MEETING TITLE AND DATE: Audit and Risk Management Committee 16 January 2020 **REPORT OF:** Director of Law & Governance Contact officer and telephone number: Gemma Young, Head of Internal Audit & Risk Management 07900 168938 Email: Gemma.Young@enfield.gov.uk	**Agenda - Part:**	**Item:** 13
	Subject: Brexit Risk Update	
	Wards: All	
	Cabinet Member consulted: N/A	

1. EXECUTIVE SUMMARY

1.1 This report provides an update on current work by the Council around the risks it faces following the anticipated withdrawal of the UK from the European Union.

2. RECOMMENDATIONS

2.1 To note the contents of this report and the risks recorded in the appendices.

3. BACKGROUND

3.1 The Council's Risk Management Strategy allows for regular review of the Risks the Council faces.

3.2 In accordance with the Strategy, the Audit and Risk Management Committee is responsible for monitoring the effective development and operation of risk management in the Council to ensure compliance with the Strategy.

3.3 The United Kingdom's anticipated exit from the European Union may have implications for local authorities and potentially exacerbates existing risks and creates new ones.

3.4   As part of the Council's preparations, the Brexit Panel was set up. The Panel is a time limited, task focused group established to coordinate and lead the Council in responding to the impacts of the withdrawal from the EU on the Borough.

Progress since last Update

3.5   The Brexit Risk register remains a standing item on the Brexit Panel agenda and the first 100 days risk register has been updated several times since the last update provided to the Committee in October 2019. The latest version can be found in Appendix A

Brexit Panel - Workshop Update

3.6   Following agreement by the Panel to hold a Risk workshop, to explore the longer-term risks following the UK's withdrawal from the EU, Executive Directors were asked to nominate officers within their departments whose teams/services would be most impacted.

3.7   These officers were then requested to complete a risk identification template to outline any risks to areas they manage and to provisionally give these risks a rating. A summary of the responses is charted in the risk matrix below, with each circle representing an individual risk.
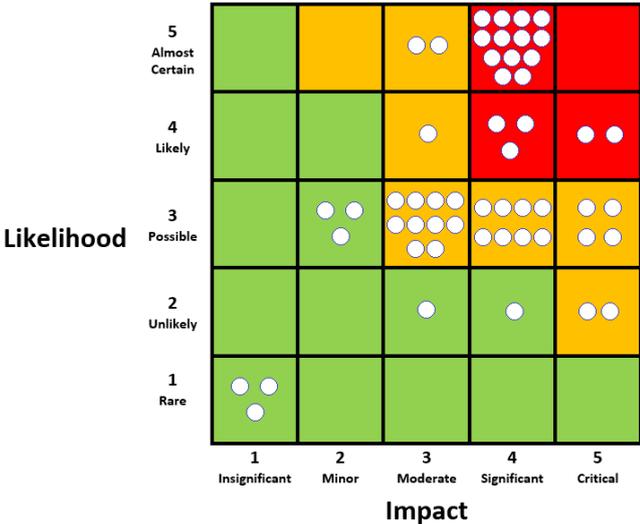
3.8   Given the large number of risks identified and limited time available for the workshop, the risks were grouped into five categories. The below table summarises these categories and provides some examples of the types of risks that were identified:

Risk Categories	Examples of Risks Identified
Financial	Cost of borrowing rises Currency devaluation Funding cuts / Reduced income Rise in bad debts Increase in the cost of goods/services
Workforce	Increase in workload Additional training Qualifications may not be recognised Harder to recruit Fewer agency staff
Legal/Regulatory	New legislation Amended legislation Transfer of data / data sharing
Demand	Supplier shortage Medicines, reduced access / delay Ongoing fuel shortages Agency staff Supplier/Contractor failure
Supply	Reduced planning applications Reduction in School places needed Increase in enquiries Rise in claims Fraud

3.9 The workshop, which was attended by over 20 senior officers from across the Council, primarily focussed on exploring these identified risk categories, including if any existing mitigations are in place and what more needs to be done.

3.10 Additional discussions were had regarding risk areas that may have been overlooked and potential ways to work more collaboratively given the cross-cutting nature of many of the risks. A final session on potential opportunities also raised some good ideas that will be explored further

Key Outcomes from the workshop

3.11 Until full details of the withdrawal agreement are known, many risks remain difficult to mitigate or plan for.

3.12 The risks and categories identified in the workshop have many overlaps with the risks identified from the impact assessment carried out earlier in the year, reflecting the fact that many of the earlier identified issues are still a concern.

3.13 Given the current uncertainty around the exact terms of the UK's withdrawal from the EU, the current focus should remain on the 1-100 days Risk Register

3.14 Once further details of the withdrawal agreement are known, the information gathered from the workshop and previous impact assessment will be used to create an updated longer-term risk register.

3.15 This will be shared with the Committee at a future meeting.

4. ALTERNATIVE OPTIONS CONSIDERED

Managing the risks from the UK's anticipated withdrawal is fundamental and no alternative options have been considered.

