

Partnership report



Brexit

Date of meeting 14 December 2018

Date of report 15 October 2018

Report by Assistant Chief Executive

1. Object of report

To provide the Partnership with a briefing note outlining the issues which may affect the organisation as a result of the current Brexit discussions, noting of course that the matter is being monitored as the negotiations continue.

2. Background

Members will be fully aware of the current ongoing discussions regarding Brexit. However, what remains unclear is the implications for organisations delivering public services in either a deal or no-deal scenario, and therefore planning for either or both scenarios brings challenges.

The purpose of this paper is to highlight some of the key matters being considered and monitored by SPT to maximise the opportunity of minimal disruption to SPT services and organisation generally.

3. Current Position

The planned date for leaving the European Community is 29 March 2019, but at the time of writing, considerable matters including legal judgements remain outstanding. It is expected that the final agreement announced on 25 November 2018, and due to be voted on in Parliament on 11 December 2018, will have implications for any legislation that will be required to enact the terms of the agreement.

Secondary legislation will be required for many matters, but as Transport is a devolved matter, it is anticipated that much of this will be legislation in support to transport operations. SPT continues to monitor a range of sources who are providing commentary of the policy implications on transport, including the Urban Transport Group. Details of their latest briefing has been placed on the members portal.

More specifically for local government in Scotland, and related bodies, COSLA have been actively monitoring and releasing Brexit briefings on the potential impacts. Again, these have been monitored.

SPT officers have been reviewing the technical notes which have been made available to ascertain the scale. The UK Government have also to date given assurances on certain protections which exist, including employment legislation and regulatory legislation. This, however, will continue to be monitored, particularly in the context of the proposed deal not being approved by Parliament.

In trying to determine the exact nature and extent of change, SPT has determined the following matters:

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- (1) People Management – SPT has a small number of EU nationals employed. Consideration is being given to the role these individuals fill, and the process to obtain the necessary work permits should that be required. In addition, SPT advised details to the Scottish Government in summer 2018 to allow a national picture to be gathered.
- (2) Supply Chain – SPT does obtain goods and services following full European tendering procurement exercises. Key suppliers will undoubtedly also contract with European suppliers. Understanding the supply chain and exposure to price changes and delivery arrangements should Britain exit the single market and customs is essential.

SPT has already revised contracts to include a suitable clause minimising the implications as far as reasonably possible. However, many contracts were put in place prior to the decision to leave the European market.
- (3) European Funding – SPT does not currently receive any European funding in support of projects, and therefore this risk does not exist. However, SPT has previously sought and received funding from European Structural Funds, including ERDF. This loss of potential funding in future will result in an increased call on central resources in support of SPT infrastructure projects.
- (4) Digital Impact – the recent GDPR permits the transfer of data outside the EU only where there is a legal basis for doing so. The UK Data Protection regime is in complete alignment with the EU's and the UK Government has undertaken to continue to allow the free flow of personal data from the UK to the EU. This, however, needs to be reciprocated by the EU. The implications for SPT are that SPT hosts part of its digital infrastructure in Europe and has assessed that this should not cause increased risk.

4. Conclusion

It is clear that the continued uncertainty with regard to the eventual outcome is affecting the organisation's ability to make confirmed plans. However, consideration of the possible implications has been undertaken with an assessment of what actions may be necessary.

5. Partnership action

The Partnership is recommended to note this report at this stage and further reports will be provided on impacts as they become known.

6. Consequences

Policy consequences	None directly, but may impact when further information is known.
Legal consequences	None directly, but may impact when further information is known.
Financial consequences	None directly, but may impact when further information is known.
Personnel consequences	None directly, but may impact when further information is known.
Equalities consequences	None directly, but may impact when further information is known.
Risk consequences	None directly, but may impact when further information is known.

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