

Members' Library Service Request Form

Date of Document	18/12/20
Originator	Monica Patterson
Originator's Ref (if any)	
Document Title	East Lothian Council's Brexit Preparations and Response – Update Report

Please indicate if access to the document is to be “unrestricted” or “restricted”, with regard to the terms of the Local Government (Access to Information) Act 1985.

Unrestricted	<input checked="" type="checkbox"/>	Restricted	<input type="checkbox"/>
--------------	-------------------------------------	------------	--------------------------

If the document is “restricted”, please state on what grounds (click on grey area for drop-down menu):

For Publication

Additional information:

Authorised By	Alex Mccrorie
Designation	Depute Chief Executive
Date	21/12/2020

For Office Use Only:	
Library Reference	140/20
Date Received	21/12/20
Bulletin	Dec20

REPORT TO: Members' Library Service

MEETING DATE:

BY: Chief Executive

SUBJECT: East Lothian Council's Brexit Preparations and Response – Update Report



1 PURPOSE

1.1 Following the detailed report presented at Council on 27 October 2020, this report provides update on the current status of EU-UK 'Brexit' negotiations, the key risks to East Lothian Council, the status of current internal planning to mitigate and manage the risks and further action required in the lead up to and beyond the end of the transition period on 31st December 2020.

2 RECOMMENDATIONS

2.1 It is recommended that Council:

1. Note our current position in regard to preparations for the UK leaving the EU at the end of the transition period on 31st December 2020.
2. Notes and supports the continued work of the Brexit Working Group in identifying risks to East Lothian Council and the management and mitigation of these risks to minimise impacts on service delivery.
3. Notes and supports the continued work of the Connected Economy Group (CEG) and its supporting forums in the provision of ongoing support and advice to businesses.

3 BACKGROUND

Current Status

3.1 The UK officially left the EU on 30th January 2020 and entered a transition period to complete negotiations. The option to extend the transition period was not pursued by the UK Government and so the transition period will end on 31st December 2020 meaning that on the 1st January 2021, all EU laws and policies will cease to apply to the UK. If an agreement is reached before that date then a framework will be put in place for trade and other

relations. However, if an agreement is not reached then EU-UK relations will be mainly based on international law although many areas will have no legal basis for cooperation. At the time of writing, negotiations continue with no agreement reached. Outstanding issues continue to relate to:

- Access to UK Fisheries,
- Governance, and;
- Maintaining EU requirements to enable free trade (the level playing field).
- Data Protection
- Human Rights

3.2 The timetable for leaving the EU is fixed and the transition period will end on 31st December whether a deal is reached or not. The impacts of Brexit will be further compounded by the ongoing COVID-19 pandemic already taking its toll on communities, trade and business sustainability making economic recovery more challenging than previously thought. National and local agencies are now planning for the reasonable worst case scenario of a 'no deal' or 'limited deal' Brexit.

UK Government Preparations

3.3 On 11 September 2019, the UK Government published 'Planning Assumptions for a No Deal EU Exit' (originally known as Operation Yellowhammer but now referenced as 'D20 Contingency and Concurrent Events Plan'). This provides national overview and contingency planning for a twelve week period of *potential* disruption following the UK's departure from the EU.

3.4 UK Government now issue almost daily EU updates for dissemination. Recent updates have included:

- The Northern Ireland Protocol (10/12/2020)
- List of Ports Using the Goods Vehicle Movement Service (11/12/2020)
- Driving in the EU from 1 January 2021: lorry and goods vehicles drivers (14/12/2020)
- Existing UK Trade Agreements with Non-EU Countries (14/12/2020)
- Export or move live animals and animal products to the EU or Northern Ireland from 1 January 2021 (14/12/2020)

The Brexit working Group maintains an overview of these national EU updates, informing the work of the Group.

Scottish Government Preparations

3.5 The Scottish Government has also finalised a Multi-Agency D20 Contingency and Concurrent Events Plan, overseen by the Scottish Resilience Partnership (SRP) European Union (EU) Exit Sub-Group. This Plan now encompasses an 'all risks approach' documenting the contingency arrangements developed on behalf of the SRP with focus on

risk occurring concurrently as opposed to singularly. This provides support and guidance to resilience partners in collaboration with the National Coordination Centre (NCC) in pursuit of an effective and co-ordinated multi-agency response to EU Exit. Concurrent risks impacting on post EU Exit resilience and response include:

- Pandemic – e.g. COVID-19
- Marauding Terrorist Attack (MTA)
- Fluvial Flooding
- Low Temperature and Snow (Severe Winter Weather)
- Infrastructure/Systems Failure – up to and including National Electricity Transmission (NET – Blackstart)
- Large Toxic Release
- Disease – Animals

3.6 The National Co-ordination Centre structure, supporting multi-agency governance and decision making during any national emergency, is attached at [Appendix 1](#). The National Co-ordination Centre (NCC) consists of the National Multi-Agency Co-ordination Centre (MACC) and the Police Co-Ordination Centre (POCC), Public Order Command and an Information Co-ordination Hub.

3.7 The NCC will support emergency and essential services to sustain critical operations that protect human life and supports the most vulnerable. Further, the NCC will gain, maintain and communicate accurate and timely 'shared situational awareness' that informs and supports sound strategic and local decision making and keeps all services users, the public and vulnerable communities safe. The MACC is a multi-agency arrangement responsible for the co-ordination of partnership issues and resources at a national level. The MACC will manage and consider requests from Local Resilience Partnerships as well as those identified within single agencies or sectors. The principal role of the MACC is to co-ordinate partnership activity to keep Scotland running.

3.8 The SRP EU Exit Sub-Group, working alongside the Scottish Government Risk and Assurance Team, developed initial Scottish Planning Assumptions. Following publication of the updated Reasonable Worst Case Scenario (RWCS) document from UK Government in September 2020, no updated Scottish version of planning assumptions has been created. Previous national risk assessments used the Scottish Planning Assumptions to influence their planning, these have been reviewed against the D20 RWCS with minimal changes. Preparation to mitigate against the risks identified will continue with regular engagement from SRP to Local Resilience Partnerships (LRP). The UK's exit from the EU is an unprecedented event, the impact of which will require significant multi-agency co-ordination in both preparation and response. The full extent of the impacts remain unknown but will require an unprecedented level of flexibility across partnerships. The SRP EU Exit Sub-Group has agreed the following strategy:

- To work together, protect life and reduce harm

- To identify, protect and support those who become vulnerable as a result of EU-Exit
- To maintain law and order
- To support the protection of the environment
- To maintain the delivery of critical services (as identified in Business Continuity Plans)
- To maintain the delivery of essential services
- To minimise the disruption to the flow of goods and people throughout Scotland
- To promote individual and community resilience and cohesion
- To facilitate a move to a new normality
- To warn and inform the public

3.9 Scottish Government is responsible for making necessary contingency arrangements and managing the EU Exit consequences in Scotland. To oversee this, Scottish Government activated the Scottish Government Resilience Room (SGoRR) from 7 December 2020, linking directly with the UK Government within the Cabinet Office Briefing Room arrangements (COBR), with a particular focus on the 12 week period beyond 31 December 2020.

3.10 Across Scotland, the 12 Resilience Partnerships comprising civil emergency Category 1 and Category 2 responders are established and form the multi-agency arena for regional planning across Scotland, with Police Scotland overseeing daily reporting arrangements to Scottish Government taking effect from 28 December 2020. Key to information sharing will be the continued use of the national Resilience Direct information system as the main reporting tool.

COSLA

3.11 COSLA continues to support Scotland's 32 Councils to ensure Local Government is prepared for the end of the transition period and in particular, the impacts on services should there be a 'No Deal' scenario.

3.12 COSLA has been briefing Council Leaders and holding monthly meetings with officer representatives from all local authorities to provide updates and identify relevant issues from a Local Authority perspective, including:

- Food insecurity (inc. supply chains, Fairshare and care homes)
- Clinical and medical supplies
- Business readiness/Support
- Procurement (supplies and contracts etc.)
- Port infrastructure
- Agricultural and Rural issues
- Regulatory services – EHO/EHC, fishing vessels etc.
- Labour force
- EUSS
- Negotiations and trade
- Legislation and guidance – public procurement

- Resources for readiness and response
- Data adequacy
- Waste services
- Concurrent risk

These discussions have informed the work of the Brexit Working Group.

- 3.13 COSLA have kept careful watch over the arrangements for replacement of EU funding. The Internal Market Bill also provides the legal basis for the replacement of EU funds, known as the UK Shared Prosperity Fund, but makes this a new reserved power. This is at odds with existing EU Structural Funds which have been largely devolved in the UK. COSLA engaged with the earlier UK Government consultation exercises, at which time a model based around the existing Structural Funds model seemed to be being favoured. It is understood now that the UK Government will make announcements on this Fund linked to the Spending Review.
- 3.14 COSLA are actively involved in the preparation of the Scottish proposal for a Shared Prosperity Fund in Scotland which was announced by Minister for Trade, Investment and Innovation, Ivan McKee, on 19 November 2020. Broadly speaking, the Scottish proposal, if accepted by the UK Government will mean a degree of continuity from elements of the EU funding programmes on issues such as partnership working and additionality with a focus on sustainable development and wellbeing in all places of Scotland, urban or rural.

East Lothian Council Brexit Impact Analysis

- 3.15 East Lothian Council has a statutory obligation to deliver a range of core public services. The Council also provides valuable 'place' leadership and therefore has an important role in supporting its communities and businesses. Leaving the EU without a deal differs from other types of emergencies and incidents the council responds to because of the level of uncertainty surrounding what the impacts will be, how severe the impacts will be and when they will be experienced. This means that the arrangements for responding to leaving the EU without a deal must have a great degree of flexibility to allow for the response to be both effective and proportionate.
- 3.16 An updated East Lothian Council Brexit Impact Analysis (BIA) has been completed, see [Appendix 2](#). Most services in East Lothian Council will be impacted by Brexit, some services will be affected more than others and it must be recognised that some impacts will cross service provision. The BIA is categorised into the broad themes reported to Council on 27 October. The BIA shows the Brexit risk description, potential impacts on East Lothian, current controls and mitigations for those potential risks, and details the ongoing management and monitoring of those, highlighting specific services impacted.

Key areas of focus stemming from the BIA include:

Our Finances and Funding - Update:

Approval of the Council's Financial Strategy on 15 December 2020, reiterates the Council's Reserve Strategy, noting the importance of retaining our reserves at 2% of the council budget for a number of reasons including Brexit.

Further, the Capital Strategy (also approved on 15 December 2020) notes Brexit as a risk and sets out the specific actions being taken to mitigate those risks through the Treasury Management Strategy, including setting out prudential indicators and operational boundaries that the council should operate on including future investment and funding decisions as well as the approach to investment risk and return.

Quantification of the likely financial impact of Brexit is very difficult as a number of the risks, which apply nationally and locally, may never materialise and those that do will do so at varying levels. Areas of potential financial impact are held under close monitoring and include e.g. material costs, oil and gas cost, 3rd party staff costs, capital project costs etc.

Our Supply Chains - Update:

On 14 December 2020, the Chief Executive of Scotland Excel wrote to all Local Authority Chief Executives and Procurement Managers, outlining how Scotland Excel is supporting Councils manage procurement and supply chains nationally as we approach the end of the Brexit transition period. Scotland Excel continues to work with our framework suppliers to ensure supply for Scottish Local Authorities is secured, as much as possible, amidst the risks associated with leaving the European Union under the World Trade Organisation rules. It is still unclear as to which rules the UK will trade upon. The risk of tariffs coming into place appears to be high, and so Scotland Excel have offered some reassurance in relation to disrupted supply chains, and to outline some of the work done to ensure sustainability of supply.

Scotland Excel has surveyed all framework suppliers, the results of which have been analysed to highlight the key areas that may have either continuity of supply issues or potentially the imposition of tariffs. The three key areas assessed as most likely to be impacted will be food, construction and transport.

Food: Suppliers are confident that their supply chains have appropriate contingency plans in place; however, there are still many unknowns which create additional risk to supply. It is considered that imported products with a short shelf life (for example, salad items and meats) are most at risk of being impacted by disruption at ports and shortages may result in production issues. For example, milk is low risk as the product is produced in the UK, however some of its packaging comes from the EU. In addition, details have been gathered about the top 50 food products sourced, with supply risks and mitigation measures undertaken – including where

alternative products have been identified. A national working group (specifically for the impact of Brexit on Food) has been established in collaboration with NHS, COSLA, Scottish Government, APUC (Advanced Procurement for Universities and Colleges) and the Scottish Prison Service. Scotland Excel will run a bi-weekly (or weekly if required) meeting after 31 December, where any new updates will be provided to council representatives. Alongside this, a newsletter style update will be provided, outlining any supply chain issues – including those identified by other public bodies.

Construction: Scotland Excel continues to keep close contact with key suppliers to ensure continued capacity is available across national frameworks. Representation on various Construction Industry Forums allows Scot Excel to consider critical issues such as suppliers plans for managing potential contract delays and other mitigating actions. These include, prioritisation of essential supplies, increased stock levels and alternative sources of supply.

