

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	8 April 2019
Title:	Brexit preparedness update – report number 2
Report From:	Chief Executive

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Please note that this report was published on 29th March and therefore does not reflect the very latest national developments regarding Brexit.

1. Purpose of this report

1.1. The purpose of this report is to:

- provide an updated position on the impact of Brexit on the County Council's resources and services, covering both risks and opportunities, and building on the previous report to Cabinet in December 2018;
- set out the key risks of a no deal Brexit to the Hampshire and Isle of Wight region;
- outline the activities being taken, or planned, to mitigate known risks in line with the Ministry of Housing, Communities and Local Government's (MHCLG) Brexit preparedness check list.

2. Recommendations

2.1. Cabinet is asked to note:

- the progress made since December 2018 to understand the impact of Brexit on the County Council's resources and services; and
- the main risks and mitigating actions being undertaken by the County Council, and with its partners, to prepare for Brexit (including a delayed or no-deal EU exit scenario).

3. Executive summary

3.1. At the time of writing this report there is significant uncertainty as to the timing and nature of the UK's exit from the European Union (EU), with the possibility of a no deal EU exit on 12th April remaining. Amidst this uncertainty, the County Council continues to work with, and through, its strategic partners to develop contingency plans and mitigate risks. Internally, a cross-departmental Brexit Officer Working Group has been established, alongside programme

management arrangements. Fortnightly highlight reports are also being provided to the County Council's Cabinet and Corporate Management Team.

- 3.2. The Government has announced a total of £56.5m funding for local authorities to support Brexit preparations. The County Council received £87,500 in 2018-19 and will receive a further £87,500 this financial year (2019-20), which is likely to contribute towards the costs of programme management and governance arrangements.
- 3.3. Additional funding has also been provided to Hampshire's two unitary authorities to fund Brexit preparations associated with their ports. The County Council continues to work with partners to seek funding to cover the costs of establishing no deal EU exit contingency plans for the Hampshire and Isle of Wight (HIOW) region which, in total, is estimated to be c.£4m. Development of these plans were considered necessary by the HIOW Local Resilience Forum (LRF) to avoid the risk of severe traffic congestion on the local and strategic road network due to likely delays at Portsmouth International Port. The LRF is a statutory partnership, established under the Civil Contingencies Act (2004), and one in which all Category One Responders, including the County Council, are required to participate in and work to its emergency, response, and recovery plans. HIOW LRF's Terms of Reference are available to [view](#) on Hantsnet.
- 3.4. Building on information provided to Cabinet in December 2018, section six of this report outlines the main risks to the County Council and to Hampshire more widely, alongside mitigating actions. Further impact assessments will be undertaken as the national context becomes clearer. The main areas of risk so far identified are as follows:
 - **Traffic congestion at Portsmouth International Port and in the surrounding area, including on both local and strategic roads**, impacting residents, businesses, emergency and other public services, and the flow of imports and exports, including food supplies to the Channel Islands.
 - **Downturn in Hampshire's economic growth and prosperity** with knock-on effects for residents, potentially leading to higher demand for statutory council services.
 - **Discontinuity of some council services (directly provided and commissioned) due to:**
 - **disruption to supply chains, commissioned services and price increases** affecting the County Council's capital programme, and health, social care, catering, transport management, property and other services;
 - **data issues affecting the flow from European data centres to the UK;**
 - **workforce shortages due to recruitment and retention challenges** - these risks are likely to have a higher impact on Trading standards, Planning and Highway services, Education services and other council services with a high dependency on shortage occupancy roles (e.g. HC3S, County Supplies, Facilities Management, and social care).

- **Loss of funding, including loss of EU funding streams** with implications for County Council services, e.g. education and youth schemes, and local businesses – especially Hampshire farms.

- 3.5. As well as the above risks, Brexit could present opportunities over the longer-term including, for example: securing additional strategic infrastructure investment; advantageous policy reforms following the repatriation of powers to the UK; and potentially some commercial opportunities, e.g. for Trading Standard's business advice service and for Hampshire Scientific Services.
- 3.6. To minimise potential risks and ensure future opportunities can be maximised, the County Council is working with partners to inform and influence the Government on its approach to Brexit, particularly in relation to the following: funding for contingency measures and new burdens; support for local businesses; the proposed new skills-based immigration system; and the future regulatory framework. Further information on key messages to Government is set out in section seven.
- 3.7. The County Council will continue to develop its Brexit programme, including contingency and mitigation planning as required and in response to national developments. Post Brexit, it will work through the HIOW LRF as the Forum moves from its response phase to its recovery phase. It will also continue to influence national policy development in an effort to create a framework that better enables it to protect Hampshire residents, meet local needs, and further advance economic prosperity.

