



## Cabinet – Supplementary Agenda

**Monday 11 March 2019 at 4.00 pm**

Boardrooms 3 - 5 - Brent Civic Centre, Engineers Way,  
Wembley, HA9 0FJ

### Membership:

#### Lead Member Councillors:

#### Portfolio

M Butt (Chair)

McLennan (Vice-Chair)

Agha

Farah

Hirani

Miller

M Patel

Krupa Sheth

Southwood

Tatler

Leader of the Council

Deputy Leader of the Council and Lead Member for  
Resources

Lead Member for Schools, Employment and Skills

Lead Member for Adult Social Care

Lead Member for Public Health, Culture & Leisure

Lead Member for Community Safety

Lead Member for Children's Safeguarding, Early Help  
and Social Care

Lead Member for Environment

Lead Member for Housing & Welfare Reform

Lead Member for Regeneration, Highways & Planning

**For further information contact:** Thomas Cattermole, Head of Executive and  
Member Services Tel:020 8937 5446; Email: [thomas.cattermole@brent.gov.uk](mailto:thomas.cattermole@brent.gov.uk)

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**The press and public are welcome to attend this meeting**

# Supplementary Agenda

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11 Preparations for the UK leaving the European Union (EU) - Update & Risk Assessment	1 - 34

This report provides an update on progress with preparations within Brent for the UK leaving the European Union (EU).

**Ward Affected:**  
All Wards

**Lead Member:** Leader (Councillor Muhammed Butt)


**Contact Officer:** Anne Kittappa (Senior Policy Officer, Strategy & Partnerships)  
Tel: 020 8937 6060  
Email: Anne.Kittappa@brent.gov.uk

**Date of the next meeting:**      **Monday 15 April 2019**



Please remember to set your mobile phone to silent during the meeting.

- The meeting room is accessible by lift and seats will be provided for members of the public.

	<b>Cabinet</b> 11 March 2019
	<b>Report from the Strategic Director of Performance, Policy, and Partnerships</b>
<b>Risk assessment: Leaving the EU without a deal</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Non- Key Decision
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>No. of Appendices:</b>	One: • Brent Council No Deal Brexit Risk Assessment
<b>Background Papers:</b>	N/A
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Anne Kittappa Senior Policy Officer Email: <a href="mailto:Anne.Kittappa@brent.gov.uk">Anne.Kittappa@brent.gov.uk</a> Tel: 020 8937 6060

## 1.0 Purpose of the Report

- 1.1 To identify and mitigate the risks of a no deal Brexit

## 2.0 Recommendations for Cabinet

- 2.1 Note the contents of the Risk Assessment (appendix one)
- 2.2. Note the details of the EU settlement scheme campaign as set out in sections 3.5 and 3.6

## 3.0 Detail

- 3.1 As part of our preparations for Brexit, the possibility of leaving the EU without a deal is being considered. There are risks across different areas of the council if we leave the EU without a deal, and these are outlined in the risk assessment (appendix A) along with mitigations. It is important to note that this risk assessment is a dynamic document and will be updated weekly. It will be published on the council's website Brexit page.

- 3.2 A Brexit Co-ordination Group to monitor the changes and risks associated with leaving the EU has been established. This group comprises of senior officers from across the council, nominated by strategic directors. It meets weekly and considers new information both from central government and from local services.
- 3.3 The risk assessment has been divided into nine key areas, from guidance issued by central government, and from local Brent knowledge of the Brexit co-ordination group. These areas are:
- Workforce
  - Social Care
  - Children and Young People
  - Regulatory services
  - Supply chain
  - Local partnership working
  - Community engagement
  - Regional and local growth
  - Data and information handling
- 3.4 The London Resilience Forum (LRF) which ensures London's preparedness in the event of emergencies, requests weekly updates in a number of areas. These updates are used to inform the risk assessment. Within these updates, the LRF collects weekly or monthly figures in different areas which they have identified might be early indicators of issues relating to Brexit. These weekly and monthly figures have been included in the risk assessment.
- 3.5 The EU settlement scheme has been introduced so that EU nationals who currently reside in the UK can continue to live and work in the UK. Brent has an estimated 67,000 EU nationals living in the borough. This is the largest number in London. Our EU residents are integral to our society and contribute in many ways, not least in working across many different sectors, including the public sector, and the third sector. Raising the awareness of this scheme to our residents must be a priority to ensure, in the short term, continued stability in the borough.
- 3.6 EU citizens can apply to the pilot scheme now, but until 29 March, this will cost them £65 (although they will get this money back at a later date), and they will have to prove they have exercised their treaty rights. From 30 March, the scheme will be free, and EU citizens will have to prove they have lived here but will not have to prove they have exercised their treaty rights. As such we are currently promoting an information evening about the EU settlement to be held on 27 March 2019 giving residents the opportunity to ask questions about the scheme. From the beginning of April we will raise awareness of the EU settlement scheme through a communications campaign, which will include a targeted social media campaign as well as posters and leaflets across the borough, and a letter to all EU citizens registered to vote on the open register.
- 3.7 As more detail around leaving the EU emerges, it will become clearer what risks there are. The Brexit Co-ordination Group will continue to monitor and respond

as the situation changes. It is important to note that leaving the EU is likely to incur change regardless of whether we leave with or without a deal.

#### **4.0 Financial Implications**

- 4.1 There are still no final decisions about how the UK will leave the EU, and the cost to local government is still unknown. As such, there may be further costs to the council as a result of leaving the EU.

#### **5.0 Legal Implications**

- 5.1 When the UK leave the EU all EU law will transpose into UK law, following which the UK Government will be able to keep, amend or discard each law under the European Union (Withdrawal) Act 2018. Regulations to address legal issues arising from Brexit can be made under the Act. Other legislation is also being brought forward. Over recent months the UK Government has also published a series of Technical Notices which provide information to allow businesses and citizens to understand what they would need to do in a no deal scenario, so they can make informed plans and preparations.
- 5.2 If the risks identified in the risk assessment are not carefully managed the council may find itself unable to comply with some of its statutory duties

#### **6.0 Equality Implications**

- 6.1 Brent is committed to equality, diversity and inclusion; the council is determined to be an exemplar of good practice in equality, diversity and human rights and it is our policy to treat everyone fairly and with respect. We aim to ensure that all our current and future residents, staff and stakeholders are treated fairly and receive appropriate, accessible services, and fair and equal opportunities.
- 6.2 This commitment requires that equality considerations play a key role in our decision-making processes and that our policies are fully compliant with the duties placed on us as a public sector body by the Equality Act 2010. Equality Analyses (EAs) ensure that we follow through on our commitment to equality and they provide a method for clearly demonstrating the necessary legal compliance.
- 6.3 The Equality Act 2010 replaced the pre-existing anti-discrimination laws with a single Act. The legislation covers the exercise of public functions, employment and work, goods and services, premises, associations, transport and education. The act prohibits victimisation and harassment, and all of the following forms of discrimination: direct; indirect; by association; by perception; or discrimination arising from disability. Under section 149 of the Equality Act 2010, public bodies such as councils must, in the exercise of their functions, have “due regard” to the need to:
- Eliminate unlawful discrimination, harassment and victimisation
  - Advance equality of opportunity between people who share a “protected characteristic” and those who do not

- Foster good relations between people who share a protected characteristic and those who do not

6.4 The council will undertake Equality Analysis to understand how Brexit might affect residents differently based on their protected characteristics. Equality Analysis will be updated as further evidence of impacts become available, and unforeseen impacts emerge. The Brexit Coordination Group will keep up-to-date with the impact of Brexit on equalities legislation, for example changes to the Charter of Fundamental Rights of the EU.

## **7.0 Human Resources/Property Implications (if appropriate)**

7.1 The UK leaving the EU is likely to have an impact all across the council. Investing time now will help us prepare for and mitigate against staffing risks. Brent Human Resources has plans in place to identify the EU citizens it employs, and raise the awareness of the settlement scheme throughout the council.

