

REPORT TO: POLICY AND RESOURCES COMMITTEE - 10 JANUARY 2022

REPORT ON: BREXIT UPDATE

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 2-2022

1. PURPOSE OF REPORT

1.1 This report updates members on the latest issues, risks and opportunities arising from the UK's departure from the European Union. It also seeks approval for a strategy and roadmap to guide work going forward.

2. RECOMMENDATIONS

2.1 It is recommended that members:

- (i) note the updates included in the report, in particular the updated risk and opportunities register referred to in section 5.1 (a) and attached as Appendix 1;
- (ii) approve the post-Brexit Strategy and Roadmap referred to in section 5.1 (b) and attached as Appendix 2;
- (iii) remit officers to continue to support EU citizens who need advice and assistance with late applications to the EU Settlement Scheme and with any consequences of not having obtained settled or pre-settled status; and
- (iv) remit officers to continue to look for opportunities to maximise funding for the city from any replacements for EU funds.

3. FINANCIAL IMPLICATIONS

3.1 There continue to be significant financial and operational risks for the Council associated with the UK's departure from the EU, which are difficult to identify separately from, but are likely to exacerbate, the financial issues caused by COVID-19. These are being actively monitored by officers.

3.2 Impacts will continue to be assessed and reported to Committee as further information on the consequences of the UK's new relationship with the EU becomes known.

4. LATEST DEVELOPMENTS

4.1 Impact of Brexit on the Economy

4.1.1 On Budget Day, the chair of the Office for Budget Responsibility said that the impact of Brexit on the UK economy will be worse in the long run than the pandemic. He said recent data was "broadly consistent" with the OBR's assumption that leaving the EU would "reduce GDP by around 4% in the long-term, while forecasts showed the pandemic would reduce GDP "by a further 2%".

4.1.2 Particular sectors of the economy continue to be affected by labour shortages. Locally, addressing this issue will be a focus for the Council's employability programmes. There has been particular concern expressed elsewhere about the possible impact of Brexit on the health and social care workforce. In Dundee, officers report that there are staffing pressures across health and social care providers but these are attributed to wider recruitment and retention issues (eg regarding terms and conditions within the sector) rather than specifically to Brexit.

4.1.3 A survey by the Institute of Directors in November found that almost half of UK businesses which had traded with the EU before Brexit are doing less trade with the EU27, or have stopped

entirely. The survey also showed that 16% of British businesses which trade with the EU “have already decided to move some or all of their EU operations to inside the single market because of Brexit”. However, according to the Office for National Statistics, exports to the EU have stabilised and are now around the same level as they were when the UK left the Single Market and Customs Union. Imports from the EU are still below December 2020 levels.

4.1.4 In addition to a dispute between the UK and France about fishing rights, there continues to be ongoing tension about the operation of the Northern Ireland Protocol. The EU has put forward proposals which would reduce the number of checks on goods going from the UK to Northern Ireland but the UK Government is still looking for more fundamental changes to the Protocol. There has been speculation they may invoke Article 16 which allows parts of the Protocol to be unilaterally suspended if they are causing serious difficulties. The EU has said that triggering Article 16 would have serious consequences. Talks are intensifying and appear to be focusing initially on the supply of medicines which could then be a blueprint for a wider deal. On wider trade issues, the UK Government postponed the border checks on imports of animal products from the EU which were due to come into force on 1 October. These have been pushed back into 2022.

4.1.5 A recent report to COSLA Leaders provided an update on impacts of exit from the EU, focussing on four key areas related to trade and cross-border movement:

- economic and financial impact of the new trading relationship
- supply of goods and materials
- regulatory services
- EU migration and population

It noted that Councils have increasingly mainstreamed risks relating to Brexit into local resilience, and worked to mitigate impacts concurrently alongside COVID. While it is difficult to identify impacts specifically resulting from leaving the EU, due to the pandemic, it is widely suggested that the UK is still in the early stages of experiencing impacts associated with Brexit, with the full effect uncertain. There continues to be concern that Brexit has the potential to further compound existing financial and demographic challenges as well as disproportionately impact vulnerable communities. In preparing for EU exit, 20 high level risks were identified by COSLA, Councils and SOLACE, which COSLA has been reviewing through discussions with Council Officers. Covering local economies, infrastructure, citizens and welfare, workforce and demographics, goods and supply chains and regulatory services, these risks remain relevant although it is not yet fully clear to what extent. Leaders have agreed to the scoping of an Economic Impact Assessment of exit from the EU and the withdrawal deal, which is likely to cover financial impacts on Councils, the high risk areas (financial, regulatory, import/export and migration) and a Labour Market Trend analysis. The assessment will be completed later in 2022.

4.2 Procurement and Supply Chain Issues

4.2.1 A key issue affecting the Council and wider economy remains the supply chain for construction materials, which has been subject to unprecedented disruption through a combination of the pandemic and Brexit. Shortages of construction materials are forecast to continue for the foreseeable future, with longer lead times and steep price increases continuing to impact the supply chain. This represents a significant risk to delivery of the Council’s capital programme as well as wider construction-led recovery and planning to tackle the backlog of maintenance and repair programmes now permissible with the easing of restrictions.