4. **Contextual information**

National context [as of 28th March]

- 4.1. In March 2017 Parliament voted to invoke Article 50 of the Treaty on European Union which, without an extension, would have required the UK to exit the EU on 29th March, irrespective of whether an EU withdrawal agreement had been ratified. However, the negotiated draft Withdrawal Agreement has so far been unable to secure majority support in the House of Commons. The deadlock has led to growing concerns in the public and private sector, with the Confederation of British Industry and the Trade Union Congress recently describing the situation as a "national emergency". The Brexit debate has also led to a number of resignations from both the main political parties, leading to the establishment of a new independent group of MPs.
- 4.2. A Government Motion to approve the draft agreement was initially rejected by MPs in January 2019. Although further assurances on the Northern Irish backstop were provided, the deal was again rejected on 12th March by a majority of 149 votes. MPs also voted, by a slim majority, to rule out the UK exiting the EU without a deal under any circumstances. However, that vote was non-binding and the UK's exit remains subject to European law.
- 4.3. Due to the parliamentary impasse, the Prime Minister was forced to request an extension to Article 50. On 22nd March the EU27 agreed to extend Article 50 up

till 22nd May, on condition that the draft Withdrawal Agreement was approved by MPs. If that is not possible, the EU27 have agreed to extend Article 50 up till 12th April, by which time the UK Government must have put forward an alternative plan that has majority support in the House of Commons. The EU27 have also made clear that any request for a longer delay will require the UK to participate in European Parliamentary elections.

- 4.4. At the time of writing, it is unclear whether it will be possible for the Prime Minister to bring back the draft Withdrawal Agreement to the House of Commons for a further vote on 29th March.
- 4.5. Unless the draft Withdrawal Agreement is approved, it is expected MPs will use business time on Monday 1st April to hold preferential votes and the Prime Minister may be required to seek a further extension or face a Vote of No Confidence.
- 4.6. Crucially, the risk of a no deal EU exit on 12th April, or at some later stage, remains until an EU Withdrawal Agreement is ratified, or the UK Government revokes Article 50.

Local and regional context

- 4.7. Amidst ongoing uncertainty, the County Council continues to work through its strategic partnerships to develop contingency plans to mitigate risks to the Authority and the wider region including:
 - **Hampshire and Isle of Wight Strategic Leaders' Group** - which has met regularly since December 2018 to assess risks and support Hampshire and Isle of Wight Local Resilience Forum (HIOW LRF) response planning phase. On 8th February, the County Council hosted a meeting for a wide range of local stakeholders, including all Hampshire local authorities, the Local Government Association (LGA), Solent and Enterprise M3 Local Enterprise Partnerships (LEPs), port operators and Hampshire and Isle of Wight MPs. A summary of the key points discussed was circulated to all invitees.
 - **Hampshire business 'umbrella' organisations, including Local Enterprise Partnerships** – who are supporting the business sector in preparing for Brexit. The County Council has helped to fund a series of business advice clinics for Small and Medium Sized Enterprises (SMEs) within each district of the Enterprise M3 LEP area. A conference was also held on the 19th March to update public and private sector partners on the latest preparations and to collectively consider what strategic interventions may be required to further strengthen Hampshire's economy and support national productivity beyond Brexit.
 - **Regional and national networks** - which have provided routes for escalating issues and disseminating information. The County Council continues to raise awareness of key local challenges with the LGA, which has created a [Brexit Advice Hub](#) for councils. The Leader also chaired a [South East England Councils workshop](#) in January to consider the practical implications of Brexit.

- Since January, the County Council has also collated and provided input from Hampshire two-tier authorities to a weekly South East information return to MHCLG, in order to help improve the Ministry's advice to local councils on Brexit preparedness.

Internal Brexit programme management arrangements

4.7. The County Council has established a cross-departmental Brexit Officer Working Group, chaired by the Assistant Chief Executive. A corporate programme management structure has been put in place to co-ordinate activities and report on risks and mitigating actions. Ad-hoc support is also being offered to departments as more in-depth Brexit impact assessments on resources and services are being undertaken. Fortnightly highlight reports, including departmental and HIOW LRF updates, are provided to the County Council's Cabinet and Corporate Management Team.