## **8.0 Proposed Consultation with Ward Members and Stakeholders**

8.1 None

### **Report sign off:**

**PETER GADSDON**

Strategic Director of Performance Policy and Partnerships

# Brent Council Brexit no deal risk assessment



This is a working document and subject to change. If quoting from this document, the date should be stated, and the caveat included that this is a working document subject to change

Last updated: 08/03/2019



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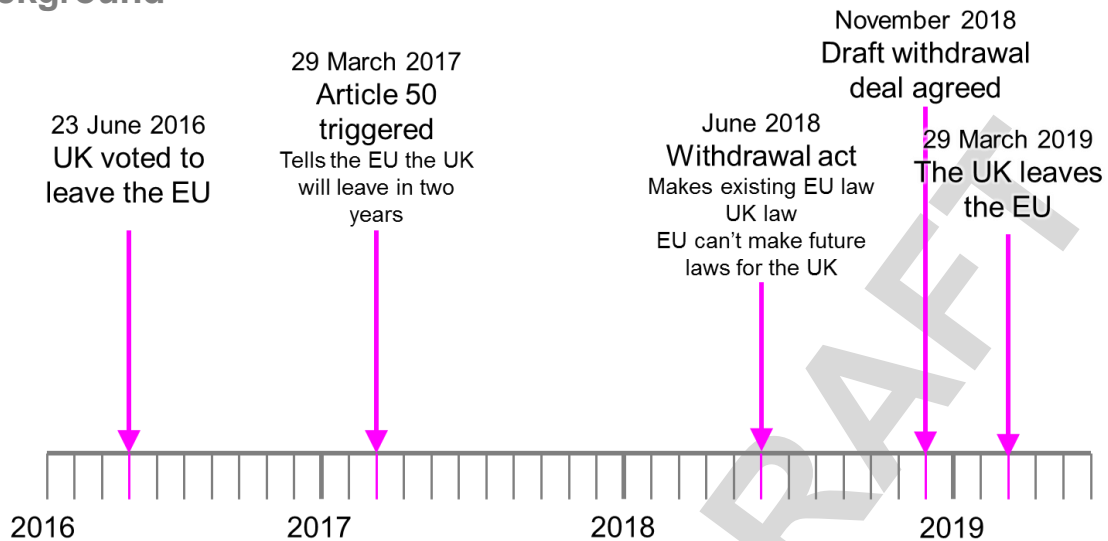
In detail:

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## Background



On 23 June 2016, the UK voted in a referendum to leave the European Union (EU). Brent did not vote the same way as the country, with 60% of the electorate voting to remain.

On 27 March 2017, the Prime Minister triggered article 50, beginning the formal two year process for leaving the EU.

As it stands, the UK will leave the EU on 29 March 2019. The Prime Minister has agreed a deal with the European Union, but this deal was voted against by Parliament. The deal is currently being renegotiated, but time is running out fast and the UK could very well leave the EU without a deal. The option of delaying withdrawal from the EU and a second people's referendum are also being considered.

If we leave with a deal, there will be an implementation period which will last until December 2020. This will not be the case with a no deal.

Brent has the largest EU population in London, with 67,000 EU nationals living here. Our EU residents contribute to our society in many different ways, working for the council, our health services, and in other industries such as construction, and hospitality.

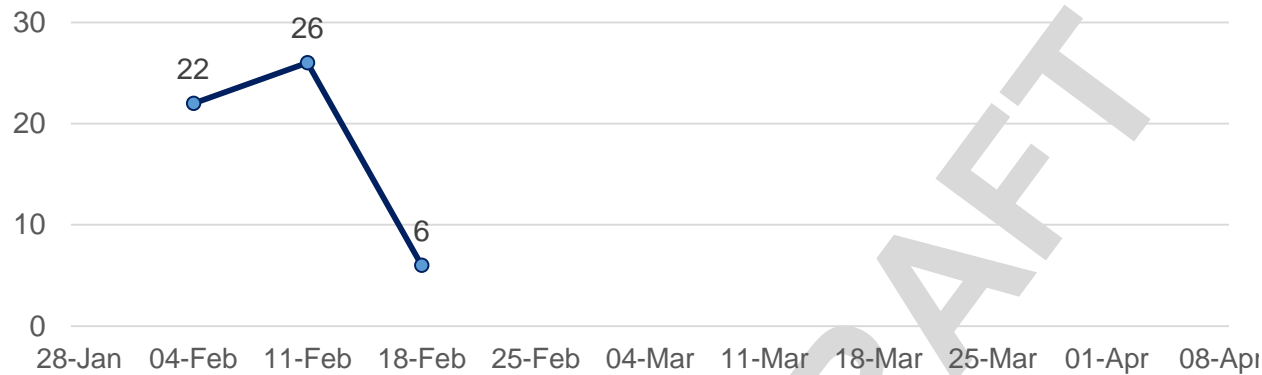
Leaving the EU will have a big impact on us, on our businesses, and on our communities, and there are many risks involved.

The Government has recognised that leaving the EU will impact local authorities, and has assigned a sum of money, which it has distributed, to the local authorities in the UK. We have set aside our allocation and will use the Brexit Co-ordination group to recognise how leaving the EU impacts on Brent and determine how the money should be used.



Weekly monitoring indicators

Free School Meal applications:

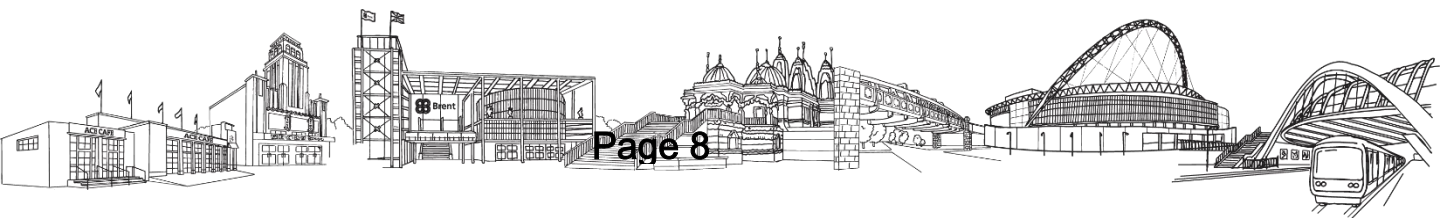


a Free School Meal (FSM) is a statutory benefit available to school aged children from families who receive other qualifying benefits and who have been through the relevant registration process.

Statutory homelessness approaches:

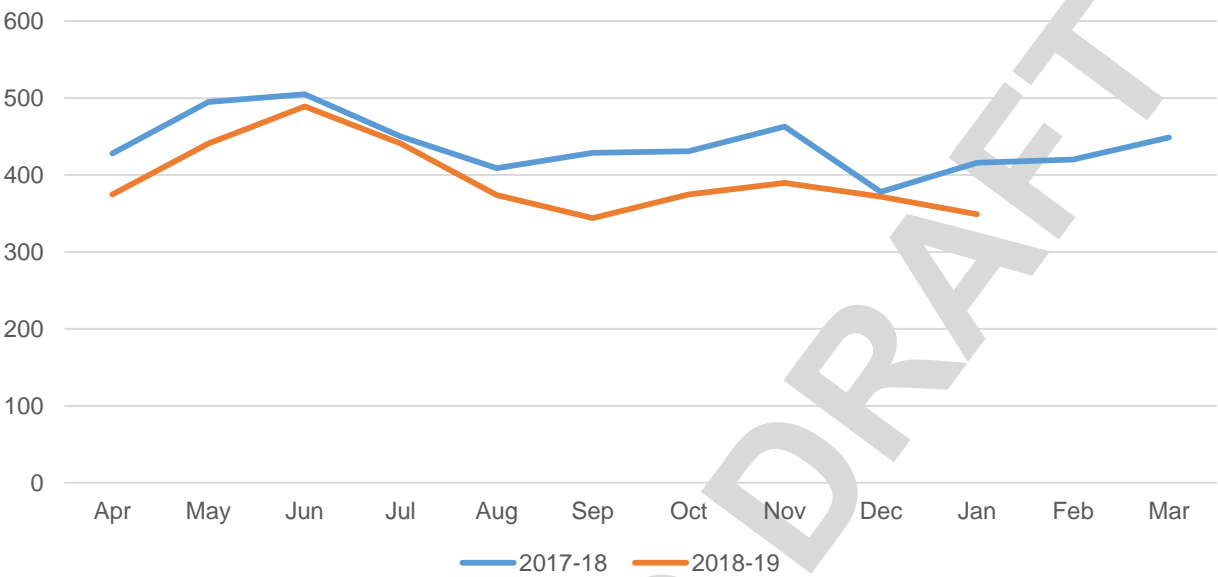


households which meet specific criteria of priority need set out in legislation, and to whom a homelessness duty has been accepted by a local authority