Transport: It is likely that tariffs will affect the Heavy Vehicles framework, as most suppliers import vehicles from Europe. With 72% of fleet cars and 68% of vans estimated to be sourced from the EU, the impact of not having a free trade deal would be concerning for the fleet sector. According to industry figures, tariffs would add £2.1 billion a year to the UK fleet sector's car renewal costs and £310 million a year to the sector's van renewal costs. Scotland Excel continues to work with suppliers in relation to this, and specific risks have been highlighted within the updates issued to the Corporate Procurement Managers within councils.

In respect of the social care related supply chain, Scotland Excel is working with Scottish Government, COSLA, NHS, provider representatives and other key stakeholders to ensure risks specific to the provision of critical services in this sector are fully considered, and that providers have clarity on escalation channels should issues arise. Scotland Excel officers continue to work with councils and other public sector colleagues to ensure accurate and relevant data is being shared across local authorities and the wider public sector.

The coronavirus pandemic has demonstrated to both the UK and devolved Governments the importance of a free-flowing supply chain, and with the transition of Brexit occurring at the same time as the second coronavirus spike, supply chains are at risk. Learning from managing the pandemic, the Council's agility, contingency planning, inventory management and alternative sources of supply have been well rehearsed.

Key BIA issues for East Lothian Council's consideration and contained within Scot Excel Business Continuity Planning arrangements include impacts relating to Customs and Tariffs, Data Impact, Legal/Contractual Impacts, Supply Chain/Hubs and Lead Times. These factors are similarly considered within East Lothian's own Procurement arrangements. Our

BIA suggests that a number of services could be impacted by shortages in the supply of goods and materials.

The Corporate Fuel Plan has been reviewed and updated to ensure critical services have been identified and prioritised in the event of fuel disruption.

The BIA indicates that there may be a reduction in the choice of foodstuffs available thereby limiting menu and nutritional choices with settings such as educational establishments, care homes and other residential accommodation most affected. Scotland Excel in conjunction with the Public Sector Food Forum have contingency measures in place and will be monitoring the supply chains. Affected services are optimising stocks as stockpiling is not a practical option and will be able to change and update menus where required.

Our Workforce - Update:

Our BIA considerations on ending free movement of EU nationals on the 31st December 2020 suggests that the immediate / short-term risks are low. East Lothian Council employs a relatively small number of EU Nationals however, the Human Resources (HR) Service are unable to request confirmation of settled status prior to the application deadline of 30th June 2021. HR have developed guidance and information for managers on the points based immigration system.

It is recognised that the new UK Immigration Policy may have longer term impacts in relation to skills and labour shortages in certain sectors and occupations. Teachers and Social Workers will qualify for the shortage occupation sponsorship but there may be a challenge for other services.

It is also recognised that there may be a knock on impact where contractors are unable to undertake planned work or repairs due to EU nationals moving elsewhere and / immigration levels falling significantly.

Impacts can be monitored and potentially mitigated through workforce planning and updated business continuity plans.

The national context, as of January 1st 2021 will see the Free Movement of People between the UK and the EU end. Migrant labour workforce European migrants make up a vital part of Scotland's workforce. The value of highly motivated migrant workers is evident across business sectors. EU workers have helped fill skill shortages particularly within the construction, health and social care and hospitality industries. Being able to harness and attract good talent is crucial to the growth of Scotland's, and East Lothian's, economy. Key national workforce arrangements to be sighted on are:

The EU Settlement Scheme: EU citizens living in the UK on or before the 31st December 2020 must apply to the EU Settlement Scheme to enable them to continue to live and work in the UK after Brexit. This scheme is

open until the 30th June 2021. If an EU citizen chooses not to apply to the EU Settlement Scheme, they may lose their right to work in the UK as of the 1st July 2021.

Employing migrant / overseas workers: The new Points based Immigration system will come into effect on the first of January 2021, this will be used by all overseas workers to apply for a visa. Council job application forms will now ask the applicant to confirm if they will require Sponsorship to undertake the role. East Lothian Council are currently licensed to sponsor migrant workers via a Skilled Worker Visa where the advertised job meets specific criteria:

- A job has to be listed on the 'Eligible Jobs Table'.
- It has to have an annual salary of £25,600 per annum (grade 7 or above).
- It has to have a minimum qualifications level of Scottish Highers.
- The applicant must also be able to speak, read, write and understand English. Jobs below Grade 7 are not eligible for sponsorship.

From 1st January 2021, all overseas workers (including EU citizens without residence, settlement or citizenship) who do not already hold a relevant work visa will need to obtain a Certificate of Sponsorship before they can undertake any work for East Lothian Council. The government Sponsorship application process may prolong recruitment.

If sponsoring a worker via the Skilled Worker route, ELC will be liable to pay for every Certificate of Sponsorship (CoS) issued, this is currently £199. ELC may also have to pay an Immigration Skills Charge each time a CoS is assigned. This has an associated cost of £1000 for any stated period of employment of up to 12 months AND an additional cost of £500 for each additional 6-month period stated on the CoS. These costs will be met by the recruiting business unit.

Right to Work Checks: There will be changes to the right to work process. From 1st January 2021, every new employee appointment pack will be required to contain a completed Right to Work Checklist, with the appropriate, accompanying, verified documentation.

Other Brexit Employment Support Available: The Settlement Resolution Centre telephone service is for new applicants with queries relating to the settlement scheme as well as for those who have already applied.

The Stay in Scotland campaign guidance explains the rights of EU citizens in Scotland to vote, work and access healthcare, education, housing and benefits.

Further enquiries can be directed to the Home Office:
<https://www.gov.uk/settled-status-eu-citizens-families>

Our Statutory Compliance - Update:

The Scottish EU Continuity Bill will give powers to Scottish Ministers to keep pace with future EU legislation. The Bill already introduces statutory consultation for Local Government on future environmental obligations, with COSLA seeking amendment to reflect Local Government being consulted on any new “EU keeping pace” obligation upon councils; more detail on this developing legislation is awaited.

The UK Internal Market Bill has already progressed through the Commons stages on to the House of Lords. The Bill also covers a variety of domestic issues, from mobility of goods and services across the UK to subsidies (state aid) and replacement of EU funding. These will have implications for Councils, businesses and communities dependent on the final shape of the Bill. The main element of the Bill deals with the principle of “non-discrimination” and “mutual recognition”. Those principles exist in EU Law. Ensuring freedom of movement across the UK is also a core principle of the Union. However, the Bill takes a stricter line than EU law, with fewer exceptions. In essence, it will mean that most goods, services, or professional qualifications in one of the home nations, can be automatically traded or apply in the other parts of the UK. However, the Bill is not yet clear enough on the extent of the exemptions and whether such protections are as extensive as those that exist under EU internal market principles. It has always been the case, before or after Devolution, and before and after EU membership, that UK-wide trade matters need to be compliant with local laws and regulations, particularly given the separate Scottish legal system. It is hoped that these continue to be ensured by this Bill.

The Common Frameworks (which deal with powers returned from the EU that required UK-wide arrangements) are now moving to Phase 3 consultation stage. COSLA believe it is necessary that both UK and Scottish governments put in place a predictable, transparent consultation system with Local Government to ensure that they properly acknowledge that many such frameworks intersect with the powers and functions of Local Government, such as waste, procurement, air quality and other environmental, health and safety, and trading standards.

The UK Government Reasonable Worst Case Scenario (RWCS) Planning Assumption is that the EU and UK will not have made an agreement in relation to data protection adequacy which has the potential to impact personal data flow between the UK and other EU countries particularly where information is based in the EU. Work has been carried out by the Council's Information Team to identify data flows with the EU. This work has shown that the flow of data between the council and EU member states is relatively low. Service Impact Analysis has indicated that there are risks to the council in relation to any IT cloud-based systems that hold data in the EU. A further risk is that managers may not be aware of data issues with contracts particularly further down the supply chain. It is not expected that data flow is an immediate risk at the end of the transition

period and work is continuing to with IT and the Procurement Team to review existing supply chains.

Our Capacity to Respond to Unplanned Events - Update:

(See Paragraphs 3.50 – 3.10 above which outline the national emergency planning context which East Lothian Council's Emergency Planning and Business Continuity arrangements dovetail into.)

The emergency response to Covid-19 will continue over the period of leaving the EU. The BIA indicates that the Council's priority and resources being dedicated to responding to COVID-19 and the impact of leaving the EU without a deal could reduce the resources available to deal with other potential resilience issues which may arise such as adverse weather events and COVID-19 mass vaccination roll-out.

In addition, it is anticipated that there may be increased civil unrest. While any demonstrations are expected to focus in major towns and / or cities, there may be a rise in community tensions coupled with the deployment of Police Officers to other areas across the country.

As a Category 1 responder, the Council's Emergency and Resilience plans are kept under regular review. The Emergency Planning and Resilience Team is well connected to local and national resilience groups which will oversee the monitoring and communication of information and data in relation to Concurrent risks.

Our Capacity to Maintain Service Provision - Update:

The UK continues to seek a data adequacy decision from the European Commission. Local authorities, as independent data controllers, must be prepared for the eventuality of a 'no adequacy' outcome. Should the EU decide against providing sufficient GDPR adequacy status to the UK, which would make the UK a 'third country' for data protection purposes, this could mean that access to data that local authorities store in the EU, if they haven't put additional safeguards in place, might be disrupted. Further guidance will be issued shortly, but in the meantime, local authorities should ensure that they have taken appropriate action to ensure access to critical data in respect of ongoing service delivery council-wide.

Our BIA indicates that it is anticipated that some council services may experience increased demands due to changes and / or impacts of leaving the EU.

Officers from the Protective Services Environmental Health Team have completed the inspection of 44 fishing vessels registered with East Lothian Council which ensures that the vessel will meet the requirements to gain an Export Health Certificate to export its fish and shellfish landings.

The Team is also anticipating an increase in activity associated with Export Health Certificates in relation to fish and seafood consignments. In the event of a non—negotiated deal scenario, the UK will no longer have the benefit of ‘frictionless trade’ with the remaining member states and will have to trade as a third country which will increase the amount of paperwork and checks required. It is also anticipated that this will increase the number of enquiries made to the team.

A non-negotiated Deal may increase the risk of unsafe food and consumer products entering the UK. This may result in an increase in advice and complaints to the Environmental Health and Trading Standards Teams. The Trading Standards Team may also have to monitor and intervene in matters relating to animal welfare particularly where border disruption may cause challenges in the transport of livestock, animal feed and veterinary medicines.

A further economic shock or downturn may see more people pushed into poverty and in need of advice and financial assistance. This may increase demands on resources within Customer Services, Social Care Services and the Revenues and Benefits Service. There may also be an increase in business advice and administration of further business grants or funding impacting on the capacity of the Economic Development Team.

It is recognised that effective communications and service business continuity plans are key to monitoring and mitigating impacts and ensuring continued service provision.

Our Local Communities - Update:

Both UK and Scottish Governments are currently making every effort to keep the country up to date on Brexit developments. Their websites carry up to date information, helpful to business and communities. The Council’s website promotes the following links:

gov.uk/transition and prepareforbrexit.scot.

<https://www.prepareforbrexit.scot/>

Lower income groups are expected to be disproportionately affected by the impacts of the UK leaving the EU. The COVID 19 pandemic has pushed more households into poverty and so the anticipated increased costs associated with food prices, fuel and energy prices as well as border delays resulting in shortages could see greater demand on local food networks, volunteers and advice services.

The Scottish Government Brexit Vulnerabilities Report identifies data zones where the most vulnerable 20% of the Scottish population are at risk of Brexit impacts. 8% of these data zones are located in East Lothian which equates to 9,910 people.

The Scottish Government has set aside a £7 million pound Rapid Poverty Mitigation Fund to scale up current poverty mitigation measures such as the Scottish Welfare Fund.

East Lothian Council works with a number of statutory and community partners and 3rd sector networks in the local community, working together towards alleviating poverty, with significant planning in place regarding Poverty and Financial Hardship, Food Poverty, Fuel Poverty and Digital Inclusion.

Our Local Economy- Update:

Assuming a Brexit agreement cannot be reached on a free trade agreement before the end of the Brexit transition period, the UK-EU trading relationship will be governed largely by World Trade Organisation (WTO) rules. The WTO is an international organisation designed primarily to facilitate trading arrangements amongst its 164 members by removing barriers to trade. In relation to goods, the WTO has tended to focus on tariffs (i.e. duties imposed on imported goods). The WTO also tries to reduce and/or remove other less visible trade barriers; these include quotas, domestic subsidies, non-domestic taxes and "technical barriers to trade" (e.g. national regulatory requirements), which can distort market access. All of these are known collectively as "non-tariff barriers". In relation to goods, if the UK-EU trading relationship reverts to WTO rules, then UK exports and imports will face tariffs. Although the EU's tariffs on many goods are relatively low, sectors such as food and automotive will be subject to substantial increases. This may well prompt EU customers to switch to other suppliers within the EU Single Market, thus avoiding tariffs altogether but creating shortages and disruption of supply.