4.2.2 Scotland Excel report the following causes of disruption:

- Inflated stock levels were in place in the run-up to Brexit in 2019 but are now exhausted.
- The pandemic caused closure of the sector, which was followed by a huge surge in demand both from construction-led recovery and people doing home improvements.
- With a heavy reliance on imports, Brexit exacerbated the already difficult conditions by adding complexity at ports.
- Logistics have played a part with containerised transport impacted by COVID, international disruption to supply routes and reducing haulage capabilities in the UK.

- The UK is a less attractive market than before due to complexity of trading across borders, and our traditional supply chain is being utilised by the US, where prices are in excess of UK pre-pandemic rates for materials.

4.2.3 A wide range of building and timber materials have been impacted, with prices increasing by around 20% since the beginning of April 2021. The impact on suppliers and distributors has resulted in monthly requests for increases - the Scotland Excel procurement framework has previously been subject to six-monthly fixed pricing - and lead times have been extended significantly, from 4-20 weeks dependant on the products. Suppliers have warned that several key product lines are on allocation, suspended or in very short supply including plywood, cement and roof tiles. There is widespread concern about financial standing of suppliers and ability to progress capital programmes, and members have advised Scotland Excel about the need to:

- Delay some works due to pricing volatility or material availability.
- Prioritise a range of maintenance, repair and emergency works.
- Secure funding for works which cannot be rescheduled and require higher budgets due to materials costs.

4.2.4 To attempt to mitigate these issues, Scotland Excel has taken the following steps:

- Established a short life working group to discuss shared experiences, risks and mitigation.
- Reclassified Building and Timber Materials to ensure a more intensive approach to contract management with frequent engagement with suppliers and members.
- Managed price negotiations to balance the need for sustainable rates while securing access to materials.
- Cleansed and shared data to inform local demand planning. There were some early discussions at a national level on demand planning and resource allocation, but these options were ruled out as ineffective in the circumstances.
- Monitored markets and shared intelligence and recommendations with stakeholders.

4.2.5 Next steps by Scotland Excel will include:

- Continue intensified engagement with members and suppliers.
- Engage externally with COSLA, CSIC, Scottish Enterprise and Scottish Government to share experience and offer intelligence for national response.
- Develop a Construction Materials in Local Government paper to advocate for the sector.
- Explore opportunities eg development of local Scottish supply chains and manufacturing capability, alternative lower carbon materials/reduction in the embodied carbon of materials and the building of supply chain resilience.
- Continue to engage with the national Materials Shortage Working Group chaired by the Minister for Business, Trade, Tourism and Enterprise, the Scottish Government Supply Chain Development Forum and its membership.

4.2.6 In addition to construction materials, there are general difficulties with the supply of IT equipment and a number of Councils reporting in to the COSLA Brexit group have also highlighted shortages in relation to food supplies for school meals and enablement equipment such as walkers and zimmers. It remains difficult to unpick the specific impacts of Brexit from a range of other factors such as COVID and other global supply chain issues, but the local position on these items is:

- Tayside Contracts have experienced supply issues with some food products. The most significant is with the availability of sliced bread but there are also issues with tinned fruit, cheese, salmon fishcakes, veggie bites, cake mixes and garlic puree. So far, these issues have not been insurmountable but the process of identifying/sourcing alternative products and checking for and circulating information on allergen implications is time-consuming, especially when there can be little or no notice from suppliers that an item is out of stock.
- The Community Independent Living Service reports that there have been delays in obtaining supplies of equipment made from tubular steel (currently re bariatric 3 & 4

wheeler mobility aids) due to a shortage in supplies reaching the UK. Air mattresses are also currently difficult to obtain.