Monthly monitoring indicators

Planning applications



Council tax reminder notices:



## 1. Workforce

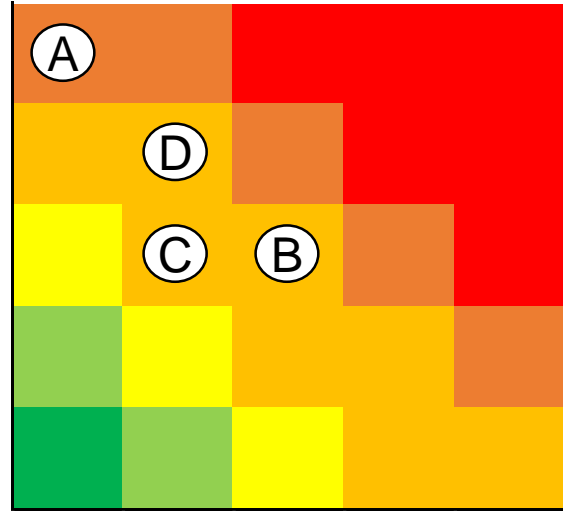
### Key threats:

- A. Immediate loss of proportion of current workforce across all sectors
- B. Inability to recruit to hard to fill positions as they become vacant due to natural progression
- C. Skills shortage
- D. Wages increase

Impact

£500K

£100K



>1%

>10%

>20%

>50%

>80%

Likelihood

### Key opportunities:

1. EU settlement scheme for current EU residents to continue to live and work in Brent
2. Opportunity to upskill current workforce through adult apprenticeships
3. Targeted young people apprenticeships opportunities for young people

### Actions:

1.	Promotion of the EU settlement scheme to all staff, and to the public including what it is, how to apply, and what is required
2.	Work with specialist organisations to promote the EU settlement scheme to the harder to reach population
3.	Develop a more complete profile of Brent Council's European staff
4.	Extend the range of apprenticeships in departments and services where there are known recruitment and retention difficulties
5.	Work with the local businesses board to identify skills shortages and apprenticeship opportunities
6.	Work with Brent Works to develop an employment strategy for jobs at risk of not being filled when current employees move on
7.	Meet with our largest employing service contractors to discuss workforce and other Brexit risks



## Overview

In Brent, 67,000 residents are EU nationals. These EU nationals make up a large proportion of our workforce, both in the council, in provider services, and in other partner agencies. As the UK leaves the EU, there is a risk that our current EU residents will leave Brent, and another risk that in the future, EU nationals will not want to, or be able to, come to the UK.

Around 10% of Brent Council employees are originally from the EU. The proportion varies by department and service area with some service areas having one or two staff, increasing to around 20% in others. Customer Services and CYP have the highest proportion of employees from the EU. It is worth noting that although employees may be from the EU, many have become British Citizens, or have indefinite leave to remain.

Brent also has a number of contracts with large companies, including with Veolia, who provide the waste and recycling service for Brent. Over half (52%) of the Veolia workforce, and around 70% of its agency staff are from EU countries, and despite paying the London Living Wage, they anticipate it being difficult to attract workers should this source of labour lessen. Although details around migration policies is unknown, unskilled migrant workers may be allowed into the country without a job on a year long visa. Currently, the contract comes to an end in March 2023, and the new contract will be commissioned at the height of post-Brexit uncertainty.

## In detail

### Loss of workforce

It is unlikely that all European staff and residents in Brent will leave immediately. Some residents however may choose to return to Europe. Residents who do make this decision may have already left, and indeed there is evidence that this has happened. Our schools measure the number of pupils that qualify for the English as an Additional Language (EAL) measure in reception and year one, and last year, this had fallen by nearly 10%, suggesting that some residents may have already chosen to leave. This small migration has not impacted our services, but a larger or continued one might.

If there is a sudden loss of workforce, this risk is planned for in the short term within Brent's business continuity plans. These are intended to bridge an operational gap in staff resource due to (for example) an influenza pandemic and would not be designed to deal for any length of time with a systemic stress like a chronic skill shortage, e.g. nurses or social workers.

We will meet with our suppliers who employ large workforces to ensure continued joint working and continuity measures.



## **EU settlement scheme**

The government has put together a settlement scheme for EU nationals. This scheme allows EU nationals to continue to live and work in the UK. It is free to register, and residents who are accepted will get settled or pre-settled status allowing them to continue to live and work in the UK as before. The details of this scheme differ depending on how the UK leaves the EU. If the UK leaves without a deal, only EU citizens who are currently living in the UK will be eligible to apply to the scheme.

Brent Human Resources has plans in place to identify the EU citizens it employs, and raise the awareness of the settlement scheme throughout the council. HR have put in place a temporary system to capture nationality (passport) details of new starters in a spreadsheet. This process has been running since late December 2018. It is not ideal, and implementing a process where this information is captured on Oracle would be a better long term fix.

We are also raising awareness of this scheme across Brent with a media campaign, aimed at European nationals. This campaign will include articles in our magazines and on our website, posters and flyers in locations known to have high footfall of European nationals, and a targeted social media campaign. We will also work with all areas within the council to promote the message to the services and service users. The Mayor of London has commissioned a bus to drive around London on the last weekend in March. It will make two stops in Brent.

We have also run a Time to Talk Brexit event, inviting our residents to talk about their concerns and to raise awareness of the EU settlement scheme. We are holding a second evening at the end of March, specifically to raise awareness of the EU settlement scheme.

Our registration service will provide a chip and check service to Europeans who wish to register on the scheme but do not have access to an android smart device. Employees can take advantage of this verification service.

## **Recruitment and retention**

Although it seems there will be no immediate pressure on services through staff shortages, this may present challenges in the future, particularly for roles that are hard to fill, such as those in social work. As it becomes harder for EU citizens to work in the UK, and people naturally progress to other jobs, it could become even harder to fill these positions.

As part of the council's learning and development proposition, a plan is currently being developed for learning and development activity for the Strategic Priority category. This will include extending the range of apprenticeships in departments and services where there are known recruitment and retention difficulties – or where these are anticipated – to mitigate against the risk of staff shortages whilst at the same time offering career development opportunities for staff.

The new immigration bill is currently being discussed in Parliament; it is likely to treat EU and non-EU migrants in the same way, and may have requirements for a job offer with a minimum wage but this has not yet been agreed. Although free movement as we know it today will stop, people will still be able to come and live and work in the UK, but their rights may be different.

We will work with Brent Works, our job and apprenticeship brokerage service, to promote appropriate apprenticeships and fill vacancies by recruiting from the local labour supply. The apprenticeships required will be identified by ongoing analysis of local, sub-regional and/or London sector trends as well as through qualitative feedback from the business community.





## 2. Statutory services: Social Care

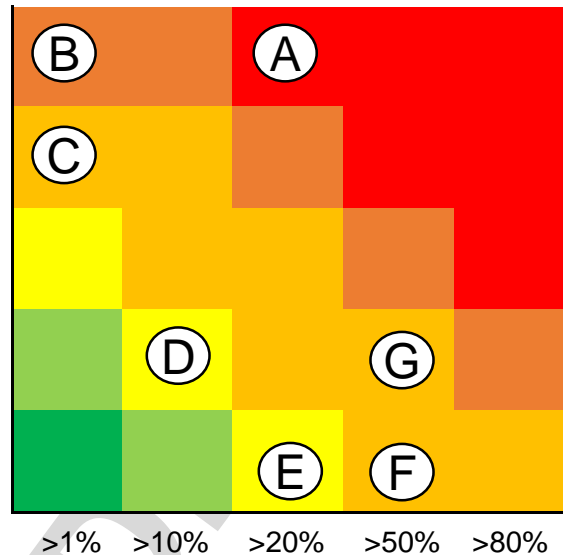
### Key threats:

- A. Failure of care provider
- B. Medicines and vaccines shortages
- C. Shortage of medical devices and clinical consumables
- D. Professional regulation implications causing workforce shortages
- E. Difficulties for providers in retaining and recruiting staff
- F. Deterioration of availability of providers
- G. Gradual decline in quality [of services provided], as staffing issues develop

### Impact

£500K

£100K



Likelihood

### Actions:

1.	Keep up to date with and continue to follow advice and guidance from the Department for Health and Social Care and the Department for Education
2.	Communicate with local providers, and escalate any concerns immediately to the Department for Health and Social Care and Department of Education
3.	Update business continuity plans in case of provider failure
4.	Promote the Secretary of State's message: healthcare providers should not stockpile medicines beyond their business as usual stock levels, and no clinician should write longer prescriptions for patients. The Department's UK-wide contingency plan for the supply of medicines and vaccines is being developed alongside pharmaceutical companies and other government departments.
5.	Promote the EU settlement scheme to all providers and encourage them to support staff in applying to the scheme. Promote Brent's chip and check service to help people apply to the scheme.
6.	Write to social care providers re-iterating government advice and the EU settlement scheme, and asking providers to share their business continuity plans with us
7.	As contracts come up for re-procurement, consider the viability of paying the London Living wage
8.	Encourage providers to complete and return the National Minimum Data Set which provides central government with an overview of the adult social care workforce so that any trends in the workforce can be picked up and addressed



## Overview

Adult Social Care provides a range of support and care services for our most vulnerable adult residents. These residents may not be able to look after themselves, and may have very poor health.