From 1 January 2021, Export Health Certificates (EHCs) and other certification on various products to be exported to the EU from 1 January 2021 will be required. As things currently stand, similar certification would be required when goods are being 'exported' to Northern Ireland. Only certain officers – eg fully qualified Environmental Health Officers (EHOs) and vets – can sign these certificates. East Lothian Council currently has sufficient EHO capacity to meet the EHC requirements of East Lothian's businesses. Some further resource funding was received earlier this year, as part of the response to Covid-19, for compliance and technical officers, but the role that they can play related to the certification process is limited.

Research shows that UK exit is seen as the second biggest challenge facing the SME community in Scotland behind Covid-19. In late November 2020, Business Gateway began to arrange a series of national support webinars focussed on helping businesses prepare for leaving the EU. The webinar content covers a range of key issues such as VAT, data flows, supply chains, importing and exporting. Business community webinars: 'Are You Prepared for Leaving the EU?' were available on 7, 15 and 21 December 2020, with further events planned for January 2021.

The East Lothian Connected Economies Group (CEG) and Rural Sub-Group continues to oversee the engagement and support for East Lothian's business sector, ensuring local businesses have access to accurate and timely information and advice relating to the end of the Brexit transition period on 31 December 2020, and beyond. The CEG will continue to meet monthly with the cross party CEG Chairs group meeting weekly into 2021.

Numerous national reports and publications have stated that regardless of underlying assumptions, a non-negotiated deal scenario will have a detrimental impact on short and long-term GDP, economic growth, investment and productivity, unemployment, exchange rates and house prices.

Our BIA indicates that the sectors that appear most vulnerable include those which are critical to the East Lothian economy such as;

- agriculture
- food and drink
- fishing
- construction
- life sciences and
- other manufacturing sectors

There are also potential impacts from the changes to free movement of EU nationals and implementation of new points-based immigration system which could see a labour shortages in areas such as tourism, hospitality and agriculture. These jobs will fall below the required salary threshold and are not contained in the occupational shortages list.

East Lothian Council is currently working in conjunction with local partners and agencies through the CEG with the group's COVID-19 Recovery Action Plan including a range of actions aimed at supporting local businesses and communities, protecting and creating jobs and developing training and development opportunities - all of which will be key in respect of a no deal exit from the EU. Meanwhile, Economic Development's Business Gateway Advisers are providing local businesses with advice and signposting them to Scottish and UK Government (Brexit Transition) online resources. Whilst these reflect the most relevant, up to date information, the continued uncertainty regarding the situation, (post 31 December 2020 and beyond) means that they may not fully address all the concerns currently held by businesses which are involved in the export of goods to the EU.

The Council's website continues to be maintained in terms of the latest advice and support for business, 'landing pages' give prominence to Brexit support and advice alongside COVID-19 support.

East Lothian Council Brexit Response

- 3.17 The likelihood of a 'No Deal' scenario or a 'limited deal' now appear to be the most likely outcome of the UK EU Exit negotiations. In light of this, East Lothian Council preparations are considering current planning assumption recommendations of reasonable worst case scenario allowing the Council's response to be scaled appropriately when the outcome of the negotiations are agreed.
- 3.18 The East Lothian Brexit Working Group, as reported on 27 October 2020, has now conducted fresh Service Situational Awareness and Service Impact Analysis. The outcome of this, our BIA, is appended at [Appendix 2](#).
- 3.19 The Corporate Brexit Risk has been reviewed and is appended at [Appendix 3](#). This subsequently links to Service Risk Registers and Business Continuity Plans, all of which have been refreshed taking account of Brexit, and concurrent COVID-19, risks.
- 3.20 The Brexit Working Group continues to report to the Corporate Management Team on a fortnightly basis. The Brexit Working Group now also reports to the (renamed) COVID Oversight and Concurrent Risks Group, ensuring that Brexit 'Category 1 Response Requirements' blend with the ongoing business continuity, risk management and emergency response to the COVID-19 pandemic and the concurrent risks posed by Brexit and likely Winter Emergency.
- 3.21 A Single Point of Contact Brexit internal mail box has been established, ensuring that the Brexit Working Group are informed of any Brexit occurrence impacting on service delivery and have all necessary timely intelligence to be able to make daily situational reports into the Multi-agency Co-Ordinating Centre, contributing to the national awareness of Brexit impacts country-wide.
- 3.22 The Brexit Working Group meets weekly and will continue to do so for the first 12 weeks in 2021, and will review the frequency of meetings thereafter.
- 3.23 Internal Audit conducted an Assurance Review of East Lothian Council's Brexit preparedness and reported to the Audit and Governance Committee on 24 November 2020, concluding as follows: :

“East Lothian Council have an appropriate plan in place to ensure that arrangements are made to mitigate the recognised impacts of EU Exit. However the plan requires to be enacted over a short timescale as a result of both uncertainty in the outcome of UK negotiations with the EU and resources being utilised on the response to COVID-19.

Recommendations have been made to assist with the development of plans to mitigate the effects of EU Exit.”

The actions contained within the 5 recommendations made by the Internal Audit Manager have been encompassed within the Brexit Impact Analysis appended at [Appendix 2](#).

4 POLICY IMPLICATIONS

There are no new policy implications arising from this report, any that do arise subsequent to the refreshed Service Impact Analysis and into the work of the Brexit Working Group and will be reported separately.

5 INTEGRATED IMPACT ASSESSMENT

The completed Brexit Workplan, informed by the Service Impact Analysis currently underway, will be subject to the Integrated Impact Assessment process in due course.

6 RESOURCE IMPLICATIONS

- 6.1 Financial: Forecasting the full impacts of Brexit on Council finances and budgets is challenging due to ongoing negotiations. Known potential impacts have been outlined in general terms within *Our Finances and Funding* section of this report.
- 6.2 Personnel: Impacts of Brexit on the Council's workforce is expected to be minimal in the short term however, the longer term impacts of the UK Government's immigration policy are not yet known but have the potential to impact on lower paid / skilled workforce such as those involved in Facilities Management and Social Care. There may also be increased workloads for some services e.g. Environmental Health and Trading Standards in relation to changes to Exports and Imports.
- 6.3 Other – None.

7 BACKGROUND PAPERS

- 7.1 Council 27 October 2020: East Lothian Council's Brexit Preparations and Response
- 7.2 Audit & Governance Committee 24 November 2020: Brexit Assurance
- 7.3 [UK Government Brexit Transition Website](#)
- 7.4 [Scottish Government 'Prepare for Brexit' Website](#)
- 7.5 [Appendix 1: National Coordination Centre \(NCC\) Arrangements](#)

7.6 [Appendix 2: East Lothian Brexit Impact Analysis \(BIA\) as at 17 December 2020](#)

7.7 [Appendix 3: Corporate Risk – Brexit: as at 15 December 2020](#)

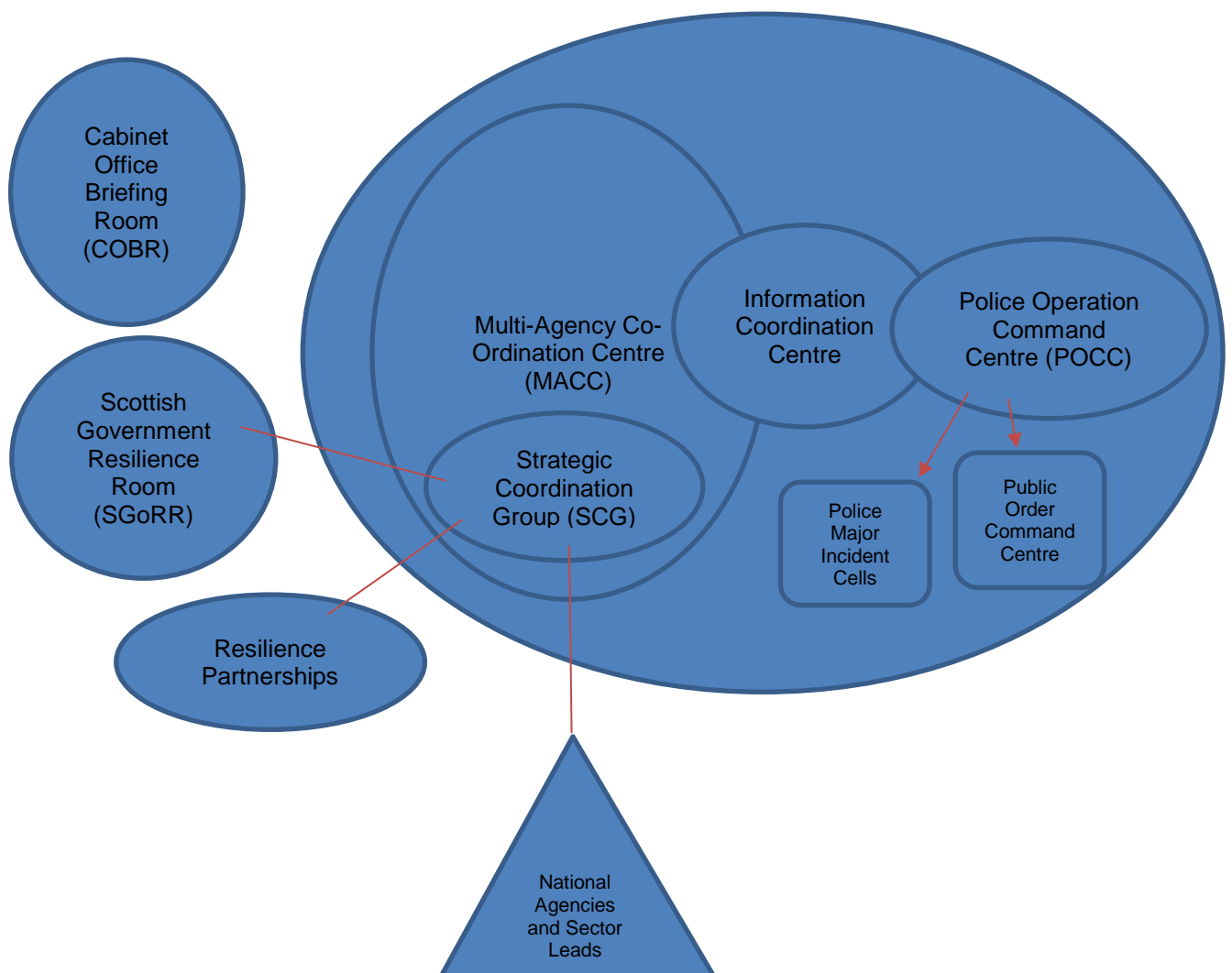
AUTHOR'S NAME	Lynn Crothers John Cunningham
DESIGNATION	Service Manager – Protective Services Service Manager – Economic Development
CONTACT INFO	lcrothers@eastlothian.gov.uk jcunningham@eastlothian.gov.uk
DATE	18/12/2020

Appendix 1:

NATIONAL CO-ORDINATION CENTRE (NCC) ARRANGEMENTS

The SCG is the Strategic representation of the MACC, which sits virtually when determined by the SRP.

The NCC: The flow of information between Resilience Partnerships and the SCG is a two way process. The SCG will share information that supports sound strategic and local decision making. Similarly the role of SGoRR is to deal with issues of government policy rather than operational decision making best left to responders at a national or local level.



Appendix 2

East Lothian Council – Brexit Impact Analysis as at 18 December 2020

Appendix 3

BREXIT Corporate Risk

APPENDIX 2: Service Impact Analysis

Theme	Risk Description	Potential Impacts on East Lothian	Current Controls and Mitigations	Monitoring	Impacted Services
Our Finances & Funding	<p>EU Funds / Grants and Impact on the European Structural Fund During the 2014-20 EU budget round, Scotland is estimated to have received over £5 billion in funding from the EU.</p> <p>If the UK leaves the EU without a deal the UK will pull out of large elements of this funding without consultation and without setting out clear alternatives</p>	EU funding supports a wide range of activities across Scotland, delivering infrastructure, sustaining rural communities, providing support for the farming and fishing industries, and delivering research funding for universities. The EU provides funding to both the Council directly and to local communities and service sectors. Loss of this funding will have a negative impact.	<p>Assurance has been provided by the Scottish Government and circulated to Resilience Group. ESF, ERDF & ETC projects signed by end of 2020 are covered by a UK Guarantee - 2023 commitments remains in place and will be funded by the UK Govt. There is uncertainty whether this will cover all European spend.</p> <p>The UK Government has stated that under a 'NO-deal Brexit', HM Treasury will honour the outstanding allocation.</p> <p>The European Commission (EC) has issued two regulations that would allow the UK to remain part of the European Development Fund and European Social Fund Programmes.</p>	<p>Monthly budget monitoring of all EU funded projects</p> <p>Close monitoring of national discussions through COSLA and professional associations</p>	<p>Economic Development</p> <p>ELW</p> <p>Roads</p>
	<p>Fluctuations in Currency Rate to Expenditure There may be an increase in costs due to market fluctuations and uncertainty.</p> <p>This risk of exchange rate fluctuation would likely be more volatile in a 'No-deal' arrangement.</p>	Increased risk of budget over-spend.	<p>Enhanced cost control measures would be implemented</p> <p>Regular discussions with external Treasury Advisors</p>	<p>Monthly monitoring of Treasury Management Activity</p> <p>Monthly monitoring of Council's finances</p> <p>Quarterly financial reviews to Council</p>	All Council Services
	<p>Capital Receipts Changes to the housing market/developer finance availability could impact on offers for surplus assets and sites sold by the council. Loss of capital receipts could impact on overall capital programme funding.</p>	Increased risk that Capital Receipts do not materialise or are lower than anticipated.	ELC Capital Finance Strategy for 2021 approved on 15 December 2020 and contains risks associated with Brexit and potential mitigations.	<p>Minimum capital receipts currently reflected in capital investment plans.</p> <p>Monthly monitoring of capital receipts and impact on Treasury management activity</p> <p>Quarterly financial reviews to Council</p>	All Council Services
	<p>Cost of Borrowing This may increase, through higher interest rates and the liquidity of Money Market Funds leading to costs in excess of budget resources available.</p>	Increased risk of budget over-spend.	ELC Financial Strategy approved on 15 December 2020 notes potential risks of Brexit and need for flexibility to maintain Council reserves above 2%.	<p>Monthly monitoring of Treasury Management Activity</p> <p>Regular discussions with external Treasury Advisors</p>	All Council Services
	<p>Higher Costs of Materials, Supplies & Labour Increases in the cost of goods and services purchased by the council (revenue and capital leading to costs in excess of budget resources available.</p>	Availability of building materials to construct buildings and potential impact of price inflation. Increases in costs of construction materials. (e.g. metals, aggregates, plastics) may have a knock on effect on supplier pricing as major commodity markets are priced in euros or US Dollars and	ELC Financial Strategy approved on 15 December 2020 notes potential risks of Brexit and need for flexibility to maintain Council reserves above 2%.	<p>Monthly monitoring of Treasury Management Activity</p> <p>Regular discussions with external Treasury Advisors</p>	All Council Services

