

From: Paul Carter, Leader

To: County Council, 12 September 2019

Subject: **Brexit Preparedness – Kent County Council Update**

Summary: This report updates Members on the work Kent County Council (KCC) is undertaking, internally and with local and national public agencies through the Kent Resilience Forum, to prepare for Brexit. This update builds on the County Council reports from July 2018, December 2018 and March 2019.

**Executive Summary:**

The Government is committed to leaving the EU by 31 October. Kent's position as the gateway to Europe means that the UK's readiness for a no-deal scenario strongly relies on Kent's readiness. To this end, Kent County Council, working with its partners has taken responsible and timely actions to prepare for all eventualities, including a potential no-deal scenario. Kent has well-developed plans to ensure we minimise disruption to Kent's residents and businesses.

Kent's no-deal plans have been in place since March 2019. We were prepared, if required, ahead of the previous no-deal deadline (31 March and 12 April 2019). Through close collaborative working with the Department for Transport and Kent Resilience Forum, we have a well-thought through, sensible and practical plan, "Operation Brock", ready to go live at short notice. This will manage potential disruption and delay at the ports, enable Kent to hold up to 12,000 goods vehicles and, for the first time, keep all Kent roads open at all times. Should the 12,000 capacity be exceeded, the plan necessitates HGVs bound for mainland Europe to be held outside of the county. Kent is in a strong position to ensure the County Council can meet its statutory obligations, that Kent's public services continue, communities are kept moving, and businesses can continue to trade.

The new Prime Minister and Cabinet have taken a proactive and intensive approach to no-deal planning and we have welcomed the increased pace as we approach 31 October. This is evidenced by the new public information campaign 'Get Ready for Brexit' and the funding for recruitment and training of significant numbers of new Customs Officers. In addition, Government has provided funding for local authority preparations and Kent County Council has recently received substantial funding from both the Ministry for Housing, Communities and Local Government and from the Department for Transport. This has enabled the Kent highways to carry out crucial improvements to Kent's local road network, particularly focused around the route corridors to Dover, Folkestone and Manston. The Kent Resilience Forum has also received additional funding from Government which recognise the importance of our County and our key trading hubs. The Government's committed funding is directly

helping to ensure Kent County Council and the county of Kent have the infrastructure and plans for a no-deal Brexit.

Government's determination to ensure businesses are well-prepared for the consequences of Brexit is evolving through a national programme of business readiness. The recently announced Business Readiness Fund will help exporters to prepare for, and capitalise on, new opportunities. Kent County Council is working with local businesses to strengthen the resilience of the sector and enable business to take advantage of exporting opportunities. Kent County Council will support the national campaigns through actively signposting businesses. Further details on this programme are expected from Government in the next few days.

We have made considerable progress on the outstanding issues in recent weeks and are much encouraged by the level of readiness in both Kent and our counterparts in France. We will continue to work closely with government over the next 8 weeks to focus national and local actions on the final arrangements that need to be put in place for a no-deal scenario. In addition, there are a number of outstanding issues still to be finalised by Government. These are:

- **Confirm locations of all Customs Stations/border readiness checking areas both in and outside of Kent.** (Further detail in Paras 4.6 to 4.8)
- **Finalise customs procedures and border control practices and provide the necessary advice and guidance to all the component parts of the freight industry to enable all concerned to carry out the right processes and hold the necessary documents to facilitate fluidity through the ports, thereby avoiding delays.** (Further detail in Para. 4.3)
- **Government to grant enforcement powers to Kent Police, Highways England, Kent Highways to support the Operation Brock compliance, enforcement and implementation to avoid congestion.** (Further detail in Paras 3.5 to 3.10)
- **Confirm priority freight arrangements (particularly medical supplies).** (Further detail in Para. 3.11)
- **Confirm extension to permits for UK hauliers to operate in the EU and vice versa for foreign lorries entering the UK.** (Further detail in Para 3.13)
- **Confirm extension of cabotage arrangements.** (Further detail in Para. 3.14)
- **Further develop the Government website to provide all of the essentially needed information for both residents and businesses.**

KCC has played a pivotal role in bringing Government departments, national agencies and local partners together to support Kent's communities and businesses to prepare for Brexit. Kent is well-represented on national, regional and local boards and the Leader continues to raise outstanding issues of importance on behalf of Kent County Council and the county directly with Government Ministers through the MHCLG Brexit Delivery Board and the Brock Roundtable, chaired by Chris Heaton-Harris, Minister of State at the Department for Transport. We have further

strengthened our constructive relationships with other local authorities, Local Resilience Forums, Kent's public agencies and partners in the Hauts-de-France region to develop and share our plans. We will continue to pro-actively work with Government to develop and co-ordinate our implementation planning for Brexit to ensure our plans are effectively delivered if called upon.

