Fforwm Cymdeithas Sifil Cymru ar Brexit

Wales Civil Society Forum on Brexit

Getting Brexit Ready

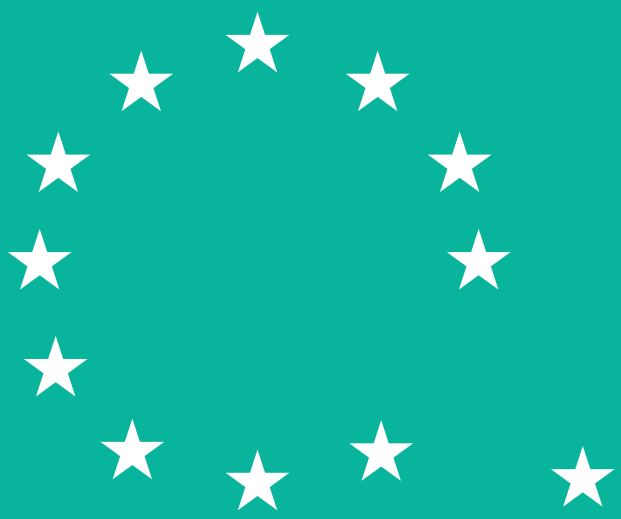
A Guide for Small to Large Third Sector Organisations in Wales

The Legal Education Foundation

Cyngor Gweithredu Gwirfoddol Cymru WCVA Wales Council for Voluntary Action

Prifysgol Caerdydd Cardiff University

Canolfan Llywodraethiant Cymru Wales Governance Centre



What is this document for?

This document is intended to help civil society organisations in Wales assess the risks of Brexit and consider potential preparations. It is intended to cover a variety of possible outcomes including exiting with and without ('no-deal') a withdrawal agreement and to aid organisations with potential scenario mapping.

In the event of a no-deal scenario, a lot will change very quickly. If the withdrawal agreement is secured there will be more time to prepare due to the transition period, but change will still come.

It is not possible to accurately predict all the precise implications of exiting the EU without a withdrawal agreement at this point, but contrary to some media reports, the possibilities are not binary. Even in the event of a no deal it is likely that the EU and UK would seek to 'soften' the impact with a variety of smaller agreements. See this briefing by the Institute for Government for the different types of no-deal outcomes.

Scenario Mapping and Assessing the Potential Impact for Your Organisation

Despite the spectrum of possibilities, organisations should consider planning for the extreme. This may involve an immediate end to the free movement of goods and people, new immigration and visa requirements for EU citizens living and working in the UK, potential shortages, a stronger impact on the economy and less time to apply for EU funding to cite a few.

At the time of writing, while a draft deal has been agreed, it remains uncertain whether it will survive the parliamentary process. If it doesn't the likelihood of some form of no-deal outcome will increase.

A key point to note is that even if no direct effect is experienced or expected by your organisation, you may want to assess whether it will impact on your wider stakeholders like your beneficiaries, members, suppliers, partners and public spending in your area.

