

# **BCC Brexit Readiness Programme**

## **ACHIEVEMENTS & NEXT STEPS**

**Audit Committee Meeting  
20 October 2020**



# Brexit Readiness Programme Update

## Audit Committee Meeting

20 October 2020

**This presentation provides an overview on:**

- **Brexit risk & impact assessment**
- **Council's Brexit response: Moving from risk to readiness**
- **BCC Brexit Readiness Programme and its governance structure**
- **Planned actions for the Transition Period and beyond**
- **Next steps and recommendations**



# Brexit Readiness Programme Update

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### RISKS AND IMPACT EVALUATION FOR BIRMINGHAM

Birmingham City Council conducted a **risk & impact assessment** to develop a Brexit Readiness Strategy and to prepare for the end of the Transition Period. The identified key areas are:

- **Citizens**, especially European citizens, who now need to apply for the **EU Settlement Scheme to keep their right to live and work in the UK and have access to public services**
- **Businesses** who trade with the EU need to prepare for the end of the Transition Period and the **new Trading Agreement** between the EU and the UK
- **EU funded Council services** and their continuity after the Transition Period
- **Financial and operational consequences of the COVID-19 crisis** and Brexit impact on economic recovery, especially the impact on Council's revenue and demand for services
- Adaptation of the relevant Council services due to the new trading standards and EU requirements for exports & imports, regulatory changes due to the transfer of powers from the EU law to the national law (e.g. GDPR, regional development), new structures and T systems due to loss of access to the EU ones (e.g. public procurement, trading standards)
- Preparation for the potential increase of the demand for the Council Services related to employment, youth, career, housing, trading standards and environmental health

### No-deal Brexit

If no agreement between the European Union and the UK is decided before the 31st of December.

# BCC BREXIT READINESS PROGRAMME (BRP)

**Corporate Leadership Team including Brexit Lead Officer:** Jonathan Tew

**Head of European & International Affairs:** Lloyd Broad

**Brexit Programme Manager:** Özge Iskit

**Brexit Contingency Working Group chaired by** Jonathan Tew

Reporting

## BCC BRP Work Streams

Reporting

Trading Stand.	Environ. Health	EU Funding	EU Settlement Scheme	Supply Chain & Procurement	Impact of the economic shock on BCC's Revenue & Services	Comms	Regulat. Change
<b>Lead:</b> Tony Quigley	<b>Lead:</b> Mark Croxford	<b>Lead:</b> Lloyd Broad  <b>Action owner/Liaison:</b>  <u>Education:</u> Anne Ainsworth	<b>Lead:</b> Bethany Finch  <b>Action owner/Liaison:</b> <u>HR:</u> Tim Normanton <u>Adult Social Care:</u> Richard Doidge <u>Children's Trust:</u> Darren Shaw <u>Housing:</u> Guy Chaundy <u>Comms:</u> Sarah Kirby <u>Benefits:</u> Tim Savill <u>Community groups:</u> Chris Jordan <u>Trading standards:</u> Tony Quigley	<b>Lead:</b> Haydn Brown  <b>Action owner/Liaison:</b> <u>Adult Social Care:</u> Richard Doidge  <u>Business continuity:</u> Georgie Collett <u>CityServe:</u> Sarah Williams <u>Education:</u> Anne Ainsworth <u>Digital &amp; Customer Service:</u> Simon Field <u>IT:</u> Emma Coles <u>Housing:</u> Guy Chaundy  <u>CWG:</u> Andrew Slattery	<b>Lead:</b> Tim Savill <b>Action owner/Liaison:</b> <u>Finance:</u> Alison Jarrett <u>CityServe:</u> Sarah Williams <u>Adult Social Care:</u> Richard Doidge <u>Benefits:</u> Tim Savill <u>CWG:</u> Andrew Slattery <u>Community Tension:</u> Waqar Ahmed <u>WMCA:</u> Tony Smith <u>BID:</u> Wayne Pell <u>Health &amp; Wellbeing:</u> Justin Varney <u>Housing:</u> Guy Chaundy <u>Education:</u> Anne Ainsworth	<b>Lead:</b> Sarah Kirby  <b>Action owner/Liaison:</b> <u>Adult Social Care:</u> Richard Doidge <u>EUSS:</u> Bethany Finch <u>Children's Trust:</u> Lawrence Vos <u>Education:</u> Anne Ainsworth <u>HR:</u> Tim Normanton	<b>Lead:</b> Connie Price  <b>Action owner/Liaison:</b> <u>GDPR:</u> Malkiat Thiarai <u>Trading standards:</u> Tony Quigley