Kent County Council continues to be as prepared as possible for Brexit through working together with our partners and continue to work closely with Government and Whitehall in the coming weeks. We are looking to address the remaining 'mission-critical' issues ahead of the planned Exit from the EU on 31 October 2019.

### **Recommendation(s):**

County Council is asked to:

- (1) **Note** the increased national preparations for a no-deal Brexit scenario.
- (2) **Note** Kent County Council's further preparations for a potential no-deal Brexit scenario.
- (3) **Note** Kent County Council's requests for Government action to resolve the outstanding issues as highlighted in the paper.
- (4) **Confirm** Kent County Council's Lead Brexit Officer as Barbara Cooper – Corporate Director, Growth, Environment and Transport.

## **1. Introduction**

- 1.1 County Council Members have previously received a significant number of reports on Kent County Council's no-deal Brexit preparedness. A list of previous reports is provided in Section 9 which are all available on kent.gov. Importantly, as the Government announces resolutions to the outstanding issues raised, it may be necessary to provide a supplementary paper in advance of the County Council meeting with the latest position.
- 1.2 The appendix provides copies of correspondence between, the Leader of Kent County Council and various Ministers concerning issues of significance (many of which have now been resolved).
- 1.3 Recognising Local Government has a vital role in preparations, the Secretary of State has asked all local authorities to designate a Brexit Lead Officer. KCC's lead is Barbara Cooper – Corporate Director, Growth, Environment and Transport. It is important to note that the areas of responsibility for the position are all activities which KCC had previously been taking forward.
- 1.4 Whilst KCC and local partners continue to be as prepared as possible for Brexit, there still remain a number of outstanding issues highlighted in the Executive Summary and copy correspondence to Ministers which we call on Government to resolve in the next few weeks.

## **2. Local Resilience**

## Review of March/April 2019 Preparedness

- 2.1 In preparation for the Brexit deadlines of 29 March 2019 and 12 April 2019, the Kent Resilience Forum (KRF) entered an operational phase in both late March and early April. In May 2019, the KRF held a Multi-Agency debrief to learn from the March and April planning and operational phases, which gave partners the opportunity to identify areas of good practice and areas for improvement.
- 2.2 Activities since April have included: the delivery of further command and control training for partners with a role in plans; the update and testing of Kent's freight and passenger traffic management plans (KRF Operation Fennel plan); direct engagement with government departments to ensure that updated information is shared effectively; the development of work to understand and plan for the potential impact of plans on local communities; and work with government departments to integrate the customs checking processes for businesses and hauliers within the traffic management plans.

### Latest planning activity

- 2.3 The revised Brexit deadline brings a number of different seasonal challenges, including an increased risk of severe weather, existing winter pressure on health and social care settings, and the use of warehouse capacity for Christmas trade by the retail sector. These are reflected, alongside the latest government planning assumptions of the worst disruption to the short straits crossing lasting up to three months, in our revised Multi-Agency contingency plans and arrangements. KCC asks Government to ensure KCC and the KRF are continually updated on all planning assumptions and emerging scenarios to support Kent's preparedness work.
- 2.4 KCC has further strengthened its relationships with other Local Authorities and Local Resilience Forums within the South East region. These include regular meetings with the South East 7 (SE7) partners to discuss how neighbouring authorities can support Kent, if required, through providing trained emergency planning officers who can continue critical emergency planning work while KCC officers are engaged in response to Brexit.
- 2.5 KCC has also worked with the Government's Border Delivery Group, Kent Police and colleagues in the Hauts-de-France region to share traffic management plans and operational contact details, which will help to develop a shared understanding of the situation on both sides of the border after the EU exit deadline. KCC requests detailed outputs from any tests in both the UK and France, to understand fully the implications for the borders systems and processes that have been developed for all exit scenarios including no-deal.