Children's Social care provides a range of support for our most vulnerable children, including Looked After Children and will have to identify and register any EU citizens in their care on the EU settlement scheme.

The Department for Health and Social Care has provided Brexit preparedness advice. This comprehensive advice covers key areas, including:

- Risk assessment and business continuity planning
- Communication and escalation
- Supply of medicines and vaccines
- Supply of medical devices and clinical consumables
- Supply of non-clinical consumables, goods, and services
- Workforce
- Professional regulation
- Reciprocal healthcare
- Research and clinical trials
- Clinical trials and clinical investigations
- Data sharing, processing and access
- Finance





## Care providers

There are a number of different organisations providing different levels of care and support to children and adults. These providers range from large organisations, providing care in many different boroughs, to very small organisations providing specific local care. With this large number of care providers all providing different specialist care, Adult Social Care and Children and Young People have provider failure as a risk in their standard business continuity plans.

The other associated risk with care providers is the numbers of EU nationals on their workforce. Brent Council has already raised awareness of the EU settlement scheme to all providers and encouraged them to support their staff in applying to the scheme.

## Medicines and Vaccines

One whole section of the guidance issued by the Department for Health and Social Care covers medicines and vaccines. The government has implemented a nationwide approach to ensure there is no shortage of medicines and vaccines due to Brexit. Pharmaceutical companies that supply the UK with prescription-only and pharmacy medicines from, or via, the EU or European Economic Area (EEA) have been asked to ensure they have a minimum of six weeks' additional supply in the UK, over and above their business as usual operational buffer stocks, by 29 March 2019. Companies were also asked to make arrangements to air freight medicines with a short shelf life, such as medical radioisotopes. Government funding has been made available for companies that need additional storage for these stockpiled medicines. The government is also making plans around delays at ports, etc. The government has all other health and care providers not to stockpile their medicines, and to reassure patients there is no need to store additional medicines at home.

Within ASC, we have written to all providers to remind them of this advice, particularly care home providers that may feel it is appropriate to stockpile medication for their residents. This isn't required and they have been reminded that they need to follow national guidance.

Children and Young People are contacting all providers of care at home services and relevant residential settings to remind them that they need to follow national guidance and not stockpile medication.

## Professional regulation

Anyone whose qualification has been recognised and who are registered in the UK before 11pm on 29 March 2019 will continue to be registered after this point. Anyone who has applied by 11pm on 29 March will have their application concluded under current arrangements. Following this date, the arrangements are currently undecided. The government has not provided anymore information about this.

## Longer term

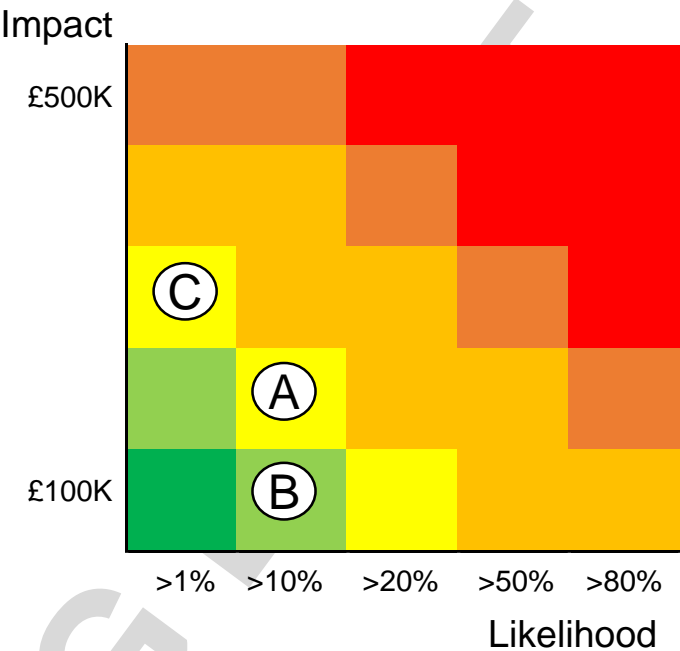
After the UK leaves the EU, the effects may be felt in the longer term with the numbers of EU Nationals (and other foreign nationals) working in social care potentially declining and providers finding it harder to recruit to vacant posts. Already social care has recruitment issues and Brexit could exacerbate these problems. This could have an impact on the quality of care the providers are able to deliver and ultimately on the viability of some providers if they are not able to manage these challenges. It is a real, longer term risk that the quality of care staff could decline as fewer skilled workers are enticed to the UK. We will work with our providers locally and national organisations such as Skills for Care to develop an action plan to address workforce issues in the sector.



3. Statutory services: children and young people

**Key threats:**

- A. Families leaving the UK impact on the school roll
- B. Recruitment and retention of school staff
- C. An increase in Free School Meal requirements



**Key opportunities:**

- 1. Promote the EU settlement scheme to parents through schools

**Actions:**

1.	Promote the EU settlement scheme to schools
2.	Work with schools whose pupil numbers are projected to fall
3.	Prepare for an increase in free school meals
4.	Register children in our care on the EU settlement scheme



## Overview

Schools are their own businesses, and the council monitors and supports them, but does not run them.

In Brent there are 85 schools: [2 All-through, 4 nurseries, 60 primaries, 2 PRUs, 13 secondaries, and 4 special schools ], with 48,249 pupils on the roll.

Pupils come from all different backgrounds. There are 5,500 pupils (13%) who speak European languages as their main language. Many of these children will be EU nationals.

As well as the government-funded schools, Brent is home to Lycee International de Londres Winston Churchill, a private school following the French national curriculum. This school provides education for pupils from all nationalities, and has many French students.

Brent has the third lowest average wage in London, and one third of its children are estimated to be living in poverty. Brexit may increase the cost of living, pushing these families further into poverty.

## In detail

Schools in Brent have a large proportion of EU students, which reflects the local community. Last year there was a dip in the number of school places required for reception and year one. The school place projections suggest that this dip will last for a few years, and then numbers will rise again. The falling demographics are caused by different reasons, including a reduction in migration as people are choosing not to come to Brent. The number of pupils that qualify for the English as an Additional Language (EAL) measure in reception and year one has fallen by nearly 10%.

Although schools are responsible for their own budgets, and managing their staff, the council is working with schools adversely affected by the drop in pupil numbers, putting plans in place to mitigate the financial risks associated with changing pupil numbers for example agreeing short-term caps on admission numbers.

It is worth noting that the National Funding Formula, which calculates how much funding each school receives is based on the number of pupils, the characteristics of the intake of pupils and a few school and local-level factors. Lower pupil numbers will result in less funding for the school.

Any child living in the UK can apply for and access a school place in England irrespective of migration status. This will continue after our exit from the EU.

