

**REPORT TO: POLICY AND RESOURCES COMMITTEE - 27 JUNE 2022**

**REPORT ON: BREXIT UPDATE**

**REPORT BY: CHIEF EXECUTIVE**

**REPORT NO: 147-2022**

## **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.

## **2. RECOMMENDATIONS**

2.1 It is recommended that members:

- (i) remit the Head of Chief Executive's Services to continue to publicise the EU Settlement Scheme, with a particular focus on assisting those with pre-settled status to secure full settled status in the UK.
- (ii) note the updates included in the report, including the updated risk and opportunities register attached as Appendix 1; and
- (iii) remit the Executive Director of City Development to continue to explore opportunities to secure funding to replace the European funds which supported initiatives in Dundee, and update elected members.

## **3. FINANCIAL IMPLICATIONS**

3.1 There continue to be financial and operational risks for the Council associated with the UK's departure from the EU, but these are increasingly difficult to identify separately from, the financial issues caused by COVID-19, cost of living crisis and other world events.

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 FUNDING - DEVELOPMENTS WITH THE UK SHARED PROSPERITY FUND**

4.1.1 The UK Government has announced further details of the new UK Shared Prosperity Fund (UKSPF), designed as the replacement for EU Structural Funds. The UKSPF focuses on strategic interventions across three key themes - People and Skills; Local Business Support; and Communities and Place - along with an element ring-fenced for an adult numeracy programme called Multiply. UKSPF forms part of the UK Government's Levelling-Up Agenda and has an overarching aim of building pride in place and increasing life chances across the UK.

4.1.2 The UKSPF is an allocation-based fund, with every local authority in the UK receiving a proportion of the £2.6 billion available until March 2025. Dundee City Council has received a conditional allocation of funding from UKSPF, beginning with £856,017 in 2022/2023 and rising to £3.28 million in 2024/2025 (this includes a total of £986,616 ring-fenced for Multiply).

- 4.1.3 This allocation is conditional on the submission of a Local Investment Plan by 1 August 2022. The Investment Plan will outline the local context in which the UKSPF will be delivering, through the three identified investment priorities (and Multiply). The UK Government has indicated that each place will have the flexibility to invest across a range of activities that represent the right solutions for that area, based on a list of over 50 potential interventions, ranging from support for employability and skills, growing the visitor economy, to supporting innovation and growth in priority business sectors.
- 4.1.4 The challenge is that the level of funding available will mean that there will need to be a focus on key areas of activity that support Dundee's strategic ambitions, otherwise this funding will not deliver meaningful change for the city as a whole.
- 4.1.5 The Executive Director of City Development will provide an update to elected members outlining proposals for the development of the required Investment Plan for Dundee, along with new governance and delivery models, and seeking approval for a proposed approach. In particular, this will include information about existing projects relating to employability and business support which rely on EU funding and deliver key elements of activities prioritised by the future UKSPF.
- 4.2 PROCUREMENT
- 4.2.1 Scotland Excel has written to all Councils identifying further risks to supply chains arising from rising energy prices and the invasion of Ukraine which will exacerbate the risks associated with the UK's exit from the EU. Scotland Excel is continuing to work with Councils to understand rising costs and mitigate supply chain disruption.
- 4.2.2 While previous reports have focused in particular on the impact on the construction sector, Scotland Excel report that the Food industry is also facing a number of pressures. Year-on-year inflation in the foodservice sector hit 10.2% in February 2022, according to the latest edition of the Foodservice Price Index. The increase was fuelled by challenges including a surge in demand, the lingering impacts of Covid-19, poor weather in some parts of the world, additional costs of trade after Brexit and surges in energy and packing prices. Inflation will become even more acute following Russia's invasion of Ukraine and the war will add to the stress on energy markets and generate new challenges in key commodities like Wheat, Oils and Fats, Fish and Fertilisers. This is likely to drive up prices for months to come, and further increases in inflation are inevitable. Inflation in the Foodservice Price Index is now running at twice the level of the comparable Consumer Price Index. This reflects structural differences between the retail and foodservice sectors, with security of volumes and tighter ranging, forward contracting and hedging used to protect pricing over a more extended period in the retail sector. Consumer Price Index data shows that take-home retail prices for commonly purchased food and drink items rose by 5.9% in the 12 months to March 2022, up from 5.1% in the 12 months to February 2022. Prices have risen across all food categories, with the highest levels of inflation seen in oils and fat (18.2% higher than in March 2021) and milk, cheese and eggs (8.2% higher than in March 2021). Bread and cereal prices also rose by 5.2% in the last 12 months. Inflation is not so severe for this category because the UK produces around 85% of wheat domestically and is therefore less affected by disrupted supply from Ukraine. Defra has stated that it does not expect significant impacts on food supply as the UK does not import large volumes of food from Eastern Europe. However, global price surges in fuel, fertiliser and animal feed will continue to have knock-on impacts on UK food prices.
- 4.2.3 Locally, Tayside Contracts advise that they are experiencing supply issues with some products. Issues such as port delays and availability of raw materials have affected some supply chains. They have always been able to identify and/or purchase alternatives. In terms of costs, Tayside Contracts confirm they are seeing an increase and have budgeted for an 8% increase in food costs this financial year. Tayside Contracts continue to receive updates from Scotland Excel and their suppliers, who are aiming to work together to respond to the situation.