- 2.6 The KRF are currently undertaking contingency planning to address potential community impacts arising from traffic congestion. This activity is informed by Brexit Community Impact Assessments completed by Kent District Councils and traffic risk assessment data. Outputs will be peer reviewed by 'challengers' including KCC Adult Social Care and Health colleagues and the Police Silver Commander. Once finalised this work will inform the priorities for the Tactical Co-ordinating Group in a range of scenarios and shape future partner communications and responses.
- 2.7 The KRF multi-agency traffic management plans for freight and passengers will be tested in Exercise Lundy 2 on 11 September. This exercise will focus on the impact of the plan on Kent's communities, business and responding organisations. This will be an opportunity for agencies to work together to ensure that their own organisational plans are fit for purpose to support the prolonged response to severe congestion.
- 2.8 The KRF operational phase arrangements for a no-deal Brexit will begin on a daily basis from 21 October. KCC has ensured appropriate facilities are available to support colleagues from the Resilience and Emergency Planning Service, Kent Resilience Team, and other multi-agency partners to work collectively on the response and recovery implications. Kent County Council's Brexit command and control rota and other procedures will stand up from 21 October if required.

#### Communications

- 2.9 The 'Kent Resilience Forum Brexit Communications Group' has developed a multi-agency communications strategy for the Kent Brexit planning and operational phases. This group is formed of representatives from the lead agencies involved in Operation Fennel and works closely with other organisations and government departments.
- 2.10 The aim of the communications strategy is to share information on any potential disruption on the strategic road network and at Kent ports. This will provide the latest national and local information to Kent's communities, businesses and hauliers travelling through the county to help keep Kent moving.
- 2.11 A 'Wider Communications Group' is also in place and comprises around 40 communications teams across all areas of Kent. In the event of any disruption in the county this group will convey intelligence on community impact and ensure effective and consistent messaging.

### **3. County Infrastructure**

- 3.1 KCC is the statutory Highways Authority and is responsible for maintaining all roads within its administrative boundary. Motorways and trunk roads are managed by Highways England (HE).
- 3.2 Crucial to the UK's readiness is Kent's ability to deal effectively with possible congestion at the Port of Dover and/or Eurotunnel. As the 13 December 2018 and March 2019 County Council papers detailed, Kent has a defined 'Freight Traffic Management Plan', nationally recognised as Operation Brock, which is ready to 'go live' at short notice to maintain freight fluidity along the main corridor routes in Kent, in the event of a no-deal Brexit. As previously described, Operation Brock involves the use of the M20, Manston airport and local roads and, ultimately, the closure of the M26 as an action of last resort. The plans will manage potential disruption and delay at the ports, enable Kent to hold up to 12,000 goods vehicles and, for the first time, keep all Kent roads open at all times (with the exception of the M26 as a last resort if required). Should the 12,000 capacity be exceeded it will be necessary for HGVs bound for Europe to be detained outside of Kent county.
- 3.3 The Operation Fennel plans were completed in January 2019 and, following submission of the Final Emergency Plan to the Department for Transport (DfT), the Operation Fennel Strategic Group received "full support" from the former Secretary of State for Transport. The potential impact upon passenger traffic (Operation Perch) has now been integrated with Operation Brock in the overarching traffic management plan (Operation Fennel), which includes driver welfare issues. We are progressing further modelling of traffic flows, reviewing passenger welfare plans, and developing further plans for compliance and enforcement.
- 3.4 KCC has been authorised to undertake further work in preparation for Brexit including improving junctions to allow non-compliant vehicles to be "turned around" and to strengthen the drainage system at Manston Airport. Further work includes additional winter resilience to the key local highway Brock routes, dedicated highway maintenance response teams and moving the Highway Management Centre to full 24/7 operation.

#### Traffic Compliance

- 3.5 KCC has been working closely with Department for Transport (DfT), Highways England (HE) and Kent Police – who chair the multi-agency Strategic Co-ordination of Operation Fennel, to ensure that the relevant Kent traffic authorities have the necessary powers to direct freight vehicles to the appropriate temporary holding areas. DfT has also recently consulted on secondary legislation for powers via Statutory Instrument (SIs) to enforce driver compliance.

