

Brexit Transition Support Programme

Diagnostic Interviews with Welsh Local Authorities

29 March 2019

Final Draft



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Introduction

At the time of writing, considerable uncertainty surrounds the outcome of Brexit discussions in parliament. The negotiated withdrawal agreement, having been rejected three times by parliament, may yet return to the commons for a further vote. A disorderly “no deal” Brexit and a long extension to Article 50 both remain as likely scenarios in the background.

In this highly volatile political context, this report captures feedback on the preparedness of Welsh local authorities for Brexit. It identifies some of the key risks facing local government, as identified by the councils themselves, and it articulates a number of potential areas where further support could be provided.

This report has been prepared by Grant Thornton UK LLP as part of our ongoing Brexit Preparedness support to the Welsh Local Government Association.

We have identified these themes through diagnostic interviews with 20 of the 22 Welsh local authorities. The two local authorities not involved were invited to participate but it was not possible to speak to their Brexit Lead within the project timescales. The findings within this report reflect the verbal and written comments received from Welsh local authorities during this process. We have not audited or tested local preparations for Brexit and can therefore make no independent judgement about the adequacy of preparations.

The document itself is intended to help councils across Wales ensure that the appropriate plans are being put in place for different Brexit scenarios, whilst also highlighting the common challenges facing authorities and areas of best practice that can be used to support further planning.

Our interviews covered five key questions, selected in discussion with WLGA and Welsh Government, which have been included at Appendix 1 and are reflected in the five sections of this report. Appendix 2 details the local authorities that Grant Thornton interviewed during this process.

Context

These diagnostic interviews follow up on the Brexit preparedness toolkit that was published in December 2018, which forms part of the wider Brexit Transition Support Programme for Welsh Local Authorities delivered by the Welsh Local Government Association.

The aims of the wider Brexit Transition Support Programme for Welsh Local Authorities, funded by the Welsh Government's EU Transition Support Fund, are to ensure Welsh local authorities are not duplicating work in preparing for Brexit; ensure all local authorities in Wales are equally prepared for Brexit in key sectors; and to establish a more formalised, two-way programme of communication between local authorities and those planning for Brexit in the Welsh and UK Governments.

Activities under the support programme include a range of stakeholder events, the production of the Brexit preparedness toolkit and subsequent resources such as this report, and the commissioning of research in areas where Brexit will have a significant impact for local government.

Key observations:

- **Welsh local authorities have mobilised in response to Brexit and have committed significant time and effort to a range of preparations for potential disruption and local impacts.**
- **Local decision-making and governance structures have been put in place to assess the potential risks and, in some cases, have taken steps to mitigate against them.**
- **The majority of the local authorities we spoke to report a good degree of readiness, however these plans are necessarily untested given the ongoing level of uncertainty. We therefore cannot say with absolute confidence that the sector is ready for a disorderly Brexit.**
- **Despite this uncertainty, in many cases, significant, rather than superficial, work has taken place to try and mitigate potential impacts in key areas such as workforce, the supply chain, funding and vulnerable parts of the community. WLGA work has been identified as helpful to this process by many authorities.**

How prepared do you think your Council is for Brexit?

Discussions with Welsh local authorities have identified that there has been significant time, effort and resources input into planning for Brexit across Wales.

All of the councils interviewed were able to articulate the different preparations they have put in place.

Councils were confident that the level of time and resources expended on Brexit preparations was reasonable and appropriate, given that preparations to date are often seen as “additional requirements to the day job”. It was also a common theme for Welsh local authorities to have focused primarily on the potential short-term impacts, such as disruption to service delivery, rather than any longer term implications in areas such housing delivery or economic growth.

The majority of councils have established some form of internal Brexit working group, tasked with leading and coordinating the authorities preparedness for Brexit. Commonly, these groups are cross-council and consist of representatives from a range of relevant professional disciplines within the council. Many councils have also convened external-facing Brexit working groups that engage with local partner organisations. These sit alongside Local Resilience Forums (LRFs) which we have explored later in this document.

A minority of Councils have not established dedicated working groups, but have instead chosen to make Brexit a standing item within existing corporate management team meetings.

Some authorities have made the decision to begin executing their “no deal” contingency plans in critical areas such as school meals and social care, however others are waiting to see how events unfold in Westminster over the coming days.