4.3 Citizens

- 4.3.1 The latest available statistics from the Home Office on applications to the settled status scheme and outcomes at local authority level are based on applications up to 30 September 2021. By that date, 9,250 applications had been made by Dundee residents compared to the December 2020 figure of 7,900 applications. By 30 September 2021, 4,840 Dundee residents had been awarded full settled status and 4,010 pre-settled status, with 130 applications refused, 160 withdrawn or void and 110 described as invalid. Officers will continue to promote the possibility of late applications to the settled status scheme through the website, social media etc.
- 4.3.2 The Council has some responsibilities in relation to looked after children who are EU citizens, in conjunction with their birth parents where applicable. To date, the Children and Families service has identified 10 looked after children who are eligible to apply for settled status. In none of these cases does the Council have parental responsibility for the child, so the service's role has been to support and encourage parents to make applications. Those children and families continue to be supported in the process with expert advice from an International Organisation for Migration caseworker. As at October 2021, 1 child had been given settled status, 3 had been given pre-settled status, 3 were awaiting a Home Office decision and 3 applications had still to be made. Awareness has been raised among social work managers to ensure that any further EU children who come into our care will also be supported through the EUSS process if appropriate. In addition, the Council's Throughcare and Aftercare Team keeps in contact with many care leavers until they are 26 and has communicated information about the EUSS in response to concerns expressed nationally about a low take-up of the scheme among those who have left care in recent years.
- 4.3.3 A key issue moving forward concerns what happens to people who haven't secured settled or pre-settled status. One of the early issues is eligibility for benefits. In July, the Home Office wrote to EU citizens in receipt of benefits who had still not applied by the deadline. Those who failed to respond were referred to the Department for Work and Pensions (DWP), which issued a further letter to claimants in September encouraging them to apply for EUSS before suspension action was taken. Council Advice Services have not been asked directly to assist with any late applications to the scheme but they have been involved with two 'no recourse to public funds' cases where late EUSS applications have been made and the team are looking to support these applicants and are regularly checking to see whether there is any information on a decision in each case. The Home Office and DWP initially provided a list of claimants who had yet to apply to the EUSS and were at risk of losing benefits. However, it transpired that the list had been incorrectly shared by DWP and the Council was required to delete all copies received and confirm this back to DWP formally. Of around 30 cases listed, Advice Services could only act on two of those of whom they were already aware, and the outcome of their applications is awaited.
- 4.3.4 In November, the DWP issued new guidance on claimants without a status under the EUSS. It clarified that, although the grace period has now ended, the EU/UK Withdrawal Agreement provides transitional protection for certain EEA and Swiss nationals and their family members, which will enable them to access benefits where they have a pending application to the EUSS or appeal against a refusal decision. This means that they can continue to reside and access benefits as they did before the end of the grace period. Decision makers should ensure that reviews are set for these claimants to check when they are finally granted status. In addition, the DWP says that it has adopted a 'pragmatic approach' in dealing with claims for claimants who are yet to submit their EUSS application, or have submitted it but are not in scope of the Withdrawal Agreement. Such claimants are being contacted and encouraged to submit their EUSS application as soon as possible and in any event within a specified deadline or risk having their claims suspended or as a last resort terminated. However, where claimants are not already in receipt of non-contributory benefits, if they have submitted their EUSS application late and are not in scope of the Withdrawal Agreement, they will only be eligible for non-contributory benefits once they have been granted EUSS leave by the Home Office.

- 4.3.5 Officers will continue to put relevant updates and signposting on the Council's web pages and continue to liaise with partner agencies, including the third sector, to support anyone needing assistance with a late application.

4.4 Funding

- 4.4.1 In the 2014-2020 programme of EU funding, Dundee City Council secured around £6.9 million to support projects such as advice services, employability, smart cities, low carbon transport and active travel. Between 2005 and 2015, Dundee benefited from European grants of around £11 million. Because of this, a priority for the Council has been to seek to influence the size and shape of the funding programmes which are due to replace EU structural funds once the Treasury Guarantee for existing projects ends.
- 4.4.2 Since the last update report, the Chancellor's Budget has revealed the first details of the long-awaited UK Shared Prosperity Fund which will initially be worth over £2.6bn across three years, with funding rising to £1.5bn a year by 2024/2025. The Chancellor said the Fund will at least match the EU scheme it has replaced in each nation each year. There is a strong emphasis on 'skills and employment focused programmes', with £560 million already committed to a programme called 'Multiply' which will run across the UK and is intended to reach hundreds of thousands of adults who struggle with numeracy skills. Further details of the criteria for the Fund and how it will be allocated are awaited.
- 4.4.3 The successful projects in the first bidding round for the Levelling Up Fund and the Community Renewal Fund were also announced, with Dundee being successful with one of its five bids for the latter, for Elevator Enterprising Communities. The successful bid was for a project worth £346,000 which will focus on entrepreneurship in communities, specifically in Stobswell and Lochee. A transport-related bid for Dundee is currently being prepared for the next round of the Levelling Up Fund.
- 4.4.4 The department tasked with taking forward these funding programmes has been rebranded the Department for Levelling Up, Housing and Communities. In the House of Lords, a Minister for that Department said the UK Government was seeking to consolidate the Levelling-Up Fund and the UK Shared Prosperity Fund, with the Levelling-Up Fund being for capital projects and the Shared Prosperity Fund for "more revenue-based projects".
- 4.4.5 The team based in City Development with responsibility for seeking external funding for the Council has been strengthened with the recruitment of two additional members of staff.

5. AUDIT IMPROVEMENT ACTIONS

- 5.1 Following an audit of the Council's preparations for the consequences of Brexit, improvement actions were developed and implemented as follows:
- (a) Risks and opportunities - monitoring of risks has been formalised and the risk register and opportunities log has been merged into a single document - see Appendix 1. Updates on all the items in the risks and opportunities register will be requested before each meeting of the Brexit Advisory Team and all possible action taken as required.
 - (b) Strategy and roadmap - to ensure that all relevant issues continue to be addressed, a Post-Brexit Strategy and Roadmap has been developed and is attached as Appendix 2. Subject to Committee's approval, this document will form the basis for the work of the officers' Brexit Advisory Team going forward.