- 3.6 Subject to the necessary legislation being agreed on traffic enforcement powers, a checkpoint process will apply to facilitate freight fluidity on Kent's road network.
- 3.7 There will be checkpoints on key Kent roads, specifically within M20 Brock (junctions 8-9). Traffic officers (Highways England (HE) Traffic Officers and Driver and Vehicle Standards Agency (DVSA) Enforcement Officers), KCC and the Police will work together at the checkpoints. Highways England have a 'call-off' arrangement for highways officers to be drawn into Kent from around the country at short notice and similarly Kent Police have an agreement with other police forces for additional resources to be drawn from around the country. DVSA resources are also being strengthened.
- 3.8 Traffic officers will have the power to stop and ask drivers of heavy commercial vehicles to produce any documents relating to the vehicle's journey and goods that are being exported. Traffic officers will be able to direct traffic to only use certain roads including the KCC road network, and be able to levy a fine of up to £300 for non-compliance.
- 3.9 HGV drivers will be issued with a permit at specific locations to allow them to proceed to designated checkpoints to aid traffic flow. Local Haulier Permit arrangements are in place, which will enable Kent hauliers to travel to the ports without being required to join the rear of the freight queues to exit the UK.
- 3.10 If a driver does not possess a valid permit, they could be legally turned around and escorted by the Police and/or Traffic Officer to a predetermined holding area. At the holding area, the driver will be able to arrange for the correct documentation to enable a permit to be supplied. This process will be supported by local communications providing key information to hauliers.
- 3.10 As outlined in KCC's response to the secondary legislation consultation, DfT should consider extending the powers of enforcement and direction to key Kent County Council Highways Officers and explore the extension of traffic management tools such as yellow box enforcement to relieve critical junction pinch points. This additional tool will help to keep Kent moving from day 1.

#### Priority freight

- 3.11 Government are currently procuring additional freight capacity which is to be available from 31 October. Routing priority freight through alternative ports (including airports) in the South East would be appropriate and practical, particularly given the high demand on Kent's infrastructure. KCC requires assurance that Government has procured additional freight capacity and that prioritisation, with advance notification to freight, will be undertaken outside of Kent.

## Manston and Thanet District Council

- 3.12 The use of the Manston site in Thanet is a key element of Operation Brock's traffic management plans. KCC would like confirmation of Government's updated customs/border arrangements to be applied at Manston. KCC also recommends that the Department for Transport (DFT) and the Ministry of Housing, Communities and Local Government (MHCLG) work closely with Thanet District Council to mitigate the impact of having 6000 lorries parked at Manston and should consider providing specific funding.

### Rules and regulations

- 3.13 Under a no-deal Brexit, UK operators would require a permit to operate in the EU and vice versa for foreign lorries coming into the UK. Approximately 80% of lorries crossing the Dover straits in both directions are foreign owned. Just before the 29 March deadline the timelines for having permits in place was extended until the end of December 2019. KCC recommends that this should be extended for at least a further six months with our European counterparts.
- 3.14 Cabotage (the transport of goods or passengers between two places in the same country by a transport operator from another country) currently provides an opportunity for non-UK registered hauliers delivering goods into the UK to carry out return journey contracts within the UK. Whilst this helps address the demand to transport goods throughout the UK, it also helps to reduce the number of HGV vehicles on the UK's roads. It is understood that Government has made provision to allow EU hauliers to continue trading in the UK in line with current rules, including the right to perform cabotage operations. KCC requests confirmation from Government of the extended cabotage arrangements for EU hauliers beyond 31 October 2019.

## **4. Business Readiness**

### Business support

- 4.1 KCC is supporting businesses to prepare for the event of a no-deal Brexit and is asking Kent councils to promote ways in which businesses can trade with the EU. The County Council website signposts a range of information for businesses (<https://www.kent.gov.uk/business/trading-standards/trading-standards-business-advice/brexit-and-your-business>). In addition, both the South East Local Enterprise Partnership (SELEP) (<https://www.southeastlep.com/brexit>) and the Kent and Medway Growth Hub (<http://www.kentinvictachamber.co.uk/brexit-hub/>) detail information on Brexit.
- 4.2 KCC will continue to work with Kent's businesses to prepare those wishing to grow following Brexit and to strengthen the resilience of the sector. KCC Economic Development works with partners including Locate in Kent, Visit Kent, Produced in Kent, Kent and Medway Economic Partnership, Chambers



of Commerce, Freight Transport Association, Road Transport Association and, who provide bespoke support packages for businesses. In addition to access to finance through our successful Kent & Medway Business Funds, our work with partners includes the Kent International Business programme to consolidate the support offer to businesses in Kent for exporting and the business advice provided through the Kent & Medway Growth Hub. The Department for Business, Energy and Industrial Strategy (BEIS) have asked the regional Chief Executives network and the local lead officer network established by MHCLG, to share information about potential economic shocks and increased business demand for services already incurred or from additional activity aimed at local businesses, especially SMEs.