Engagement with service areas

Most councils have undergone a comprehensive risk assessment process in discussion with professionals from across key service lines. From our conversations we have identified a number of different ways that these working groups have engaged with service areas:

- one to one interviews with key officers from across the council to assess potential Brexit impacts;
- officers from service areas considered to be at the greatest risk to Brexit implications as members of the working group;
- questionnaires sent to heads of service to raise key issues and risks relating to Brexit; and

- a Brexit Impact Assessment circulated to service areas asking them to identify risks and state business continuity plans. This identified a total of 87 service risks that were surmised into 12 strategic risks for consideration by the Brexit working group.

Member engagement

Almost all authorities have identified a lead member for Brexit, however member involvement in Brexit planning has been variable. Some local authorities have engaged Members through the presentation of updates to relevant committees, whereas some local authorities have member representation on the Brexit working group itself.

Case study – Cardiff City Council

The Leader of Cardiff Council is the chair of Cardiff's Public Services Board (PSB) which brings together the city's public service leadership and decision-makers.

This group has come together in Cardiff to analyse the risks facing the city within the context of Brexit and identify how partners can work together to mitigate these risks. The work of the PSB has fed into the preparations of the council through the role of the leader. A sub-group of the PSB has been established within the Council bringing together the Chief Executive and key officers to bring together intelligence and expertise so that there is a joined up response from the council.

Is Brexit included as a risk on your Corporate Risk Register?

We asked local authorities whether or not Brexit was included as a specific risk on their corporate risk register. Of the 22 Councils interviewed, 19 confirmed that this was the case.

Specific Brexit risk registers have been developed by a number of councils that provide greater detail on Brexit risks and mitigations than the corporate risk register.

Where councils have not added a specific Brexit risk to their corporate risk register there have been alternative methods implemented to recognise and monitor Brexit risks. These include:

- Development of a Brexit impact log to track the key risks identified by Brexit working group and monitor whether or not Brexit needs to be added to the corporate risk register;
- Brexit risks incorporated into existing corporate risks of public safety and external factors impacting upon the council.

How prepared do you think your Council is for Brexit? (cont'd)

Specific Brexit reserves

During our interviews a small number of local authorities highlighted that they have established a specific Brexit reserve that would be used to provide financial support to council directorates that are impacted by Brexit and incur new cost pressures as a result.

Other local authorities have not established a specific Brexit reserve but do have existing reserves that could be utilised if required. The remaining local authorities have not considered the need for such a reserve or have decided not to create one.

Brexit resources on council website

As recommended in the WLGA Brexit preparedness toolkit almost all authorities have used their website to provide information for use by different local groups. The common theme is that councils are signposting citizens, service users, businesses and third sector organisations to the existing information produced by Welsh Government, UK Government and Business Wales rather than creating new content themselves. This ensures that a consistent and correct message is being communicated across Wales.

Case study – Ceredigion County Council

The council has developed a section on its website outlining how it is helping Ceredigion to prepare for the potential effects of Brexit. This resource outlines, at a high level, the steps that the Council has taken to prepare itself for Brexit. It also signposts residents and businesses to information produced by the Welsh Government in areas such as; Business and the Economy, Environment and Agriculture, Community Cohesion and EU Settlement Scheme.

Impact of the WLGA Brexit preparedness toolkit

In December 2018 the Brexit preparedness toolkit was published with the aim of supporting Welsh local authorities to undertake consistent and comprehensive Brexit preparations. During these interviews we explored the impact that the toolkit has had and how it has been used to support Brexit planning. Councils generally felt that the toolkit has made a positive impact and been a helpful resource in supporting the Brexit planning process of Welsh local authorities.

A Wales Audit Office (WAO) report published in February 2019 references the use of the toolkit by Welsh local authorities stating that “In local government, many Councils have been using a guide that the Welsh Local Government Association commissioned Grant Thornton to produce. Based on their self-assessments, only a minority of councils had clear plans to deal with the risks they have identified”. Responses to our interviews suggest that the Brexit preparations of Welsh local authorities have moved forward considerably in the short period of time since WAO reached this finding.

Other councils that were interviewed have used the toolkit in different ways to support their Brexit risk identification and planning. One authority have defined their strategic Brexit risks in line with the three pillars of the toolkit (your organisation, your services and suppliers, and your place). The toolkit has also been used as a reference point when considering risks relating to Brexit which has then translated into an action plan.