### 4.3 REVIEW OF REGULATIONS

- 4.3.1 The UK Government signalled in the Queen's Speech on 10 May that it intends to bring forward a 'Brexit Freedoms Bill' to give Ministers new powers to make changes to the EU laws which were kept in place to smooth the transition after Brexit. The Prime Minister said the Bill would make it easier to change thousands of EU regulations that remain in force, with the aim of encouraging businesses to invest. He said the Bill would allow the UK to set growth-friendly rules for cutting edge technologies like cyber technology, artificial intelligence, and gene editing.
- 4.3.2 Under Brexit withdrawal legislation, retained EU laws have a legal status of their own - and a special process for changing them. The Government has been reviewing which of these laws it wants to abolish or amend, and wants to make it easier for Ministers to do this more quickly, arguing that removing or changing regulations could otherwise take years. Since Brexit, the UK has moved away from EU laws in certain areas, including on immigration, payments to farmers, and gene-editing rules for crops, but the Prime Minister has been under increasing pressure from some MPs in his party to go further, and there has been speculation that the changes could affect workers' rights, health and safety and the environment.
- 4.3.3 The proposed Bill has sparked concerns in the devolved administrations, with the Scottish Government's Cabinet Secretary for the Constitution saying the Bill would "undermine devolution" and the Welsh Minister for the Constitution saying the UK Government was driving a "coach and horses through the concept of mutual consent".