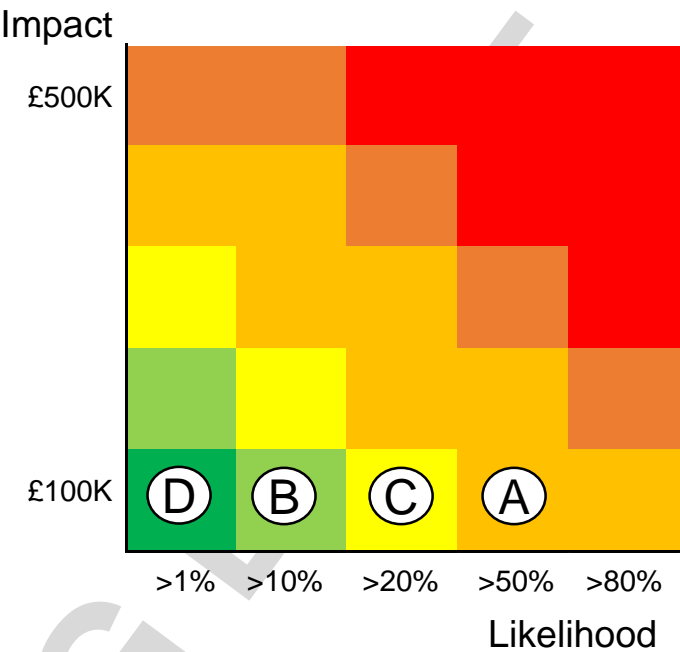
Some experts have predicted that Brexit will negatively affect the value of the pound, and the economy. These experts say that long-term, the economy will be expected to grow, but more slowly than expected before Brexit. This and other factors will affect the viability of businesses which could lead to job losses. If this happens, more children may be eligible for free school meals.



4. Regulatory services

**Key threats:**

- A. Implementing and understanding changes in legislation
- B. Lack of clarity for changes to the current reciprocal arrangements with the EU
- C. Cost pressures due to increased demand from businesses
- D. Cost pressures due to re-training requirements



**Key opportunities:**

- 1. Raise awareness and understanding of new laws/standards/checks with businesses once decisions have been made centrally

**Actions:**

1.	Keep in close contact with Central Government for updates on any changes in legislation
2.	Communication campaign to ensure businesses are aware they will still have to comply with EU law, as we are adopting it



## Overview

EU laws affect a wide variety of the council's activity. The European Union (Withdrawal) Bill will enshrine all existing law into UK law at the point of Brexit, following which this will be reviewed and amended by Parliament. Additionally, secondary legislation will be used by ministers to amend these laws where necessary for them to work post-Brexit, e.g. to set up replacement processes or bodies.

Under the terms of the draft Withdrawal Agreement, the UK would continue to be bound by the EU legal and regulatory framework (including the ECJ) until the end of the transition period – 31 December 2020. Non-regression requirements in the agreement will also prevent the UK from bringing in lower standards on social, environmental and labour regulations.

## In detail

Government have started putting forward a significant number of 'correcting powers' or statutory instruments to ensure a functioning statute book after Brexit. This will require extra work/training for staff understanding these changes and how they apply. Similarly, businesses will be asking us for help and advice and we will need to increase inspections etc. to ensure awareness and compliance, all of which will increase demand for our regulatory services. There is still a lot of work to do for the law changes to go through so the current position is changing week by week. It is hoped the new laws will simply fix the changeover rather than making any significant changes to the content of the legislation.

However, in the event of a no deal situation, there are many regulatory functions where it is not clear how they will work. This causes particular issues where the UK relies on reciprocal arrangements with the EU such as market surveillance, placing goods on the market, CE conformity marking, etc.

In anticipation of increasing demand for our regulatory functions and the need to retrain the entire regulatory workforce on post Brexit law changes, a suitable training programme will need to be introduced and implemented, and staffing capacity may need to be increased. This will provide an additional cost pressure.

Providers may be affected by changes in the law, and as a result may not be able to deliver their contract within the currently agreed price. There will be clauses that will allow adjustments to the contract on an annual basis related to inflation and/or allow both parties to discuss additional costs that need to be borne by contracted parties due to government legislation.

From a waste perspective, advice from DEFRA suggests that 98% of waste exports are expected to be largely be unaffected and Veolia also have not raised any concerns.

From April 1<sup>st</sup> it could become more difficult to recover parking contravention debt from vehicles registered in EU countries. It is already difficult especially in respect of Romania, but our specialist debt recovery contractor does have some success.

Any fuel shortage or public disorder could impact heavily on parking enforcement and revenue.

Long term the main issue would be a significant hit on car ownership caused by higher import tariffs and a possible collapse in domestic production.

This would affect permit income, and also parking contravention notice issuance if motoring activity reduces.

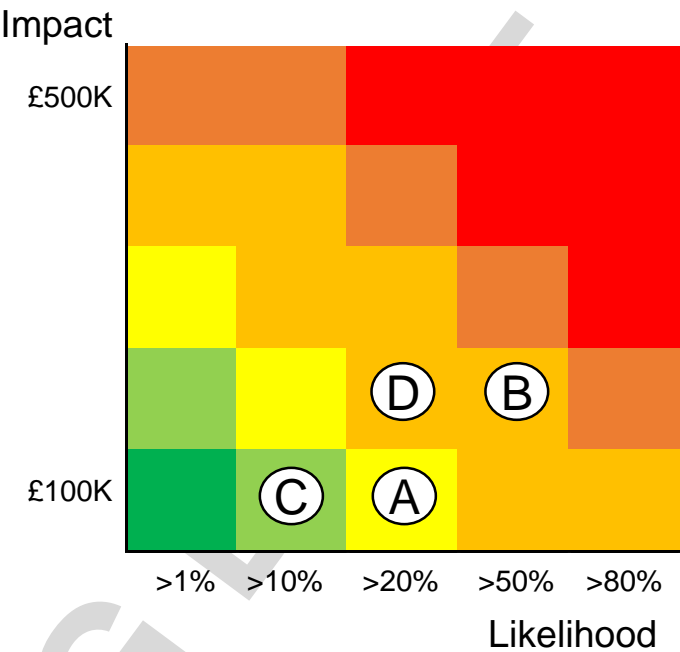




5. Supply chain

**Key threats:**

- A. Impact of cost pressures on suppliers or partners
- B. Suppliers trying to make Brent take culpability for their Brexit risks
- C. Delays to delivery of goods
- D. Indexation exchange rate issues



**Key opportunities:**

- 1. Identify and use more local suppliers

**Actions:**

1.	Identify EU suppliers in the supply chain
2.	Raise risks with Central Government
3.	Identify where delays are likely and change projects pace where possible
4.	Identify local and non-EU suppliers
5.	Work with the Commissioning Board to keep abreast of emerging issues and risks



## Overview

Brent Council spends around £220m per year on goods and services from around 4000 suppliers. Whilst it is impossible to understand the impact of a No Deal Brexit across the full extent of the council's supply chain, we are taking steps to assess the preparedness of key suppliers.

The council will continue to liaise with its key suppliers to ensure they are taking a managed approach to business continuity in the event of a No Deal Brexit.

Leaving the EU without a deal is likely to also mean leaving without a customs agreement. The UK will then revert to World Trade Organisation rules. The UK has already agreed trade deals with a number of other countries but not yet with the EU. Goods may still travel to the UK via the EU, and will then have to succumb to their customs checks.

## In detail

If the French introduce custom checks, the freight coming into the UK via Dover, and the Channel Tunnel, could be reduced by as much as 85%. The Government is proposing a Government Owned or Operated Logistics (GOOL) scheme in which they obtain (either through buying, leasing, or converting military vessels) roll-on roll-off lorry ferries to ensure vital supplies such as food and medicines continue to reach the UK if it leaves the EU with no deal.

Currently Brent's street lighting service is supplied by a French Company. This company has a UK base, so Brexit is not likely to impact it significantly. It is also due to be re-tendered soon.

The pest control service provided by Brent Council uses baits and poisons believed to be made in Europe and imported to the UK by the supplier. This is a small part of the service, and any increase could be passed on to the customer without a significant increase. UK supplies might be equally competitive.

The funeral service leases their vehicles from a national framework. Additional tariffs may affect the price of some commercial vehicles, but UK made vehicles could be used as an alternative. Again the cost could be passed on to the customer, estimated at around 10p per customer.