		<p>markets are volatile. Could lead to additional costs in relation to the capital programme</p> <p>Costs associated with the production and import of Digital Technology Products which are typically priced in Euros or US Dollars but sold in Sterling. As such, any exchange rate fluctuations resulting from the EU Exit process could have an impact on manufacturing and selling prices. Cost pressures on the IT hardware, software and maintenance budgets.</p>			
Our Supply Chains	<p>Border Disruption</p> <p>It is estimated that on 1 January 2021, 20-40% of SMEs and 50-70% of big businesses might not be ready to trade with the EU, this could translate to between 40-70% of trucks travelling to the EU might not be ready for new border controls which could reduce flow across the short Channel crossings to 60-80% of normal levels with maximum queues of 7,000 trucks in Kent and delays of 2 days.</p> <p>There is an additional risk of queues and delays at other ports that handle high volumes of Roll on Roll off freight with the EU, but there unlikely to be sustained, significant disruption.</p> <p>Disruption could be lower in the initial days of January but expect sustained disruption to worsen over the first two weeks as demand builds. There could be a significant drop in disruption and improvement in flow capacity within the first three months as fewer unready HGVs arrive at the border.</p>	<p>Potential shortage of essential facility materials and consumables such as cleaning products, toilet tissue and sanitary/ hygiene consumables (hand wash etc.). May impact on building being able to open / operate.</p> <p>Potential shortage in Building materials and spare parts preventing essential repairs and maintenance being carried out.</p> <p>Potential shortage in educational supplies and equipment impacting on lesson plans.</p> <p>Potential for longer delivery lead times for purchases of IT hardware including Core Infrastructure & User devices. Knock on risk to Capital Projects where delivery of IT Infrastructure and IT Use kit is time critical thereby impacting on operational dates.</p> <p>Suppliers / contractors fail to deliver goods / provide contracted services, either as a result of failure of the supply chain or going out of business. This leads to additional work for the CPU in letting replacement contracts. This would have an impact on current CPU workload and result in other contracts being deferred or extended. Resulting in failure to deliver the CPU procurement plan. There may also be a risk of failure to comply with council procurement rules / procurement legislation.</p>	<p>Scotland excel has carried out extensive Brexit and Covid-19 analysis and developed contingency plans which cover a range council services.</p> <p>The contingency planning covers supply chains in relation to:</p> <ul style="list-style-type: none"> - Construction - PPE - Catering & Food - Transport & Environmental Services - Children & Young People’s Services - Adult Social Care <p>Service business continuity plans reviewed to ensure specific controls are in place and critical services are adequately prioritised to minimise disruption in relation to Border delays.</p>	<p>Notification of escalating or prolonged disruption via Multi Agency Coordinating Centre.</p> <p>Scotland Excel will continue to develop contingency plans at a category level in collaboration with all stakeholders to ensure resilient supply chains.</p>	Council wide
	<p>Fuel Supplies</p> <p>Regional traffic disruption caused by border delays could affect fuel distribution within the local area, particularly if traffic queues in Kent block the Dartford crossing, which would disrupt fuel supply in London and the South-East.</p>	<p>Inadequate supplies to run council fleet and maintain services.</p> <p>Disruption to services which rely on personal vehicle use to deliver services i.e. Housing Management</p>	<p>Fuel Contingency plan under review and being finalised to ensure details and mitigations are up to date.</p> <p>Optimise & conserve fuel stocks</p>	<p>Notification of escalating or prolonged disruption via Multi Agency Coordinating Centre.</p> <p>Scotland Excel will continue to develop contingency plans at a category level in</p>	Impact on critical council services which have been identified in the fuel plan

<p>Customer behaviour could lead to local shortages in other parts of the country. Disruption will be to local fuel supplies.</p> <p>There will not be wider national-level oil shortages: the likelihood of traffic disruption depends on latest border disruption planning assumptions.</p>	<p>and support, Building repairs and maintenance, regulatory activities in Protective Services.</p> <p>A disruption to the supply of fuel could have potentially a serious impacts on many of our most vulnerable clients i.e. Care Homes, Housing with care, Elderly and Adults at Home, Vulnerable children etc. This would specifically relate to the transportation of food and medical supplies as well as the movement of staff delivering care in the community and getting residential care staff into work. External care providers may also be affected.</p> <p>School transport providers may be impacted and lead to disruption in transport arrangements, pupil attendance and attainment.</p> <p>Disruption to public transport network.</p>	<p>Service business continuity plans reviewed to ensure specific controls are in place and to ensure critical services are adequately prioritised to minimise disruption in the event of fuel disruption.</p> <p>Liaison with External transport providers on fuel contingency arrangement</p>	<p>collaboration with all stakeholders to ensure resilient supply chains.</p>	
<p>Chemical Supplies</p> <p>Border delays, tariffs and new regulatory barriers/costs may result in disruption to supply of critical chemicals used in UK leading to the disruption of essential services (such as food, energy, water, and medicine).</p> <p>Economic factors could result in some chemicals suppliers reducing operations or closing. A concurrent single-company failure of a domestic critical chemical supplier due to compliance breaches or enforcement action could exacerbate the above issues.</p> <p>BEIS will continue to monitor suppliers to CNI sectors closely to understand the impacts of chemical suppliers reducing operations or closing.</p> <p>The complex and integrated nature of the chemical industry and supply chains means that the full impact of such disruption cannot be predicted.</p> <p>Concurrent risk of a further wave of COVID 19 increases the risk that some businesses may not remain viable further impacting on the supply chain.</p>	<p>Shortages in cleaning chemicals leading to service impacts for Facilities Management in relation to cleaning of council buildings and assets</p> <p>Potential impact on water treatment systems / disinfection in sports facilities.</p> <p>Potential impacts of supply of essential maintenance materials for roads maintenance and repair (Bitumen Ad Blue etc).</p>	<p>Suppliers have confirmed holding 12 weeks of stock.</p> <p>Contingency planning to include optimising current stock levels based on current storage capacity. Use of alternative products if supply of current stock interrupted and also use of alternative cleaning methods if required.</p> <p>Service business continuity plans reviewed to ensure specific controls are in place and ensure critical services are adequately prioritised to minimise disruption in the event of disruption in the supply of critical chemicals.</p>	<p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems with critical supply chains.</p> <p>Scotland Excel will continue to develop contingency plans at a category level in collaboration with all stakeholders to ensure resilient supply chains.</p>	<p>Facilities Management</p> <p>Roads</p> <p>Sports & Leisure.</p>
<p>Food Supplies</p> <p>Circumstances occurring concurrently at the end of the year are expected to cause</p>	<p>Limits on choice of foodstuffs available particularly in relation to fresh agri-products</p>		<p>National information updated via National Co-ordinating Centre and Multi- Agency</p>	<p>Facilities Management</p>

	<p>disruption to global and UK food supply chains. This will lead to a tightening of supply and an increase in demand for certain agri-food products, but not cause an overall food shortage.</p> <p>The effect of this disruption is likely to be reduced supply availability, especially of certain fresh products; supply of some critical dependencies for the food supply chain (e.g. key ingredients, chemicals and packaging) could be reduced; an increase in food prices, which would have greatest impact on economically vulnerable groups.</p> <p>The UK Government will not be able to fully anticipate or mitigate all potential impacts to the agri-food supply chain.</p> <p>In Addition, full third country controls on UK goods at EU borders (the UK moving to a WTO trading relationship with the EU) will cause increased border friction and delays on key crossings. Phasing in controls on imports from the EU will help limit disruption in the short-term.</p> <p>Concurrent risk of a further wave of COVID 19 increases the risk that some businesses may not remain viable further impacting on the supply chain.</p>	<p>Potential delay in fulfilling orders from suppliers</p> <p>Decrease in nutritional standards and / or difficulty in meeting dietary requirements particularly in certain settings such as educational establishments and care homes.</p> <p>Higher costs / prices</p>	<p>Ongoing liaison with suppliers – necessary steps have been taken to optimise stocks on products with long shelf life and / or identify alternatives</p> <p>Ongoing liaison with Scotland Excel</p> <p>Ongoing liaison with Public Sector Food Forum and sub group set up to specifically mitigate issues relating to Brexit and food supply chains.</p> <p>Service business continuity plans reviewed to ensure specific controls are in place to ensure critical services are adequately prioritised to minimise disruption in the event of food availability issues</p>	<p>Coordinating Centre and should give an early indication of problems in the supply network.</p> <p>Scotland Excel will continue to develop contingency plans at a category level in collaboration with all stakeholders to ensure resilient supply chains.</p>	<p>Education & Children’s Services</p> <p>HSCP</p>
	<p>Gas & Electricity Supplies</p> <p>It can be assumed that UK energy demands will be met and there will be no disruption to electricity or gas interconnectors, but the industry have depleted their stockpile of critical parts ahead of the winter period due to Covid-19 and planned maintenance.</p> <p>Gas and electricity network operators have reduced their stockpiles developed ahead of no-deal, and the ongoing Covid-19 pandemic and its impact on supply chains means that these operators will find it difficult to implement contingency plans to replenish stockpiles of critical goods ahead of the end of December.</p>	<p>The risk of interruptions to energy supplies is thought to be low however if there was ongoing or sustained interruptions to energy supplies, a number of critical services would be impacted including;</p> <ul style="list-style-type: none"> - Unable to operate waste transfer station and recycling centres - Impact to workshop vehicle maintenance provision, depot locations for staff facilities and vehicle EV charging. - Impact on the ability to deliver projects and would incur increase costs as alternative means (generators) would be required. - Impact on winter maintenance operations - Significant impacts on Housing and Non-Housing building use. - IT would be unable to operate data centres with no electricity. The main data centre 	<p>There are a number standby generators but still reliant on Fuel supplies. Ongoing or long term use of generators would significantly increase costs and impact budgets.</p> <p>Service business continuity plans reviewed to ensure specific controls are in place to ensure critical services are adequately prioritised to minimise disruption in the event that water supplies are interrupted.</p>	<p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems in the supply network.</p>	<p>Corporate wide issues relating to IT provision, use of Council Building and Assets and service delivery.</p>