5. REASONS FOR RECOMMENDATIONS

The Council's Risk Management Strategy allows for review of risks by the Audit and Risk Management Committee.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

There are no financial implications arising directly from a review of the Council's Corporate Risk Register

6.2 Legal Implications

The Accounts and Audit (England) Regulations 2011 Section 4(1) requires the Council to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

6.3 Property Implications

There are no property implications arising directly from a review of the Council's Corporate Risk Register

7. KEY RISKS

Any large complex organisation needs to have a well-established and systematic risk management framework in place to identify and mitigate risks it may face.

This report has been completed as part of the Council's Risk Management Strategy

8. IMPACT ON COUNCIL PRIORITIES - CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good Homes in Well-Connected Neighbourhoods

An effective Risk Management Service helps to provide assurance over any risks that might adversely affect the delivery of good homes in well-connected neighbourhoods.

8.2   Sustain Strong and Healthy Communities

An effective Risk Management Service will help the Council achieve its objectives to sustain strong and healthy communities.

8.3   Build our Local Economy to Create a Thriving Place

An effective Risk Management Service will help the Council achieve its objectives in building the local economy and creating a thriving place.

9.   EQUALITIES IMPACT IMPLICATIONS

It is not relevant or proportionate to carry out an equalities impact assessment / analysis for the review of the Council's Risk Registers

10.   PERFORMANCE AND DATA IMPLICATIONS

An effective Risk Management process is an essential part of the performance management of the Council's services and activities.

11.   PUBLIC HEALTH IMPLICATIONS

There are no public health implications arising directly from a review of the Council's Corporate Risk Register

Background Papers

None

Direction of Travel

Short-Term Brexit Risk Register, Day 1-100, As at 20ᵗʰ November

RISK	INITIAL RISK LEVEL	RESIDUAL RISK LEVEL FEB 19	RESIDUAL RISK LEVEL NOV 19	DIRECTION OF TRAVEL
BR0 – Preparedness Inadequate preparations made by the Council in the event of a "No Deal" Brexit will result in significant disruption to services.	HIGH	MEDIUM	MEDIUM	⬄
BR1 – Fuel shortage Fuel shortage caused by panic buying and/or delays to supply, causes disruption to key services	HIGH	HIGH	MEDIUM	⬇
BR2 – Medicine shortages Delay in access to medicines and/or shortage of supply may result in increased costs and disruption in service	HIGH	HIGH	MEDIUM	⬇
BR3 – Civil Unrest Uncertainty may cause panic buying, riots and disturbance	HIGH	MEDIUM	LOW	⬇
BR4 – Staffing Uncertainty of the Brexit process may lead to staff disruption/absences.	MEDIUM	LOW	LOW	⬄
BR5 – Funding in first quarter post Brexit Temporary delay on EU direct funding/grants scheduled to be received in first quarter post Brexit.	MEDIUM	LOW	LOW	⬄
BR6 – Anxiety and Stress Increased levels of anxiety and stress amongst population and staff may lead to an increase in demand on services.	HIGH	HIGH	MEDIUM	⬇

BR7 – Community offer Inadequate provisions and/or communications by LBE regarding services offered to facilitate transition post Brexit for EU residents of the Borough	HIGH	HIGH	MEDIUM	⬇
BR8 – Supply chain Disruption to supply chain may cause adverse effects on delivery of services and/or increased costs.	HIGH	MEDIUM	LOW	⬇
BR9 – Data Protection & compliance Data transfers between the UK and EU / US may not be legal or compliant and could be open to challenge.	MEDIUM	N/A	MEDIUM	⬌
~~**BR10 – European elections**~~ ~~Preparations – logistics/security etc.~~	~~HIGH~~	~~N/A~~	~~N/A~~	CLOSED
BR11 – Housing checks and immigration right to rent. Impact of updated guidance.	LOW	N/A	LOW	NEW
BR12 - Welfare Increased costs and supply shortages may lead to a fall in the standard of welfare, including food insecurity & fuel poverty,	MEDIUM	N/A	LOW	NEW
BR13 - Additional care requirements There may be increased health care costs due to elderly British nationals returning to the UK who require more support.	MEDIUM	N/A	MEDIUM	NEW

Short-Term Brexit Risk Register, Day 1-100 (November 2019)