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### Workstream I - Trading Standards

This Workstream aims at planning and execution of the necessary actions to mitigate the identified risks and prepare for the regulatory changes and Brexit impact on imports, exports, product safety, surveillance, fraud, regulatory regimes, such as:

**Importers:** UK distributors of EU goods in the UK market will become importers and will need to comply with the labelling requirements. Business advice to these “new importers” will be required.

**Exporters:** UK businesses that place products on the EU market will need business advice in relation to compliance including labelling.

**Product Safety:** If tariffs are applied to EU goods then it is probable that importers increase imports from third party countries in the rest of the world. Products from these countries are far more unlikely to meet UK product safety requirements. Trading Standards will have to significantly increase market surveillance to ensure product safety.

**Intelligence database:** Local authorities' Trading Standards teams will not have full access to the EU intelligence databases through where information is shared about unsafe consumer products (e.g. RAPEX or ICSMS). The Office of Product Standards and Safety has developed a new UK wide system. Trading Standards teams will need to be trained to use this new database.

**Misleading claims/fraud:** Disruption in normal trading conditions provides opportunities for rogue traders to exploit consumers and in particular vulnerable adults using Brexit as a pretext for entering into unwanted/fraudulent contracts

# Brexit Readiness Programme Update

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### Workstream II - Environmental Health

This Workstream focuses on the new role of the local authorities and supporting businesses for exports to the EU in relation to Export Health Certificates and EU establishment listings.

[UK's Border Plan with the EU](#) outlines the new responsibilities of the local authorities. While some of these will have direct impact on the demand for BCC's services, the Council also has a role to play to support businesses and prevent high fees that might be privately charged for the different steps of the certification processes to export animal products to the EU.

# **Brexit Readiness Programme Update**

## **Audit Committee Meeting**

### **Workstream III – EU Funding**

This Workstream aims to understand the impact of the loss of EU funding, identify the risks and mitigation actions for Council's EU funded services and their continuity. One of the objectives is to develop a road map for the transition period of the programmes moving from EU funding to UK funding, initiating budget conversations with the government & understanding of the terms and conditions of the UK Shared Prosperity Fund (EU funding replacement), developing alternative strategies and works of working for fund raising and continuity of services (e.g. transforming the services into less funding dependent ways of working, looking into new fund raising opportunities)

