

Board of Directors (in Public)

Item 3.1

Subject: Assurance update on Brexit EU Exit – Contingency Planning
Date of Meeting: 4th September 2018
Prepared by: Robin Wiggs, Assistant Director – Business Development
Presented by: Robin Wiggs, Assistant Director – Business Development
Purpose of Report: To Note

BAF Ref	Impact on BAF
3.7	The report provides assurance that contingency planning processes are in place to mitigate the risks associated with the implications of exiting the European Union

1. Executive Summary

This paper updates the Board of Directors on the current risk assessment and implications for the Trust, arising from the UK's Exit from the EU - scheduled for 29th March 2019. It also updates the Board on the national guidance that has been received as well as local, regional and national contingency measures to mitigate the possible effects of a no-deal exit.

This paper builds upon the detailed Trust risk assessment and outline of the legislative process for EU Exit that was received by the Board of Directors in September 2018, and this is included in appendix 1. The Trust contingency planning group has met monthly since, and provided regular updates to Operational Board.

Given the national and local contingency planning that is in place for the continued supply of NHS material, and the relatively low numbers of EU nationals working in the Trust, the corporate risk register item has been maintained at a score of 12.

2. Background

The UK is scheduled to Exit the EU at 11pm on 29th March 2019, "Exit day". A negotiated withdrawal agreement has not yet been concluded and the parliamentary process is not complete. It is likely that there may be an extension to Exit day to complete the legislative changes required to enact a withdrawal agreement, should agreement be reached.

Notwithstanding this uncertainty, there remain two broad possible outcomes for the UK's exit:

- A negotiated withdrawal agreement with a 21-month transition period, during which EU law continues to apply to the UK. In this scenario, very little changes from a Trust perspective on Exit day.

- A no-deal exit with no transition period, which may be mitigated in part by a range of individual agreements in specific areas to mitigate the impacts – eg over citizens rights or reciprocal healthcare rights. This outcome could have significant implications for the Trust.

Given the current position of negotiations, the prospect of a no-deal exit has increased in recent months, and the NHS enhanced its contingency planning in December 2018.

All EU exit planning guidance and correspondence for the NHS published by the UK government can be found here: <https://www.gov.uk/government/collections/planning-for-a-possible-no-deal-eu-exit-information-for-the-health-and-care-sector>

3. National Contingency Arrangements

The Department for Health & Social Care (DHSC) have implemented a dedicated national and regional contingency planning structure to run alongside the normal Emergency Preparedness, Resilience and Response structure. It will operate a tiered escalation and response model appropriate to the scale and significance of any impacts that arise.

There is a National Operational Response Centre for the NHS and social care established in the DHSC in London to manage cross-government activities. This is supported by a National EU Exit Co-ordination centre for the NHS in Leeds, and regional EU exit co-ordination centres in each of the NHS regions. The Trust is linked into the communications of the regional centre for NHS North/NorthWest.

National NHS contingency planning has focussed on:

- Securing additional dedicated and prioritised NHS freight capacity and alternative routes to mitigate any delays on Channel shipping routes. Three quarters of medicines and half of medical devices used by the NHS have an EU touch point, and the majority of these goods enter the UK via the Channel ports.
- Securing national buffer stocks of medicines, medical devices and clinical consumables to mitigate any delays in import from the EU. The NHS is being instructed not to stockpile locally as this may create supply problems that wouldn't otherwise exist. NHS organisations are expected to communicate and provide mutual aid in the event of any supply problems. Business As Usual contingency arrangements are to be deployed to manage any shortages.
- Supporting providers to assess and mitigate any remaining risks locally. The Trust has engaged in these activities since August 2018.

There will be a requirement for monitoring and sitrep reporting nationally and regionally in the event of a no-deal exit.

4. Impact areas of no-deal.

Following national guidance, the Trust has considered the possible impact of a no-deal Exit in the following 9 areas. This work builds upon the risk assessment presented to the Board in September 2018 (appendix 1), and the position set out below reflects the latest information from NHS England/DHSC set out on 12th February.

1. Supply of medicines

Manufacturers are maintaining a 6-week buffer of prescription only medicines, pharmacy supplies and unlicensed medicines. The additional dedicated and prioritised NHS freight capacity that has been secured is equal to the total current NHS capacity. Air freight has been secured nationally for short-life products. Legislation is before parliament for serious shortage protocols to enable pharmacists to dispense alternative medicines in the event of shortages, without recourse back to prescribers. For reference the NHS is currently managing in excess of 80 medicines shortages that are not related to EU Exit, and is experienced in these contingency arrangements.

No supply issues have been identified for LHCH, providing the national contingency arrangements operate effectively. There are concerns about continued access to the falsified medicines database in Brussels following the implementation of the Falsified Medicines Directive in February 2019; however this will not have an operational impact upon pharmacy.

2. Vaccines and Public Health England

A buffer supply of 2-3 months of nationally procured vaccines has been secured in UK warehousing. A further buffer of 6 weeks supply of locally procured vaccines has been secured. PHE outbreak management will operate as usual. National and WHO surveillance systems will continue to be in place, but participation in EU surveillance systems will not be in place unless or until an agreement is in place.