6. POLICY IMPLICATIONS

- 6.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no significant issues.

7. CONSULTATIONS

7.1 The Council Management Team and Brexit Advisory Team were consulted in the preparation of this report.

8. BACKGROUND PAPERS

8.1 None.

GREGORY COLGAN
CHIEF EXECUTIVE

DATE: 16 DECEMBER 2021

BREXIT RISK AND OPPORTUNITIES LOG (Reviewed late November 2021)

RISKS

Risk	Specific Area	Explanation of Risk	Impact/Consequence	Inherent			Control Measures / Mitigations	Residual			Control Gaps / Actions	Owner / Latest Review Date	Status (Ongoing / Closed)
				Likelihood	Impact	Total		Likelihood	Impact	Total			
1	Economic and Financial 1a) Risk to the local economy	<p>1. Short-term uncertainty may lead to slow down in economy, and Brexit could have a longer-term impact on the viability of businesses with an effect on local employment levels. This will be particularly the case if the new trade arrangements between the UK and EU act as a barrier to trade by increasing workload and costs for exports/imports.</p> <p>2. Academic institutions are an important part of the local economy and Brexit may have adverse impacts on research funding and on students/staff.</p>	<p>1. Economic uncertainty may lead to lack of investment in short-term, and there are longer-term concerns about access to markets, retention of staff, changes to regulations and cost/availability of supply chains which could all affect local businesses and employment levels. This could also impact on the Council's ability to lease, and income from, commercial properties.</p> <p>2. There are concerns about the impact of less students and staff from EU countries and a loss of funding for academic institutions.</p> <p>3. Increased unemployment and potential skills gaps.</p>	4	5	20	<p>1. City Development have worked with the Chamber of Commerce and Business Gateway to raise awareness among local businesses through information and events and encouraged businesses to plan using Scottish Enterprise 'Prepare for Brexit' resources. Advice and support continues to be available after the end of the transition period. Chamber of Commerce recruited additional staff resources to support export documentation and also assist in wider preparedness work and provide training, and we continue to help raise awareness of this support.</p> <p>2. Information for businesses has been put on the Council's website and has been promoted on social media. Businesses have been signposted to Scottish Enterprise self-assessment toolkits and grants available to support preparations and dealing with new trade arrangements. Impacts on the economy and investment are being monitored.</p> <p>3. The Council has lobbied on immigration policies to try to protect recruitment of skilled staff in key economic sectors such as digital and hospitality, and has lobbied on issues raised by Universities/College.</p> <p>4. Officers are involved in SLAED and ESEC information gathering and lobbying, as well as participating with service-specific professional networks.</p>	3	5	15	<p>1. Some analysis was done based on work by Glasgow but no detailed economic impact has been carried out. Extent of local business preparations in advance of new trade arrangements was thought to be low.</p> <p>2. Work to mitigate issues arising from Brexit and take advantage of any opportunities has been rolled into wider plans for economic recovery from COVID-19.</p> <p>3. Continue to signpost businesses to ongoing support from Chamber of Commerce, Business Gateway, Scottish Enterprise etc.</p> <p>4. Universities report less applications from EU countries, so impact on the diversity of students, but no overall decline in applications.</p>	Rory Young City Development	ONGOING
1	Economic and Financial. 1b) Risk to Council finances	<p>1. Inflationary pressures due to increased business costs, currency fluctuations and interest rates could affect the Revenue Budget.</p> <p>2. Cost of projects in Capital Plan could rise due to any increase in costs of labour and materials.</p> <p>3. Any shrinkage in the overall economy could result in reduced public expenditure including funding for Councils.</p>	<p>1. Council budgets (and those of the IJB/H&SCP) could overspend – they are already under pressure and this could be exacerbated by increases in revenue or capital costs. In addition, a range of senior officers are spending significant amounts of time on Brexit planning, responding to information requests etc.</p> <p>2. Potential funding gaps and/or cost pressures.</p>	4	5	20	<p>1. Finance officers have undertaken an assessment of a range of scenarios, including price rises and interest rate fluctuations. Scotland Excel are reporting on cost/supply issues, with particular concern about construction materials.</p> <p>2. Cash flow monitoring will pick up emerging issues and risk factors to be taken into account in medium/long-term financial planning. Work is ongoing to review the impact on capital programmes.</p> <p>3. Monitoring of costs of staff time engaged in Brexit planning takes place and is fed to COSLA to support bids for extra funding.</p>	4	5	20	<p>1. Difficult to predict extent of impacts and no specific contingency has been built into budgets for this, although the Council's general reserves have increased as a result of COVID-related funding that was not fully utilised in 2020/21.</p> <p>2. Heads of Finance, Procurement and Construction are monitoring impact on capital projects of price and supply issues affecting building supplies.</p> <p>3. Continue dialogue with Governments and COSLA.</p>	Paul Thomson Corporate Services (Finance)	ONGOING