	Supply chain disruption is dependent on likelihood of traffic disruption from the latest border disruption planning assumptions.	provides ELC connectivity to the outside world as well as access to all ELC IT systems including telephony.			
	<p>Water Supplies</p> <p>Public water services are likely to remain largely unaffected due to actions taken by water companies in the lead up to December 2019, and then practised in response to Covid-19 in early 2020.</p> <p>The most significant single risk is a failure in the chemical supply chain.</p> <p>The reasonable worst case scenario is that one or more water companies could face significant disruption of the import of chemicals that are critical to making water fit to drink – this might relate to import of the chemical themselves, raw materials needed to make them in the UK, or equipment (such as chlorine cylinders) needed to use them effectively.</p> <p>This could occur if border disruption lasts long enough to exhaust stocks of critical chemicals (6 weeks rolling stock being maintained); and no way could be found to overcome the disruption.</p>	<p>Although considered to be low risk, sustained disruption at the ports, may mean that water suppliers like Scottish Water could have difficulty in obtaining products and materials to ensure treatment works remain fully operational.</p> <p>Some services have highlighted issues should there be an interruption to supply such as;</p> <ul style="list-style-type: none"> - Provision of meals in schools and other settings such as care homes etc. - Cleaning of Council buildings and other assets - Hygiene and welfare measures in Council buildings and other assets (e.g. handwashing, drinking water etc) 	Scottish Water operate a number of business continuity plans to mitigate the risks of different scenarios. These plans have been revised and refreshed in relation to the UK leaving the UK and are not anticipating service issues resulting from a Non-Agreed outcome.	National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems in the supply network.	Corporate wide issues relating to use of Council Building and Assets, staff welfare and service delivery.
	<p>Medicines and Medical Supplies</p> <p>BPDG estimates that flow rate of imports of medicines and medical supplies will decrease to 60-80% of current levels.</p>	<p>If unmitigated, this would put patient safety at risk.</p> <p>Supply chains are heavily regulated and must meet strict distribution practices.</p>	<p>The Scottish Government is working with UK Government to ensure medicine supplies are not interrupted from 1 January 2021.</p> <p>There is also ongoing work with the NHS National Services Scotland to make sure there is enough stock of medical devices in the National Distribution Centre.</p> <p>The Scottish Government has established PPE supply chains and expect there to be minimal risk to supplies.</p>	National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems in the supply network.	HSCP
Our Workforce	<p>End of the transition period will end the free movement of EU citizens to the UK.</p> <p>EU citizens wishing to remain in the UK will have to apply to the UK Settlement Scheme by 30 June 2021</p>	<p>EU Nationals may leave to return to place of birth or move elsewhere in UK. ELC directly employs a relatively low number of EU Nationals (<100). ELC cannot request confirmation of settled status prior to 30th June 2021.</p> <p>Job market may become more competitive resulting in recruitment challenges and may exacerbate current recruitment issues notably in Social Care.</p>	<p>Promotion of EU settlement Scheme through signposting to Scottish Government website which has an information package available explaining rights of EU citizens with settled and Pre-settled status.</p> <p>Established recruitment policies in place</p>	<p>Workforce planning key to managing anticipating changes in the workforce and labour market.</p> <p>Monitoring of vacancies and recruitment.</p> <p>Reports to service Manager re difficulties</p>	<p>Facilities Management</p> <p>Customer Services</p> <p>Infrastructure</p> <p>Education</p>

	<p>Citizens of Norway, Iceland, Liechtenstein and Switzerland will also have to apply to remain living in the UK</p> <p>Irish Citizens will benefit from the long-term arrangements under the Common Travel Area and can move and live freely in each jurisdiction.</p> <p>From 1st January, UK will introduce a points-based immigration system treating EU and Non-EU citizens equally. Priority will be given to skilled workers with a job offer from an approved sponsor. Applicants will also need to be able to speak, read and write English and meet a salary threshold of £25 600 or have an offer for a job in shortage occupation.</p> <p>In the medium to long term, a national skill/recruitment gap may be created particularly for occupations that are not highly skilled e.g. care work, agricultural labouring, food manufacturing etc.</p>	<p>Lack of availability of subcontractors to undertake essential repairs/ statutory compliance / hard FM work as a result of EU nationals returning home. May result in delays to essential repairs.</p> <p>Ongoing annual costs of sponsorship may become prohibitive</p> <p>Contractors unable to undertake planned improvements / capital programme as a result of EU nationals moving elsewhere. May result in delays to programmes of work and slippage in Capital Programme.</p>	<p>Workforce planning Brexit considerations to include immigration salary threshold equivalent at bottom increment of Level 7 LGE Grades. All teaching, Chief Official and CWG (2.3/2.4/3.2/3.3/3.4) above the threshold.</p> <p>There are no grades below the salary Threshold (grade 6 and below) currently eligible through the shortage occupation list.</p> <p>ELC is an accredited Skilled Worker Visa Sponsor</p> <p>HSCP don't anticipate immediate issues but may arise over medium to short term</p> <p>Service business continuity plans reviewed to ensure specific controls are in place to ensure critical services are adequately prioritised to minimise disruption due to resource issues.</p>	<p>Monitoring of costs of sponsorship annually by Service Managers</p> <p>Number of Skilled Worker via applications applied for annually.</p>	<p>HSCP</p>
<p>Our Statutory Compliance</p>	<p>Data</p> <p>Government Planning Assumption is that EU will not have made a data protection adequacy agreement with UK before exit and as part of this, law enforcement data and security and information sharing systems may be impacted.</p> <p>Risk that personal data flows between the EU and UK will cease and information currently in EU (including that stored on EU based cloud providers) will not be returned</p>	<p>Survey has been carried out by Information Team to identify data flows between the council and other countries (particularly the EU). Result of survey show that data flow out with UK is limited.</p> <p>Potential Impact on any IT cloud systems that hold data in the European Union - getting access to data could be an issue if European Data Centres/suppliers shut down or refuse access</p> <p>Potential Impact to IT Disaster recovery plans if backup/failover sites for cloud systems are hosted in European Union and access is restricted/removed.</p>	<p>Current data flow pathways are not expected to cease immediately after transition period.</p> <p>Procurement Team have copy of Standard Contractual Clauses</p> <p>Further work being carried out by Information team in relation to data flow in relation to contracts.</p> <p>IT creating list of affected systems and supplier details and together with councils DP officer arranging for Data Access statement to be sent to all impacted systems</p>	<p>Contracts, Information sharing agreements and DPIAs to be reviewed on an ongoing basis in conjunction with Scottish Government Guidance.</p>	<p>Corporate wide issues relating contracts, GDPR and IT resilience.</p>
	<p>Waste</p> <p>Inability or delay in moving waste for disposal in EU and possible price rises.</p> <p>Reduced demand on recycled material streams as a result of market loss within the</p>	<p>Impacts are expected to be minimal and manageable in East Lothian as waste streams and disposal routes are focussed on UK.</p> <p>Impacts already being detected in other parts of UK in relation to EU and Non-EU disposal / recycling routes.</p>	<p>No significant risks identified in relation to impacts on East Lothian Council's waste service.</p> <p>Ongoing business continuity and contingency planning in place for matters relating to concurrent risks such as adverse weather events.</p>	<p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems in the waste disposal routes and potential impacts on the council.</p>	<p>Transport and Waste Services.</p>

	<p>EU producing over supply within the UK and deflating prices.</p> <p>Waste industry appears to be resilient in relation to the pandemic and can continue to operate at a high level of compliance.</p>	<p>Potential risk to East Lothian in regard to trading income and additional cost from gate fee charges.</p>			
	<p>Regulatory Activities</p> <p>The council has a number of statutory obligations and duties in relation to external regulation and enforcement.</p> <p>A significant amount of regulation is either EU based or devolved to the Scottish Parliament for example Food and Feed Law, Drinking Water Quality and Air Quality Standards.</p> <p>The UK withdrawal Act means all powers will be transferred to the UK Government and it is unclear.</p>	<p>Significant impact on authorisations and regulation, with many statutes being European based or referenced.</p>	<p>Authorisation are able to be updated quickly to ensure officers are suitably authorised to carry out enforcement activities.</p>	<p>Ongoing Liaison with Scottish Government, Regulatory Bodies and professional networks to monitor changes.</p>	<p>Protective Services</p>
<p>Our Capacity to Respond to Emergencies and Events</p>	<p>Concurrent Resilience Events</p> <p>The response to Covid-19 will continue over the period of leaving the EU. The priority and resources being dedicated to responding to Covid -19 and the impact of leaving the EU without a deal could reduce the resources available to deal with other potential resilience issues which may arise such as adverse weather events and mass vaccination roll-out.</p>	<p>Emergency Planning and Resilience Team along with other services may see increased demand on resource to effectively deal with the ongoing emergency response to Covid 19 as well as concurrent risks associated with Brexit and adverse weather events.</p>	<p>Working closely with partners through the Resilience Partnerships and Networks.</p>	<p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre.</p>	<p>Protective Services Communications</p>
	<p>Public Disorder</p> <p>While demonstrations and activity are likely to be focused around Scotland's major cities, large scale events could take place in any local authority. In addition, there may be a rise in public disorder and community tensions.</p>	<p>Impact on local Police Resource due to deployment elsewhere making localised ASB issues more difficult to deal with.</p>	<p>Continued liaison with Police Scotland Local Area Commander to maintain clear understanding of local resourcing and ongoing pressures capacity / issues.</p>	<p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of issues and concerns.</p>	<p>Protective Services</p>
<p>Our Capacity to Maintain Service Provision</p>	<p>Food Safety</p> <p>In a non-negotiated deal scenario. The UK would be considered a third country and therefore Full third country controls on UK goods at EU borders (the UK moving to a WTO trading relationship with the EU) will cause increased border friction and delays on key crossings.</p>	<p>A no deal scenario could significantly increase the number of certificates required by traders who do not currently require them to export to the EU. This will increase demand on officers in Protective Services.</p> <p>Additionally, much of the intelligence and risk assessment activity in relation to food safety is undertaken at an EU level and access to this</p>	<p>Officers have attended training on Fishing vessel inspections, OVC and administration changes for the end of the transition period.</p> <p>Officers in Protective Services have now completed the inspection of 44 Fishing Vessels registered with East Lothian Council which will assist with Export Certification.</p>	<p>Close liaison with partners such as Food Standards Scotland, Animal & Plant Health Agency, EH Networks.</p>	<p>Protective Services</p>

<p>There will be particular additional pressure on businesses who export Products of Animal Origin such as fish, Shellfish, meat etc.</p> <p>Phasing in controls on imports from the EU will help limit disruption in the short-term.</p> <p>Covid-19 continues to significantly reduce businesses' capacity to prepare fully for the end of the Transition Period, including the food, drink, transport and logistics industries.</p>	<p>currently informs food inspection programmes. There are concerns that public protection should not be undermined following Brexit.</p>	<p>Food Standards Scotland confirmed in writing that the agency would be overseeing the operation and resourcing of certification hubs. This will reduce the demand on Local Authorities.</p> <p>Additional funding allocated by Scottish Government for additional resourcing in Environmental Health / Trading Standards Teams to assist with ongoing Covid 19 work and additional Brexit duties.</p>		
<p>Product Safety</p> <p>A Non-negotiated deal may increase risk of unsafe products reaching the UK.</p> <p>Divergence from EU Standards and regulations may increase pressure on businesses and increase uncertainty and decrease consumer confidence</p>	<p>Increased demand on Trading Standards service to provide advice to local businesses and consumers.</p> <p>Loss of access to RAPEX and EEC intelligence monitoring</p>	<p>Officers have attended training and webinar events to keep updated on anticipated changes.</p>	<p>Close liaison with Government department and regulatory bodies to monitor ongoing impacts.</p>	<p>Protective Services</p>
<p>Animal Welfare</p> <p>Concern that Border Disruption may impact on welfare issues associated with the transport of livestock, Feed and availability of veterinary medicines</p>	<p>Increased demand on Trading Standards service to provide advice and investigate complaints and intelligence.</p> <p>Avian flu outbreaks are increasing and may divert resource and increase pressure on current workforce capacity.</p>	<p>Officers keeping knowledge updated through professional and intelligence networks.</p>	<p>Close liaison with partners such as Food Standards Scotland, Animal & Plant Health Agency, TS Networks.</p>	<p>Protective Services</p>
<p>Benefits and Grant Funding</p> <p>It is anticipated that lower income groups will be disproportionately affected by price increases thereby increasing food insecurity and fuel poverty</p> <p>Concurrent impacts of COVID 19 have pushed more households into poverty which may lead to greater demands on services that deal with benefits and grant payments.</p> <p>Potential return of expats who may be vulnerable and need welfare assistance / advice.</p> <p>In addition, there is ongoing grant and funding allocation in relation to businesses affected by COVID-19 restrictions and potentially Brexit impacts.</p>	<p>Scottish Government has set aside £7M for a Rapid Poverty Mitigation Fund to scale up current poverty mitigation measures including the Scottish Welfare Fund which will result Increased demand on services such as Revenue and Benefits to provide advice, process applications and ensure monies are paid.</p> <p>May be delays in processing applications which may then in turn impact the council's capacity to disburse these funds.</p>	<p>Mutual assistance from other services which will be augmented by additional resource in Economic Development through current recruitment process.</p>	<p>Scottish Government and HMRC (where appropriate) monitoring returns maintained and regularly updated.</p>	<p>Revenues and Benefits</p> <p>Economic Development</p>