Where local authorities had already undertaken Brexit planning before the toolkit was published, they have told us that the toolkit superseded pre-existing documents and has been a key feature of planning for Brexit. We were also told that the toolkit gave confidence to councils in their planning as the risks in the toolkit were the same as identified by the council.

During the interviews local authorities provided feedback on other areas of the WLGA's Brexit Transition Support Programme. One council we spoke to found the thematic workshops to be an excellent opportunity to engage with other local authorities and share information and best practice in relation to Brexit planning.

How have you engaged with your local partners on Brexit planning?

We heard a number positive comments about the work of Local Resilience Forums (LRF). Most local authorities felt that LRFs were working effectively on issues relating to Brexit and were benefiting from good local engagement.

We spoke to local authorities from each of the LRF areas and received consistently positive messages on the level of preparedness. These LRFs have enabled local authorities to look at Brexit risks collaboratively, identify common risks and share contingency plans to mitigate these risks. Councils attributed the successes of the LRF's to the strong history of collaborative working across public sector partners in Wales.

A common theme emerging from our conversations focussed specifically on the implementation of daily situation reporting in the run up to Brexit. We have received feedback from a number of local authorities that LRF partners have worked together to put appropriate command and control structures in place to feed information through the LRF to Welsh government on a daily basis.

Councils have also fed back details of resource sharing arrangements to deal with the increased resource demands that daily situational reporting is felt to have placed on authorities. Some areas have absorbed the reporting requirements to fit into existing emergency planning frameworks.

Case study – North Wales Councils Regional Planning Service (NWC-REPS)

This is a consortia between the North Wales local authorities (Flintshire, Denbighshire, Wrexham, Conwy, Isle of Anglesey and Gwynedd) that provides emergency planning services. It is hosted by Flintshire County Council and is funded on a collaborative basis.

This existing arrangement between the local authorities has been utilised to coordinate the reporting requirements into Welsh government. The councils email an update to the Regional Planning Service who then submit reporting update on their behalf.

There was a marked difference in the feedback received on the demands this situation reporting will place on councils from interviews before 18 March, the date the reporting started, and those held after 18 March.

Before the 18 March, a number of councils flagged concerns that the reporting expectations were overly bureaucratic and could place excessive pressure on council resources for the value that could be delivered from the process. The councils that we spoke to after 18 March did not flag any pressure from the reporting that they had undertaken. However, this feedback was caveated that reporting had only been undertaken for a short period of time and there had been no significant change to the Brexit situation.

During our interviews with Welsh local authorities, fears over these reporting demands leading to reporting fatigue within officers were raised. Concerns were raised over the lack of clarity around “stand down” arrangements of daily reporting if Brexit is delayed for a significant period of time. Local authorities identified possible risks around “going through the motions” if reporting on a steady state as there is the potential that medium to long term impacts, such as community cohesion and economic growth, are slower and not identified in reporting processes. Councils we spoke to felt that these issues should be identified through other channels but wanted to flag the risk of reporting fatigue.

There were also some concerns raised around duplication in reporting channels. One local authority we interviewed highlighted that the daily reporting through the LRF duplicates reporting that Social Care and Education service areas are completing into Welsh government. The concerns raised focused on unnecessary reporting and mixed messages when reporting is undertaken through multiple channels.

What do you consider to be the biggest Brexit related risks/impacts for your area?

Vulnerable people

We asked how well Welsh local authorities understood the impact Brexit could have on the most socially and economically vulnerable in their communities, and what preparations they were making in response. Any post-Brexit issues are most likely to disproportionately impact upon the most vulnerable in society. Across Wales, local authorities demonstrated an understanding of their communities and those most at risk and felt that they had good lines of communication with representative community groups in their respective areas.

Food banks emerged as a key issue. Many of the councils we interviewed discussed the impact Brexit could have on foodbanks and users of them. Councils identified that a disruption to food supply could increase the number of people needing to use foodbanks whilst also contributing to a decrease in donations at supermarkets (a key contributor to foodbanks) if they also experience supply issues.

Some Councils had assessed that the risk of food shortages would be highest for fresh goods, and therefore that supplies of dried goods would be more resilient.