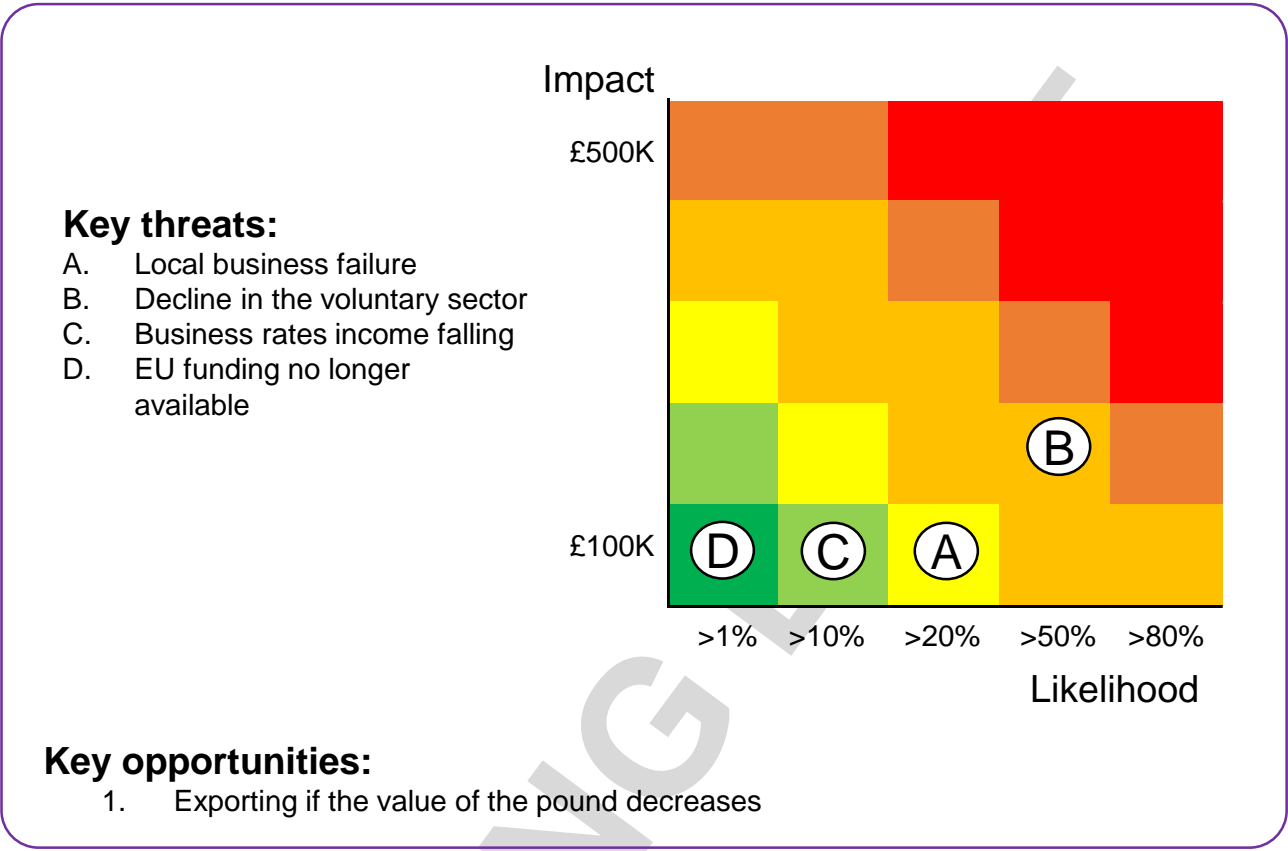
Changes in law may mean that contractors will not be able to deliver the service within the cost agreed. After the UK leaves the EU, there may be changes in some laws. If this happens, there is a clause in each contract which allows the contract to be discussed and appropriate next steps agreed.

Indexation could be an issue. Contracts with suppliers from outside the UK may be affected by the consumer price index or retail price index exchange rate, which could change as a result of Brexit. Within each contracts there will be clauses that will allow adjustments to the contract on an annual basis related to inflation and allow both parties to discuss additional costs.

Imports to the UK may increase lead time for the delivery of equipment being sourced such as laptops for the IT roll-out, and could have an impact on project deliverables.



6. Local partnership working



**Actions:**

1.	Raise awareness of the EU settlement scheme with local businesses
2.	Identify local business concerns and escalate as appropriate
3.	Promote apprenticeships to local businesses to address skills gaps
4.	Promote workforce training and other courses to local employers
5.	Monitor our secondary high streets, particularly the small businesses on them





## Overview

Small and medium sized enterprises (SMEs) form the vast majority of business in Brent. It is not known the extent to which they trade with EU countries or employ EU nationals, both of which are will likely be affected by Brexit. However, any economic downturn would result in reduced business rate revenue for the council, which will be one of its main sources of income by 2020.

The Federation of Small Businesses found when surveying their members that almost one third of small firms do business with or within the EU. Different industries employ different skill levels, medium skilled level EU workers are the most commonly employed, and are predominant in the construction, and manufacturing sectors. The survey highlighted three key concerns held by SMEs:

- accessing the skills they need
- ability to grow the business
- enforcing new immigration rules

Some experts predict the value of the pound to decrease following Brexit, and other experts expect it to have no affect or maybe even increase. The value of the pound impacts on both the import and the export markets. It is worth noting that when it decreases, and the import market is negatively affected, the exact opposite is true for the export market. Companies within Brent which export to the EU and other countries, are likely to be positively impacted as the value of the pound decreases. Tourism is also likely to be positively affected by a lower value of the pound.

Our high streets, and secondary high streets have a diverse range of shops in them, with specialist food shops, cafes, and takeaways catering specifically to different European communities. In Brent, we employ town centre managers. The town centre managers coordinate activities and lead on plans in nine high streets working closely with residents and businesses.



## In detail

Recent data collated via London Councils Business 1000 Survey suggests that Brent is the London borough with the highest proportion of businesses where EU staff make up more than 50% of the workforce. This was a cross-sector survey, indicating that the effects of Brexit may have a serious impact on recruitment and retention across the local business base.

Although we are not formally tracking business confidence, anecdotal evidence from business groups suggests confidence is low and uncertainty remains high.

Brent could consider what it could do to support local small and medium sized enterprises. It should be noted that a 2017 scrutiny task group report about Small and Medium sized Enterprises (SMEs), the recommendation was made to *“develop a skills programme to ensure that SMEs have access to appropriately skilled, locally based staff”*. In response to this recommendation Brent Start developed wider courses aimed at SMEs, for example, digital skills. The Business Board, whose members represent a diverse range of size and sectors including SMEs, act as ambassadors for the Borough’s business community. A follow up report from March 2018, a year after the scrutiny task group, reported that this board *“is in the process of selecting further priorities for action from a range of possible projects, which includes local skills development to meet workforce needs.”* This programme is used to develop local talent ensuring SMEs have access to the skills they require.

It is worth noting that in 2020 adult education will devolve to local regions. Brent will have more ability to influence the London spending. This means that Brent will be able to provide training to fill gaps locally, specifically in areas which are particularly at risk including education, health, social care, and administration.

The Living Room which was previously funded with EU monies, is now funded through other funding streams. The only programme Brent has which is match-funded by the EU and government, is the five year work and health programme. The work and health programme is devolved from central government to London and commissioned under the WLA. This project will be evaluated at the end of its term, and decisions will then be made about its effectiveness. This year’s outcome based review (OBR) focuses on mental health and employment. The in-depth work undertaken throughout the OBR will determine the level and breadth of need in Brent, and as well as determining specific local requirements should also identify better ways of working which will then be implemented.

Although we don’t receive other funding from the European Social Fund (ESF), there will be projects in Brent and London which do. When this funding finishes, these projects, and the support they provide might also end. The quality of these programmes is unknown.