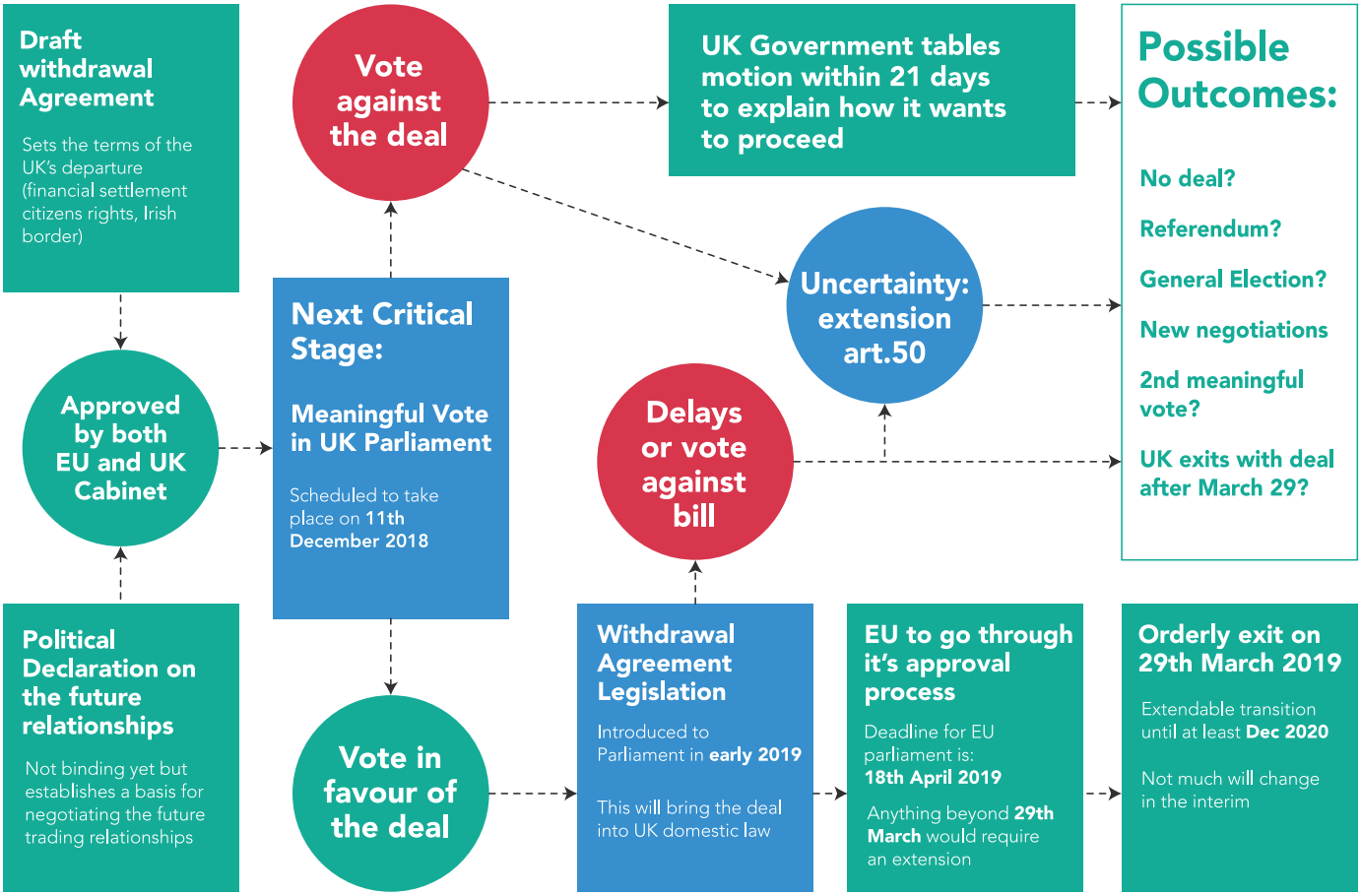
Equally you may think about whether smaller member organisations or partners have thought about this.

Even if you don't deem it necessary to take action, and prepare for Brexit (such as developing communications plans, internal audits etc.), it remains an idea to understand how you and your wider stakeholders may be affected.

A necessary part of this process is realising that time and effort will likely be put into work that may ultimately never be needed.

Possible Scenarios

The following diagram maps out some possible scenarios and highlights points to monitor which could introduce more uncertainty and lead to an unexpected outcome such as leaving without a deal.



Content

Some overarching questions you might consider include:

Have you conducted some form of Brexit risk assessment?

Is your organisation aware of the potential areas where policy and legislation may change as a result of Brexit and are you feeding into consultations and debates on these? You may want to consider changes beyond those relevant to your specific area of work like data protection.

Has your organisation done some scenario mapping to prepare for different possible outcomes? This might include no-deal scenarios, exiting with an agreement and associated transition period, further influence on the value of the pound, impact on the wider economy including on public spending, less access to the EU markets etc.

Overleaf are a series of tables covering risks and suggested questions and actions that you should consider across several areas:

1. Impact on your workforce
2. Impact on your funding sources
3. Impact on communities in Wales
4. Impact on policy, legislation and wider contexts.

1 Workforce

Do you have staff members from the EU?

Do you have staff who have family members from the EU?

Have or do you in the future, want to recruit from beyond the UK?

