



AGENDA SUPPLEMENT

Audit & Governance Committee

To: Councillors Pavlovic (Chair), Fisher (Vice-Chair), Mason, D Taylor, Wann, Webb and Lomas
Mr Mann (Independent Member) and Mr Mendus (Independent Member)

Date: Wednesday, 18 September 2019

Time: 5.30 pm

Venue: The George Hudson Board Room - 1st Floor
West Offices (F045)

The Agenda for the above meeting was published on **Tuesday 10 September 2019**. The attached additional documents are now available for the following agenda item:

6. Monitor 2 2019/20 - Key Corporate Risks (Pages 1 - 12)

The purpose of this paper is to present Audit & Governance Committee (A&G) with an update on the key corporate risks (KCRs) for City of York Council (CYC).

Under item 6 on this agenda (Key Corporate Risks), a new corporate risk relating to Brexit and the implications for Council services is referred to (pages 44 and 49 refer). Since publication of the agenda, a further information report relating to Brexit has become available and will be considered by the Executive at its meeting on 26 September 2019. For the further information of Audit & Governance Committee, that report has been added as a supplement to this agenda and becomes Annex F to agenda item 6 (Key Corporate Risks), notice of which has already been given in accordance with statutory timescales.

This agenda supplement was published on **18 September 2019**.



Executive**26 September 2019**

Report of the Deputy Chief Executive
Portfolio of the Leader of the Council and Executive Member for Policy,
Strategy and Partnerships

Update on City of York Council Preparations for Brexit**Summary**

1. The United Kingdom (UK) was initially due to leave the European Union (EU) on 29 March 2019. However, the date for the UK's departure has now been set back until 31 October 2019.
2. Ahead of the initial Brexit date, City of York Council (CYC) prepared for a potential no-deal by assessing the impact of the changing relationship between the UK and EU to Council services and through engagement with city partners.
3. A consensus emerged that York was relatively well insulated from the known, immediate challenges, notwithstanding the notable impacts of a no-deal Brexit which are documented in Government reports.
4. Furthermore, lack of clarity on the final outcome of negotiations and lack of engagement from central Government have meant that it has been challenging to fully assess the implications of Brexit on York specifically.
5. As the new scheduled date for the UK's departure approaches, preparatory work will be enhanced to ensure that York is able to meet the challenges of this new reality.
6. Moving forward, the focus will continue to be prioritising information and support for residents and ensuring that the city has a collective response to challenges and opportunities posed by Brexit.

Recommendations

7. The Executive is asked to:

- 1) Note the contents of this paper and the Council's preparations for the UK's exit from the European Union.

Reason: To ensure that Executive is sighted on preparations that have taken place in advance of Brexit.

Background

8. In a referendum on 23 June 2016, a majority of voters supported the UK leaving the EU.
9. The Government committed to leave the EU on that basis and Article 50 (the process for a member state to leave the EU) was triggered on 29 March 2017. This set a two year deadline for the UK to leave the EU – 29 March 2019.
10. The conclusion of negotiations between the UK and EU, the Withdrawal Agreement (and associated political declaration) was signed off by EU leaders at a summit on 25 November 2018.
11. However, since this point, the UK Parliament has consistently rejected the Withdrawal Agreement. This made it necessary for the Prime Minister to request an extension to the withdrawal process beyond the initial 29 March deadline.
12. Initially the deadline was extended until 12 April to allow Parliament to pass the necessary legislation. However, Parliament once again rejected the Government's withdrawal agreement.
13. This resulted in the Prime Minister requesting an additional extension to secure passage of the Withdrawal Agreement in Parliament. The EU granted an extension to 31 October 2019.
14. Subsequent to the extension until the end of October, Theresa May resigned as Prime Minister with Boris Johnson winning a leadership election of the Conservative Party resulting in him becoming the new Prime Minister.
15. The new Prime Minister has committed the UK to leaving the EU on 31 October, whether that is with a deal or no-deal.
16. At time of writing, it is still not possible to determine the future relationship between the UK and EU.