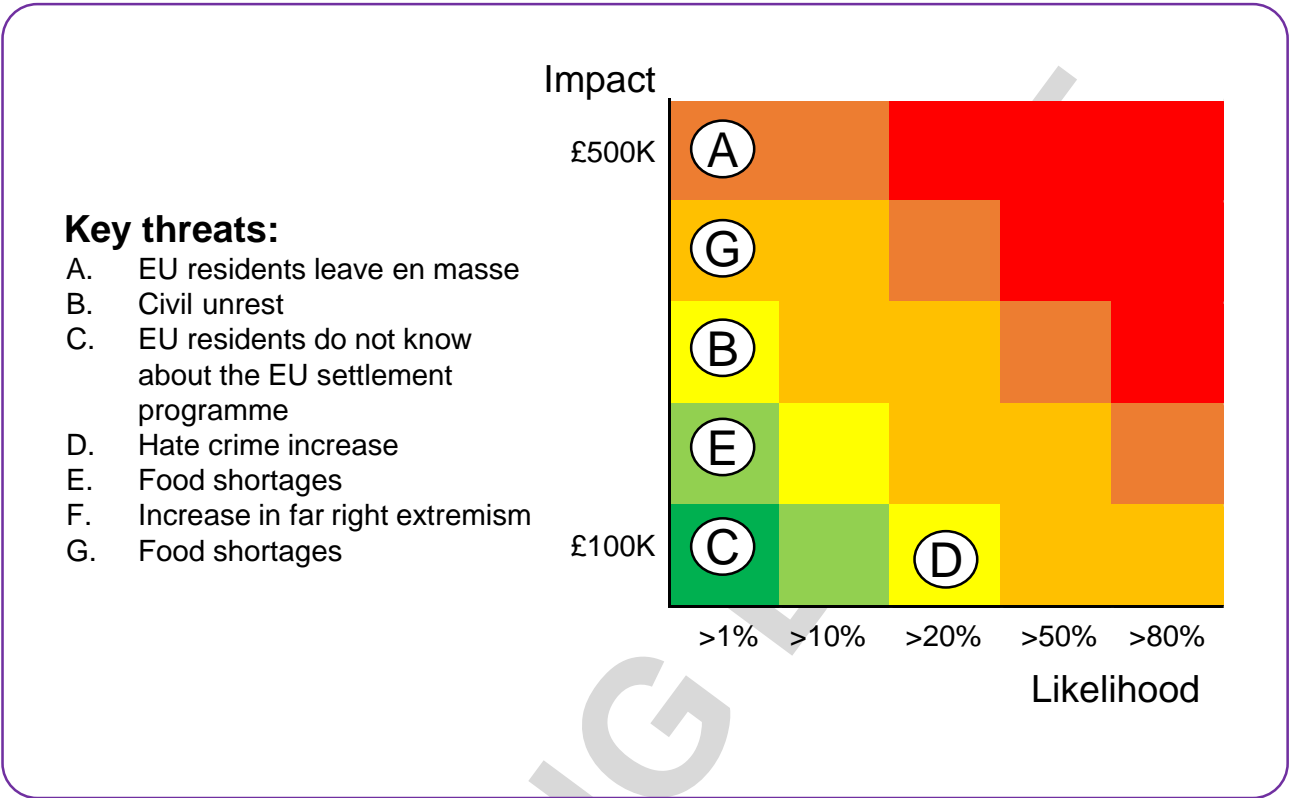
In Brent ESOL funding is provided by the government, and is not funded by EU money, so will not be affected by the UK leaving the EU.

London currently benefits from ESIF funding totalling £581m. We do not know how much of that is for services in Brent, but do know that charities which provide vital services to our residents currently receive EU funding, and may be impacted as a result of Brexit. One of these charities is Crisis who provide support to the homeless.

Although central government have committed to replacing this through a UK Shared Prosperity Fund (UKSPF), there has been no information on the value and eligibility conditions of the replacement funding, leading to much uncertainty on projects that are currently funded until 2020 and any new ones under development.



7. Community engagement



**Actions:**

1.	Raise awareness of the EU settlement scheme targeting EU social media users
2.	Work with specialist charities to raise awareness of the EU settlement scheme for the harder to reach population
3.	Continue to have a zero tolerance approach to hate crime
4.	Continue to monitor police reports and look for signs of increased hate crime
5.	Continue to monitor signs of far-right extremist activity, work with the police and partners, and report to Channel Panel as required
6.	Raise awareness of far-right extremism including signs, codes, and behaviours of individuals involved or on the fringe
7.	Analyse the electoral roll to understand the possible impact of Brits returning from abroad, and alert Adult Social Care and NHS services if necessary



## Overview

Brent Council is keen to engage with its community and has different teams which engage with the community in different ways. These include holding Brent Connects forums, and town centre managers working with local businesses.

Brent has a number of allotments and community growing projects across the borough, encouraging its residents to grow their own food, and to have less reliance on imported foodstuffs.

Our stronger communities strategy has just been refreshed. Hate crime is included within this strategy, and through it, we will manage community concerns, and oppose attempts to divide people in the borough by their background and status.

Last year, hate crime was decided as a priority for the Community MARAC. The Community Protection team work with the local MET Police to monitor and deter hate crime.

Food shortages, and other impacts of leaving the EU which affect the whole country will have strategies led by Central Government. Brent has short term risk management strategies in place as part of its emergency planning to manage risks, and ensure business continuity. It reviews its business continuity plans annually for all services, and the focus of this year's planning is on the supply chain, and supplier continuity. Brent has systems in place to respond to government emergency strategies.



## In detail

Brent Council is dedicated to bringing our communities together, and reducing hate and hate crime in the borough. Through the Stronger Communities Strategy, they have implemented a programme of Time to Talk events, to discuss issues that might cause discord and work out how to tackle them, together with the community.

Should the UK leave the EU without a customs deal in place, the price of food imported to the UK will increase. This increase in price is likely to be passed on to the consumer. Brent has the third lowest average wage in London, and one third of its children are estimated to be living in poverty. An increase in food prices will push families further into poverty. An increase in poverty could lead to civil unrest.

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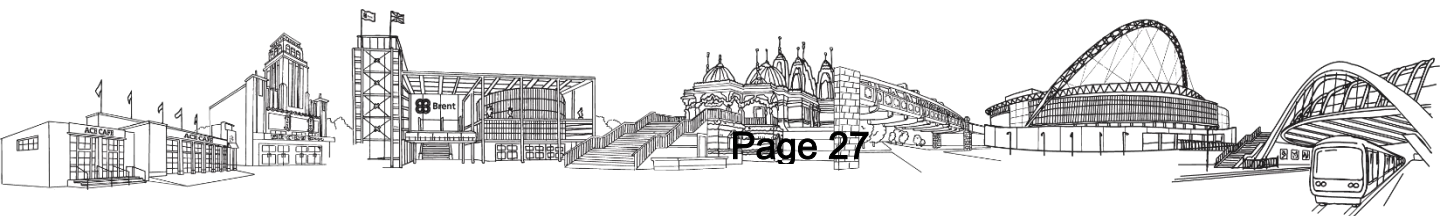
Hope not Hate, a leading charity against hate crime, released their report on the State of Hate 2019. The report began by saying *Britain is increasingly divided and that is likely to continue whatever the Brexit outcome* but goes on to say that whatever happens in 2019 is critical for either deepening or repairing these divisions. The report states that the *far right is getting more extreme, and younger*. It also states that the far right is *successfully tapping into the political rage and discontent that is prevalent in society*. And while the numbers *arrested for terror-related offences in 2018 was down on the previous year, we are witnessing a growing threat of far right terrorism*. The report expects a continued far right terror threat, and is expecting divisions within Britain to increase. The report also talks about anti-Muslim prejudice replacing immigration as the key driver of far right growth.

In Brent hate crime is regularly monitored and has remained fairly steady, and even shown signs of decline over the last two years. The Community Protection team are proactively monitoring police daily reports for hate crime and any increase in hate crime.

The aim of Prevent is to stop people from becoming terrorists or supporting violent extremism. Their objectives are:

- to respond to the ideological challenge of terrorism;
- to prevent people from being drawn into terrorism; and
- to work with a range of sectors and institutions where there are risks of radicalisation, such as education, faith, health and criminal justice.

In Brent Prevent works to prevent young people from being drawn into all forms of hate and terrorism, including far right extremism.





## In detail continued...

Brent has put together a plan to engage with and support the harder to reach communities, ensuring that they understand the EU settlement scheme, and are able to register to remain in the UK with their current rights intact should they choose. The plan will include:

- Work with the Eastern European Network and other local organisations providing services to European residents to provide information and engage with residents
- Work with local and specialised organisations to provide information, support and assistance to European residents
- Work with neighbouring boroughs to best utilise resources and support engagement with hard to reach communities

European Citizens are currently eligible to vote in local elections. To vote, they need to register on the electoral roll. In Brent, there are 42,372 EU citizens registered to vote. The proportion of the electorate that is European varies from 12% in Kenton and Northwick Park, to 25% in Alperton and Wembley Central. If these voters were to leave Brent, it would have a big impact on the electorate.