Case study – Blaenau Gwent County Borough Council

Blaenau Gwent County Borough Council have been undertaking a strategic project on assessing the impact of Universal Credit on their vulnerable communities. This project is not specifically Brexit-related but has developed within the context of Brexit during the council's planning process. This project has mapped foodbanks within the authority and plotted it against household income enabling better understanding of key distribution points for food support. Working with the registered social landlord in the area and Citizens Advice Bureau, the council now have a clear understanding of the most vulnerable in their communities and this work has now factored in the potential impact of post-Brexit food shortages. We see this as a good example of combining Brexit planning with the existing strategic work of the Council.

Food shortages

We asked authorities about their preparations for potential food shortages in key areas such as social care and education.

All local authorities interviewed have undertaken work to assess the risks and mitigations in this area. Councils in Wales have engaged with their supply chain to understand the level of resilience. Overall, we have identified a good level of confidence from local authorities that in the short term there will be sufficient available ingredients to deliver meals of the required nutritional value. There is less confidence that this could be maintained in the medium term if disruption to food supplies continues beyond a short period.

Authorities have been told by suppliers that they will continue to be able to deliver meals but that menus and ingredients may need to be altered.

Some authorities have sought to engage with new local suppliers to bridge any potential gaps in food supplies. One of the councils we interviewed stated that their catering service has looked at developing menus that have less reliance on perishable goods in order to increase resilience if food shortages do materialise.

From our interviews we have identified a small number of instances of stockpiling taking place to ensure that sufficient produce is available. One council has engaged with their supplier who is stockpiling dried goods ahead of Brexit.

Stockpiling is not common across Welsh local authorities and a number of councils have raised this with their suppliers who have advised that stockpiling is not necessary from their perspectives.

Some local authorities have explored the skillsets that exist within catering services and their suppliers to ensure that appropriate skills are in place to deliver nutritional meals using different ingredients if required due to food shortages. The level of confidence gained from this exercise has been high with councils expressing confidence that appropriate skills exist within catering functions to adapt menus and utilise alternative ingredients.

What do you consider to be the biggest Brexit related risks/impacts for your area? (cont'd)

Loss of EU funding and the future of the Shared Prosperity Fund (SPF)

Wales and Welsh local authorities have benefitted significantly from EU funding. Many of the councils that we interviewed flagged uncertainty around the future of this funding as a key risk.

Within Welsh local government there is a lack of clarity over how the replacement UK Shared Prosperity Fund (SPF) will operate with some councils expressing concerns over potential for a “bidding system” that is resource intensive and does not award funding based on need. This is of particular concern to less affluent areas who fear funds being awarded on a GDP per capita basis. We heard the view that discussions over the replacement funding system are taking place behind closed doors in Westminster and that the Welsh government is less engaged with these than it would be under the existing EU system.

There is particular concern within some Welsh local authorities around the future of skills and rural development funding. Some of the local authorities that are recipients from these schemes feel that these topics are absent in consultations around the SPF. These councils also expressed fears around changes in the way that funding is allocated with the focus moving away from deprivation, and the risk of “winners and losers” under a different allocation system.

Conversely, some local authorities that we interviewed saw these changes as a potential opportunity to push for devolve decision making around the allocation of funding to a regional level. This would increase the flexibility of the funding and enable regions to align funding city growth deals, skills requirements and infrastructure needs. Other local authorities also saw potential to rebalance the allocation of funding under a new bidding system.

All of the local authorities we spoke with agree with the Welsh Government position that there should be no detriment or decrease in funding for Wales as a result of any new funding arrangements.

Community cohesion and civil unrest

The uncertainty surrounding Brexit means that local authorities and public sector partners are also uncertain on what the public reaction will be. This has made planning for exact situations difficult but, through LRF's, authorities are generally confident that structures have been put in place to respond to any situation that emerges in relation to community cohesion or civil unrest.

Local authorities in Wales have seen Brexit place strain on existing tensions within communities. In some areas of Wales there has been an increase in far right-wing activity. Although this is not a specific Brexit issue the tensions surrounding Brexit have made a significant contribution to this potentially divisive political activity.

A common message from the local authorities that we interviewed was that they recognised the importance of being prepared for potential civil unrest but these preparations are being conducted with a degree of discretion in order to avoid generating concerns within communities that may prove to be unnecessary. This is felt to be a tricky balancing act.

Some of the councils that we interviewed identified fears around the role of social media if Brexit does lead to instances of civil unrest. They see social media creating a new dynamic by creating further disruption through the proliferation of misinformation, potentially exacerbating public opinion and civil unrest. Local authorities highlighted the importance of strong public sector communication networks to provide accurate and timely information and this has been explored in more detail elsewhere in this document.