	Potential Risks	Potential Impacts	Support Actions	Monitoring	Support Services
Our Local Communities	Anticipated Impacts on Lower Income Groups Lower income groups are expected to be disproportionately affected by price increases thereby increasing food insecurity and fuel poverty. Concurrent impacts of COVID 19 have pushed more households into poverty.	According to Scottish Government Brexit Vulnerabilities Report, 8% of data zones in East Lothian are included in the most vulnerable 20% of the population at risk of Brexit Impacts. That equates to 9,910 people. Key impacts may include: <ul style="list-style-type: none"> - Increased fuel poverty if energy prices increase. - Increased fuel / travel costs - Increase in food costs / insecurity and pressure on local food banks 	Scottish Government has set aside £7M for a Rapid Poverty Mitigation Fund to scale up current poverty mitigation measures including the Scottish Welfare Fund. Increase energy efficiency advice Promotion of active travel Food Friendly East Lothian network established, new co-ordinator now appointed (Fundamental Foods, c/o Pennypit Trust) to support the network and manage the Fareshare HUB in Prestonpans. Food growing strategy being developed - support will also be given to community groups to develop community food growing initiatives.	Ongoing communication with Scottish Government, COSLA and partner agencies and networks	Connected Communities Policy
	Settlement Scheme EU nationals living in the East Lothian area need to apply for settled or pre – settled status to remain living in the EU	Risk of East Lothian residents who are EU nationals not applying for settled status and gaining right to work in UK or losing entitlement to benefits.	Ensure regular communications through website and other social media platforms of June 30 th 2021 deadline and information available from Scottish Government website.		Connected communities Communications
	Potential Risks	Potential Impacts	Support Actions	Monitoring	Support Services
Our Local Economy	Increase in business failure Analysis from the Bank of England, the UK Government’s Office of Budget Responsibility, Scotland’s Chief Economic Advisor, the Institute of Government, the Fraser of Allander Institute and the CBI all suggests that regardless of underlying assumptions a no-deal will have a detrimental impact on short- and long-term GDP, economic growth, investment and productivity, unemployment, exchange rates and house prices In primary producing sub-sectors, e.g. meat (particularly lamb) and seafood, tariffs (EU average tariffs between 50% and 100% for the former and between 2% and 20% for the latter) threaten the competitiveness of Scottish produce. The viability of some of the	The sectors that appear most vulnerable to a further economic shock include those which are critical to the East Lothian economy such as ; <ul style="list-style-type: none"> - agriculture, - food and drink, - fishing, - construction - life sciences and - other manufacturing sectors. The East Lothian Economy is largely comprised of SMEs who may be less prepared for impacts of Leaving the EU and changes to supply chains. There is a risk of increase in unemployment due to loss of market access, increased export costs or business relocation.	ELC is currently working in conjunction with local Partners and agencies as part of the ELC Connected Economy Group. The group’s COVID-19 Recovery Action Plan includes a range of actions aimed at supporting; <ul style="list-style-type: none"> • local businesses • town centre regeneration • the rural economy • the tourism, hospitality and events sectors • employment, training and development opportunities. These actions will be key in mitigating the additional impacts on the above of a no deal exit from the EU.	CEG Dashboards are being used to monitor effects of the East Lothian Council’s interventions. These interventions are reviewed on a regular basis.	Economic Development

	trade itself may be endangered, given the requirement to get fresh produce to market quickly to maximise its value.				
	<p>Immigration Policy The expected changes to EU national's employment status may have impact on local hospitality/rural/agricultural businesses which the service interacts with.</p> <p>Tourism industry already devastated by COVID-19 however recovery may be further hindered by any potential passport/border restrictions affecting free movement between EU and UK.</p>	<p>Potential skills / labour shortages in critical sectors of East Lothian Economy such as;</p> <ul style="list-style-type: none"> - Agriculture - Hospitality - Tourism - Food processing / manufacturing 	<p>The CEG will continue to have oversight of related impacts and any interventions in the rural and tourism sectors will be managed through the Recovery and Renewal Action Card.</p> <p>Signpost local businesses to Scottish and UK government information sources.</p>	<p>CEG Dashboards are being used to monitor effects of the East Lothian Council's interventions.</p> <p>These interventions are reviewed on a regular basis.</p>	Economic Development
	<p>Funding The UK's departure from the EU will see previously EU funded State Aid withdrawn.</p>	<p>Potential loss of funding in relation to ERDF and Tyne Esk LEADER and therefore future programmes may not be funded.</p>	<p>The current understanding is that in the event of a no deal exit from the EU, the UK & Scottish Governments will continue to guarantee funding for projects previously funded by European funding.</p>	<p>Economic Development will monitor the progress made by Scottish and UK Governments in establishing continuation funding schemes.</p>	Economic Development
	<p>Border disruption A non-negotiated deal with see delays at port crossings with delays of up two days</p>	<p>Shortages of fresh, imported food out with the UK growing season and consequential price rises may have potential impacts on domestic consumers and the Leisure & Hospitality industry's profitability.</p>	<p>The Economic Development Service will continue to support the East Lothian Food and Drink Business Improvement District, (BID) to ensure that local produce suppliers are best placed to make up supply shortfalls.</p>	<p>East Lothian Food and Drink Business Improvement District, (BID) will continue to provide regular reports.</p>	Economic Development
	<p>Exporting / Importing Goods A no deal will see the UK become a third country exporter / importer to the EU</p>	<p>A potentially significant minority of businesses involved in the export and import of goods are still unprepared for the changes that the UK's exit from the EU will bring</p>	<p>The Economic Development's Business Gateway service is providing local businesses with advice and access to Business Gateway/Scottish Enterprise webinars and is also signposting to UKG (Brexit Transition) online resources and SG.</p>	<p>Take up of advice and support will be monitored through Business Gateway performance monitoring</p>	Economic Development

EU Exit Risk Register

Date reviewed 18 December 2020

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
Our Finances and Funding												
EUE 1	<p>EU Funds / Grants and Impact on the European Structural Fund</p> <p>During the 2014-20 EU budget round, Scotland is estimated to have received over £5 billion in funding from the EU.</p> <p>If the UK leaves the EU without a deal the UK will pull out of large elements of this funding without consultation and without setting out clear alternatives</p> <p>EU funding supports a wide range of activities across Scotland, delivering infrastructure, sustaining rural communities, providing support for the farming and fishing industries, and delivering research funding for universities. The EU provides funding to both the Council directly and to local communities and service sectors. Loss of this funding will have a negative impact.</p>	<p>Assurance has been provided by the Scottish Government and circulated to Resilience Group. ESF, ERDF & ETC projects signed by end of 2020 are covered by a UK Guarantee - 2023 commitments remains in place and will be funded by the UK Govt. There is uncertainty whether this will cover all European spend.</p> <p>The UK Government has stated that under a 'NO-deal Brexit', HM Treasury will honour the outstanding allocation.</p> <p>The European Commission (EC) has issued two regulations that would allow the UK to remain part of the European Development Fund and European Social Fund Programmes.</p> <p>Monthly budget monitoring of all EU funded projects.</p>	3	4	12	<p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>	2	4	8	<p>Council Management Team</p> <p>Economic Development</p> <p>ELW</p> <p>Roads</p>		Risk created December 2020
EUE 2	<p>Fluctuations in Currency Rate to Expenditure</p> <p>There may be an increase in costs due to market fluctuations and uncertainty.</p> <p>This risk of exchange rate fluctuation would likely be more volatile in a 'No-deal' arrangement.</p> <p>There is an increased risk of budget over-spend to the Council.</p>	<p>Enhanced cost control measures would be implemented.</p> <p>Regular discussions with external Treasury Advisors.</p> <p>Monthly monitoring of Treasury Management Activity.</p> <p>Monthly monitoring of Council's finances. Quarterly financial reviews to Council.</p>	3	3	9	<p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>	2	3	6	<p>Council Management Team</p> <p>Service Manager – Protective Services</p> <p>Interim Service Manager - Economic Development</p>		Risk created December 2020
EUE 3	<p>Capital Receipts</p> <p>Changes to the housing market/developer finance availability could impact on offers for surplus assets and sites sold by the council.</p> <p>Loss of capital receipts could impact on overall capital programme funding.</p> <p>Increased risk that Capital Receipts do not materialise or are lower than anticipated.</p>	<p>ELC Capital Finance Strategy for 2021 approved on 15 December 2020 and contains risks associated with Brexit and potential mitigations.</p> <p>Minimum capital receipts currently reflected in capital investment plans.</p> <p>Monthly monitoring of capital receipts and impact on Treasury management activity.</p> <p>Quarterly financial reviews to Council.</p>	2	3	6	<p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>	2	3	6	<p>Council Management Team</p>		Risk created December 2020

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
EUE 4	<p>Cost of Borrowing</p> <p>This may increase, through higher interest rates and the liquidity of Money Market Funds leading to costs in excess of budget resources available and an increased risk of budget over-spend.</p>	<p>ELC Financial Strategy approved on 15 December 2020 notes potential risks of Brexit and need for flexibility to maintain Council reserves above 2%.</p> <p>Strategy is reviewed annually.</p> <p>Monthly monitoring of Treasury Management Activity.</p> <p>Regular discussions with external Treasury Advisors.</p>	2	3	6	<p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>	2	3	6	Council Management Team		
EUE 5	<p>Higher Costs of Materials, Supplies & Labour</p> <p>Increases in the cost of goods and services purchased by the council (revenue and capital) leading to costs in excess of budget resources available.</p> <p>Availability of building materials to construct buildings and potential impact of price inflation and any increases in costs of construction materials. (e.g. metals, aggregates, plastics) may have a knock on effect on supplier pricing as major commodity markets are priced in euros or US Dollars and markets are volatile. This could lead to additional costs in relation to the capital programme.</p> <p>Costs associated with the production and import of Digital Technology Products which are typically priced in Euros or US Dollars but sold in Sterling. As such, any exchange rate fluctuations resulting from the EU Exit process could have an impact on manufacturing and selling prices. Cost pressures on the IT hardware, software and maintenance budgets.</p>	<p>ELC Financial Strategy approved on 15 December 2020 notes potential risks of Brexit and need for flexibility to maintain Council reserves above 2%.</p> <p>Strategy is reviewed annually.</p> <p>Monthly monitoring of Treasury Management Activity.</p> <p>Regular discussions with external Treasury Advisors.</p>	4	4	16	<p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>				Council Management Team		

Our Supply Chains

EUE 6	<p>Border Disruption</p> <p>It is estimated that on 1 January 2021, 20-40% of SMEs and 50-70% of big businesses might not be ready to trade with the EU, this could translate to between 40-70% of trucks travelling to the EU might not be ready for new border controls which could reduce flow across the short Channel crossings to 60-80% of normal levels with maximum queues of 7,000 trucks in Kent and delays of 2 days.</p> <p>There is an additional risk of queues and delays at other ports that handle high volumes of Roll on Roll off freight with the EU, but there unlikely to be sustained, significant disruption.</p>	<p>Scotland excel has carried out extensive Brexit and Covid-19 analysis and developed contingency plans which cover a range council services.</p> <p>The contingency planning covers supply chains in relation to:</p> <ul style="list-style-type: none"> - Construction - PPE - Catering & Food - Transport & Environmental Services - Children & Young People's Services - Adult Social Care <p>Service business continuity plans reviewed to ensure specific controls are in place and critical services are adequately prioritised to</p>	4	4	16	<p>Scotland Excel will continue to develop contingency plans at a category level in collaboration with all stakeholders to ensure resilient supply chains.</p> <p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p> <p>Council Management Team and Service Managers will continue to engage with internal risk and resilience processes and procedures</p>				Council Management Team		
-------	---	--	---	---	----	--	--	--	--	-------------------------	--	--

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	<p>Disruption could be lower in the initial days of January but expect sustained disruption to worsen over the first two weeks as demand builds. There could be a significant drop in disruption and improvement in flow capacity within the first three months as fewer unready HGVs arrive at the border.</p> <p>This could lead to:</p> <ul style="list-style-type: none"> • Potential shortage of essential facility materials and consumables such as cleaning products, toilet tissue and sanitary/ hygiene consumables (hand wash etc.). May impact on building being able to open / operate. • Potential shortage in building materials and spare parts preventing essential repairs and maintenance being carried out. • Potential shortage in educational supplies and equipment impacting on lesson plans. • Potential for longer delivery lead times for purchases of IT hardware including Core Infrastructure & User devices. Knock on risk to Capital Projects where delivery of IT Infrastructure and IT Use kit is time critical thereby impacting on operational dates. • Suppliers/contractors fail to deliver goods/provide contracted services, either as a result of failure of the supply chain or going out of business. This leads to additional work for the CPU in letting replacement contracts and impact upon current CPU workload, resulting in other contracts being deferred or extended and failure to deliver the CPU procurement plan. There may also be a risk of failure to comply with council procurement rules/procurement legislation. 	<p>minimise disruption in relation to Border delays.</p> <p>Notification of escalating or prolonged disruption via Multi Agency Coordinating Centre.</p>										
EUE 7	<p>Fuel Supplies</p> <p>Regional traffic disruption caused by border delays could affect fuel distribution within the local area, particularly if traffic queues in Kent block the Dartford crossing, which would disrupt fuel supply in London and the South-East.</p> <p>Customer behaviour could lead to local shortages in other parts of the country. Disruption will be to local fuel supplies.</p> <p>There will not be wider national-level oil shortages: the likelihood of traffic disruption depends on latest border disruption planning assumptions.</p>	<p>Optimise & conserve fuel stocks.</p> <p>Service business continuity plans reviewed to ensure specific controls are in place and to ensure critical services are adequately prioritised to minimise disruption in the event of fuel disruption.</p> <p>Liaison with External transport providers on fuel contingency arrangement.</p>	3	4	12	<p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p> <p>Fuel Contingency plan under review and being finalised to ensure details and mitigations are up to date.</p> <p>Notification of escalating or prolonged disruption via Multi Agency Coordinating Centre.</p> <p>Scotland Excel will continue to develop contingency plans at a category level in collaboration with all</p>	2	4	8	Council Management Team		

