

Brexit Scrutiny Questioning Guide



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Lucy Sweet, Senior EU Policy and Communications Officer
02920 46 86 42 / 07500 963381 - lucy.sweet@wlga.gov.uk

1. Overview of the risks associated with Brexit

There is ongoing uncertainty over where on the spectrum of soft to hard Brexit (in terms of the Customs Union and Single Market) the United Kingdom will end up. Brexit will have an impact on local authorities and their communities and, inevitably, a 'hard Brexit' with No Deal would have most significant implications for local authorities.

It is therefore important that local authorities prepare for the implications of Brexit and the [WLGA/Grant Thornton Brexit Preparedness Toolkit for Welsh local authorities](#) (published 27th Nov) sets out three areas local authorities should focus on to prepare for Brexit:

Organisation

Brexit will impact on the way local authorities operate as organisations, in terms of their financial planning, regulatory activity and as employers.

Workforce - LAs local authorities need to consider the impact of Brexit on their workforce, particularly in sectors that depend heavily on EU workers, such as social care, construction, agriculture, hospitality and tourism. The Home Office Settled Status Scheme will affect non-UK EU employees working in LAs, and LAs will have responsibilities to communicate the scheme to their workers and support vulnerable groups to apply.

Finances - details of the successor arrangements for EU funding programmes are yet to be confirmed. There is concern that Wales will lose out under different criteria and urgent clarity is needed on the rules of engagement for Wales to access future funding opportunities. LAs therefore need to consider what the loss of EU funding programmes would mean for them.

There is also potential for cost increases, impact on LA pension funds and even an emergency budget. LAs need to consider how they would handle these things.

Legislation and regulation - Many council services are underpinned by EU law (e.g. procurement and environmental services). There is a risk that in the case of No Deal, the Statutory Instruments required to give LAs legislative cover for activities will not be in place by the end of March 2019. The detail of many Statutory Instruments are yet to be confirmed and some may require councils to adjust some administrative arrangements. There is also concern about the scale and nature of Statutory Instruments- there is lack of time for effective scrutiny and a concentration of power in the hands of Ministers.

These points are part of a wider concern that Brexit will result in further concentration of power in Whitehall and/or Cardiff Bay. As local government implements around 70% of EU legislation, the LGA and WLGA is pressing that councils must be involved in the development of all new legislative arrangements that authorities will have a central role in implementing, including in the development of key frameworks. There must be new opportunities to devolve new powers and responsibilities to local government and local communities, matched by adequate resources and capacity to deliver.

Services and providers

Different services will be affected in different ways by Brexit and all service areas will need to contribute to LAs' forward planning. For example:

- Social Services - potential for staff shortages in key, high risk areas, responsibilities for LAs around the Settled Status Scheme and vulnerable groups and the possibility for disruption of supplies
- Transport - potential impact on transport networks from delays at ports
- Schools - possibility of disruption to school supplies
- Skills/training - potential for skills gaps in local economies post-Brexit
- Regulatory services - additional capacity may be required to deal with increased responsibility for local regulation

Community Leadership

It is likely that Brexit will have an impact on Wales' communities, including how businesses operate and the potential impact on workers (particularly EU nationals), how much funding is available for community or economic development, the insecurity and uncertainty around the status of EU nationals resident in Wales' communities as well as possible community cohesion implications.

Local authorities will have a vital community leadership role post-Brexit, especially in the event of a 'No Deal Brexit', with many organisations and individuals likely to turn to the council for support and advice. Local authorities therefore need to be speaking to their key partners, i.e. businesses, health, voluntary sector, to understand their main concerns around Brexit. Brexit should be a high-risk issue being considered by partners at Public Service Boards. LAs may also wish to consider preparing briefings and Q&As for front line staff and Elected Members who may get asked a range of questions by residents and businesses.

2. Actions being taken by LAs

Uncertainty about the likely outcome of any Brexit deal and no spare capacity is making it very difficult for LAs to prepare for Brexit. However, many local authorities have been making preparatory arrangements:

- All LAs have identified Brexit Leads (both elected members and officers)
- Preparing reports for Council and/or Cabinet
- Including Brexit as a risk on the authority's corporate risk register
- Providing Brexit briefings to cabinet, Brexit Leads, wider members and senior management teams. The WLGA provides a briefing service to councils.
- Establishing corporate working groups
- Undertaking risk assessments, issue identification and analysis

3. Scrutiny's Role

Overview and scrutiny committees can play an important role in ensuring that the authority is as prepared as possible for Brexit, whether a negotiated settlement with the EU or a 'No Deal'.

Despite the uncertainty about Brexit, there are information sources that members and authorities can access to keep up-to-date– e.g. [WLGA Brexit webpage and the WLGA can also provide Brexit Briefings to authorities or committees on request.](#)

In light of the issues outlined above there are numerous lines of inquiry that scrutiny committees could be pursuing to support and assess authorities' state of preparedness, as follows:

- Is Brexit included as a corporate risk and is the risk rating adequate?
 - Has the LA prepared specific risk assessments? – as (i) an organisation, (ii) service deliverer (iii) community leader?
 - What are the workforce implications of Brexit for the LA?
 - What are the legal implications of Brexit for the LA?
 - What are the financial implications of Brexit for the LA?
 - What are the procurement implications of Brexit for the LA?
 - Are these risk assessments robust and what actions or planning have been put in place to mitigate any risks?
- Has a contingency plan been prepared for how Brexit scenarios could play out locally?
- Have service-specific assessments been undertaken? Are business continuity plans in place (e.g. has the potential for disruption to business-critical supply chains been assessed?)
- What is being done in terms of communications (internally and externally)?
- What plans have been made via the Public Service Board or with local public service providers and partners?
- Is the LA using the WLGA Brexit Preparedness Toolkit?
- Have impact assessments been undertaken on the local economy? If so, what plans are in place in response?
- How has the authority responded to the Wales Audit Office study (deadline 30th Nov)?