A small number of councils that we spoke to highlighted the potential risk of civil unrest surrounding potential European elections in May if Brexit is subject to any delay. Councils fear that there could be backlash from the public around the cost of running these elections and that local organisations would bear the brunt of this backlash.

What do you consider to be the biggest Brexit related risks/impacts for your area? (cont'd)

Delivery of social care services

Local authorities consistently expressed the view that social care services are already under pressure due to concerns about sustainability of funding and rapidly increasing demand, and that Brexit is seen as creating additional risks and pressures on top of these issues.

Across the UK, the social care sector employs a significant number of EU nationals, leading to concerns over the retention and recruitment of EU nationals post-Brexit in a sector already facing staffing shortages. In Wales, an estimated 6.4% of registered health and social care staff are non-UK EU nationals. This compares to an estimated 7% of registered staff in England.

We heard mixed views about the immediate risks to workforce availability in Wales, with some authorities feeling that other risks were more pressing.

These included disruption within the social care supply chain – in particular care providers – and the availability of key items such as toilet roll. Private sector suppliers to the public sector could, in theory, be put under increased financial and resource pressure post-Brexit which could lead to service failure. There is also the likelihood that these suppliers have EU nationals in their workforce and may themselves have issues around workforce availability. In the event of service failure the local authority becomes the provider of last resort and there are fears that public services do not have the capacity to respond to significant failures in the social care supply chain.

A number of the councils have tried to mitigate this risk through early engagement with suppliers over their Brexit preparedness and many have received assurances from suppliers that services will be maintained post-Brexit.

Some councils we interviewed felt that the main risk in relation to social care was increased costs rather than the ability to continue service delivery. Social care budgets in Wales are already felt to be stretched and increased costs relating to Brexit could have significant impacts on local authority finances and other services.

Some councils in rural areas have also considered the risk of fuel shortages causing disruption to provision of care for people in remote locations.

One council we spoke to also highlighted uncertainty around the entitlement of EU citizens resident in Wales to receive care following Brexit. This council identified a small number of service users and hoped that a common sense approach would be used, but felt it was an important risk to flag. Our current understanding is that these individuals would need to apply for settled status but Brexit should not impact upon their current access to support and funding.

Resilience of the wider supply chain

The majority of Welsh councils have taken steps to assess the resilience of their supply chain beyond food supply and social care, in areas such as construction and facilities maintenance.

Many of the councils interviewed have sought to gather as much intelligence and analysis of their supply chain discreetly so not to create unnecessary panic over the potential impacts of Brexit. Some councils have identified their major suppliers and had conversations with them to gain confidence over their resilience.

One council we interviewed identified a potential risk around supply chain failures impacting upon their ability to continue delivery of certain services. The example they gave was a failure in the supply chain for products such as toilet paper impacting upon the ability to keep schools open. Another council who is currently undertaking a large scale regeneration project has engaged with their construction partner to assess their resilience. Confidence has been gained from the supplier who has stockpiled bricks imported from Europe to ensure that the project can continue without significant delay.

Some Welsh local authorities feel that Brexit has already impacted upon their suppliers. Recently, a major Welsh construction company who were delivering projects for a number of Welsh local authorities entered administration, with their administrator citing Brexit as a contributing factor. This has delayed development projects and councils will need to re-tender and appoint new contractors.

Most councils take the view that their supply chains are ready for Brexit in the short-term. However, as highlighted in the food shortages risk, if there is ongoing disruption to supply chains in the medium to long term then this resilience may not be maintained.

What do you consider to be the biggest Brexit related risks/impacts for your area? (cont'd)

Strategic issues facing local authorities in the context of Brexit

Local authorities in Wales are facing significant strategic challenges such as driving economic growth in an uncertain context, addressing systemic skills shortages and meeting the growing need for demand-led services in a changing demographic context. Increasing pressure on demand led services has required Welsh local authorities to identify savings across all service areas.

These challenges pre-date Brexit, but Brexit is felt to have added a new and unwelcome dynamic within them.

Many of the local authorities we interviewed are currently developing strategic vision plans and medium-term financial plans. Brexit is featuring in these plans but the level of uncertainty over what the post-Brexit environment will look like is making this difficult for councils. The feedback we received during these interviews was that there are still so many unknowns from Brexit that it is difficult to factor it in to strategic planning.