Risk	Specific Area	Explanation of Risk	Impact/Consequence	Inherent			Control Measures / Mitigations	Residual			Control Gaps / Actions	Owner / Latest Review Date	Status (Ongoing / Closed)
				Likelihood	Impact	Total		Likelihood	Impact	Total			
3	Regulatory changes 3a) Environmental Health / Trading Standards	1. Changes in regulatory frameworks could impact on services and add to workload.	1. There may be changes to the legislation/ regulations which the Council enforces (eg on environmental health, trading standards) adding to workloads.	3	4	12	1. Services have been asked to identify issues, including any intelligence from relevant professional bodies. 2. Officers will continue to link into COSLA and service-specific professional networks which will consider the impact of any changes to regulations/legislation as and when they become clearer. 3. Key issue to date concerns Export Health Certificates for businesses exporting animal-based products and COSLA have submitted business case for additional resources support including a bid from Dundee.	3	3	9	1. Further issues may become apparent as practical consequences of the new relationship between the UK and EU become clearer and standards on things like food may begin to diverge. 2. The impacts of Brexit are still relatively neutral since we don't have any exporters of products of animal origin in Dundee.	Lindsay Matthew Neighbourhood Services (Community Safety) Reviewed 30/11/21	ONGOING
3	Regulatory changes 3b) Data Protection and IT	1. Changes in regulations on data could impact on how the Council operates.	1. There may be changes to the legislation/ regulations which affect how the Council operates (eg data protection/GDPR).	3	3	9	1. Data adequacy decision has been given by EU which reduces concern about data sharing, although this will be reviewed if data protection standards diverge.	2	2	4	1. Issues may arise in future if the UK diverges from EU standards on data protection. The UK Government has already put out a consultation around changes to data protection, which, if passed, would be reviewed by the EU in relation to adequacy. However, a consultation is a long way from any change in legislation and the next adequacy review. The only mitigating option would be to ensure that no data goes to the EU and all existing/new software and contracts ensure that the data is UK based - which is probably too much of an extreme and potentially not practical.	Ian Smail Information Governance Reviewed 30/11/21	ONGOING
4	Risk to Council workforce	1. Employees who are EU citizens may not apply for settled or pre-settled status and could lose their right to live, work and access public services in the UK. 2. New immigration rules may make it harder to recruit suitable staff to posts.	1. If staff leave jobs and less EU citizens seek jobs in future, this may result in staffing issues, with particular concern about areas such as social care and teaching previously flagged by other Las 2. Some professional qualifications will no longer be automatically recognised in the UK which may cause recruitment challenges	3	3	9	1. Communications to all staff (through emails, the intranet and the Chief Executive's blog) have assured employees who are EU citizens that we want them to stay and have signposted them to information. 2. Employees have been encouraged to update their nationality records on MyView to allow direct communication and assessment of impact. 3. Initial assessment is that risk to services is low due to numbers relevant to turnover and ability to manage this through workforce planning, especially given the rate of applications to the settled status scheme. 4. Health and Social Care Partnership have contacted care providers who are commissioned to provide services on the Council's behalf - no issues identified yet but this will continue to be monitored in case issues only emerge in medium-term. 5. HR have renewed Council's sponsorship licence to allow recruitment of staff from outside UK where appropriate.	2	2	4	1. Full information on number of EU citizens in the workforce is still not available but believed to be relatively low. 2. Continue to promote EUSS including late applications. 3. Revise recruitment procedures in line with new rules.	Elaine McKay Corporate Services (HR) Reviewed 30/11/21	ONGOING