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	<p>This could lead to:</p> <ul style="list-style-type: none"> Inadequate supplies to run council fleet and maintain services. Disruption to services which rely on personal vehicle use to deliver services i.e. Housing Management and support, Building repairs and maintenance, regulatory activities in Protective Services. A disruption to the supply of fuel could have potentially a serious impacts on many of our most vulnerable clients i.e. Care Homes, Housing with care, Elderly and Adults at Home, Vulnerable children etc. This would specifically relate to the transportation of food and medical supplies as well as the movement of staff delivering care in the community and getting residential care staff into work. External care providers may also be affected. School transport providers may be impacted and lead to disruption in transport arrangements, pupil attendance and attainment. Disruption to public transport network. 				stakeholders to ensure resilient supply chains.							
EUE 8	<p>Chemical Supplies</p> <p>Border delays, tariffs and new regulatory barriers/costs may result in disruption to supply of critical chemicals used in UK leading to the disruption of essential services (such as food, energy, water, and medicine).</p> <p>Economic factors could result in some chemicals suppliers reducing operations or closing. A concurrent single-company failure of a domestic critical chemical supplier due to compliance breaches or enforcement action could exacerbate the above issues.</p> <p>BEIS will continue to monitor suppliers to CNI sectors closely to understand the impacts of chemical suppliers reducing operations or closing.</p> <p>The complex and integrated nature of the chemical industry and supply chains means that the full impact of such disruption cannot be predicted.</p> <p>Concurrent risk of a further wave of COVID 19 increases the risk that some businesses may not remain viable further impacting on the supply chain.</p> <p>The above could lead to:</p>	<p>Suppliers have confirmed holding 12 weeks of stock.</p> <p>Contingency planning to include optimising current stock levels based on current storage capacity. Use of alternative products if supply of current stock interrupted and also use of alternative cleaning methods if required.</p> <p>Service business continuity plans reviewed to ensure specific controls are in place and ensure critical services are adequately prioritised to minimise disruption in the event of disruption in the supply of critical chemicals.</p>	3	3	9	<p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems with critical supply chains.</p> <p>Scotland Excel will continue to develop contingency plans at a category level in collaboration with all stakeholders to ensure resilient supply chains.</p>	2	3	6	<p>Council Management Team</p> <p>Facilities Management</p> <p>Roads</p> <p>Sports & Leisure</p>		

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	<ul style="list-style-type: none"> Shortages in cleaning chemicals leading to service impacts for Facilities Management in relation to cleaning of council buildings and assets Potential impact on water treatment systems / disinfection in sports facilities. Potential impacts of supply of essential maintenance materials for roads maintenance and repair (Bitumen Ad Blue etc). 											
EUE 9	<p>Food Supplies</p> <p>Circumstances occurring concurrently at the end of the year are expected to cause disruption to global and UK food supply chains. This will lead to a tightening of supply and an increase in demand for certain agri-food products, but not cause an overall food shortage.</p> <p>The effect of this disruption is likely to be reduced supply availability, especially of certain fresh products; supply of some critical dependencies for the food supply chain (e.g. key ingredients, chemicals and packaging) could be reduced; an increase in food prices, which would have greatest impact on economically vulnerable groups.</p> <p>The UK Government will not be able to fully anticipate or mitigate all potential impacts to the agri-food supply chain.</p> <p>In Addition, full third country controls on UK goods at EU borders (the UK moving to a WTO trading relationship with the EU) will cause increased border friction and delays on key crossings. Phasing in controls on imports from the EU will help limit disruption in the short-term.</p> <p>Concurrent risk of a further wave of COVID 19 increases the risk that some businesses may not remain viable further impacting on the supply chain.</p> <p>The above has the potential to impact upon the following:</p> <ul style="list-style-type: none"> Limits on choice of foodstuffs available particularly in relation to fresh agri-products Potential delay in fulfilling orders from suppliers Decrease in nutritional standards and / or difficulty in meeting dietary requirements particularly in certain settings such as educational establishments and care homes. 	<p>Ongoing liaison with suppliers – necessary steps have been taken to optimise stocks on products with long shelf life and/or identify alternatives.</p> <p>Ongoing liaison with Scotland Excel.</p> <p>Ongoing liaison with Public Sector Food Forum and sub group set up to specifically mitigate issues relating to Brexit and food supply chains.</p> <p>Service business continuity plans reviewed to ensure specific controls are in place to ensure critical services are adequately prioritised to minimise disruption in the event of food availability issues.</p>	4	4	16	<p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems in the supply network.</p> <p>Scotland Excel will continue to develop contingency plans at a category level in collaboration with all stakeholders to ensure resilient supply chains.</p> <p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>	3	4	12	<p>Council Management Team</p> <p>Facilities Management</p> <p>Education & Children's Services</p> <p>H&SCP</p>		

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	<ul style="list-style-type: none"> Higher costs / prices 											
EUE 10	<p>Gas & Electricity Supplies</p> <p>It can be assumed that UK energy demands will be met and there will be no disruption to electricity or gas interconnectors, but the industry have depleted their stockpile of critical parts ahead of the winter period due to Covid-19 and planned maintenance.</p> <p>Gas and electricity network operators have reduced their stockpiles developed ahead of no-deal, and the ongoing Covid-19 pandemic and its impact on supply chains means that these operators will find it difficult to implement contingency plans to replenish stockpiles of critical goods ahead of the end of December.</p> <p>Supply chain disruption is dependent on likelihood of traffic disruption from the latest border disruption planning assumptions.</p> <p>The risk of interruptions to energy supplies is thought to be low however if there was ongoing or sustained interruptions to energy supplies, a number of critical services would be impacted including:</p> <ul style="list-style-type: none"> Unable to operate waste transfer station and recycling centres Impact to workshop vehicle maintenance provision, depot locations for staff facilities and vehicle EV charging. Impact on the ability to deliver projects and would incur increase costs as alternative means (generators) would be required. Impact on winter maintenance operations Significant impacts on Housing and Non-Housing building use. IT would be unable to operate data centres with no electricity. The main data centre provides ELC connectivity to the outside world as well as access to all ELC IT systems including telephony. 	<p>There are a number standby generators but still reliant on Fuel supplies. Ongoing or long term use of generators would significantly increase costs and impact budgets.</p> <p>Service business continuity plans reviewed to ensure specific controls are in place to ensure critical services are adequately prioritised to minimise disruption in the event that water supplies are interrupted.</p>	2	3	6	<p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems in the supply network.</p> <p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>	2	2	4	Council Management Team		
EUE 11	<p>Water Supplies</p> <p>Public water services are likely to remain largely unaffected due to actions taken by water companies in the lead up to December 2019, and then practised in response to Covid-19 in early 2020.</p>	<p>Scottish Water operate a number of business continuity plans to mitigate the risks of different scenarios. These plans have been revised and refreshed in relation to the UK leaving the UK and are not anticipating service issues resulting from a Non-Agreed outcome.</p>	2	3	6	<p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems in the supply network.</p>	2	2	4	Council Management Team		

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	<p>The most significant single risk is a failure in the chemical supply chain.</p> <p>The reasonable worst case scenario is that one or more water companies could face significant disruption of the import of chemicals that are critical to making water fit to drink – this might relate to import of the chemical themselves, raw materials needed to make them in the UK, or equipment (such as chlorine cylinders) needed to use them effectively.</p> <p>This could occur if border disruption lasts long enough to exhaust stocks of critical chemicals (6 weeks rolling stock being maintained); and no way could be found to overcome the disruption.</p> <p>Although considered to be low risk, sustained disruption at the ports, may mean that water suppliers like Scottish Water could have difficulty in obtaining products and materials to ensure treatment works remain fully operational.</p> <p>Some services have highlighted issues should there be an interruption to supply such as;</p> <ul style="list-style-type: none"> • Provision of meals in schools and other settings such as care homes etc. • Cleaning of Council buildings and other assets • Hygiene and welfare measures in Council buildings and other assets (e.g. handwashing, drinking water etc) 											
EUE 12	<p>Medicines and Medical Supplies</p> <p>BPDG estimates that flow rate of imports of medicines and medical supplies will decrease to 60-80% of current levels.</p> <p>If unmitigated, this would put patient safety at risk.</p> <p>Supply chains are heavily regulated and must meet strict distribution practices.</p>	<p>The Scottish Government is working with UK Government to ensure medicine supplies are not interrupted from 1 January 2021.</p> <p>There is also ongoing work with the NHS National Services Scotland to make sure there is enough stock of medical devices in the National Distribution Centre.</p> <p>The Scottish Government has established PPE supply chains and expect there to be minimal risk to supplies.</p>	3	3	9	National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems in the supply network.	2	3	6	Council Management Team H&SCP		
Our Workforce												
EUE 13	<p>EU Citizens</p> <p>End of the transition period will end the free movement of EU citizens to the UK.</p> <p>EU citizens wishing to remain in the UK will have to apply to the UK Settlement Scheme by 30 June 2021</p>	<p>Promotion of EU settlement Scheme through signposting to Scottish Government website which has an information package available explaining rights of EU citizens with settled and Pre-settled status.</p> <p>Established recruitment policies in place</p>	4	4	16	Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.	3	4	12	Council Management Team Facilities Management		

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	<p>Citizens of Norway, Iceland, Liechtenstein and Switzerland will also have to apply to remain living in the UK</p> <p>Irish Citizens will benefit from the long-term arrangements under the Common Travel Area and can move and live freely in each jurisdiction.</p> <p>From 1st January, UK will introduce a points-based immigration system treating EU and Non-EU citizens equally. Priority will be given to skilled workers with a job offer from an approved sponsor. Applicants will also need to be able to speak, read and write English and meet a salary threshold of £25 600 or have an offer for a job in shortage occupation.</p> <p>In the medium to long term, a national skill/ recruitment gap may be created particularly for occupations that are not highly skilled e.g. care work, agricultural labouring, food manufacturing etc.</p> <p>EU Nationals may leave to return to place of birth or move elsewhere in UK. ELC directly employs a relatively low number of EU Nationals (<100). ELC cannot request confirmation of settled status prior to 30th June 2021.</p> <p>Job market may become more competitive resulting in recruitment challenges and may exacerbate current recruitment issues notably in Social Care.</p> <p>Lack of availability of subcontractors to undertake essential repairs/ statutory compliance / hard FM work as a result of EU nationals returning home. May result in delays to essential repairs.</p> <p>Ongoing annual costs of sponsorship may become prohibitive</p> <p>Contractors unable to undertake planned improvements / capital programme as a result of EU nationals moving elsewhere. May result in delays to programmes of work and slippage in Capital Programme.</p>	<p>Workforce planning Brexit considerations to include immigration salary threshold equivalent at bottom increment of Level 7 LGE Grades. All teaching, Chief Official and CWG (2.3/2.4/3.2/3.3/3.4) above the threshold.</p> <p>There are no grades below the salary Threshold (grade 6 and below) currently eligible through the shortage occupation list.</p> <p>ELC is an accredited Skilled Worker Visa Sponsor</p> <p>HSCP don't anticipate immediate issues but may arise over medium to short term</p> <p>Service business continuity plans reviewed to ensure specific controls are in place to ensure critical services are adequately prioritised to minimise disruption due to resource issues.</p> <p>Workforce planning key to managing anticipating changes in the workforce and labour market.</p> <p>Monitoring of vacancies and recruitment.</p> <p>Reports to service Manager re difficulties Monitoring of costs of sponsorship annually by Service Managers</p> <p>Number of Skilled Worker via applications applied for annually.</p>							Customer Services Infrastructure Education HSCP			
Our Statutory Compliance												
EUE 14	<p>Data</p> <p>Government Planning Assumption is that EU will not have made a data protection adequacy agreement with UK before exit and as part of this, law enforcement data and security and information sharing systems may be impacted.</p>	<p>Current data flow pathways are not expected to cease immediately after transition period.</p> <p>Procurement Team have copy of Standard Contractual Clauses</p>	2	3	6	<p>Contracts, Information sharing agreements and DPIAs to be reviewed on an ongoing basis in conjunction with Scottish Government Guidance.</p> <p>Council Management Team and Service Managers will continue to</p>	2	3	6	Council Management Team		