Brexit also has the potential to place increased pressure on already stretched council finances as well as increased demand on services such as housing and social care. A post-Brexit recession could hit council income as there is increased dependence on welfare in areas such as council tax. There are also risks to treasury management functions if interest rates are to change in terms of returns on council investments and the cost of borrowing. The exact impact of this is dependent upon the type of Brexit delivered, which remains uncertain.

One local authority that we interviewed has already felt a financial impact of Brexit in that fluctuations in the exchange rate have resulted in increased costs of c.£100k on existing IT contracts for software.

Increased pressure on council resources

A number of councils that we interviewed identified the potential risk around the demand that will be placed on Environmental Health officers post-Brexit.

Currently, it is likely that local authority Environmental Health officers will be required to complete import and export certificates for goods from the local area. Environmental Health resources are felt to have been significantly reduced through the need to make savings and the remaining resources are under significant pressure already. Many of the councils we interviewed highlighted the lack of capacity within existing services and also the lack of readily available skills as a key Brexit risk.

Within Environmental Health and Trading Standards there are also concerns that there will be a significant increase in demand for information on the changing regulatory environment post-Brexit and the challenges this poses to the Council. Some of the councils that we interviewed have already put in place additional resources and signposting to mitigate this potential risk.

This potential pressure on resources is particularly acute in local authority areas with a port. Port health and other regulatory services could be required to perform additional duties that councils do not feel they currently have the capacity or availability of expertise to deliver.

What do you consider to be the biggest Brexit related risks/impacts for your area? (cont'd)

Impact on local economy

The potential impact of Brexit on the local economy is an important consideration for local authorities due to the knock-on effect on demand for services and Council finances. All councils have also highlighted the difficulty in planning for economic impact due to uncertainty surrounding what Brexit will actually look like, especially in the medium to long term.

Wales has a diverse economy with some local authority areas dominated by agriculture and others by manufacturing. Therefore, the local authorities that we have spoken to have different economic priorities. This means that there have been a variety of risks identified during our discussions but these have been predominantly focused around the risks of job losses, impact on council finances and increasing demand for council services.

Agriculture

Councils that serve predominately agricultural areas highlighted the potential risk of Brexit disrupting the movement of goods, especially as we approach lambing season. This disruption could significantly impact on the cashflow of the agricultural sector putting businesses under financial pressure. Councils highlighted the knock-on impact of this to the welfare of the farming community and the resource implications implicit if further support is required.

Local businesses

Many authorities have engaged their local businesses over Brexit. Many of the councils that we spoke to have good links with local businesses and have been using these relationships to listen to the concerns and signpost businesses to available information, e.g. from Business Wales and the British Chamber of Commerce. Feedback received from councils is that this information is timely and helpful.

In some areas concerns have been raised over the post-Brexit future of major employers but councils recognise that they can only have limited influence on the decisions of these employers. Therefore, the approach has been to engage in dialogue with businesses so that the council remains well informed on the potential risk of losing local employers and also has a strong line of communication with these businesses.

Higher education

Some of the local authorities that we interviewed have universities within their local area. These councils have been in conversation with the universities about the potential impacts of Brexit and have then considered the possible knock-on effect to the council.

Higher education establishments are increasingly reliant on overseas students to generate income. Some councils have reported anecdotal evidence of a decrease in the number of students coming from overseas which has directly impacted on the funding of these institutions.

A decrease in student numbers impacts upon localities in a number of ways. Local business lose customers and the local economy risks losing key skills. Many of the large-scale developments in the local area are for student accommodation and a reduction in student numbers could impact on future developments. This could impact on the local economy as it reduces job opportunities for the local workforce in constructing these developments.

Higher education establishments are also significant beneficiaries from EU funding for research. There are felt to be risks around reductions in access to these sources of funding, directly impacting upon financial sustainability of these institutions.

Ports

Three local authorities that we interviewed (Isle of Anglesey, Pembrokeshire and Newport) have ports within their boundaries. Ports are one of the key risk areas of Brexit due to the potential disruption to imports and exports. Each of the local authorities interviewed has taken some steps to prepare for potential disruption at ports post-Brexit. They have looked at the infrastructure and have created plans for parking and holding freight and traffic if there is significant disruption at the border. The local authorities are also engaging with the UK Government over the potential customs regime and what checks could be required post-Brexit. Once again, these planning procedures are focused on addressing short term disruption and pressures. If the disruption was to extend to the medium and long-term then there are concerns within the affected local authorities that existing plans are not sustainable.