### 4.4 TRADE ISSUES

- 4.4.1 The UK Government has again delayed introducing more checks on food imports from the EU over fears this would disrupt supply chains and add to inflation. The new controls had been due to begin in July but the government said "it would be wrong to impose new administrative burdens and risk disruption at ports" at a time of higher costs due to the war in Ukraine and rising energy prices. This is the fourth time the introduction of these checks has been delayed, but the announcement may signal a much bigger shift than simply a further delay. There appears to be a significant change of policy planned that could mean wide-ranging physical checks on food imports from the EU might never be introduced, having been thought to be an inevitable consequence of the hard Brexit deal.
- 4.4.2 Brexit Opportunities Minister Jacob Rees-Mogg said the UK Government was reviewing how it would implement checks on EU goods and a new control regime will come into force at the end of 2023. He said the delay would save British businesses up to £1bn annually and it would have been "an act of self-harm" if the government had decided to go ahead with the import controls which would have brought significant price increases.
- 4.4.3 Business groups, including in the logistics industry and the supermarkets, generally welcomed the move. The Federation of Small Businesses said imposition of full import controls would have meant yet another burden for small firms already wrestling with new trade rules and spiralling costs. But, ports, which have spent millions building border control infrastructure, said they had been landed with the bill for the U-turn. If a much "lighter touch" regime is eventually brought in, those border control posts will be effectively become white elephants, so the Ports Association is asking about financial compensation and if ports can start to bulldoze the border control facilities and use the sites for other purposes. The National Farmers' Union said the decision was a blow to farm businesses that are having to meet stringent controls to export their products, so are at a competitive disadvantage to EU food producers who still have relatively cost and burden free access to the UK market. The British Veterinary Association also criticised the delay to controls, saying it flew in the face of the Government's commitment to preserving high levels of animal and human health.
- 4.4.4 More broadly on trade, research by the London School of Economics has found the introduction of the new post-Brexit trading rules caused a "major shock" to UK-EU trade last year. Their study found UK imports from the EU fell by 25% relative to those from elsewhere in 2021 (even despite the delays to full import controls) and that the new rules had also caused many UK firms to stop exporting to the EU, especially to smaller countries. Analysis of changes in trade patterns for 1,200 products found a "sharp drop" in the number of trade relationships between UK exporters and EU importers, with "lower-value relationships" affected in particular. While the total value of exports to the EU appeared to have recovered recently, the researchers

argued that this reflected an increase in the sales of expensive items like large machinery, and said the variety of goods sold had declined by 30% - perhaps because the extra administrative costs made selling low-value items less attractive for smaller businesses.

#### 4.5 NORTHERN IRELAND PROTOCOL

- 4.5.1 The UK Government has rejected EU proposals aimed at reducing the impact of the withdrawal agreement on Northern Ireland. The EU claims its proposals would reduce paperwork and checks on goods entering Northern Ireland from Great Britain, but the UK Government says they would "worsen the current trading arrangements". The Protocol has also come under fresh scrutiny following elections to the Northern Ireland Assembly. The elections led to a majority for assembly members who accept the Protocol, but the second largest party, the Democratic Unionist Party, said it would not nominate ministers to form a new Executive until its concerns with the Protocol were resolved and have also blocked the election of a Speaker to the Assembly.
- 4.5.2 Foreign Secretary Liz Truss said on 10 May that her preference has always been for a "negotiated solution" but that she would not shy away from "taking action to stabilise the situation in Northern Ireland if solutions cannot be found". Later in May, the UK Government announced it would introduce a legislation allowing the UK to over-ride the withdrawal deal.
- 4.5.3 The EU acknowledge that the Protocol has caused difficulties for Northern Ireland businesses and said it had come up with creative, practical solutions to ease the burden **within** the framework of the Protocol. In particular, their proposals would mean inspections of food products would be reduced far below what is usually required at single-market borders. However, the UK Government is focusing on the fact that grace periods mean the Protocol is not yet being fully implemented, so if the grace periods were replaced with the EU proposals, the checks and controls would increase, and would lead to "everyday items disappearing off the shelves" from Northern Ireland shops.
- 4.5.4 On Monday 13 June 2022, the UK Government introduced legislation to parliament stating its aim is to fix parts of the Northern Ireland Protocol, to restore stability and protect the Belfast (Good Friday) Agreement. The Northern Ireland Protocol Bill will allow the government to address the practical problems the Protocol has created in Northern Ireland in 4 key areas: burdensome customs processes, inflexible regulation, tax and spend discrepancies and democratic governance issues.
- 4.5.5 On Tuesday 14 June 2022, the EU announced new legal action against the UK government over its plans to change parts of the Northern Ireland Protocol. The EU states overriding parts of the deal would break international law.