Risk	Impact	Questions to consider	Notes
EU Settlement Scheme	Associated cost and stress for staff and their families. Links to research on the risks to vulnerable people can be found here	• Have you / and any relevant staff familiarised yourself with the EU Settlement Scheme, the UK Government's information on this and its associated cost? • Will you support staff with this process? Do you have a communications plan? • Have you considered taking part in the pilot scheme if your organisation and staff are eligible, so as to reduce the burden later on?	
Lower EU staff morale	Impact on quality of work, staff satisfaction, knock-on impact on wider workforce morale.	• Do you have members of staff who are EU nationals? • Have you considered its impact on staff family members and how it may affect staff wellbeing and prospects in the UK? • Are you - and are they - aware of potential changes to their rights post-Brexit? • Have you had internal conversations about their wellbeing and their plans in light of Brexit?	
Loss of existing EU staff and drop in recruitment of EU staff.	Staff shortages, increased burden on the rest of the workforce, worsening of pre-existing skill shortages.	• Have you assessed your organisation's reliance on EU staff and whether Brexit will create / affect skills shortages? Are you planning for the financial impact this may have? • Have you assessed how any loss of staff and compounded recruitment difficulties would impact on the work and wellbeing of other staff members? • Have you considered the impact on the quality of your services?	
Harder to recruit volunteers from the EU	The free movement of volunteers in the EU may end.	• Have you assessed your organisation's reliance on volunteers from the EU? • Does your organisation facilitate or take part in any cross-border projects that may be impacted by restrictions to volunteer and staff mobility? • If so have you planned for new administrative requirements and fees?	
New immigration burdens on managers	Managers and HR staff will need to familiarise themselves with new immigration controls.	• Have you and relevant staff familiarised yourself with potential changes to immigration systems? • More information on this is expected from UK Government, but see this outline of the recommendations from the Migration Advisory Committee's report on EEA migration.	

2 Impact on funding sources and finances

Have you assessed how your organisation's funding sources may be impacted by Brexit? Including public donations, government funding and wider philanthropic investment?

Risk	Impact	Questions to consider	Notes
Loss of EU funding	Loss of specific funding streams; in a 'no-deal scenario' UK Government has committed to honour EU funding up until 2020.	• Have you assessed your organisation's reliance on existing sources of EU funding? Have you received EU funding in the past? • Has your organisation started planning in case EU funding is not matched after Brexit? • A no-deal outcome will mean you can only bid for EU funding up until 29 March 2019. Have you prepared for this? • See the Funding technical notices here and this factsheet by the UK Research Office. • Are you aware of and planning to contribute to the consultation on the Shared Prosperity Fund in December 2018 (possible delays until 2019)?	
Wider economic impact on organisations, businesses and public finances	Potential cuts to public spending, further strain on existing services, increased competition in bidding for contracts, impact on quality of services.	• Have you made budgetary plans for a no-deal Brexit scenario? • You may need to assess the efficiency of your organisation and explore options for improvements (use of volunteers, reducing costs etc.).	
Reduction in wider philanthropic donations and investment, particularly from within the EU	Further squeeze on organisations' budgets.	• Does your organisation rely on charitable donations? Have you projected how these may change after Brexit? • Do you receive, directly or indirectly, investment originating from the EU? There is evidence to suggest that international investment in the UK is dropping and this may concern wider philanthropic investment as well.	
Loss of humanitarian aid funding	Potential for programme termination	• If your organisation delivers humanitarian aid programmes under European Civil Protection and Humanitarian Aid Operations(ECHO) funding, have you familiarised yourself with the technical notice on this? • Depending on the circumstances (particularly if the UK based organisation is not the lead), the project may end abruptly in a no deal scenario.	
Increased transit costs	Increased costs in supply chains due to customs duties and checks at the border, costs associated with visa applications for staff mobility etc.	• Have you assessed whether you and/or your suppliers and partners are reliant on supply chains from the EU? • Does your work involve staff travelling outside of the UK? Have you planned financially for the increased administrative burden and cost?	

3 Impact on communities in Wales

Have you assessed the immediate risks of Brexit to your beneficiaries?

Have you reviewed your service offer or client offer?