Risk Ref / Title / Detail / Description	Initial Risk	Controls – What we have in place	Current Risk	Actions – What we still need to do	Lead Department / Target Date	Update / Changes
BR0 – Preparedness Inadequate preparations made by the Council in the event of a "No Deal" Brexit will result in significant disruption to services.	HIGH	- Brexit Panel set up, Terms of Reference agreed - Panel membership includes Police, London Fire Brigade and North Middlesex Hospital. - Part of the London wide "Brexit" group -Budget of £210k available. Spend £8k in 2018-19 (devices); £70k commitment for CAB advice agreed.	MEDIUM	- Continue to liaise with regional/national partners to ensure readiness and feed relevant local information to Government as requested. - Ensure prompt circulation of new information to Panel members for action/information - Proposal pending for areas of potential future commitment (communication team and staffing resource)	**CEX** Ongoing	- Actions ongoing
BR1 – Fuel shortage Fuel shortage caused by panic buying and/or delays to supply, causes disruption to key services	HIGH	- Fuel reserves held with regular deliveries to keep fuel tanks topped up. - Operational contingency plans in place - National and local fuel plans in place	MEDIUM	- Plans to prioritise operations/ essential services in place. - Continue to monitor situation via Single Point of Contact network to regional/national guidance	**PLACE** Ongoing	- Actions ongoing
BR2 – Medicine shortages Delay in access to medicines and/or shortage of supply may result in increased costs and disruption in service	HIGH	- NHS national co-ordination centre leading on this issue and will update when information becomes available. - Supply of all flu vaccinations are now in the country -Panel is attended by North Middlesex Hospital representative	MEDIUM	- Further updates to brought back to the meeting as information becomes available. - Chase Farm, Enfield CCG (Clinical Commissioning Group) & Barnet, Enfield and Haringey Mental Health invited to attend next Panel meeting.	**PEOPLE** Ongoing	- Update provided at the last Panel meeting.

BR3 – Civil Unrest Uncertainty may cause panic buying, riots and disturbance	HIGH	- Existing emergency plan in place - Gold command in place	LOW	- Lead officers to continue to monitor and disseminate information from relevant agencies.	**CEX** Ongoing	- Actions ongoing
BR4 – Staffing Uncertainty of the Brexit process may lead to staff disruption/absences.	MEDIUM	- Unlikely to see any issues until 2020 - No concerns raised by staff or management	LOW	- No further actions planned, Risk currently at an acceptable level	Not applicable	-No change
BR5 – Funding in first quarter post Brexit Temporary delay on EU direct funding/grants scheduled to be received in first quarter post Brexit.	MEDIUM	- Exposure currently at a very low level with no disruption expected	LOW	- No further actions planned, Risk currently at an acceptable level	Not applicable	-No change
BR6 – Anxiety and stress Increased levels of anxiety and stress amongst population and staff may lead to an increase in demand on services.	HIGH	- Crisis communication plan in place - Webpage updated	MEDIUM	- Deliver agreed communications plan and update/amend as needed	**CEX** Ongoing	- Actions ongoing
BR7 – Community offer Inadequate provisions and/or communications by LBE regarding services offered to facilitate transition post Brexit for EU residents of the Borough	HIGH	-Council has agreed to provide some community support via its 4 flagship libraries -LBE & Citizens Advice Bureau to deliver joint community offer services to local people. -Funding for Citizens Advice Bureau agreed on 9 April 2019 to enhance services to local people.	MEDIUM	- Citizens Advice Bureau offer at our flagship libraries being promoted as part of our overall Brexit information campaign. -Enfield Town and Palmers Green are in a good position, additional work required with Edmonton Green and Ordnance Road libraries.	**RESOURCES** Ongoing	- Actions ongoing

BR8 – Supply chain Disruption to supply chain may cause adverse effects on delivery of services and/or increased costs.	HIGH	- Analysis of existing emergency suppliers identified no issues	LOW	Extensive exercise being carried out on critical suppliers to identify any potential issues	**CEX** 14 October 2019	- Action updated.
BR9 – Compliance of Data and Applications Data transfers between the UK and EU / US may not be legal or compliant and could be open to challenge.	MEDIUM	- Data Protection Officer in place - Regulatory framework will be unaffected - All data and applications held by existing suppliers is hosted in the UK, or is under contracts relying on standard contractual clauses which will continue to be valid post-Brexit. - All new cloud based data will be hosted on UK servers	MEDIUM	- Discussion ongoing to migrate existing cloud based data to UK servers.	**CEX / RESOURCES** 14 October 2019	- Update provided at the last Panel meeting.
~~**BR10 – European elections**~~	~~HIGH~~	N/A	~~LOW~~	N/A	**N/A**	N/A
BR11 – Housing checks and immigration right to rent. Impact of updated guidance.	LOW		LOW	- Housing representative to be invited to future meeting	**PLACE** 14 October 2019	- New risk, to be discussed
BR12 - Welfare Increased costs and supply shortages may lead to a fall in the standard of welfare, including food insecurity & fuel poverty,	MEDIUM	- Regular donations made by the Council to the food banks - Monitor homelessness applications closely	LOW	- Additional funds will be made available to local food banks if necessary.		- New risk, to be discussed further.
BR13 - Additional care requirements There may be increased health care costs due to elderly British nationals returning to the UK who require more support.	MEDIUM		MEDIUM		**PEOPLE** Ongoing	- New risk, agreed at the last Panel meeting.