#### 4.6 CITIZENS RIGHTS

- 4.6.1 By the end of March 2022, 9,950 EU citizens living in Dundee had applied to the EU Settlement Scheme to secure their rights in the UK. Of the applications concluded by that date, 5,060 had been granted settled status and 4,110 pre-settled status. The top five EU nationalities among applicants in Dundee are Polish (3,570); Bulgarian (890); Italian (810); Romanian (730) and Spanish (520).
- 4.6.2 Although it is still possible to make late applications where people had reasonable grounds for missing the June 2021 deadline, focus is now moving to advising and supporting the 4,000+ citizens in Dundee who were given pre-settled status and still have to make a further application to obtain full settled status which requires five years continuous residency in the UK. There are rules about how long people can be absent from the UK, and for what reason, to avoid breaking the continuous residency requirement.
- 4.6.3 Information about the requirements which people have to meet to obtain full settled status has been added to the section of the Council's website on the UK's exit from the EU which continues to be reviewed and updated. The information has also been signposted in a series of social media posts. In addition, a briefing has been produced for frontline staff in Council services and partner organisations to provide some basic information for anyone who is asked for advice about this and to help them signpost people to the relevant information and support. This will be an ongoing campaign over the next few years.

**5. UPDATED RISK AND OPPORTUNITIES REGISTER**

- 5.1 As reported in January, officers have developed a register to keep track of risks and opportunities relating to the UK's departure from the EU. This was one of the actions recommended in the 2021 Internal Audit report, all actions from which have been completed.
- 5.2 The latest update of the Risk and Opportunities Register, with all items reviewed in May 2022, is attached as Appendix One.

**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 Leadership Team and Brexit Advisory Team were consulted in the preparation of this report.

**8. BACKGROUND PAPERS**

- 8.1 None.

GREGORY COLGAN  
CHIEF EXECUTIVE

DATE: 7 JUNE 2022

# BREXIT RISK AND OPPORTUNITIES LOG (Reviewed May 2022)

## RISKS

Risk	Specific Area	Explanation of Risk	Impact/Consequence	Inherent			Control Measures / Mitigations	Residual			Control Gaps / Actions	Owner(s)	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&amp;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 (and IJB) general reserves have increased as a result of Covid-related funding that was not fully utilised but likely to be required to mitigate against longer-term impacts.</p> <p>2. Heads of Finance, Procurement and Construction are continually monitoring impact on capital projects of price and supply issues affecting building supplies. Note capital budget for 2021/22 expected to be significantly underspend, although rising costs including inflation and interest likely to affect future spend / projects.</p> <p>3. Continue dialogue with Governments and COSLA. Review of medium to long term financial forecast to be presented to members by September.</p> <p>4. The difficulty in separating the impact of Brexit from other factors e.g. Covid, Ukraine etc. is difficult but overall, these risks and impacts remain high.</p>	Paul Thomson Corporate Services (Finance)	ONGOING