5. Finance

MHCLG Brexit funding for local authorities

- 5.1. On 28th January MHCLG announced £56.5m of new funding for local authorities to support Brexit preparations. MHCLG will distribute £20m of this funding this financial year (2018/19), with a further £20m in 2019/20.
- 5.2. The County Council will receive a total of £175,000 (£87,500 in 2018/19 and £87,500 in 2019/20). Over the same two-year period, each district council will receive £35,000 and each unitary authority will receive £210,000. Further details are set out in Appendix A.
- 5.3. The funding is likely to be used by the County Council to support growing governance and programme management demands – as the amount is insufficient to address departmental revenue and capital resources required to manage the impact of Brexit.

Additional Brexit funding

- 5.4. On 20th February, the Government announced £3.1m for local authorities with major ports, including Southampton (due to receive £272,724, covering its general and container ports) and Portsmouth, which is the second busiest UK/EU roll-on, roll-off port after Dover (due to receive £136,362).
- 5.5. HIOW LRF is also being allocated £76,000 for Brexit preparations. However, at the time of writing, there has been no specific funding allocated to the HIOW region to fund the LRF's contingency plans for a no deal EU exit. This includes costs for works to avoid severe traffic congestion due to possible disruption at sea ports, including delays at Portsmouth International Port, which the HIOW LRF estimates to be in the region of £4m. Details are provided in section six below.
- 5.6. As part of the HIOW LRF contingency plans for a no deal EU Exit on 29th March, the County Council began enabling works on the A31 on the 4th March. The works were completed, ahead of schedule, by 25th March. Should full implementation of the A31 plan be required, the total cost, including triage

services and six-weeks' of running costs, would be an estimated £1m. If the plan were required beyond that point, the additional running costs would be an estimated £70,000 per week.

5.7. The Government has indicated that additional resources will be provided to help local councils fund new pressures related to Brexit. Whitehall is expected to assess and, where appropriate, provide funding for new burdens. The County Council continues to work with the LGA and others in calling for further information on additional funding and the new burdens assessment framework.

6. Key risks and mitigating actions

6.1. This section provides an overview of key risks to both the County Council and Hampshire more widely, alongside mitigating actions. This summary builds on information provided to Cabinet in December 2018 and is primarily drawn from the HIOW LRF contingency planning and assessment work being undertaken by County Council departments.

6.2. More detailed impact assessments will be undertaken as the national context becomes clearer. Even if a Withdrawal Agreement is ratified, certainty will still be needed on a range of policy areas. For example, the Government has yet to confirm details about the future immigration and skills policy, to finalise plans for EU replacement funds, and to clarify future product safety regulations. Such policies will have direct consequences on the County Council's resources and services.

(1) Risk to:	Traffic flow to and from Portsmouth International Port, affecting both local and strategic roads
Description	<p>Under a no deal scenario, the HIOW LRF has identified a high risk of significant traffic congestion due to delays at Portsmouth International Port. The causes of delay are anticipated to be threefold:</p> <ul style="list-style-type: none"> • customs and regulatory checks as the UK is treated as a third country; • the knock-on effect of delays in ferry turnaround times; • greater use of the port by EU-destined freight traffic as an alternative to Dover Port, due to disruption at Dover and because, at this stage, Calais does not have a Border Inspection Post. <p>Delays at Portsmouth International Port would cause lorry queues onto the M275, M27, A3(M) within a short timescale, impacting both local and strategic roads. Under current projections, in a reasonable worst-case scenario, disruption could last for up to six months.</p> <p>Traffic disruption and delays would impact road users (including residents, businesses, emergency and other public services), and affect the flow of exports and imports, including food supplies to the Channel Islands.</p>