No issues identified for LHCH. Supplies of flu vaccines for winter 2019 will be ordered as usual in April.

3. Clinical Trials and research.

Clinical trials will continue as normal. Dedicated NHS freight lines can be used for the supply of investigational products. UK government has underwritten existing research funding until 2020.

There is no immediate impact upon the Trust, and ongoing schemes such as Ritmcore have been confirmed as no-impact. However, reduced access to research grant funding from the EU may impact upon our strategy to increase future research activities at LHCH.

4. Medical Devices and Clinical Consumables

A centralised stock of 6 weeks supply of NHS Supply Chain managed products has been established. Similarly, supplier-preparedness covering the top 80% of the remaining NHS product categories has been established nationally. DHSC are engaged in an open-book exercise with suppliers and have described supplier-resilience as “impressive”.

The Trust has reviewed all of its suppliers using the national tools, and has not identified any significant concerns about the supply of medical devices or consumables – providing the national contingency measures are effective. Clinical divisions have been requested to ensure that normal stock levels across all lines are in place in March and maintained through Exit day. An additional 3-day lead time for consumables has been advised by NHS Supply Chain, and the Trust’s supplies team are putting in place arrangements for deliveries to be received outside of normal working hours if needed, and/or in conjunction with the Broadgreen supplies team.

5. Non-clinical consumables

Non-clinical consumables suppliers have been contacted and assessed for resilience by the Trust – eg patient food, IT hardware, printer cartridges. No concerns have been identified to date. Maintenance contracts have also been assessed and key suppliers have confirmed no concerns. There may be a risk to the delayed supply of parts for medical equipment, and NHS England have been asked to confirm that these items may also be sent via the dedicated NHS freight channels should it be needed.

6. NHS Blood & Transplant

UK is self-sufficient in almost all areas. No problems anticipated for LHCH services. The resilience of the supply of our tissue valves is still being assessed.

7. Workforce

The Trust currently employs 63 EU nationals, slightly less than 4% of the total workforce – the NHS average is 5%, varying from 2% in the North-East to 13% in London. The number of EU nationals in the LHCH workforce has increased since the referendum in June 2016.

Of this group of staff, 29 are Irish citizens with permanent residency and employment rights. The remaining 32 colleagues are spread across all professional staff groups:

Staff Group	Heads
Medical and Dental	11
Nursing and Midwifery Registered	11
Allied Health Professionals	5
Add Prof Scientific and Technic	2
Additional Clinical Services	1
Administrative and Clerical	1
Estates and Ancillary	1
Grand Total	32

The Trust has participated in the Settled Status pilot since the autumn and has encouraged and supported staff to apply for settled status. The UK government has confirmed that settled status will be available to existing EU nationals living and working in the UK in the event of a no-deal exit. Divisions are aware of and in touch with all of our EU national staff. The Trust has a successful recruitment record for domestic and non-UK staff. Consequently, the Trust continues to assess workforce as a low risk in the event of a no-deal exit.

8. Reciprocal healthcare rights and Overseas Visitors

Further national guidance is expected shortly. In a no-deal scenario, existing reciprocal healthcare rights will cease on 29th March unless or until bilateral agreements are in place. Negotiations in this area are ongoing with a number of EU countries.

There are currently 890,000 UK nationals benefitting from reciprocal healthcare agreements in the EU, many of whom may return to the UK if these rights cease. The Cabinet Office has projected the increased demand on the NHS of these returners as equating to an increase of 0.3% spread across

the country and up to 2021. This is similar to the increase in demand the NHS experiences on a typical winter day. It is unlikely to have a significant impact upon LHCH services, and would be tariff-bearing activity.

NHS services are free to anyone who is ordinarily resident in the UK, regardless of nationality. Therefore, it is possible that a larger number of EU nationals visiting the UK would be subject to charges for NHS care in future, and liable to payment directly rather than via government-to-government mechanisms. Subject to the national guidance arriving, further communications with LHCH staff on this matter will be made prior to Exit day.

9. Data

On 29th March, the UK becomes a third country for GDPR purposes without an “adequacy” decision. This restricts UK access to databases containing sensitive information (ie personally identifiable) that are held within the EU.

An assessment of the impact upon the Trust has been undertaken, and no issues have been identified. All of our core patient databases (PAS, EPR, CareCube, etc) are not reliant upon access to EU data. In terms of software support or access to our data, the UK has recognised that EU countries have adequacy.

It is possible that access to research data held in the EU may be an issue for the Trust, and further work is ongoing in this area.

5. Local Contingency Planning

The EU Exit Contingency Planning Group has met monthly since August 2018, and contains representation from clinical divisions and all corporate functions. The group has risk assessed all areas as outlined above, and reported to Operational Board and Executive Committee on a regular basis. The group reviews the corporate risk register item and departmental business continuity plans

As of February 2019, the group will meet weekly to continue to review national guidance as it is received, to monitor the operational readiness of the Trust and to implement any contingencies as required.

The risk register item was reviewed on February 21st and maintained at a score of 12.

6. Recommendations

The Board of Directors is recommended to:

1. **Note** this update on the current risk assessment and contingency planning relating to the UK's Exit from the EU, and that further updates will be provided as required.

Appendix 1

September 2018 – Board Paper