Risk	Specific Area	Explanation of Risk	Impact/Consequence	Inherent			Control Measures / Mitigations	Residual			Control Gaps / Actions	Owner(s)	Status (Ongoing / Closed)
				Likelihood	Impact	Total		Likelihood	Impact	Total			
1	Economic and Financial 1c) Risk to external funding	1. Dundee currently benefits from significant funding from EU programmes such as ERDF, ESF, Interreg, Erasmus and Horizon 2020, and funding for this work may reduce if it is not fully replaced by other sources such as the proposed UK Shared Prosperity Fund, Community Renewal Fund and Levelling Up Fund.	1. Current programmes support staff delivering work in important areas such as business development, employability, poverty and social inclusion, smart cities, teacher training and sustainable travel as well as policy development.  2. Projects are match funded so there is already some provision in Council budgets but scope could be reduced if external funding stopped or reduced.	4	4	16	1. Analysis has been carried out, and is being kept under review, to determine scale of impact, including staff affected.  2. Funding confirmed to 2022 through Treasury Guarantee.  3. Officers will take any opportunities to engage in consultation by both Governments on the proposed UK Shared Prosperity Fund and feed into any work by COSLA and SLAED.  4. A new Corporate Funding team has been set up within City Development – made up of 3 officers who will focus on supporting the development of projects and securing funding.  5. Successful bid submitted to Community Renewal Fund (although Dundee not in top 100 priority areas identified by UK Government.)  6. Projects could continue at smaller scale if external funding reduced, as already part-funded by Council.	3	3	9	1. Priorities will have to be re-assessed if new funding does not fully replace EU money.  2. UK Government announced local allocations on 13 <sup>th</sup> April 2022. Dundee will receive over £5.4M between 2022 and 2025. The amount rises each year till 2024/25 when upper level of support is reached.  3. We need to develop a local Investment plan by the 1 <sup>st</sup> of August to secure the funding. This will be assessed by the UK Gov and approved by October. The Plan will identify the key interventions that Dundee wishes to deliver against from a list of approximately 50 interventions across the 4 key themes – Communities & Place, People & Skills, Local Business Support and Multiply – the adult numeracy programme.  4. Whilst the sums allocated appear to cover the costs of core programmes previously delivered such as the employability programme and business support. Might need to ringfence funding from the new allocation for these activities – but they are also significant priorities.  5. Challenge will be that only local authorities have received UKSPF allocations – national partners such as Scottish Enterprise who used ERDF to support national business support programme have not received any. Another issue is that there are no longer any challenge funds to apply for where we had previously been successful in getting significant sums of money e.g. low carbon infrastructure transition programme; low carbon travel and transport and Smart Cities Scotland.	Diane Milne City Development	ONGOING

Risk	Specific Area	Explanation of Risk	Impact/Consequence	Inherent			Control Measures / Mitigations	Residual			Control Gaps / Actions	Owner(s)	Status (Ongoing / Closed)
				Likelihood	Impact	Total		Likelihood	Impact	Total			
2	Procurement / Supply of Goods and Materials 2a) Risk to supply chains	1. Reduced availability and higher cost of supplies due to issues with supply chains could disrupt service delivery.	1. Services could be affected if parts or other supplies become harder to procure or more expensive as a result of the new trading arrangements. This could include medical supplies (impacting on health and social care), food supplies and construction materials.	4	5	20	1. The Procurement Team has been advised of new arrangements for inviting tenders and is prepared. 2. Discussions held with Tayside Contracts about food supplies and they have contingency arrangements in place if necessary if there is any disruption to supplies. 3. Services have been asked to identify any supply chain issues including cost and availability, and report on any issues being raised through professional networks, Scotland Excel etc. Main issue identified to date concerns construction materials and impact on capital programme.	3	5	15	1. Heads of Finance, Procurement and Construction are monitoring particular concerns about building materials which might affect cost and delivery of capital projects.	Paul Thomson Corporate Services (Finance)  Reviewed 18/5/22	ONGOING
2	Procurement / Supply of Goods and Materials 2b) Risk to contracts and supplier resilience	1. Service delivery could be disrupted if suppliers cannot supply materials or can only do so at higher cost.	1. Services could be affected if suppliers cannot maintain supplies or push through price increases as a result of the new trading arrangements.	4	5	20		4	3	12	1. Procurement Team continuing to monitor. 2. Price increases anticipated across all areas but namely fuel, food and energy but have been driven by other global issues than Brexit.	Paul Thomson Corporate Services (Finance)  Reviewed 18/5/22	ONGOING
2	Procurement / Supply of Goods and Materials 2c) Risk from customs documentation, tariffs and VAT	1. Higher cost of supplies could affect Council budgets and disrupt service delivery.	1. Budgets could be affected if prices rise because suppliers face additional costs arising from new customs documentation, tariffs (e.g. because of 'rules of origin') or changes to VAT	4	5	20		3	4	9	1. Finance / Procurement staff will continue to monitor	Paul Thomson Corporate Services (Finance)  Reviewed 18/5/22	ONGOING
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. 3. The UK Government has announced plans for a 'Brexit Freedoms Bill' making it easier to change regulations kept in place following departure from the EU. Any such changes will be monitored.	Andy Petrie Neighbourhood Services (Community Safety)  Reviewed 30/5/22	ONGOING