17. Given the extended deadline for the UK to leave the EU, this paper looks at the planning which took place at City of York Council in advance of the initial 29 March deadline (and the initial short extension to 12 April) to assess how prepared the Council was for Brexit and what areas of improvement can be undertaken to ensure that the Council and the city is best prepared for the UK's eventual departure from the EU in either a transitional exit or no-deal scenario.

City of York Council planning for Brexit

18. Throughout the Brexit negotiations, the UK Government said that a no-deal scenario remained unlikely but that it continued to prepare for all eventualities. The Council took the lead from the Government in this respect and considered how the city should respond in the event of a no-deal.
19. Preparations looked at three areas: internal, city-wide and regional/national.
20. The overall aim of the Brexit engagement process from CYC was to, where possible, mitigate risk/flag opportunities both internally and at a city-wide level and to create a coherent city response to a challenging landscape.

Internal preparations

21. Initial internal preparations focused on the 106 technical notices and associated information packs that were published by the Government (<https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal>). This guidance provided information that was sector specific and gave detail on what changes would arise in the eventuality of a no-deal scenario.
22. The technical notices explained the arrangements from the point of view of transactions and regulation but did not detail the implications for the different organisations or people involved.
23. There was an initial review of the technical notices by the Policy and Partnerships team at the Council with any relevant information and notices flagged with the appropriate Head of Service.
24. As Exit Day (29 March 2019) approached, the Policy and Partnerships team engaged with each service that was likely to be impacted by a no-deal. This included face-to-face meetings with Heads of Service,

attending team meetings and sending information requests to gather intelligence on challenges that were anticipated.

25. CYC's Emergency Planning team requested Heads of Service to provide a daily return. These returns were then fed up the chain of command via the North Yorkshire Local Resilience Forum (LRF).
26. In addition, immediately prior to the 29 March and continuing through to 12 April, there was a daily meeting to flag any areas of concern at a CYC level and for information to be cascaded through relevant channels.
27. Throughout the process of engagement with Council services, based on this information available, it was felt that the Council was relatively well-insulated from the more serious threats caused by Brexit. It was also noted that many threats and opportunities were intangible given the variety of future scenarios that did, and still do, exist.
28. CYC also engaged with staff that had concerns about the EU Settlement Scheme for European citizens who wished to remain in the UK after Brexit.
29. Two information sessions were held (one in West Offices and one in Hazel Court) to provide information. These were coordinated by the Communications team and attended by Policy and Partnerships, Registration Services (responsible for providing biometric support as part of the Settlement Scheme), York Learning (who were able to provide digital support) and Citizens Advice York (CAY) (to provide immigration advice).
30. While attendance for both sessions was limited it did give staff the opportunity to ask any questions and for them to be signposted to relevant information.

City-wide engagement

31. The Council sought to engage with city partners to ensure that the city was prepared for a no-deal Brexit.
32. The Council hosted three Brexit city partners meetings. These were held in August 2018, January 2019 and February 2019 and chaired by Cllr Andrew Waller, then deputy leader of the Council.
33. A fourth meeting, to take place in April 2019 was also scheduled. However, this was cancelled following the delay to Brexit.
34. Attendees to these meetings are listed in table 1:

Table 1: Attendees at the city partner Brexit discussions

Organisation
Askham Bryan College
CVS
Make It York
North Yorkshire Fire and Rescue
North Yorkshire Local Enterprise Partnership
North Yorkshire Police
University of York
Vale of York CCG
York College
York St John University
York Teaching Hospital NHS Foundation Trust

35. Additionally, a wider group of city wide partners were emailed by the Chief Executive of the Council asking them to keep the Council informed, confidentially, of any concerns and issues that had arisen in anticipation of a no-deal Brexit. This correspondence channel remains active but has had limited take-up.
36. At the meetings that were organised there was a consensus view that York was relatively well-prepared for a no-deal Brexit based upon the information that was available. However, there was recognition that there were a number of unknowns, particularly related to the long-term implications of a no-deal scenario.
37. It was noted that organisations were making their own preparations in advance of Brexit in recognition that they had particular challenges specific to their individual needs that may not be addressed by support from the Council and cross-city partnership working. This has been further reflected in the work undertaken by Local Enterprise Partnerships (LEP) in anticipation of Brexit.