<p>Mitigations</p>	<p>The County Council is actively involved in the HIOW LRF which, under its statutory duty, has been working since July to plan for all reasonable worst-case scenarios.</p> <p>A traffic management plan has been devised, which relies on the ability to effectively monitor, triage and direct Spanish and French destined freight entering Portsmouth from the M27 and M275. The plan involves a mix of triage and holding sites for HGVs that could otherwise be delayed at Portsmouth International Port, as summarised out below:</p> <ul style="list-style-type: none"> • A31 - using a 5km section of the A31 between the Percy Hobbs roundabout (near Winchester) and the Ladycroft roundabout (near Arlesford), including a triage point and the capacity to hold between 200 and 300 Heavy Goods Vehicles along the southbound carriageway, destined to the port travelling from the A34/M3 and A3. • Junction 1 M275 and Tipner West - a triage point off Junction 1, with an option to divert lorries to the Tipner West site where approximately 40 Heavy Goods Vehicles (from the M27 and A27) could be held. • Junction 2 M275 (Rudmore Roundabout) – creating a further triage point off Junction 2, located close to the port, to check relevant traffic has already gone through the earlier triage points with sailing times confirmed and paperwork completed. <p>Due to the initial risk of a no deal EU exit on 29th March, and the time required to prepare works, including installing a contraflow on the eastbound carriageway of the A31 – the enabling works commenced in early March. If full implementation is required, the estimated cost would be £1m, including running costs for the first six weeks following a no deal EU exit.</p> <p>Initial works at Tipner West, off Junction 1 of M275, commenced towards the end of February, at an estimated cost of £1.5m.</p> <p>Due to the extension of Article 50, activation of these plans is currently on hold. Full implementation would take just 48 hours. Given the risk of a no deal EU exit on 12th April, potential activation will be considered during the week commencing 8th April.</p>
<p>(2) Risk to:</p>	<p>Hampshire’s economic growth and prosperity</p>
<p>Description</p>	<p>SMEs make a significant contribution to the county’s economic growth and prosperity and it has been reported that they are struggling to navigate the challenges presented by Brexit.</p> <p>Moreover, uncertainties and complexities surrounding the UK’s EU exit could lead to Hampshire-based businesses relocating outside of the UK. For similar reasons, there could be a decline in foreign direct investment to the region. Furthermore, any contraction to the</p>

	<p>economy could have a negative impact on public expenditure and reduce the amount of business rates levied, thus adversely affecting local government funding.</p> <p>Together these factors could have a detrimental impact on Hampshire's economy, with knock-on effects for residents and local services. If, for example, Brexit triggered a national economic downturn, it is likely deprivation would increase, together with demand for public services, particularly local government services for vulnerable groups, such as children in care or unaccompanied asylum-seeking children.</p> <p>As businesses struggle to meet new regulatory burdens post Brexit, there is a risk that over the medium to longer-term there could be non-compliance regulatory failures. This would have resource implications for the County Council's Trading Standards services and could pose wider risks to the county in terms of product and food safety.</p>
Mitigations	<p>The County Council is working with Solent and Enterprise M3 LEAs to understand the scale and likelihood of these risks and to raise relevant issues with the Government.</p> <p>Targeted support is being provided to local businesses across Hampshire, through LEP initiatives. This has included running SME 'clinics' in each EM3 LEP district area and establishing an online toolkit.</p> <p>Mapping work is also being undertaken to identify companies with EU or international headquarters based in Hampshire in order to be better able to target economic development support.</p>

(3) Risk to:	Future funding, including the loss of EU funding streams
Description	<p>In addition to the potential adverse macro economic risk outlined above, the viability of local businesses and some County Council initiatives could be put at risk if EU funding streams are not replaced. The following two areas have been highlighted:</p> <ul style="list-style-type: none"> • Education and youth schemes, which depend on EU Investment and Structural Funds: and • Hampshire's 700+ farms, which receive subsidies from European Common Agricultural Policy funding. These includes direct income payments to farmers based on the size of the eligible landholding. In 2015, UK farmers received almost £2.4bn in direct payments according to the National Farmers' Union. On average, Hampshire farms receive £32,082 per annum in Basic Payment Scheme monies. Those same farms, on average, make an annual net profit of

	£38,402. Therefore, without a replacement to CAP funding the viability of the farms is likely to be put at risk.
Mitigations	The County Council continues to seek clarity from the Government over EU replacement funds. In the meantime, Hampshire Futures team continues to maximise current European Social Fund opportunities.