Is there any further support you feel that you need from Welsh Government, WLGA or from Grant Thornton?

We asked each of the local authorities interviewed whether they required any further support from or had any 'asks' of WLGA or Welsh Government.

The responses we received can be categorised into five areas as follows:

- **Communication** – misinformation and untrustworthy sources of information were seen by Welsh local authorities as a potential risk to community cohesion and a cause of civil unrest. Therefore, a number of councils highlighted the importance of ensuring that there are trusted sources of information post-Brexit and that there are strong communication networks to publicise this information. Local authorities see WLGA and Welsh Government as being central to ensuring information is reliable, effectively communicated and a consistent message is publicised across Wales.
- **Information** – Welsh local authorities have received a significant amount of information on Brexit from a number of different sources and some cited “information overload”. During our interviews a number of local authorities expressed the feeling that due to the amount of information received there was the risk that something important had been missed. Feedback received was that the way in which information was being communicated to councils was improving as Brexit got closer. Some local authorities felt that there was some duplication in the information received which placed pressure on already stretched resources. Another local authority identified that not all of the information received was relevant but they still had to review it to ensure that nothing was missed. They suggested that information could be graded in terms of relevance to release pressure on council officers with the responsibility of reviewing the information relating to Brexit.
- **Coordination** – during our interviews a number of local authorities identified that there are commonalities in the risks facing Welsh councils. Therefore, there were a number of suggestions that the Welsh Government and WLGA could lead on bringing councils together to deal with the issues emerging post-Brexit. For example, a number of local authorities that are agricultural areas felt that there could be greater coordination in understanding the potential implications to the sector and how to mitigate these. Our interviews also identified that the long term economic impacts of Brexit are a key risk to councils but remain uncertain. Welsh local authorities have identified that working together, led by the Welsh Government and WLGA, can develop a strategy for preparing for the long term impacts of Brexit.
- **Finances** – One local authority we interviewed has been tracking the increased expenditure that can be directly attributed to Brexit preparations. They have done this so that they can accurately reflect the true cost of Brexit to the council. Many local authorities welcomed the additional funding being provided by WLGA but there is a need for clarity on how local authorities are permitted to use the funds
- **Data** – Some of the councils that were interviewed identified a lack of information around data sharing protocols post Brexit. These local authorities are looking at WLGA and Welsh Government to provide advice and guidance on the impact of Brexit on the use of data by councils.

Appendix 1 – Interview questions

Key question	Supplementary questions / probe areas
How prepared do you think your Council is for Brexit?	<ul style="list-style-type: none"> • Do you understand key risks and opportunities? • Has Brexit been added to the corporate risk register? If not are you planning to do so? • Have business continuity plans been developed and – if appropriate activated • What level of confidence is there in the BCPs – any issues identified?
What impact has the WLGA toolkit had on your authority?	<ul style="list-style-type: none"> • What recommendations has the Council addressed? • Which areas have been most helpful? • What areas do you feel have not been addressed?
How have you engaged with your local partners on Brexit planning?	<ul style="list-style-type: none"> • With the Local Resilience Forum – is there a good understanding of the risks the LRFs have identified? • With NHS • With Blue light services • With voluntary / community sector • Town and Community Councils • Social care providers (often small businesses) • Others
What do you consider to be the biggest Brexit related risks/impacts for your area?	<p>Vulnerable people</p> <ul style="list-style-type: none"> • Do you feel that you understand how Brexit may impact on communities within your area, especially the most vulnerable individuals? <p>Food supply issues</p> <ul style="list-style-type: none"> • Food supply issues, with shortages of certain products such as fresh fruit and veg and anticipated price increases, have been flagged as a risk as per UK Government guidance – how prepared does the council feel in relation to the food agenda in sectors such as education and social care? • Are appropriate substitute products being identified where shortages are anticipated? <p>Port areas</p> <ul style="list-style-type: none"> • What work has been done to support ports and the surrounding infrastructure in preparing for Brexit and do you think the council has a sufficient understanding of potential risks? • Other key risks include social care, supply chain, civil contingencies, economic impact? • Any opportunities that have been identified locally?
Is there any further support you feel that you need from Welsh Government, WLGA or from ourselves?	
Any questions for us?	