Risk	Specific Area	Explanation of Risk	Impact/Consequence	Inherent			Control Measures / Mitigations	Residual			Control Gaps / Actions	Owner / Latest Review Date	Status (Ongoing / Closed)
				Likelihood	Impact	Total		Likelihood	Impact	Total			
5	Risk to EU citizens - general	1. EU citizens need to apply for settled or pre-settled status to retain their right to live, work and access public services in the UK.	<p>1. Number of EU citizens in Dundee has been a major factor in reversing population decline and contributing to the vibrancy of the city.</p> <p>2. Post 2020 there may be a risk of a higher number of individuals falling into destitution because of loss of benefits and 'no recourse to public funds' restrictions as a result of failing to apply for or be granted settled status.</p> <p>3. There were suggestions in lead up to 30 June deadline that a significant number of EU citizens had not applied, but it is unclear what the immediate consequences will be for things like entitlement to benefits, eligibility for jobs, entitlement to services etc – some suggestions that issues with status may only emerge as 'life events' occur eg changing job, moving house, applying to university, though returning from visits abroad may also highlight issues at passport control.</p> <p>4. People who don't secure settled status may end up having 'No Recourse to Public Funds' but still presenting for assistance to Council services.</p>	4	3	12	<p>1. Information on Council website, use of social media, guidance issued to frontline staff, leaflets/posters distributed to wide range of community venues, flyers in Council Tax mailings and targeted information issued eg through trade unions and external care providers. Signposting to Government information and campaigns. This information campaign is continuing beyond the 30 June deadline to support people making late applications.</p> <p>2. Head of Housing and Communities taking part in Home Office teleconferences.</p> <p>3. Advice is being provided through CAB and local advice services, although opportunities for face-to-face assistance (eg the Assisted Digital Scheme which was available at Central Library) have been affected by coronavirus restrictions.</p> <p>4. Quarterly updates from the Home Office on number of Dundee applications for settled/pre-settled status are being monitored. Dundee numbers of applications appear relatively high but only estimates are available of numbers eligible so it is difficult to say who has still to apply and what their characteristics might be (eg age groups).</p> <p>5. Guidance has been circulated to frontline services and added to website on sources of advice on late applications or dealing with any difficulties experienced as a consequence of not having settled status.</p> <p>6. DWP providing information on benefit claimants who don't have settled or pre-settled status which will allow targeted approach with offer of help to apply.</p> <p>7. Working Group looking at NRP issues.</p>	3	3	9	<p>1. No way to communicate directly with all individuals who need to apply to EUSS as they have never had to 'register' their presence.</p> <p>2. Population estimates have high margin of error, making it difficult to accurately estimate % take-up of scheme.</p> <p>3. Have used 'mass' communication channels eg mail outs with Council tax bills, distribution of food parcels, messages from schools.</p> <p>4. Remains unclear who hasn't applied and what implications may be. This depends to an extent on decisions made by UK and Scottish Governments. Guidance is needed for services on how to deal with people without settled status as well as for citizens themselves.</p>	<p>David Simpson Neighbourhood Services (Housing and Communities)</p> <p>In conjunction with: Craig Mason Corporate Services (Advice Services)</p> <p>Reviewed 30/11/21</p>	ONGOING
6	Risk to vulnerable EU citizens 6a) Vulnerable adults eg older people, people with disabilities	<p>1. Particular risk related to vulnerable adults securing settled status.</p> <p>2. There may also be an issue of UK citizens returning from EU countries, especially if they have health or care needs.</p>	<p>1. There will be people who need to apply for settled or pre-settled status who lack awareness or capacity to do so, or lack evidence required to support applications.</p> <p>2. After the 30 June deadline for applications to the EUSS, there may be a risk of higher number of individuals falling into destitution because of 'no recourse to public funds' restrictions as a result of failing to apply for or be granted settled status.</p> <p>3. From July, emphasis will switch from general promotion of scheme to supporting those with grounds for late applications (which may be easier for vulnerable groups than citizens generally) and advising on any problems arising from lack of settled status.</p>	4	4	16	<p>1. Health and Social Care Partnership have been made aware of responsibilities and asked to identify anyone for whom we may have responsibility.</p> <p>2. Frontline staff have been briefed to signpost vulnerable people to assistance, and also identify any issues with 'returnees' from EU countries.</p> <p>3. More investment being made in training for advisers on Office of the Immigration Commissioner accredited advice provision.</p>	4	2	8	<p>1. No 'register' of all those who need to apply so concern that some vulnerable people may not be identified.</p> <p>2. Briefing has been sent to frontline services on where to signpost people for help with late applications or experiencing difficulties as a result of their status.</p>	<p>Diane McCulloch Health and Social Care Partnership</p> <p>Reviewed 30/11/21</p>	ONGOING