38. The Council requested that relevant information to businesses be flagged on the Make It York website - <http://www.makeityork.com/do-business/preparing-for-brexit/>. This webpage was updated as new information became available. Similar information is also available on the LEP websites.
39. Communications to residents was seen as a priority. It was determined that messaging from the Council would align with that from government with information directing individuals to the gov.uk/euexit website. Information was made available via posters, postcards and social media channels. Social media activity reached 42,987 people with 1,029 people engaging with the posts.
40. At a practical level, CYC offers a biometric identification support service as part of the EU Settlement Scheme programme. This is administered via Registration Services. The service offered was initially available from very few authorities with York being one of the only centres covering North and West Yorkshire.
41. In line with Home Office advice and in keeping with other local authorities offering this service, a fee of £14 is payable to cover costs of the service (this is a separate fee to the £65 fee that was waived by Prime Minister Theresa May for applying to the settlement scheme).
42. The service drew an increasing amount of interest (including a radio interview) as the 'Brexit day' approached but then tailed off when it was announced that the UK's exit from the EU would be delayed until October.
43. Digital support is also available via York Learning to those residents who require assistance with the online settlement scheme application.

Regional and national engagement

44. CYC continues to engage in discussions at a regional and national level related to the continuity of supply and service provision in addition to ensuring relevant information was disseminated.
45. Preparatory work on emergency planning was focused through the North Yorkshire LRF.
46. Following concern that local government was being overlooked in preparing for Brexit, a regional coordinator (Tom Riordan, Leeds City Council) was established for Yorkshire. This flagged concerns and questions up to central government and also allowed neighbouring

authorities to share information. Returns from each local authority were made to the coordinator on a weekly basis.

47. In addition, officers attended a number of Government run workshops to prepare for Brexit on issues that had a relevance to the work of the council.
48. Services have also engaged in forums organised by the two LEPs.

Funding allocated by CYC

49. The Government has released £210,000 spread evenly over two financial years to aid with Brexit related work. The use of this resource will be channelled to appropriate areas. Further money has subsequently been released and is detailed in paragraph 59.
50. To date, we have spent around £10k through Citizens' Advice York to support people applying to the EU Settlement Scheme. This will fund staff hours to supervise and coordinate advice, communicate the service offer with community groups, major employers and other bodies, and the provision of training where required.
51. A small amount of funding has also been spent on publicising the EU Settlement Scheme and on staff time to work on Brexit related activity.
52. A further £100k has been allocated to community support programme that includes the recruitment of a Community Involvement Officer who will work directly with minority communities directly impacted by Brexit.
53. Further funding will be allocated as deemed appropriate.

Work since the delay to Brexit

54. While daily preparation meetings were stood down following the decision to delay Brexit until 31 October, work at CYC has continued to ensure that services were available to those who required support.
55. For example, biometric identification support for the EU settlement scheme was continued by Registration Services with take-up being maintained even when there was a tail-off in Brexit discussions over the summer.
56. Further, an article appeared in the internal CYC staff e-newsletter in early August 2019 highlighting the avenues for EU workers to secure settled status in the UK. The article suggested this information be rolled out to those using Council services in addition to employees.

57. A further meeting with city partners was organised for 4 September in anticipation of the new deadline. An internal heads of service meeting was also organised to refresh coordination within CYC to ensure that any challenges to service delivery are addressed. Liaison across the Council continues to identify any Brexit related challenges.
58. CYC has also engaged with community groups to discuss Brexit related issues.
59. In August 2019, further funding for local authorities was announced. As part of this additional funding, CYC has received £105k. Further, the Government has announced a national £4 million pot of money for LRFs to prepare for Brexit.
60. The Government has also requested that each authority designate an officer to lead on no-deal planning. This role will be to act a coordinator of activity in preparation for Brexit ensuring that all reasonable steps have been taken in advance of 31 October. Will Boardman, Head of Corporate Policy and City Partnerships, will take up this responsibility.