# EU Funding Impact Assessment for Birmingham City Council

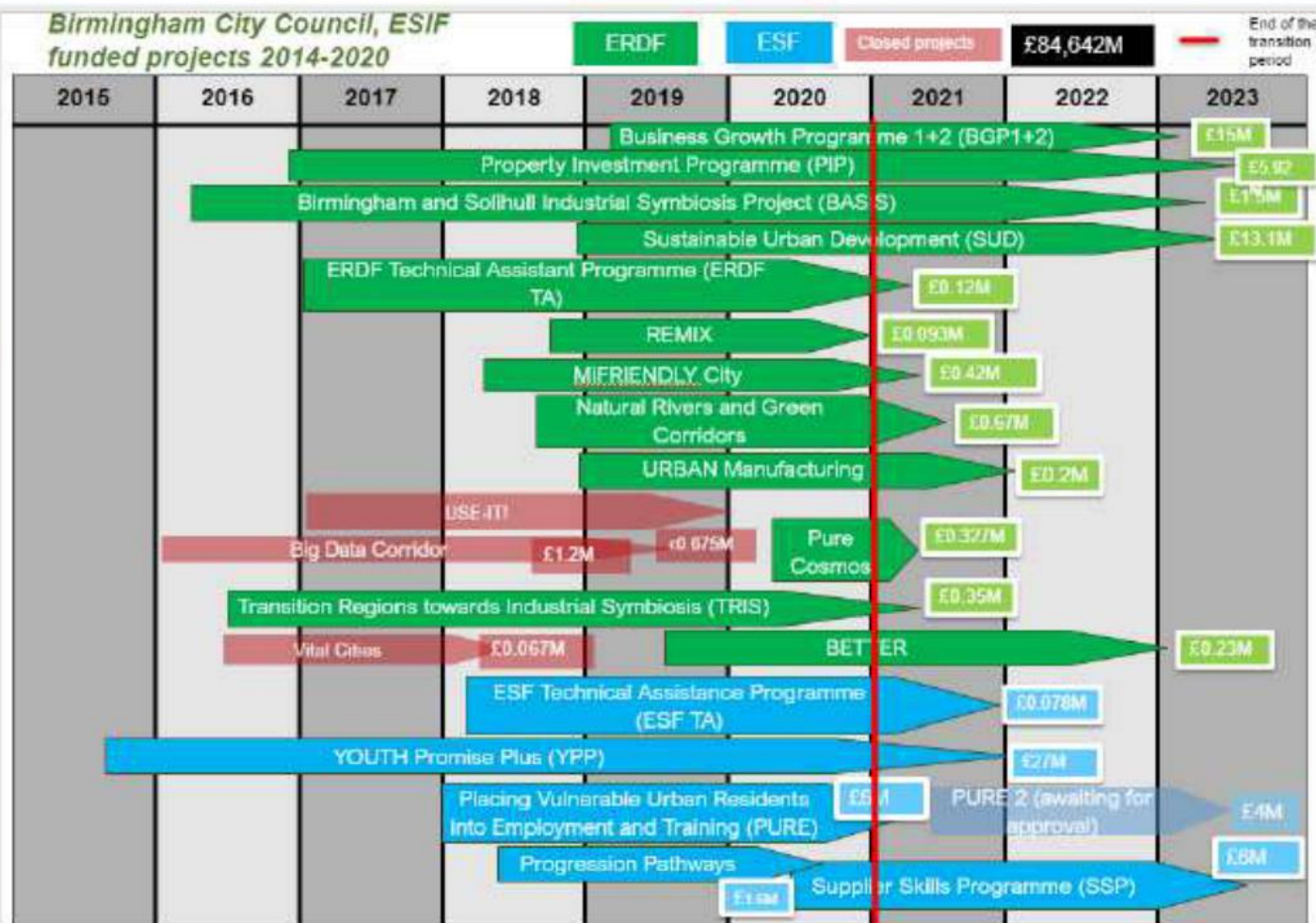
## BREXIT & LOSS OF EU STRUCTURAL & INVESTMENT FUNDS (ESIF)

JULY 2020

### EU FUNDED KEY BCC SERVICES

The amount of European Structural & Investment Fund that BCC received between 2014 and 2020 is £85 mio. The EU funded services provided by BCC are also key areas for post-Covid-19 economic resilience. These are:

- SME support
- Employment and skills
- Youth and career services
- Capacity building
- Innovation
- Urban planning and regeneration
- Transport
- Environment - Zero carbon
- Sustainable urban mobility
- E-government
- Big/open data



Most organisations agree that Replacement Fund should remain at around the same level and be planned over long periods, in consultation with local authorities.



# EU Funding Impact Assessment for Birmingham City Council

BREXIT & LOSS OF EU STRUCTURAL & INVESTMENT FUNDS (ESIF)

JULY 2020

## THE REPLACEMENT FUND

- The Fund's budget should be no less in real terms than the funding streams that it replaces;
- It should be administered in multi-year financial allocations "of the longest practicable duration";
- The shares of funding received by the four nations of the UK should be maintained and funding allocations within those nations should be a devolved matter;
- Funding within England should be almost entirely allocated based on a needs-based formula that uses up-to-date statistics;
- Narrowing the differences in prosperity across the UK should be the Fund's main objective;
- The Fund should engage closely with local authorities and local partners.