OPPORTUNITIES

Topic	Opportunity	Owner / Latest Review Date	Latest Update
Funding	Maximise opportunities for Dundee to benefit from the replacement for EU funding.	Diane Milne Reviewed 30/11/2021	The Council, through membership of ESEC and SLAED, continues to monitor announcements in relation to funding and officers will report to Committee on any opportunities to secure funding. Although some information about the UK Shared Prosperity Fund was announced in the budget, much of the detail remains unclear. The UK Government has stated that it will be delivered quicker, be better targeted, be better aligned with domestic priorities and will not be as bureaucratic as EU funding. It is anticipated that more information will be made available on the UKSPF early in 2022. 5 bids were submitted to the UK Community Renewal Fund in June 2021, and one of these was successful. Officers have contacted the Scottish based team from DLUCH who will be supporting the development of projects aiming to secure UK Government support - Levelling Up and UKSPF.
City Marketing	As COVID-19 restrictions allow, continue to promote Dundee and the wider surrounding area for 'staycations', building on the recognition for UK Staycation Destination of the Year, in conjunction with Visit Scotland and regional partners, as well as at a local level through Dundee Tourism Partnership.	Gaynor Sullivan Reviewed 30/11/2021	Initial phases focused on the Scottish market, using print and digital channels to encourage people to 'Put Dundee On Your Map' in 2021. This was supported with updates to the One City Many Discoveries website, including the latest information on opening of businesses and attractions. Further campaigns have been undertaken still focussing on the Scottish market and the next campaign will run over the festive season. Visit Dundee were successful in getting £70k and Scotland's Tay Country (regional marketing) received £40k from Visit Scotland Marketing & Destination Fund to undertake campaigns before the end of March 2022 to the Scottish, UK and Northern Ireland market.
Jobs	Lobby for any new civil service jobs relating to new trade and custom arrangements to be located in Dundee.	Caroline Morgan Reviewed 30/11/2021	To date there have been limited opportunities for this but officers will continue to monitor, explore and lobby as appropriate as potential opportunities emerge.
Skill Shortages	Take the opportunity to train long-term workless people, and those more recently affected by COVID-19 related redundancies, to fill skill shortages linked to the loss/reduction in migrant labour from the EU.	John Davidson Reviewed 30/11/2021	Both the Scottish and UK Government have made funding announcements that will provide additional resources to supplement the Discover Work Service and support for long-term workless people to re-enter the labour market. These include the Scottish Government's Parental Employment Support Scheme and Young Person's Guarantee, and the UK Government's Kickstart Scheme. The Executive Director of City Development is also working with partners regarding jobs and skills gaps for the digital economy.
Opportunities for local businesses	Monitor and support opportunities for businesses who trade primarily in the domestic economy to benefit from any reduction in EU competitors bringing goods/services into the UK.	Rory Young Reviewed 30/11/2021	This will depend on how the new trade arrangements work in practice and will continue to be monitored.
State Aid	Following EU State Aid ceasing to apply in the UK, the UK Government intends to make it easier for public authorities to provide subsidies to businesses. Monitor developments and explore any opportunities for local businesses.	Diane Milne Reviewed 30/11/2021	EU State Aid rules ceased to apply in the UK at the end of the transition period. The UK Government then introduced an interim regime based on 6 Common Principles, including subsidies must be proportionate and limited to what is necessary to achieve the objective. On 30 June 2021, the UK Government presented the draft Subsidy Control Bill to Parliament which will replace this temporary regime. The Bill aims to make it easier for public authorities to provide subsidies to businesses, and introduces provisions designed to ensure that certain categories of subsidies, which are low risk and aligned with government priorities, can proceed with minimum administrative burden and maximum legal certainty.
Freeports	Following talks, the Scottish Government has written to the UK Government to seek agreement on its plans to deliver green ports in Scotland. The Scottish Government wants to adapt the UK Government's proposals to establish freeports - which allow firms to import goods and then re-export them outside normal tax and customs rules - so these focus on fair work practices (such as paying the real living wage) delivering a net zero economy, and supporting sustainable and inclusive growth in local communities	Caroline Morgan Reviewed 30/11/2021	An expression of interest for Dundee to become a green port was submitted ahead of the 27 July deadline. It is being led by Michelin Scotland Innovation Parc, instead of the Port of Dundee as previously anticipated, as there is limited land available at the port due to anticipated offshore wind and oil and gas decommissioning activity which would make a green port less feasible. MSIP see green port status as giving them a significant advantage to offer the companies which will locate there. The invitation to note expressions of interest was an informal exercise forming part of the Scottish Government's consultation on green ports and is not part of the formal application or selection process which will follow, subject to agreement by the UK Government. The most recent update is that the UK and Scottish Governments cannot agree on a way forward. UK Ministers will not commit to implementing Greenports in Scotland that are underpinned by fair work conditions and net-zero ambitions. The Scottish Government will drive forward with the Greenports agenda, whilst the UK Government will deliver at least one freeport in Scotland.

POST- BREXIT STRATEGY AND ROADMAP GOING FORWARD

INTRODUCTION

The UK's future relationship with the EU commenced on 1 January 2021, and with it comes new trading conditions, regulations and processes. These changes come at a time when the Council, the UK and Scottish Governments and businesses are also managing the disruptive impacts of COVID-19 on their organisations, increasing the risks associated with managing transition to the new post-Brexit environment.

While change is inevitable, opportunities also arise for those sufficiently prepared to take them. To build resilience, it is important for organisations to have short, medium, and long-term responses to Brexit.

Following the recommendations of a recent internal audit report, it was agreed that the Council's involvement in post-Brexit activities will continue until the end of financial year 2022/2023. An overarching post-Brexit response strategy and roadmap has been developed and is set out below.

ROADMAP FOR FUTURE WORK

Going forward, the Council will continue to focus on mitigating the impact of risks and challenges arising from Brexit. This roadmap is structured using the same key risk areas as the Brexit Risk Register, with a focus on seeking and realising opportunities as well as strategies to mitigate the impact of Brexit.