Assessment of CYC's Brexit preparations

61. Brexit has presented a unique situation that has been difficult to fully prepare for across all sectors and geographies, including Council services. Anticipated outcomes have not come to fruition while there has been a constantly changing landscape that is well beyond the control of the Council. Indeed, there is still no clarity as to the impact of the UK's eventual departure from the EU.
62. The decision to follow the lead of the Government in planning for a no-deal scenario meant that the Council was able to present a single version of the truth and signpost concerned residents and businesses to appropriate information providers.
63. Assessments that were made internally and with the Council's external partners from the information that is available highlighted that there was a consensus view that York should be relatively well insulated from the known challenges that a no-deal Brexit would present, when compared to other areas in the UK. However, the potential impacts of a no-deal Brexit at a national level have been widely publicised and this will continue to be monitored.
64. This was reflected in the returns of Heads of Service and via the information channels open to city partners. These channels have also meant that any new information and challenges could be assessed and

fed into regional and national discussions. This provided a level of assurance as the initial Brexit day approached and will do so again as 31 October approaches.

65. Liaison with city partners was succinct and provided a useful mechanism for engaging with key stakeholders on a matter of vital interest to the city. As the UK's departure from the EU becomes a firmer reality the Council will reengage with its partners on this issue.
66. Throughout the preparatory work for Brexit, there has been a focus on reassurance for residents and to provide support to those who require it. The media campaign to highlight access to not only biometric identification support for the EU Settlement Scheme but also the digital assisted support was an example of the Council using its position as a leader in the community to provide guidance for those that were in need of support.
67. Take up in this service is likely to rise again as the UK's departure from the EU returns as a live issue in the public consciousness. As one of only a few centres offering biometric support York's investment in biometric facilities highlighted that the Council was putting residents first. The Council's support of CAY further speaks to this commitment.
68. The work that has already taken place will enable the Council and the wider city to be better prepared for the new October exit date. This will provide additional assurance to partners and residents that preparations that can take place will have taken place and that service provision, where it is possible to foresee, will be able to meet the challenges that Brexit will bring in the immediate timeframe following 31 October.
69. Looking further ahead, the Council will continue to be an active participant at a local, regional and national level in discussions to frame opportunities emerging from Brexit such as a new Shared Prosperity Fund and an enhanced devolution offer. This will allow the city to take advantage of the emerging opportunities that the UK's new status will afford whilst mitigating some of the more challenging aspects of this changed landscape.

Consultation

70. As described in this report, Officers from across the Council and Partners have been and will continue to be consulted on preparations for Brexit.

Options

71. Option 1 is that Executive note the contents of this paper and the Council's preparations for the UK's exit from the European Union.
72. Option 2 is that Executive suggest alternative or additional activities.

Analysis

73. Option 1 represents a set of activities that have provided a level of assurance in the Council's ongoing preparatory work for Brexit.
74. Executive may wish to suggest alternative or additional activities, which is Option 2.

Council Plan

75. The contents of this report do not have an impact on Council Plan outcomes although Brexit could have an impact across outcome areas.

Implications

76. The contents of this report do not have implications for the below although Brexit may impact on these areas.
 - **Financial** – no implications
 - **Human Resources (HR)** – no implications
 - **One Planet Council / Equalities** – no implications
 - **Legal** – no implications
 - **Crime and Disorder** – no implications
 - **Information Technology (IT)** – no implications
 - **Property** – no implications

Risk Management

77. There are no specific risks identified in respect of these recommendations.

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Deputy Chief Executive

Report **Date** 12 September 2019
Approved

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

List of Abbreviations Used in this Report

CAY – Citizens Advice York
 CYC – City of York Council
 EU – European Union
 LEP – Local Enterprise Partnership
 LRF – Local Resilience Forum
 UK – United Kingdom of Great Britain and Northern Ireland

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