## STAFF IMPACT & REDUNDANCY COST FOR BCC AND BIRMINGHAM

**78**

Estimated number of full time equivalent BCC staff funded by ESIF

**£ 1,5M**

Estimated redundancy cost for BCC for the full time equivalent staff funded by ESIF if no replacement fund is available

**24**

Estimated number of the ongoing fixed term BCC contracts

**177**

Estimated number of external jobs created for ESIF projects within 2015-2023 (delivery partners, suppliers, service providers, consultants, experts, etc.)

## FURTHER IMPACT OF THE LOSS OF EU FUNDING

- Increase of precarity, especially with the COVID crisis for the most vulnerable people
- Skills training gap
- No job creation
- 40% of SMEs in Birmingham will stay innovation inactive.
- Impact on supply chain
- Loss of expertise coming from collaboration with european partners
- Impact on Birmingham's network
- Some services not provided anymore as they were fully funded by EU funds following austerity and budget cuts
- High risk of not meeting the low carbon objectives



**£85M**

European Structural & Investment Fund received by BCC in 2014-2020\*

## ACHIEVEMENTS OF THE EU PROJECTS

**3,282**

SMEs in GBSLEP supported for competitiveness, waste management, skills development between 2015 and 2023.\*\*

**27,957**

Participants of the ESF/YEI programmes supported into employment, training or education between 2015 and 2023\*\*

**2,352**

Jobs created by the BGP and PIP projects between 2015 and 2023\*\*

Numbers from July 2020 - BCC is eligible to apply for further EU funding until the end of the financial period December 2020. BCC also manages projects funded by the European transnational Research & Innovation Fund Horizon 2020, for which it received £10M for the last EU budget period of 2014-2020.

\*\* EU budget period analysed in this report is 2014-2020, however the project implementation period is 2015-2023.

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### Workstream IV – EU Settlement Scheme

There are 94,000 European citizens estimated in Birmingham.

They now need to apply for the EU Settlement Scheme (EUSS) to keep their right to live and work in the UK and have access to public services. The deadline for applications is 30 June 2021.

According to the June 2020 statistics there are still 20,000 EU citizens in Birmingham, who need to apply to the EUSS. A big part of this group is estimated to be vulnerable citizens who need guidance and support for their applications. There is an important role to play for the Council to help the EU citizens in Birmingham to keep their rights to live and work in the UK and have access to public services.

Local authorities and health and social care trusts supporting looked after children and care leavers have mandatory obligations to identify and register eligible children to the EUSS. The government guidance documents [\*EU Settlement Scheme: local authorities toolkit\*](#) and [\*EU Settlement Scheme: looked-after children and care leavers guidance\*](#) outline the LAs' tasks and responsibilities.



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### Workstream IV – EU Settlement Scheme

# EU Citizens in Birmingham

## THE EU SETTLEMENT SCHEME

**EU CITIZENS  
LIVING IN THE UK  
PROTECT YOUR RIGHTS  
BY APPLYING TO THE EU  
SETTLEMENT SCHEME**



The EU Settlement Scheme protects the rights you currently have in the UK including access to healthcare, benefits and pensions.

Find out more and apply at:  
**[gov.uk/eusettlementscheme](https://www.gov.uk/eusettlementscheme)**

Irish citizens or those with valid indefinite leave don't need to apply.

 HM Government

There are 94,000 European citizens estimated in Birmingham, and they represent a valuable part of our community. The Birmingham City Council encourages the EU citizens and their families to apply to the EU Settlement Scheme (EUSS) to keep their rights to live and work in the UK and have access to the public services, such as healthcare and education, public funds and pensions and British citizenship (which can be applied for at a later date).

The Council has a dedicated EUSS page available at:  
[https://www.birmingham.gov.uk/info/20057/about\\_birmingham/2011/city\\_of\\_sanctuary/4](https://www.birmingham.gov.uk/info/20057/about_birmingham/2011/city_of_sanctuary/4)

Our Deputy Leader wrote a digital letter to the Birmingham citizens to support European citizens apply to the EUSS:  
[https://www.birmingham.gov.uk/downloads/file/15406/euss\\_-\\_letter\\_to\\_all\\_residents](https://www.birmingham.gov.uk/downloads/file/15406/euss_-_letter_to_all_residents)

# Brexit Readiness Programme Update

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### Workstream V – Supply Chain & Procurement

This Workstream focuses on the potential challenges with the Council's supply chain due to the changes in exchange rate, import costs, as well as the potential legal and operational issues with the existing supplier contracts.