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review	
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating				
			L	I	L x I		L	I	L x I				
	<p>Risk that personal data flows between the EU and UK will cease and information currently in EU (including that stored on EU based cloud providers) will not be returned.</p> <p>Survey has been carried out by Information Team to identify data flows between the council and other countries (particularly the EU). Result of survey show that data flow out with UK is limited.</p> <p>Potential Impact on any IT cloud systems that hold data in the European Union - getting access to data could be an issue if European Data Centres/suppliers shut down or refuse access</p> <p>Potential Impact to IT Disaster recovery plans if backup/failover sites for cloud systems are hosted in European Union and access is restricted/removed.</p>	<p>Further work being carried out by Information team in relation to data flow in relation to contracts.</p> <p>IT creating list of affected systems and supplier details and together with councils</p> <p>DP officer arranging for Data Access statement to be sent to all impacted systems</p>				monitor UK and Scottish Government announcements / briefing and assess further impacts.							
EUE 15	<p>Waste</p> <p>Inability or delay in moving waste for disposal in EU and possible price rises.</p> <p>Waste industry appears to be resilient in relation to the pandemic and can continue to operate at a high level of compliance.</p> <p>Impacts are expected to be minimal and manageable in East Lothian as waste streams and disposal routes are focussed on UK.</p>	<p>Ongoing business continuity and contingency planning in place for matters relating to concurrent risks such as adverse weather events.</p>	2	2	4	<p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of problems in the waste disposal routes and potential impacts on the council.</p> <p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>	2	2	4	<p>Council Management Team</p> <p>Transport Services</p> <p>Waste Services</p>			
EUE 16	<p>Regulatory Activities</p> <p>The council has a number of statutory obligations and duties in relation to external regulation and enforcement.</p> <p>A significant amount of regulation is either EU based or devolved to the Scottish Parliament for example Food and Feed Law, Drinking Water Quality and Air Quality Standards.</p> <p>The UK withdrawal Act means all powers will be transferred to the UK Government and this could result in significant impact on authorisations and regulation, with many statutes being European based or referenced.</p>	<p>Authorisation are able to be updated quickly to ensure officers are suitably authorised to carry out enforcement activities.</p>	3	3	9	<p>Ongoing Liaison with Scottish Government, Regulatory Bodies and professional networks to monitor changes.</p>	3	3	9	<p>Council Management Team</p> <p>Protective Services</p>			

Our Capacity to Respond to Emergencies and Events

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
EUE 17	<p>Concurrent Resilience Events</p> <p>The response to Covid-19 will continue over the period of leaving the EU. The priority and resources being dedicated to responding to Covid -19 and the impact of leaving the EU without a deal could reduce the resources available to deal with other potential resilience issues which may arise such as adverse weather events and mass vaccination roll-out.</p> <p>Emergency Planning and Resilience Team along with other services may see increased demand on resource to effectively deal with the ongoing emergency response to Covid 19 as well as concurrent risks associated with Brexit and adverse weather events.</p>	<p>Working closely with partners through the Resilience Partnerships and Networks.</p> <p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre.</p>	2	4	8	Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.	2	4	8	Council Management Team Protective Services Communications		
EUE 18	<p>Public Disorder</p> <p>While demonstrations and activity are likely to be focused around Scotland's major cities, large scale events could take place in any local authority. In addition, there may be a rise in public disorder and community tensions.</p> <p>Impact on local Police Resource due to deployment elsewhere making localised ASB issues more difficult to deal with.</p>	<p>Continued liaison with Police Scotland Local Area Commander to maintain clear understanding of local resourcing and ongoing pressures capacity / issues.</p> <p>National information updated via National Co-ordinating Centre and Multi- Agency Coordinating Centre and should give an early indication of issues and concerns.</p>	2	4	8	Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.	2	4	8	Council Management Team Protective Services		

Our Capacity to Maintain Service Provision

EUE 19	<p>Food Safety</p> <p>In a non-negotiated deal scenario. The UK would be considered a third country and therefore Full third country controls on UK goods at EU borders (the UK moving to a WTO trading relationship with the EU) will cause increased border friction and delays on key crossings.</p> <p>There will be particular additional pressure on businesses who export Products of Animal Origin such as fish, Shellfish, meat etc.</p> <p>Phasing in controls on imports from the EU will help limit disruption in the short-term.</p> <p>Covid-19 continues to significantly reduce businesses' capacity to prepare fully for the end of the Transition Period, including the food, drink, transport and logistics industries.</p> <p>A no deal scenario could significantly increase the number of certificates required by traders who do not currently require them</p>	<p>Officers have attended training on Fishing vessel inspections, OVC and administration changes for the end of the transition period.</p> <p>Officers in Protective Services have now completed the inspection of 44 Fishing Vessels registered with East Lothian Council which will assist with Export Certification.</p> <p>Food Standards Scotland confirmed in writing that the agency would be overseeing the operation and resourcing of certification hubs. This will reduce the demand on Local Authorities.</p> <p>Additional funding allocated by Scottish Government for additional resourcing in Environmental Health / Trading Standards Teams to assist with ongoing Covid 19 work and additional Brexit duties.</p>	3	4	12	Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.	3	4	12	Council Management Team Protective Services		
--------	---	---	---	---	----	---	---	---	----	--	--	--

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	to export to the EU. This will increase demand on officers in Protective Services. Additionally, much of the intelligence and risk assessment activity in relation to food safety is undertaken at an EU level and access to this currently informs food inspection programmes. There are concerns that public protection should not be undermined following Brexit.	Close liaison with partners such as Food Standards Scotland, Animal & Plant Health Agency, EH Networks.										
EUE 20	Product Safety A Non-negotiated deal may increase risk of unsafe products reaching the UK. Divergence from EU Standards and regulations may increase pressure on businesses and increase uncertainty and decrease consumer confidence Increased demand on Trading Standards service to provide advice to local businesses and consumers. Loss of access to RAPEX and EEC intelligence monitoring	Officers have attended training and webinar events to keep updated on anticipated changes. Close liaison with Government department and regulatory bodies to monitor ongoing impacts.	2	3	6	Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.	2	3	6	Council Management Team Protective Services		
EUE 21	Animal Welfare Concern that Border Disruption may impact on welfare issues associated with the transport of livestock, Feed and availability of veterinary medicines Increased demand on Trading Standards service to provide advice and investigate complaints and intelligence.	Officers keeping knowledge and intelligence networks updated. Close liaison with partners such as Food Standards Scotland, Animal & Plant Health Agency, TS Networks.	2	3	6	Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.	2	3	6	Council Management Team Protective Services		
EUE 22	Benefits and Grant Funding It is anticipated that lower income groups will be disproportionately affected by price increases thereby increasing food insecurity and fuel poverty. Concurrent impacts of COVID 19 have pushed more households into poverty which may lead to greater demands on services that deal with benefits and grant payments. Potential return of expats who may be vulnerable and need welfare assistance / advice. In addition, there is ongoing grant and funding allocation in relation to businesses affected by COVID-19 restrictions and potentially Brexit impacts. Scottish Government has set aside £7M for a Rapid Poverty Mitigation Fund to scale up	Mutual assistance from other services which will be augmented by additional resource in Economic Development through current recruitment process. Scottish Government and HMRC (where appropriate) monitoring returns maintained and regularly updated.	3	3	9	Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.	3	3	9	Council Management Team Revenues and Benefits Economic Development		

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	current poverty mitigation measures including the Scottish Welfare Fund which will result Increased demand on services such as Revenue and Benefits to provide advice, process applications and ensure monies are paid. May be delays in processing applications which may then in turn impact the council's capacity to disburse these funds.											

Our Local Communities

EUE 23	<p>Anticipated Impacts on Lower Income Groups</p> <p>Lower income groups are expected to be disproportionately affected by price increases thereby increasing food insecurity and fuel poverty.</p> <p>Concurrent impacts of COVID 19 have pushed more households into poverty.</p> <p>According to Scottish Government Brexit Vulnerabilities Report, 8% of data zones in East Lothian are included in the most vulnerable 20% of the population at risk of Brexit Impacts. That equates to 9,910 people.</p> <p>Key impacts may include:</p> <ul style="list-style-type: none"> Increased fuel poverty if energy prices increase. Increased fuel / travel costs Increase in food costs / insecurity and pressure on local food banks 	<p>Scottish Government has set aside £7M for a Rapid Poverty Mitigation Fund to scale up current poverty mitigation measures including the Scottish Welfare Fund.</p> <p>Increase energy efficiency advice</p> <p>Promotion of active travel</p> <p>Food Friendly East Lothian network established, new co-ordinator now appointed (Fundamental Foods, c/o Pennypit Trust) to support the network and manage the Fareshare HUB in Prestonpans.</p> <p>Food growing strategy being developed - support will also be given to community groups to develop community food growing initiatives.</p>	3	3	9	<p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p> <p>Council Management Team and Service Managers will continue to engage with internal risk and resilience processes and procedures.</p>	3	3	9	<p>Council Management Team</p> <p>Connected Communities</p> <p>Policy</p>		
EUE 24	<p>Settlement Scheme</p> <p>EU nationals living in the East Lothian area need to apply for settled or pre – settled status to remain living in the EU</p> <p>Risk of East Lothian residents who are EU nationals not applying for settled status and gaining right to work in UK or losing entitlement to benefits.</p>	<p>Ensure regular communications through website and other social media platforms of June 30th 2021 deadline and information available from Scottish Government website.</p>	4	4	16	<p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>	3	4	12	<p>Council Management Team</p> <p>Connected Communities</p> <p>Communications</p>		

Our Local Economy

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
EUE 25	<p>Increase in business failure</p> <p>Analysis from the Bank of England, the UK Government's Office of Budget Responsibility, Scotland's Chief Economic Advisor, the Institute of Government, the Fraser of Allander Institute and the CBI all suggests that regardless of underlying assumptions a no-deal will have a detrimental impact on short- and long-term GDP, economic growth, investment and productivity, unemployment, exchange rates and house prices</p> <p>In primary producing sub-sectors, e.g. meat (particularly lamb) and seafood, tariffs (EU average tariffs between 50% and 100% for the former and between 2% and 20% for the latter) threaten the competitiveness of Scottish produce. The viability of some of the trade itself may be endangered, given the requirement to get fresh produce to market quickly to maximise its value.</p> <p>The sectors that appear most vulnerable to a further economic shock include those which are critical to the East Lothian economy such as ;</p> <ul style="list-style-type: none"> - agriculture, - food and drink, - fishing, - construction - life sciences and - other manufacturing sectors. <p>The East Lothian Economy is largely comprised of SMEs who may be less prepared for impacts of Leaving the EU and changes to supply chains.</p> <p>There is a risk of increase in unemployment due to loss of market access, increased export costs or business relocation.</p>	<p>ELC is currently working in conjunction with local Partners and agencies as part of the ELC Connected Economy Group. The group's COVID-19 Recovery Action Plan includes a range of actions aimed at supporting;</p> <ul style="list-style-type: none"> • local businesses • town centre regeneration • the rural economy • the tourism, hospitality and events sectors • employment, training and development opportunities. <p>These actions will be key in mitigating the additional impacts on the above of a no deal exit from the EU.</p> <p>CEG Dashboards are being used to monitor effects of the East Lothian Council's interventions and these are reviewed on a regular basis.</p>				<p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>				<p>Council Management Team</p> <p>Economic Development</p>		
EUE 26	<p>Immigration Policy</p> <p>The expected changes to EU national's employment status may have impact on local hospitality/rural/agricultural businesses which the service interacts with.</p> <p>Tourism industry already devastated by COVID-19 however recovery may be further hindered by any potential passport/border restrictions affecting free movement between EU and UK.</p> <p>Potential skills / labour shortages in critical sectors of East Lothian Economy such as;</p> <ul style="list-style-type: none"> • Agriculture • Hospitality • Tourism • Food processing / manufacturing 	<p>The CEG will continue to have oversight of related impacts and any interventions in the rural and tourism sectors will be managed through the Recovery and Renewal Action Card.</p> <p>Signpost local businesses to Scottish and UK government information sources.</p> <p>CEG Dashboards are being used to monitor effects of the East Lothian Council's interventions and these are reviewed on a regular basis.</p>				<p>Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.</p>				<p>Council Management Team</p> <p>Economic Development</p>		

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion / Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
EUE 27	Funding The UK's departure from the EU will see previously EU funded State Aid withdrawn. Potential loss of funding in relation to ERDF and Tyne Esk LEADER and therefore future programmes may not be funded.	The current understanding is that in the event of a no deal exit from the EU, the UK & Scottish Governments will continue to guarantee funding for projects previously funded by European funding.				Economic Development will monitor the progress made by Scottish and UK Governments in establishing continuation funding schemes.				Council Management Team Economic Development		
EUE 28	Border disruption A non-negotiated deal with see delays at port crossings with delays of up two days Shortages of fresh, imported food out with the UK growing season and consequential price rises may have potential impacts on domestic consumers and the Leisure & Hospitality industry's profitability.	The Economic Development Service will continue to support the East Lothian Food and Drink Business Improvement District, (BID) to ensure that local produce suppliers are best placed to make up supply shortfalls. East Lothian Food and Drink Business Improvement District, (BID) will continue to provide regular reports.				Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.				Council Management Team Economic Development		
EUE 29	Exporting / Importing Goods A no deal will see the UK become a third country exporter / importer to the UK A potentially significant minority of businesses involved in the export and import of goods are still unprepared for the changes that the UK's exit from the EU will bring	The Economic Development's Business Gateway service is providing local businesses with advice and access to Business Gateway/Scottish Enterprise webinars and is also signposting to UKG (Brexit Transition) online resources and SG. Take up of advice and support will be monitored through Business Gateway performance monitoring				Council Management Team and Service Managers will continue to monitor UK and Scottish Government announcements / briefing and assess further impacts.				Council Management Team Economic Development		
Original date produced (Version 1)		18 th December 2020										
File Name		EU Exit Risk Register										
Original Author(s)		S Kennedy										
Current Revision Author(s)		S Kennedy										
Version		Date	Author(s)	Notes on Revisions								Overall Rating
Original V1		18 th December 2020	S Kennedy	EU Exit Risk Register created using the Impact Analysis completed by Services.								20-25 Very High
												10-19 High
												5-9 Medium
												1-4 Low