Currently we are unsure what rights European citizens will be given. Once voting rights have been decided, we will write to all European citizens registered to vote with an explanation of these rights, and include details of how to register on the EU settlement scheme, and explain they may be able to use their letter as proof of residence for the scheme.

There are about 1,000 residents registered to vote who live abroad. Many of these residents will live in the EU. These ex-pats may consider returning to the UK depending on the offer to UK citizens following the UK leaving the EU in the countries they are living in. Although these numbers are small, as the ex-pats are likely to be older this may impact our social care and NHS services. An analysis will be undertaken to understand the possible impact.

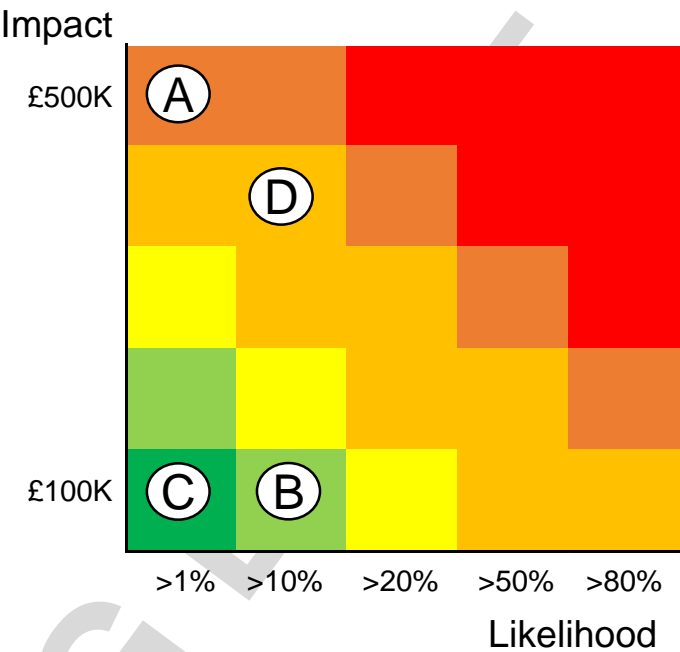
Another possible issue is the repatriation of the deceased. Should there be delays at borders, this will be particularly distressing to families affected, and may affect certain faiths which require a prompt burial. Currently we have between 20 and 30 repatriations each year.



8. Regional and local growth

**Key threats:**

- A. House prices decrease rendering regeneration projects unviable
- B. Construction supplies increase in price due to being brought in from Europe
- C. Skills shortage
- D. Major employers relocate



**Key opportunities:**

- 1. Provide apprenticeships in the construction sector, creating employment for our youth
- 2. Identify accessible funding streams for projects

**Actions:**

1.	Raise awareness of the EU settlement scheme
2.	Identify which projects are under threat due to house prices
3.	Incorporate longer delivery times into project plans to account for delays in materials coming through the EU.
4.	Identify and raise awareness of available non-EU funding streams
5.	Promote the Mayor of London’s message: “London is Open”



## Overview

Brent has a number of capital projects whose viability relies on house prices.

There is a lot of construction happening in Brent, with a large new housing development happening in Wembley Park and other new houses being built in other areas of the borough.

The Mayor of London is running, and post-Brexit will continue to run the *London is Open* campaign, encouraging people to live, work, and visit London. Should the Brexit vote make Europeans feel unwelcome in the UK, this campaign should help mitigate this. The Mayor has also published a guidance hub to give European Londoners clear information and signpost them to relevant support, underlining the message, London is Open.





## In detail

Much work has been done whilst developing the Responsible Growth Strategy, analysing key sectors and how Brexit will affect them. There are two sectors in Brent on which Brexit will have the biggest impact: the construction, and food and drink industries.

27% of London's construction workforce comes from the EU. A no deal Brexit would restrict free movement of labour and could result in a skills shortage in the construction industry as well as pressure on wages, causing construction firms to face higher project costs and reduce current turnovers.

The customs deal will also affect this industry in terms of sourcing its supplies. No customs deal would mean that supplies from the EU would both incur a tariff, and also take longer to process, delaying the construction process. A report by KPMG predicts that between 10% and 15% of Gross Value Added (GVA) will be affected. Another report, by Cambridge Econometrics predicts the effect of soft and hard exit on London by 2030. Its predictions about London employment in the construction sector equates to around 6% decrease in employment in Brent, which is about 10,000 employees for both a soft and hard exit.

Food and drink manufacturing will have the largest trade impacts across the sectors, as the EU is the main commercial partner for the sector, with expected increases in export and import prices. Similarly, food and drink manufacturing employs a large share of EU workers, making it exposed to supply-side constraints. There is uncertainty around food standards law following Brexit. Currently it is enshrined in EU law, and standards following Brexit may change

The effect of Brexit, and indeed, the future of the housing market is unknown. House prices seemed to be untouched immediately by the Brexit vote, and indeed increased over the following year. House prices have since slowed nationwide, and in London fell by 0.7% over the last year. The underlying uncertainty around Brexit is thought to have contributed to this fall. The viability of regeneration and capital projects are dependent on house prices, and selling houses to private buyers. Large decreases in house prices will negatively affect the many regeneration projects currently running and planned in Brent. Savills estate agents have released projections for the housing market for the next five years. They have projected an initial 2% decrease for 2018, followed by a year of no growth and then three years of growth, with a five-year compound growth of 7.1%. For outer London, the initial decline appears to mostly be in prime properties. If these predictions are correct, there will be little effect on our regeneration projects.

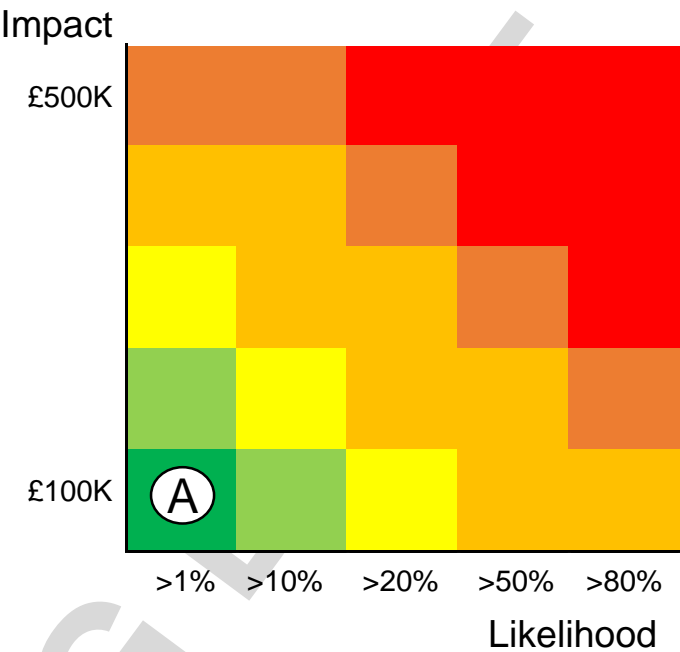
Large companies may consider relocating to the EU, taking their jobs with them. Some residents may choose to relocate with them, and others would choose to look for new jobs in the area. The loss of these business would mean a loss in business rates, and therefore a loss to Brent Council's income.



9. Data and information handling

**Key threats:**

- A. Access to data stored or processed in the EU restricted



**Actions:**

1.	Identify if any personal data are stored or processed in the EU either directly by us, or through third party suppliers
2.	Work with companies based in the EU to establish a legal basis for sharing the information
3.	Continue to follow guidance from the ICO
4.	Monitor the European Commission and their decision regarding adequacy of data protection in the UK.



However, the legal framework governing transfers of personal data from organisations (or subsidiaries) established in the EU to organisations established in the UK would change on exit.

At the point of exit, the UK would continue to allow the free flow of personal data from the UK to the EU. This is in recognition of the alignment between the UK and EU's data protection regimes. The UK would keep this under review.

## In detail

The European Commission will not make an adequacy decision regarding the UK at the point of exit. It has stated that the UK needs to become a “third” country before any adequacy decisions can be made. If we have personal data either processed by, or stored with organisations established in the EU (including data centres) then Brent will assist its EU partners in identifying a legal basis for those transfers.

Brent's Information Governance team is currently identifying, through its network of information champions, if there are any personal data processed or stored in the EU including through third party suppliers. It will then take the necessary steps to ensure continuity of business either through identifying a legal basis for transfer or by changing suppliers.



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