This Workstream is very important for the Council's business continuity and provision of services. It is an area heavily affected by the COVID-19 crisis. The potential no-deal Brexit in 2021 will increase the risk of financial instability of the suppliers and work force shortages, as well as increased cost of services, potential delays in delivery, and potential contractual issues due to potential regulatory changes (e.g. GDPR, import/export regulations and standards, etc)

From 1 January 2021 a new e-notification service called "*Find a Tender*" will be used to post and view public sector procurement notices. It will replace the requirement to publish notices in the Official Journal of the European Union. The government guidance [\*Public-sector procurement from 1 January 2021\*](#) outlines the new structure and the service.



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### Workstream VI – Economic Impact on BCC Revenue & Services

This Workstream aims to understand and prepare for the impact of the economic shock on Council's revenue and demand for services. As a strategic forecast, it is planned to develop an econometric model based on the data collected from the Council's relevant services to estimate the impact of the economic shock in relation to revenue, demand for services and their costs.

The current economic situation due to COVID-19 and the enhanced role of the local authorities to provide financial support to businesses emphasise the importance of this Workstream. The economic shock that was expected in 2021 due to Brexit is happening now, and the post-Brexit circumstances after the Transition Period will increase the challenges for Local Authorities. Therefore, the possibility to join forces with NHS Birmingham & Solihull Clinical Commissioning Group will help to have a better understanding of the impact taking Brexit and the COVID-19 crisis into account.

As a part of this Workstream there is also a study is being conducted on “Response in Health & Wellbeing during an economic shock”, which addresses the impact of COVID-19 and Brexit together. It aims to:

- Identify and describing what is known about unemployment/financial insecurity, caused by economic shock, and its implications for health and wellbeing.
- Produce a tool kit that helps plan services in context of economic shock

# Brexit Readiness Programme Update

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### Workstream VII – Communications

This Workstream focuses on developing and implementing a Communication Plan to inform and raise awareness internally and externally on all Brexit related risks and necessary actions for citizens and BCC services, including collaboration with WM LAs to reach out to all stakeholders in relation to EU Settlement Scheme and business readiness.

As a part of the Brexit Readiness Programme a dedicated EUSS page was developed and published on the Councils website. It is available at:

[https://www.birmingham.gov.uk/info/20057/about\\_birmingham/2011/city\\_of\\_sanctuary/4](https://www.birmingham.gov.uk/info/20057/about_birmingham/2011/city_of_sanctuary/4)

Another outcome of this Workstream was the Deputy Leader's digital letter to the Birmingham citizens to support European citizens apply to the EUSS:

[https://www.birmingham.gov.uk/downloads/file/15406/euss\\_letter\\_to\\_all\\_residents](https://www.birmingham.gov.uk/downloads/file/15406/euss_letter_to_all_residents)

The BCC EUSS Social Media Campaign was launched with the videos of the EU citizens working for BCC sharing their own experiences with the EUSS. The first video can be found at:

<https://twitter.com/bhamcitycouncil/status/1232660323376738306?s=21>

# **Brexit Readiness Programme Update**

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### **Workstream VIII – Regulatory Change**

This Workstream supports other workstreams and the Council's relevant services for monitoring the regulatory changes due to Brexit to have a good understanding of their impact on local authorities and their services.