(4) Risk to:	Continuity of service provision due to disruption to supply chains and/or commissioned services, alongside price increases
Description	<p>The County Council has identified several areas of risk to service continuity in the case of provider failure or disruption to supply chains. These include:</p> <ul style="list-style-type: none"> • The Capital Programme (including Children’s Services Schools building programme) - price increases due to sensitivity of the construction sector to Brexit and heavy reliance on EU workers. • Health and Care services, including commissioned Public Health services - supply of medicines and equipment. • Hampshire Catering Service (HC3S) – price increases on food. • Hampshire Transport Management – availability and price increases on vehicle spares. • Hampshire Property Services – availability and price increases on building materials, including labour. • Highways – availability of materials and labour.
Mitigations	<p>The County Council is engaging with its providers and seeking assurance regarding the preparedness of supply chains. For example, the Authority’s highways contractor has confirmed that their primary suppliers are stockpiling EU sourced materials as part of contingency planning. An annual contingency figure of 3.3% has been incorporated into the Capital Programme for all schemes to mitigate against immediate inflationary impact.</p> <p>Adults’ Health and Care has updated its equipment inventory and is engaging with suppliers on contingency planning.</p> <p>The HIOW Local Health Resilience Partnership, co-chaired by the Director of Public Health, has checked the readiness of providers and received assurance from key suppliers on business continuity plans. Wider public health risks, including any potential shortage of medicines and vaccines, continue to be monitored.</p> <p>The County Council’s contracted wholesale food distributor has issued a statement on its Brexit planning providing assurance on:</p> <ul style="list-style-type: none"> • the process of transition;

	<ul style="list-style-type: none"> • safeguarding security of supply and product availability; • planning for operational and logistical efficiency; • managing the impact on product pricing; • minimising the impact on currency fluctuation; and • operational costs and workforce recruitment and retention.
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(5) Risk to:	Service continuity, due to workforce shortages
Description	<p>Post Brexit, service delivery could be impacted by a shortage of EU labour and result in further recruitment challenges. Additional demand for some services will place increased strain on the workforce. The following service areas have been highlighted:</p> <ul style="list-style-type: none"> • Trading Standards – changes to the regulation and inspection of imported and domestic goods, alongside the introduction of new procedures requiring different systems and related staff training. • Planning and Highway services – challenges in recruiting planners and highway technicians. • Education services – shortage of teachers, especially Modern Foreign Language teachers, as Non-UK EU citizens are deterred from seeking employment. • HC3S, County Supplies, Facilities Management, Social Care - recruitment and retention challenges, due to a range of issues including higher turnover in lower paid roles and a significant reliance on agency staff.
Mitigations	<p>The County Council continues to monitor staff nationality profiles to identify trends and inform workforce recruitment and retention strategies.</p> <p>Employees, including agency staff, are being kept informed about the Government’s EU settlement scheme, which fully opened on 30th March. Engagement continues with the Home Office to understand local authority obligations, particularly with regard to Looked After Children and Adult Social Care service-users.</p> <p>In addition, the Authority has established <i>Connect2Hampshire</i> (a Joint Venture Agency with Kent County Council), which will aid the recruitment and nationality recording of temporary staff to inform future strategies. Steps are also being taken to make vacancies more attractive to agency staff, working with <i>Connect2Hampshire</i> and NHS partners (e.g. making movement between NHS and County Council social care services easier for employees).</p> <p>In other areas, e.g. delivery of the County Council’s Capital Programme, the County Council is focusing more on ‘growing its own’ skilled workforce e.g. through civil engineering apprenticeships.</p>

(6) Risk	Service continuity, due to disruption to data flow back to the UK from European data centres
Description	Disruption to the flow of data back to the UK from EU data centres has been identified as a low risk by the Government who have advised local councils to take precautionary measures. Under a no deal scenario, any contracts held by the County Council which rely on a supplier acting as a controller and processing data in the EU, would need to be amended. Access to critical European databases could also become difficult.
Mitigations	Staff have attended several national workshops to understand the risks and mitigations. Work is underway to identify and review any contracts which relate to personal data being stored or used in the EU and to make any necessary amendments.

7. Potential opportunities

- 7.1. The main areas of risks outlined in this report would most likely to be felt in the immediate to short-term period. Over the longer-term, Brexit could present opportunities for the County Council and its partners. For example, working through Transport for the South East, the County Council may be able to secure additional investment in the region's strategic transport network given the expected national drive to increase the UK's global exports post-Brexit. Many of those exports will depend on having good, reliable access to the International Port of Southampton, via road and rail networks that run through Hampshire.
- 7.2. There may also be the opportunity to secure policy reforms following the repatriation of powers from the EU to the UK, e.g. the potential devolution of skills funding or further regulatory reforms.
- 7.3. Finally, more immediate border changes could present some commercial opportunities through, for example, rising demand for Trading Standards' paid-for business advice service and for Hampshire Scientific Services. There could also be an opportunity for Hampshire local authorities to assist the Government if it were to require an additional Border Inspection Posts in the region.