### Trader readiness

- 4.3 The latest planning assumptions for the 'short straits' are that a significant number of traders are not yet border ready for 31 October and clarity is sought from Government to define the processes for general border readiness checks. The Border Delivery Group is coordinating a nationally driven communications and coordination campaign aimed at industry, hauliers and traders. KCC will support these campaigns by actively signposting them to local businesses. The Government has publicised a new web link to help businesses prepare for Brexit: [gov.uk/brexit](http://gov.uk/brexit).
- 4.4 On 7 October KCC is hosting a Whitehall & Industry Group (WIG) event at County Hall for national and local businesses, to promote the ways in which they can prepare for EU exit and specifically those who trade with the EU or transit through the EU to trade with other countries. Speakers include representatives from HM Revenue and Customs (HMRC) and DfT as well as businesses who have prepared for EU Exit and can share good practice.
- 4.5 In the event of a no-deal Brexit on 31 October 2019, the Government is estimating a forecast of between 7,500 and 8,500 freight movements a day through the Dover to Calais short straits (imports and exports).
- 4.6 Sites for 'Offices of Departure' and 'Offices of Destination' will exist for the traders who have registered for Common Transit Convention (CTC) checks. The CTC was agreed in December 2018 and allows goods to move between the United Kingdom and Europe without paying import duties, until goods arrive at their destination.
- 4.7 The intention is that CTC checks can be carried out at the Office of Departure (i.e. where the goods originate). In Kent there are currently two locations where existing customs checks are undertaken; Dover Western Docks and STOP24 (adjacent to M20 Junction 11). These two sites have limited capacity and therefore additional sites are required for CTC checks. Most operators will need to pick up the necessary customs clearance forms from Customs

Stations prior to arriving at the port. It is therefore essential that HMRC provide appropriately located sites for the right paperwork to be obtained across the country. To ensure that this works, KCC urgently requires information on the likely numbers of freight (inbound and outbound) as this will impact on traffic modelling and ultimately flows in Kent.

- 4.8 KCC has consistently argued that that Customs Stations for border readiness should be situated predominantly outside of Kent, to minimise disruption on the Kent road network and avoid the risk of freight in transit arriving at Kent ports without suitable customs paperwork, being turned away and drivers then having to search for the Customs Stations in Kent. However, we accept it will be necessary to have a number of sites in Kent to address the needs of Kent based hauliers. The government is currently consulting on Special Development Orders' for sites at Ashford Truckstop and car park D at Ebbsfleet International railway station. We have raised concerns that customs stations should be predominantly located outside of Kent and that the selection of Ebbsfleet is less than ideal, bearing in mind the current congestion levels. Opportunities may also exist for temporary Customs Stations/Services to be set up across the motorway network outside of Kent. This would enable the checks on the border readiness of freight. Confirmation is sought on the locations in Kent, or outside of Kent, which would allow border readiness checks to be undertaken.
- 4.9 Whilst KCC's focus has been on border readiness checks for HGVs, we also need to ensure locations are available and capable of addressing the demand to exchange driver licences and for Motor Insurance Green Cards, which may be required for all UK drivers to drive in Europe.
- 4.10 To support business readiness Government should consider providing flexibility on the costs of new customs / travel arrangements. This could include waiving or deferring costs businesses may face such as the cost for International Driving Permits. We would hope Government is in a position to make an announcement on any flexibilities soon.

#### Trading Standards

- 4.11 KCC's Trading Standards team inspect goods crossing the UK border in Kent, and their new Ports Team based near the Port of Dover, comprising of five Port Import Compliance officers, was in place in March 2019. This was in response to a predicted increase in referrals. In the first quarter of 2019/20 the team dealt with a similar number of referrals to that of the entire 2018 period.
- 4.12 There are currently three points of entry into the UK located in Kent: the Port of Dover, Eurotunnel, and the 'Fast Parcel Hub' in Dartford. In future, there could be additional points of entry, including development of port capacity at Sheerness, expansion of the container terminal at Dover and a potential

increase in rail freight with inspection at Ebbsfleet. These could increase the work of Kent Trading Standards and Kent Scientific Services.

- 4.13 The EU Regulation on Accreditation and Market Surveillance (RAMS) provides the framework for both market surveillance and the control of products entering the EU from third countries. This has been transposed into UK by Statutory Instrument, which is intended to continue the coverage of the EU legislation including the relationship between UK Border Force and Trading Standards.