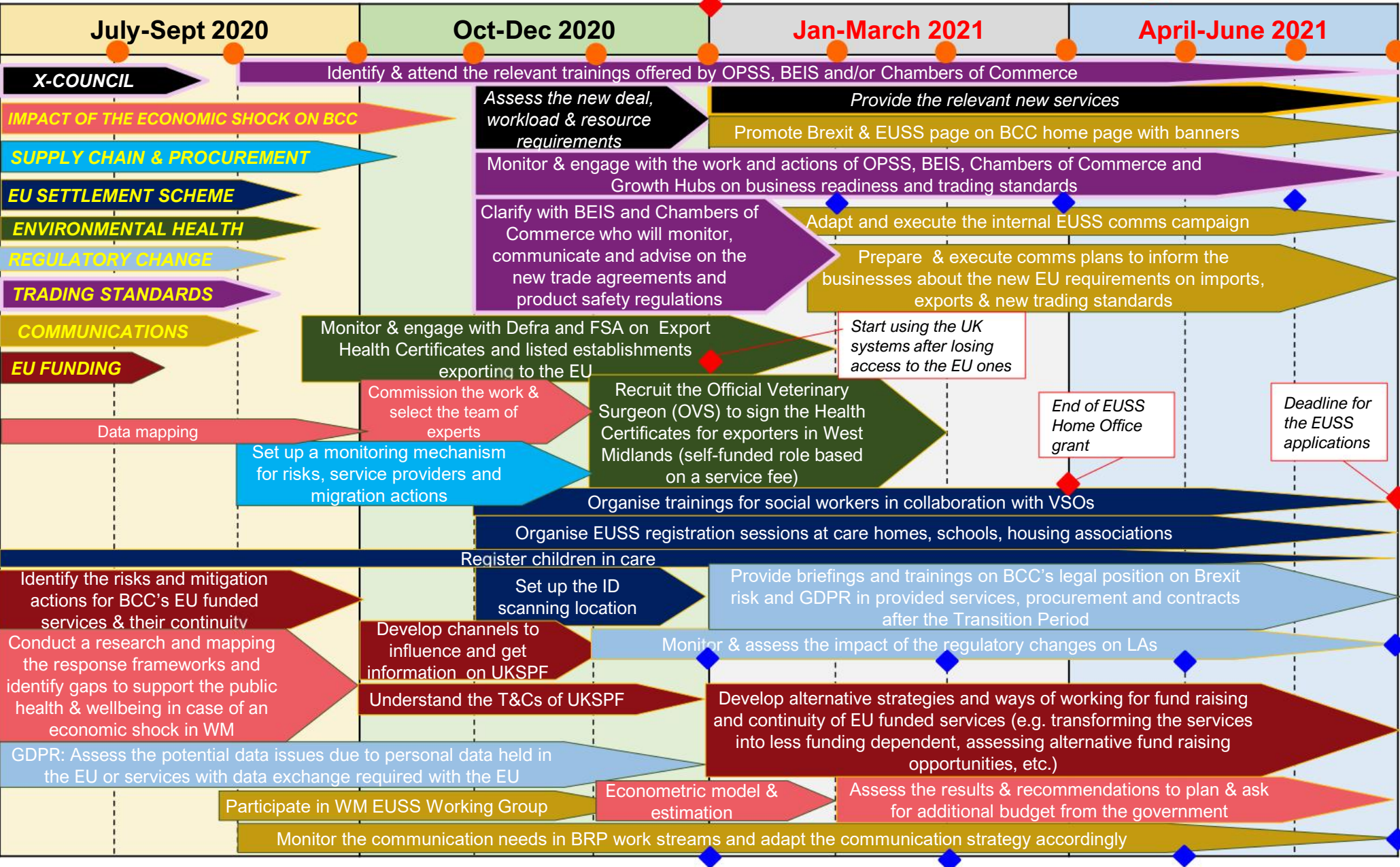
The continuous monitoring will be the key to early to ensure quick response and mitigating risks related to the upcoming regulatory changes. All services will be impacted by the government's decisions and new policies in 2021 and beyond.