8. Key messages to central Government

- 8.1. The County Council, working with and through local and regional partners, continues to raise Brexit-related issues with central government. Key messages to include:
- **Government communications:** there is a need for a national communication campaign to inform citizens and businesses about Brexit and to clarify guidance on national contingency plans
 - **Ports/borders:** with initial enabling works already commenced, for example on the A31, the Government should commit to reimbursing local authorities for

the cost of putting in place the required contingency plans for a possible no deal EU exit.

- **Food:** clarity is sought on food supply plans, including dealing with longer term shortages and any unregulated imports.
- **Regulatory services:** clarity is needed on the nature of future regulations, with funding provided to meet any new burdens (e.g. for Trading Standards services). Assurance is also sought that the large number of Statutory Instruments required will be delivered prior to the UK's withdrawal, in order to ensure service continuity.
- **Social care workforce:** Government is urged not to introduce a £30k salary threshold for social care staff as part of any new skills-based immigration system due to the negative impact this could have on the sector.
- **Vulnerable groups:** there is growing concern amongst South East authorities on the cumulative impact Brexit may have on vulnerable groups, including the support they may require in order to register for settled status.
- **Local economic impact:** greater join-up is needed between Whitehall and local areas to provide certainty to businesses and ensure that tools and resources are available to maximise future investment opportunities, e.g. from the UK Shared Prosperity Fund.
- **Local authority capacity:** there is a requirement for Government to work closely with the sector to understand the cumulative impact of Brexit, assess priorities and provide necessary resources to meet new burdens.

9. Future direction

- 9.1. The County Council will continue to develop its Brexit programme, including its contingency and mitigation plans as required, in line with national developments. It will also continue its strategic leadership through the HIOW LRF recovery planning phase which is set to shadow the LRF's response phase up to 12 weeks post a no deal EU exit. Following that period, under a no deal EU exit scenario, the HIOW upper-tier authorities will co-ordinate the LRF's recovery activities, taking account of the various EU exit impacts, for example on public health and wellbeing, local services, infrastructure, the economy, and the environment.
- 9.2. Post Brexit, the Authority will also focus its efforts on informing and seeking to influence national policies, with the aim of creating a framework that better enables it to protect residents, meet local needs, and advance further economic prosperity.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
Brexit: the potential impact on the County Council's resources and services	<u>Date</u> 10 December 2018
Direct links to specific legislation or Government Directives	
European Union (Withdrawal) Act 2018	<u>Date</u> July 2018

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment: Equality Statement

The recommendations in this report have been assessed and are considered to have no specific impact on groups with protected characteristics as the report merely seek to update Cabinet on progress being made to prepare the County Council for any potential risks with the UK's Exit for the European Union. However, the nature of the preparations are designed to support the resilience of the County Council and therefore be of benefit to all residents.

Appendix A - Ministry of Housing, Communities and Local Government Brexit Funding for Local Authorities

On 28th January, the Ministry of Housing, Communities and Local Government (MHCLG) confirmed that £56.5m would be allocated to local authorities to support preparations for Brexit. £20m will be allocated in 2018/19, with a further £20m for 2019/20.

Across the two financial years, each County Council will receive £175,000. Over the same period District Councils will receive £35,000; Unitary Authorities will receive £210,000; and Combined Authorities will receive £182,000. £10m is currently being retained by MHCLG for allocation next year and £5m will be divided across areas within MHCLG and the local government sector, including for support on resilience and community cohesion.

Table 1: Overall funding allocations

	2018/19 (£m)	2019/20 (£m)	Total (£m)
Upfront funding for all councils*	20	20	40
Authorities affected by ports	1.5		1.5
Retained for specific local costs which arise		10	10
Split between Departmental teams and local government sector		5	5
Total			56.5

Table 2: Split of £40m upfront funding by type of authority

	2018/19 (£)	2019/20 (£)	Total (£)
Combined Authorities (11 including London (GLA))	91,000	91,000	182,000
District councils	17,500	17,500	35,000
County councils	87,500	87,500	175,000
Unitary authorities*	105,000	105,000	210,000

* Unitary authorities will receive the sum of the county and district allocations.