#### Kent Scientific Services (KSS)

- 4.14 Post Brexit checks on high-risk food and animal feed destined for the UK but landing first in other EU countries (Transit Goods), may not be checked for safety by the EU. The Food Standards Agency has given limited approval for a small group of high-risk foods to be checked at the Eastern Docks. These goods will be checked by Dover District Council as the Port Health Authority with scientific testing provided by KSS. The level of samples being sent to KSS from Dover is likely to be slightly higher than is the case now. There is no approval for high-risk animal feed importation and Trading Standards would have to intervene at the Port to destroy any such feed which is landed, but the anticipated volumes for this are low.
- 4.15 A no-deal scenario could disrupt KSS supply of chemicals and consumables manufactured, or part-manufactured, in the EU. To mitigate this, the service purchased, in the lead up to 29 March 2019, the supplies they require to account for a six-month contingency scenario. This level of stock is being maintained for the foreseeable future.
- 4.16 As part of the national infrastructure for food safety, any transit goods that cannot come via Dover will be directed to one of the existing Designated Points of Entry (DPE). In the southeast these include London Port, Felixstowe and Southampton. KSS, who service those ports, could see an uplift in work where checks would previously have been carried out at another EU point of entry, such as Hamburg or Rotterdam. KSS have planned for this scenario so that food supply chains are not disrupted by border controls.

## **5. Business Continuity Planning**

### Resilience and Emergency Planning

- 5.1 KCC's Business Continuity Planning (BCP) for a no-deal Brexit is being co-ordinated by the Resilience and Emergency Planning Service (REPS) within the Growth, Environment and Transport Directorate, and through the Directorate Resilience Group structures. The Resilience and Emergency Planning Service are overseeing BCP plans, ensuring plans are continually updated, and the latest BCP position will be reviewed at each Directorate

Resilience Group which are meeting monthly ahead of 31 October. Assurance of BCPs lies principally with the completing service, but support in exercising and testing BCPs is available and well publicised.

- 5.2 The Corporate Business Impact Analysis has been developed, with an 'Interdependencies' Sub-Group which will assist with oversight to ensure a more effective oversight of interdependencies across the organisation. This will be updated in line with the review of BCPs.
- 5.3 Several Brexit related emergency planning exercises have taken place since March 2019 and a further exercise is scheduled for September 2019. The exercises comprised a 'no-deal' EU exit themed emergency planning response and recovery exercise, testing command and control structures and response personnel. Exercise Phoebe, taking place in September, will test Strategic Commissioning's Business Continuity response to a range of scenarios, including a Brexit specific aspect.
- 5.4 KCC Directorates and partners are currently liaising on winter preparedness planning, including ensuring promotion and appropriate uptake of influenza vaccinations by key staff and contractors. They are also co-ordinating with Highways England on contingencies for any impacts from severe weather on the highway network during the Brexit planning assumptions period.
- 5.5 A complement of 31 Emergency Response Team personnel has now been recruited, as well as 38 Tactical Managers, who play a key role as part of KCC's Resilience and Emergency Planning in addition to their substantive posts. Several training courses are scheduled to take place ahead of 31 October 2019 including: KCC Decision Loggist Training, Emergency Planning College Tactical Training and KCC Tactical Manager Training. The Kent Resilience Forum is also holding Tactical Command Training courses aimed at Tactical Managers and Strategic Command Training courses aimed at Duty Directors and Recovery Directors.

#### Directorate Preparedness

- 5.6 Service level Business Continuity Plans are being maintained to ensure our services are able to meet their statutory responsibilities and identify dependencies on corporate services.
- 5.7 **Commissioning and Supply Chains:** KCC's Service Directorates and Strategic Commissioning division are working with partners, providers and across our sectors to develop a detailed understanding of potential no-deal impacts and prepare for any new arrangements which may be required. Specific plans have been progressed around engagement with providers, business continuity and communications with service users. KCC is working closely with suppliers to identify risks to service provision in the event of a no-

deal scenario and ensure providers are prepared with up-to-date business continuity plans in place so that services continue for our clients, with emphasis on our most vulnerable residents. Where required a flexible approach to contractual arrangement will be taken to ensure continued delivery of services.