# BCC Brexit Readiness Programme

## Timeline for the Transition Period & beyond

END OF THE  
TRANSITION PERIOD

- Milestone
- Decision point
- Updates to BCWG





# BCC Brexit Readiness Programme

## Cabinet Recommendations for the Post-Transition Period

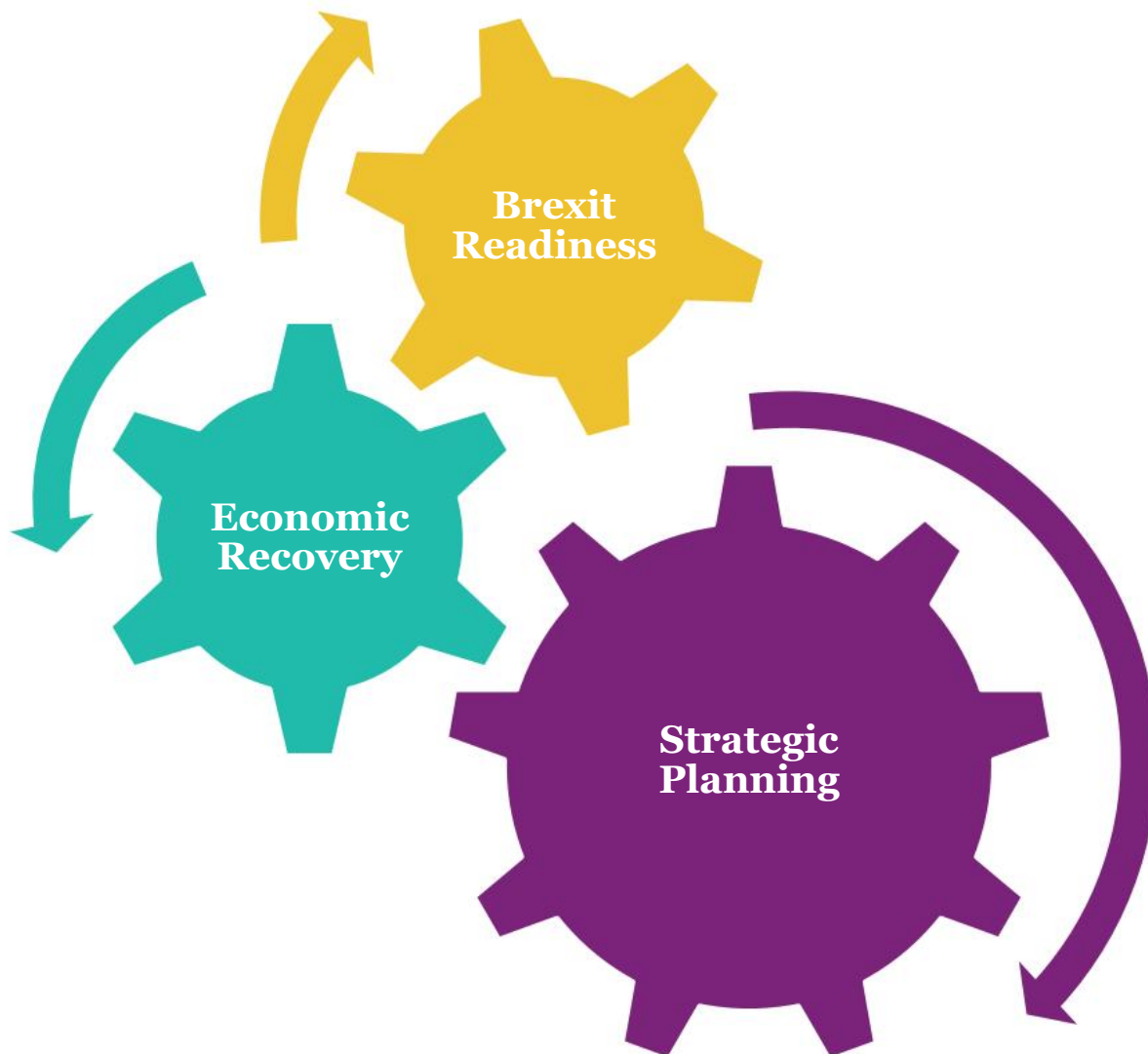
**Acknowledgement of the unresolved risks and challenges of Brexit and prioritisation of the planned actions to ensure readiness and risk mitigation.**

**Brexit Readiness Programme to continue in 2021**

**Integration of the Brexit Readiness Actions in Council's Strategic Delivery Plan and Economic Recovery arrangements to ensure alignment with the Council's plans and priorities**

**Acknowledgement of the close links between the planned Brexit Readiness Actions and COVID-19 recovery**

**Brexit Readiness Programme to be embedded in the existing Emergency Cell Structure to have a holistic approach for the common risks**



# **Brexit Readiness Programme Update**

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**Thank you very much for your attention.**

**Questions?**