Appendix 2 – List of councils interviewed

Local authority	Date interviewed
Blaenau Gwent County Borough Council	6 March 2019
Bridgend County Borough Council	14 March 2019
Caerphilly County Borough Council	6 March 2019
Carmarthenshire County Council	18 March 2019
Ceredigion County Council	20 March 2019
City and County of Swansea	6 March 2019
City of Cardiff Council	15 March 2019
Denbighshire County Council	14 March 2019
Flintshire County Council	14 March 2019
Gwynedd Council	15 March 2019
Isle of Anglesey County Council	13 March 2019
Merthyr Tydfil County Borough Council	Completed written response
Monmouthshire County Council	1 March 2019
Neath Port Talbot Council	15 March 2019
Newport City Council	15 March 2019
Pembrokeshire County Council	14 March 2019
Powys County Council	5 March 2019
Rhondda Cynon Taf County Borough Council	19 March 2019
Torfaen County Borough Council	1 March 2019
Wrexham County Borough Council	18 March 2019
Vale of Glamorgan Council	Not interviewed – Have engaged with the WLGA in Brexit preparations through Brexit updates and have undertaken Brexit risk assessment.
Conwy County Borough Council	Not interviewed – Have engaged with the WLGA in Brexit preparations through Brexit updates and have undertaken Brexit risk assessment.

Welsh local authority interviews – Summary table

Local authority	Is Brexit a specific risk on the corporate risk register?	How prepared do you think your Council is for Brexit?
Blaenau Gwent County Borough Council	Yes	Brexit core planning group established with action plan and risk register, all service areas feed into planning through group, report taken to Scrutiny Committee for Member engagement
Bridgend County Borough Council	No	Internal Brexit group formed, Brexit risk assessment tracker developed that is formally reported to Cabinet
Caerphilly County Borough Council	Yes	Internal Brexit working group established with officer and member representation, one-off funding reserve set aside for potential Brexit impacts
Carmarthenshire County Council	Yes	Brexit working group with Executive Board representation and officers from all service areas, review of contingency arrangements
Ceredigion County Council	Yes	Leadership group established with Brexit as standing agenda item, report progress into Audit Committee
City and County of Swansea	Yes	Brexit steering group set-up, Leader holds Brexit portfolio for WLGA and sits on Welsh Government EU Advisory Group
City of Cardiff Council	Yes	Engaged with Cardiff Public Sector Board through Leader, established Brexit sub-group, reviewed business continuity plans
Conwy County Borough Council		N/A
Denbighshire County Council	Yes	Brexit risk register created using WLGA toolkit, cross-council Brexit working group established
Flintshire County Council	Yes	Focused on short-term impacts of Brexit that are within Council sphere of influence, planning for uncertainty seen as unproductive time
Gwynedd Council	Yes	Specific Brexit risk register developed, internal Brexit working group with representation from across Council established
Isle of Anglesey County Council	Yes	Internal risk assessment completed, Brexit integrated into SLT and management team meetings rather than new governance structures
Merthyr Tydfil County Borough Council	Yes	Business continuity plans developed and confidence in them is high, have addressed most of WLGA toolkit recommendations
Monmouthshire County Council	Yes	Brexit working group established, Members seminar held to update on planning, specific Brexit risk register established
Neath Port Talbot Council	Yes	Brexit group established with representative from each service area, a report on planning taken to Cabinet
Newport City Council	Yes	Brexit task and finish group with representation from across Council established, Brexit standing agenda item of Corporate Management Team meetings
Pembrokeshire County Council	Yes	Developed Brexit impact log to track potential risks, Brexit planning fed into MTFP through financial consequences paper
Powys County Council	Yes	Internal officer working group established, external facing working group chaired by Leader established, Brexit Impact Assessment completed by service areas
Rhondda Cynon Taf County Borough Council	Yes	Low number of EU nationals in workforce, assurance over resilience of food suppliers, signposting to information on Council website, issued report on Council preparedness
Torfaen County Borough Council	No	Virtual task and finish group established, have briefed leadership team on feedback from WLGA events, developed Brexit Impact Log
Vale of Glamorgan Council		N/A
Wrexham County Borough Council	Yes	Brexit has been incorporated into existing risks on Corporate Risk Register, mitigations to identified risks taken to Scrutiny Committee



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