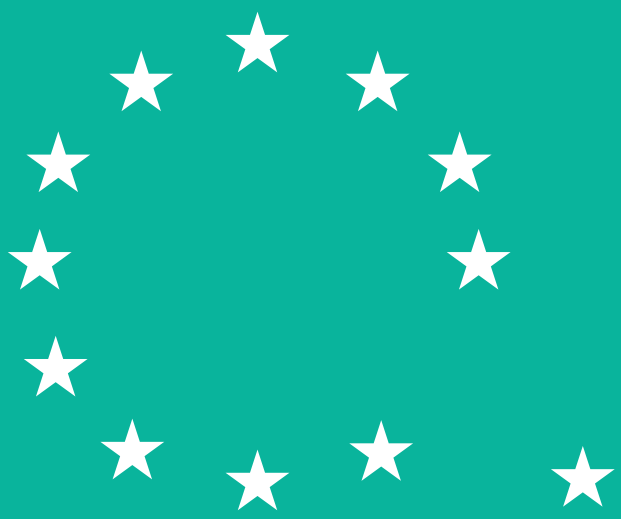
Risk	Impact	Questions to consider	Notes
EU Settlement Scheme	Cost of the application will be high for some families, wellbeing concerns, technical and physical barriers, risks of misinformation, some people may incur unnecessary expenses, criminalisation if application not submitted.	• Do you or any of your member organisations work with vulnerable people who may need information and/or support around the scheme? • Do you have a communications plan to discuss this with both staff and beneficiaries? • Are you aware that funding is being made available by the UK Government for organisations to facilitate their supporting people with the scheme.	
Strains to social cohesion	Risks to wellbeing, increased need for support, increases in hate crime and discrimination.	• Do you need to increase awareness of the support services available? • If your organisation supports victims of discrimination, have you considered whether Brexit would trigger another rise in hate crime? Disabled individuals were particularly affected by a rise in hate crime in 2016/2017. • Have you factored a potential increase in demand for services into your organisation's plans?	
Shortages of medicines and other supplies (in a no-deal scenario)	Impact on physical and mental health of disabled and vulnerable individuals.	• Have you assessed whether you and/or your member organisations work with people reliant on medicines with supply chains from the EU? • Have you seen the UK Government portal for the health and social care sector on Brexit? • Do you have a communications plan around these risks? • Have you familiarised yourself with the UK Government's continency plans for medicines and the medicines that are at risk? This information is here.	
Increased economic hardship and squeeze on household incomes	Depreciation of sterling resulting in increasing inflation and lower returns for individuals supporting families abroad, increased need for support services both statutory and third sector, risks to poorest.	• All models of Brexit are expected to have a negative impact – have you considered how this may affect your beneficiaries? • See the UK Government economic forecasts here. • Are you in a position to monitor its impact on beneficiaries? • Do you need to raise awareness with public funders of the increased need due to Brexit?	
Wellbeing risks due to harmful narratives	Fears of having to leave the UK, of being accepted, feeling alienated.	•Have you assessed whether your beneficiaries' needs will be impacted by Brexit? Brexit may have triggered fears around belonging, about staying in the UK, of discrimination.	

4 Impact on policy, legislative and wider contexts

Have you assessed whether your beneficiaries' rights and relevant standards are at risk?

Do you use EU-wide networks, research and data?

Risk	Impact	Questions to consider	Notes
Loss or less access to EU Networks and infrastructure	Weakening of influence channels at the EU level, loss of access to data and information sharing mechanisms.	• Does your organisation participate in any European networks? • If so – have you considered whether access to these may be lost after Brexit? • Is participation in these dependent on the receipt of funding from the EU? Have you looked for alternatives? • Have you started a dialogue with European partners about continued relationships after Brexit? • Have you factored in potential future barriers to mobility? • The UK may not have access to EU data sharing facilities.	
Changes to human rights, equality, labour, and environmental standards	Long-term potential for weakening of human rights and standards and/or not keeping up with developments in the EU (for example: accessibility for disabled individuals).	• Are you monitoring the policy spheres relevant to your organisation and feeding into current consultations and debates at the Wales and UK level? • Are you voicing your aspirations for standards to continue to progress after Brexit? A summary of concerns expressed by organisations within the Forum's events can be found here.	
Statutory Instruments	Potential for negative impact on standards through 800-1000 instruments which are difficult to scrutinise.	• How will you coordinate scrutiny through your networks, and share information? • The list of statutory instruments is available here.	
Delays to planned reforms	Due to limited parliamentary and governmental capacity, work on other projects may be delayed due to Brexit.	•How will you seek to influence this? Will it be through your usual channels? •How will you maintain awareness of your current and future agendas?	
Increased market competition due to trade policy	UK Government trade policy and new agreements may alter the state of local and national markets, increasing competition and affecting standards.	• Has your organisation considered that future trade policy may have an impact locally? This may be particularly the case for food and farming standards, for example. • This will be especially the case in rural areas; increased pressure on farming and agriculture may have wider ramifications, increasing the need for support provided by third sector organisations.	



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For more information and resources see www.brexitforumwales.org

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