The priority areas are summarised below:

Economic and Financial

- **Local Economy** - continue to monitor impacts on local businesses and jobs, and work with partners such as Scottish Enterprise and the Dundee and Angus Chamber of Commerce to support businesses in mitigating any challenges and capitalising on any opportunities.
- **Council Finances** - continue to assess and report on any impact on Council revenue and capital budgets as further information about the consequences of the UK's new relationship with the EU becomes clear.
- **External Funding** - monitor developments with replacements for EU funding and seek to maximise opportunities for Dundee. Continue to assess and suggest possible lobbying strategies. Pursue opportunities to participate in European programmes with which the UK Government is continuing to be involved, including the Horizon Europe and the Interreg PEACE PLUS programmes.

Procurement/Supply of Goods and Materials

- **Supply Chain Network** - ensure the Corporate Procurement Team works with key stakeholders such as Scotland Excel and with Council services to identify any supply chains affected by Brexit as this becomes more prominent once the effects of COVID-19 begin to wane. Supply chains with a material impact will be recorded in the Brexit Risk Register, and Procurement and affected services should undertake the appropriate mapping and analysis required to develop suitable mitigations.
- **Contracts and Supplier Resilience** - ensure the Corporate Procurement Team and services identify any suppliers that have been unable to consistently meet demand or have passed through above-inflation price increases as a result of Brexit. Procurement should assess affected suppliers, undertake further analysis into the resilience of suppliers to develop alternative sourcing strategies, maintain a register of 'at-risk suppliers' and ensure regular updates are provided.

- **Customs Documentation, Tariffs and VAT** - determine whether the Council has been exposed to increased costs as a result of the introduction of 'Rules of Origin' or changes to VAT regulations. Include the estimated level of exposure, if any, as an impact on the Council's finances in the Brexit Risk Register. Procurement should assess alternative sourcing options, where possible and practicable, with relevant stakeholders.

Regulatory Changes

- **Environmental Health/Trading Standards** - monitor and liaise with officers on any changes to food standards, consumer rights etc.
- **Data and IT** - noting the current data adequacy decision, liaise periodically with the Information Governance team to assess any potential new risks eg if the UK was to diverge from EU data standards.

Workforce

- **Staffing Issues** - periodically review the Council's workforce planning strategy to ensure it can continue to absorb any reduction of EU workers in the medium to long-term.
- **Professional Qualifications** - begin monitoring the issue of 'no automatic recognition of professional qualifications' for EU workers, particularly in the context of health and social care.

EU Citizens

- **EUSS** - maintain focus on ensuring affected citizens are aware of the requirements of the EU Settlement Scheme as part of a wider post-Brexit communications strategy. In particular, continue to support care experienced young people and vulnerable adults seeking help with late applications.
- **NRPF** - monitor local and national developments on the approach to people with 'no recourse to public funds' as this impacts on EU citizens without settled status.

Consequences of new relationship with EU

- **Monitoring** - ongoing work to understand impact of new relationship with EU.
- **Resilience** - monitor any emerging issues eg affecting food or fuel supplies.

Opportunities

- **Funding** - maximise opportunities for Dundee to benefit from the replacement for EU funding.
- **City Marketing** - as COVID-19 restrictions allow, continue promoting Dundee and the wider surrounding area for 'staycations', building on the recognition for UK Staycation Destination of the Year, in conjunction with Visit Scotland and regional partners, as well as at a local level through Dundee Tourism Partnership.
- **Jobs** - lobby for any new civil service jobs relating to new trade and custom arrangements to be located in Dundee as potential opportunities emerge.
- **Skill Shortages** - take the opportunity to train long-term workless people, and those more recently affected by COVID-19 related redundancies, to fill skill shortages linked to the loss/reduction in migrant labour from the EU.
- **Opportunities for local businesses** - monitor and support opportunities for businesses who trade primarily in the domestic economy to benefit from any reduction in EU competitors bringing goods/services into the UK.
- **State Aid** - following EU State Aid ceasing to apply in the UK, the draft Subsidy Control Bill aims to make it easier for public authorities to provide subsidies to businesses, and introduces

provisions designed to ensure that certain categories of subsidies, which are low risk and aligned with government priorities, can proceed with minimum administrative burden and maximum legal certainty. Monitor developments and explore any opportunities for local businesses.

MONITORING AND REPORTING

In terms of monitoring and reporting the impact of Brexit, the Brexit Advisory Team fulfils this role and will continue to meet regularly to review the risks and opportunities as set out above.

Officers on this group are also members of other key groups such as COSLA Brexit Co-ordinators, East of Scotland European Consortium (ESEC) and Scottish Local Authorities' Economic Development (SLAED) Group. This involvement will continue to enable the Council to engage with Europe, seek participation in European programmes, lobby central government in respect of replacement funding programmes and gather further intelligence on impacts and mitigations.

Officers will also continue to provide ongoing briefings and reports to the Council Management Team and Elected Members.

COMMUNICATIONS

Continue to maintain the dedicated Brexit pages on the Council's website and use these, along with a range of communication tools including social media, to continue to provide information to citizens, partners etc.