- 5.8 **Kent Schools:** Kent County Council has provided briefings, guidance and a 'Brexit FAQs for Schools' on the potential impacts of a no-deal Brexit. It is anticipated the guidance will be updated early in the new academic year and re-circulated to schools following Department for Education updated national guidance. The Autumn Term district briefings for Headteachers and School Governors will also be used to reinforce messages and emphasise the importance of ongoing preparation. KCC met with the Department for Education in July 2019 to discuss preparations, including the provision of essential supplies to schools. A considerable number of Kent schools buy meals services through a framework operated on the Council's behalf by its property services company, Gen<sup>2</sup> Property Ltd. The main providers on this framework have all provided reassurance that they have considered the risks associated with Brexit and have arrangements in place to minimise disruption to their supply chains. The Fair Access service continues to work with the Transport Integration Unit and Special Schools to ensure adequate transport provision for Special Educational Needs pupils.
- 5.9 **Data Handling:** KCC has undertaken a review of its data handling practice to identify the extent of use of EU data centres. Discussions have been held with Microsoft regarding our Office 365 and Azure Cloud contracts to provide assurance on the inclusion of contractual clauses as recommended by the Information Commissioner's Office (ICO). Work has also been undertaken to review our other contracts which may include data housed within the EU. Kent County Council will consider taking appropriate action if required, including considering changes to contracts or the movement of data and associated systems to UK data centres and/or alternative suppliers where required. However, if required this is likely to be as a result of any changes to data handling standards over the medium to long term rather than present immediate issues as a result of a no-deal exit from the EU on 31 October 2019. KCC has also worked closely with Cantium Business Solutions to develop the County Council's Business Continuity arrangements around ICT resilience.
- 5.10 **KCC Communications:** The Communications Team anticipate increased demand and activity in three key areas: media, resident and business communications; website and social media updates; and an increase in contact centre call demand to both day and out of hours operations. An external facing communications management plan was established in February 2019. This includes a prominent page on Kent.gov which gives clear

messages for residents and businesses to support their own preparations. This will be regularly updated with links to relevant Government information as it is released and KCC service delivery changes and will be supported by media releases and social media posts in order to reach residents. In addition, a central Brexit email address has been set up for KCC Directorates to advise KCC Communications of service delivery changes. Options to enhance call centre capacity have been assessed with our supplier and these include temporarily relocating some service lines to premises in other counties and bolstering home working solutions within Kent. For staff communication and engagement, a full and comprehensive internal communications plan has been developed and is regularly updated, encompassing scheduled and additional messages as required for all colleagues, with supplementary information specific to managers. The engagement team are ready to provide flexible ad hoc messaging as required and will liaise closely with Human Resources / Organisational Development in case further guidance is required for managers.

## **6. Costs and Funding for KCC Brexit Planning**

### Government Funding

- 6.1 In January 2019 MHCLG announced a £56.5m package of funding for local government to help support their preparations for the original 29 March Brexit deadline. These allocations were reported to Council as part of the budget report in February and Brexit update paper in March. KCC's allocation is £87,500 in each of 2018-19 and 2019-20 (the same as every upper tier authority) and £76,087 for KRF. DfT allocated £28.8m towards additional highways expenditure on the local road network as outlined in paragraph 3.4.
- 6.2 On 4 August the Rt Hon Robert Jenrick MP announced an additional £10m would be made available in 2019-20 to support preparations for the 31 October deadline and to support the Brexit Lead Officer (see paragraph 1.3). This was most welcome and in addition to £10m already identified for 2019-20 in the original January package and held unallocated. It has subsequently been confirmed that the amounts for individual authorities from this additional allocation will be the same amount per authority as the 2019-20 allocations in the original announcement i.e. £87,500 for upper tier, £17,484 for lower tier, £104,984 for single tier, and £90,909 for combined authorities. The subsequent announcement also reconfirmed that the Secretary of State recognises that there are some areas which could face more acute pressures and further funding for these areas has been confirmed with an additional £2.6m for Kent and Medway area overall including £1m specifically for KCC.
- 6.3 Department for Transport have also made two further funding announcements. On 30 August, DfT announced £30m to be spent on

upgrades to port infrastructure, road and rail lines and to build resilience, with specific allocations to be confirmed. On 3 September, DfT announced further funding of £20m for Operation Brock arrangements including standing up Manston airport as a lorry holding facility, the implementation of border readiness checks and increased resources to ensure drivers comply with Operation Brock.

- 6.4 On 16 August MHCLG announced that it was allocating £217,300 to Kent Resilience Forum. £4m had been allocated across 38 LRFs with Kent receiving the greatest share, to reflect the level of work that is required within the resilience community to respond to the potential demands of EU Exit. Plans for spending the funding will be put to the KRF Executive Group.

