category) Risk | Mitigating activity / current response | Risk Assessment | | Strategic Director | Risk owner | Further information |
|---|--|-----------------|--------|---|---|---------------------|
| | | | | | | |
| (Operational) Loss of teaching staff in local schools, and reduced demand for school places. | Alongside tracking demand and planning for future placements, the council works with local schools (and other education providers) to ensure that they have their own appropriate contingency and business continuity plans in place, including for short term and more immediate impacts. | HIGH | MEDIUM | Strategic Director of Children's and Adult Services | Director of Education | |
| (Operational) Changes in approach to waste collection and disposal requiring immediate changes in approach. | The council will maintain good understanding of potential future changes and where necessary put in place contingency plans for changes to services including clear communication with residents and businesses. | MEDIUM | LOW | Strategic Director of Environment and Leisure | Director of Environment | |
| (Operational) Potential increase in costs for goods due to new Trade Tariffs and payments of customs duties as goods will be subject to same tariffs/requirements as "third country". | The council will continue to work with the Local Government Association including lobbying for compensation for public services to cover any new costs / burdens arising from tariffs. | MEDIUM | MEDIUM | Chief Officer Team | Relevant lead directors | |
| (Legal & Regulatory) Potential changes to the regulatory / procurement regime that the council is responsible for enforcing requiring additional capacity within the council; also impact of changes in regulation that governs council services and responsibilities. | Work with LGA to lobby central government on funding for additional capacity resulting from changes to regulation. | LOW | LOW | Strategic Director of Environment and Leisure; Strategic Director, Finance & Governance | Director of Environment / Director of Law & Democracy | |

| (Category) Risk | Mitigating activity / current response | Risk Assessment | | Strategic Director | Risk owner | Further information |
|---|--|-----------------|-----|---|--|--|
| <p>(Legal & Regulatory)</p> <p>Unable to effectively meet civil contingency responsibilities as a result of Brexit impacts.</p> | <p>The council, working with London Resilience Forum, has prepared and updated emergency plans (including fuel planning) to take account of potential impacts arising from Brexit. This includes testing plans through scenario planning. Uncertainty attached to what deal (or not) is in place post 29 March remains the significant challenge in assessing the confidence of such plans however learning will be taken from previous experience in responding to local major incidents.</p> | HIGH | LOW | Chief Executive | Head of Chief Executive's Office; Emergency Planning & Resilience Manager (chair of Business Continuity Forum) | Cabinet report on emergency plan |
| <p>(Legal & Regulatory)</p> <p>Children in the local authority care who are non UK EU nationals not appropriately supported as they apply for the right to remain through the EU Settled Status Scheme.</p> | <p>The government published the EU Settlement Scheme which will allow employees who are EU nationals and their families to apply for settled status to continue to live and work in the UK beyond 30 June 2021. Eligibility is dependent on whether the government have secured a withdrawal agreement or whether there is no deal. Under whatever deal negotiated (or not), the Council will provide support and assistance to families and children in care and young people leaving care who need to apply for settled status. There will be no charge for such support services / assistance to residents.</p> | HIGH | LOW | Strategic Director of Children's and Adults' Services | Director of Children and Families | |

| (Category) Risk | Mitigating activity / current response | Risk Assessment | | Strategic Director | Risk owner | Further information |
|--|---|-----------------|--------|--|-----------------------------|---------------------|
| (Legal & Regulatory) EU nationals who may lose the right to vote in local elections are not correctly informed. | Advice from and requirements of the council will be dependent on arrangements put in place by central government. The council will therefore ensure that any changes in voting eligibility are taken account of and appropriately communicated with affected residents. | MEDIUM | MEDIUM | Strategic Director, Finance & Governance | Director of Law & Democracy | |

An explanation about risk categorisation

Above is a set of risks which the council have identified as being particularly pertinent with regards Brexit impact on our borough. The council identifies its risks using a framework that is agreed annually under our decision making processes. In every risk identification process there are six standard categories (although this doesn't mean that every category is displayed above and some risks may fall into more than one category). For clarity and transparency, the six categories the council use are:

- Economic – for example, a credit crunch that impacts on service delivery, the community and general economic situation
- Financial – for example, the council facing budgetary constraints caused by a range of factors such as loss of grant from government
- Reputational – for example, failures in service delivery that impact on how the council is perceived
- Staffing and Culture – for example, hiring and keeping staff
- Operational – for example, services not being delivered as planned or expected
- Legal and Regulatory – for example, the council not doing what it is legally required to do

Clr Victoria Mills
Cabinet Member for Finance, Performance & Brexit
Labour councillor for Peckham Rye ward

The Rt Hon David Lidington CBE MP
Minister for the Cabinet Office and Chancellor of
the Duchy of Lancaster
The Cabinet Office
70 Whitehall
London
SW1A 2AS

Cabinet Office
Southwark Council
P.O Box 64529
London SE1P 5LX
victoria.mills@southwark.gov.uk

Tel: 020 7525 1969

Date: 03 May 2019

Ref: VM-017

Dear Mr Liddington

Southwark Council, along with councils up and down the country, is preparing for elections to the European Parliament later this month. Even though there remains uncertainty about our future relationship and membership of the European Union, we are treating it as any other election, ensuring that it is free and fair and that our residents are able to exercise their right to vote.

As you know EU citizens living in the UK have to undergo a two-stage process to vote in European elections. Along with all other electors, EU citizens register to vote in the usual way. In addition after registering to vote they must also complete a UC1 form to specify whether they intend to vote in the UK or in their home state. We recognise that this process is necessary to prevent EU citizens from voting twice.

However, due to the uncertainty about whether an election would go ahead and advice to EROs to not prepare for an EU election, councils have not done the usual work over months to ensure that EU citizens are aware and have had ample opportunity to complete the UC1. Our expectation would be that EU Citizens would have had at least four months notice to complete the UC1 form.

The circumstances around the EU poll this time, means that many EU citizens in Southwark and elsewhere will not have had the opportunity to register. They may have been preparing to vote in their home state and now would want to vote in the UK. Whilst we have contacted all registered EU Citizens, sent them the UC1 form and a pre-paid return envelope, it has not being possible in the timeframe to directly contact EU Citizens in Southwark who are currently not on the electoral register.

The uncertainty around the poll has been caused by a failure of Government and a failure of the political system – not a failure of the EU nationals living in the UK, yet we risk disenfranchising our friends and neighbours in Southwark and elsewhere.

I am therefore asking that for this election, Government removes the deadline for submitting a UC1 so that EU nationals can submit it at any time, up to and including at a polling place on the day of the poll. Also that the Government promotes to EU nationals in the UK that they have a right to vote in the EU Parliamentary Election and that the deadlines on the UC1 have been suspended.

This change would equalise the franchise for EU and UK nationals and give neither advantage or disadvantage in terms of voting on the day and would enable both to exercise their democratic right to vote in the UK on 23rd May.

We do not know how long we will remain in the EU, or even if we will leave at all, and so these elections could in fact decide the UK's representation for the next five years. It is therefore essential that all those who are entitled, can become enfranchised.

Yours sincerely

Cllr Victoria Mills
Cabinet Member for Finance, Performance & Brexit