#### KCC Spending

- 6.5 We have been capturing additional spending on Brexit preparations. This additional spending amounted to £458,350 in 2018-19. This does not include spending against the DfT grant. This expenditure included Brexit co-ordinator/project officer, standby rota, expansion of Emergency Centre, additional trading standards posts, additional IT equipment and licences, and enhanced contact centre capacity outlined in this report.
- 6.6 The additional Brexit costs were included in the 2018-19 final outturn reported to Cabinet on 24 June, and effectively reduced the balance available to set aside in the earmarked reserve to support future year's budgets. It is worth noting that rollover included £70k to fund the cost of strengthening the Council's tactical manager rota and emergency response in 2019-20 (see paragraph 5.5).
- 6.7 To date in quarter 1 of 2019-20 we have incurred a further £598,594 of identified additional costs for Brexit preparations representing ongoing costs of activities identified in 2018-19 including additional costs of extending the IT support for business-critical systems. We are forecasting that ongoing activity will result in further spending of £1,191k throughout the remainder of the year.
- 6.8 KCC will continue to take action where required to ensure KCC and Kent are prepared for a no-deal scenario. This is with the expectation that Government will fully reimburse any costs incurred. As identified in the March report we will be seeking assurances from government that all additional costs are fully funded so that there is no impact on Kent Taxpayer. If costs are not fully reimbursed these would have to met from the Council's reserves weakening our financial resilience. Weakening our resilience at this time when the government has deferred the 3-year Spending Review until 2020, and we will only receive a one-year settlement for 2020-21 will severely impact on our ability to make sound medium term financial plans.

## **7. Post-Brexit Cross-border Working and Funding**

- 7.1 The Government has previously guaranteed that the Treasury would underwrite payments to UK recipients of EU funding in the event of a no-deal Brexit. The guarantees announced cover payments due to any EU structural and investment projects in Kent up until 2023. KCC would welcome a restatement by Government of its guarantees and any further clarification about how ongoing cross-border projects may be able to run to completion. We also seek clarification that in the 2020-2021 Spending Review Government will make provision for meeting these guarantees.
- 7.2 KCC has strong relationships at a political and service level in the near cross-channel neighbourhood and has longstanding memoranda of understanding with French and Belgian local authorities. As part of work to prepare for Brexit, the Leader and the Cabinet Member for Economic Development have met KCC's formal partners from West Flanders (Belgium); the Hauts-de-France region and the Pas de Calais Council (France). These meetings have underlined our partners' desire to strengthen relationships and work together to keep our border fluid, support our economies and tackle the grand challenges that we share.
- 7.3 KCC has received encouragement from within the UK diplomatic service to formalise this interregional work and the British Ambassador to France supports this work, and KCC is exploring how to develop a new approach to partnerships in the cross-border area. Officers are currently gathering views from across the County Council Directorates and are liaising with counterparts in the neighbouring EU authorities. This is with a view to developing proposals that could be brought to the relevant Cabinet Committees in due course. KCC highlights the value of cross-border projects and asks the Government to recognise the potential for future bilateral work post Brexit.
- 7.4 Following the EU referendum, the Local Government Association (LGA) called for a viable domestic successor to EU structural funding which would address the potential £8.4 billion UK-wide funding gap for local government. The Government has subsequently committed to creating a UK Shared Prosperity Fund. BEIS are currently undertaking work to better understand the level of EU funding and its geography to ensure the Shared Prosperity Fund maximises productivity and economic growth.



## 8. Recommendation(s)

### Recommendation(s):

County Council is asked to:

- (1) **Note** the increased national preparations for a no-deal Brexit scenario.
- (2) **Note** Kent County Council's further preparations for a potential no-deal Brexit scenario.
- (3) **Note** Kent County Council's requests for Government action to resolve the outstanding issues as highlighted in the paper.
- (4) **Confirm** Kent County Council's Lead Brexit Officer as Barbara Cooper – Corporate Director, Growth, Environment and Transport.

## 9. Background Documents

- Brexit Preparedness - Kent County Council Position to County Council (July 2018)
- Business Preparedness for Brexit update to Growth, Economic Development and Communities Cabinet Committee (July 2018)
- Trading Standards update to Growth, Economic Development and Communities Cabinet Committee (September 2018)
- Brexit Preparedness - Kent County Council Update to County Council (December 2018)
- Preparations by HM Government and the European Commission for a No-Deal Brexit to Growth, Economic Development and Communities Cabinet Committee (January 2019)
- Corporate Risk Register in relation to Brexit to Policy and Resources Cabinet Committee (January 2019)
- Supporting Kent Exporters to Growth, Economic Development and Communities Cabinet Committee (March 2019)
- Brexit Preparedness - Kent County Council Update (March 2019)
- Risk Management: Growth, Environment and Transport Directorate to Growth, Economic Development and Communities Cabinet Committee (March 2019)
- Brexit: Strategic and Corporate Services Business Continuity Arrangements to the Policy and Resources Cabinet Committee (March 2019)