Risk	Specific Area	Explanation of Risk	Impact/Consequence	Inherent			Control Measures / Mitigations	Residual			Control Gaps / Actions	Owner(s)	Status (Ongoing / Closed)
				Likelihood	Impact	Total		Likelihood	Impact	Total			
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 3/5/22	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.	1	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.  4. Note that care workers, care assistants and home carers have been added to the Shortage Occupations List and the Health and Care Visa scheme.	Elaine McKay Corporate Services (HR)  Reviewed 13/5/22	ONGOING





				issues specifically relating to Brexit are being identified at this time.			Reviewed 27/5/22
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8	Preparation - risk of inadequate or unco-ordinated preparation	1. The Council could be unprepared if key decision-makers are unaware of risks and not taking action to investigate and respond.	1. Brexit raises a wide-range of corporate and service specific risks and these will be exacerbated if information gathering and action is not effectively co-ordinated.	4	4	16	1. Brexit preparations are being co-ordinated by the Head of Chief Executive's Services supported by a Brexit Advisory Team representing key services. This team is horizon scanning and engaging with Government, COSLA etc to consider the risks facing the Council and make any preparations possible.  2. A Cross Party Political Group has been established and regular reports are going to Committee and Council Management Team.  3. Officers are contributing to calls for information from COSLA and Governments, and receiving information through emails and teleconferences.  4. Council Management Team and Elected Members are regularly updated, including through weekly ESEC bulletins.  5. An audit of Council preparations was carried out by KPMG on behalf of internal audit to identify if processes were sound and any additional work required.	3	3	9	1. Risks dependent on actions by Governments and others, so not all within Council control.  2. Action is being taken on all the recommendations arising from the audit, including formalisation of risk and opportunity monitoring and development of a strategy and roadmap for the coming period.	Andrea Calder Chief Executive's	CLOSED
												Reviewed 11/5/22	

## OPPORTUNITIES

Topic	Opportunity	Lead Officer	Latest Update with Review Date
Funding	Maximise opportunities for Dundee to benefit from the replacement for EU funding.	Diane Milne	<p>The Council, through membership of SLAED, continues to monitor announcements in relation to funding and officers will report to Committee on any opportunities.</p> <p>Officers have made connections with the Scottish based team from DLUCH who will be supporting the development of projects aiming to secure UK Government support – Levelling Up and UKSPF.</p> <p>An announcement was made in May 2022 about the UK Shared Prosperity Fund and Dundee's allocation, which will be conditional on submission of an Investment Plan by 1 August. A report will be submitted to Council Management Team and Committee explaining all the issues around this funding.</p> <p><b>Reviewed 28 May 2022</b></p>
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	<p>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.</p> <p>Visit Dundee were successful in getting £70k and Scotland's Tay Country (regional marketing) received £40k from Visit Scotland Marketing &amp; Destination Fund to undertake campaigns before the end of March 2022 to the Scottish, UK and Northern Ireland market.</p> <p><b>Reviewed 29 May 2022</b></p>
Jobs	Lobby for any new civil service jobs relating to new trade and custom arrangements to be located in Dundee.	Caroline Morgan	<p>Lobbying was undertaken, however to no avail. This line of exploration is closed.</p> <p>Any further civil service job opportunities will be explored and monitored.</p> <p><b>Reviewed 11 May 2022</b></p>

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	<p>Prior to, during, and since the COVID-19 pandemic, the targeted approach of the Employability Pathway has led to improved outcomes for customers experiencing inequalities in Dundee. There have been significant improvements in the proportion of customers entering a positive destination including the sustainment of employment for 12 months. Outcomes include 77% Entering a Positive Destination (+43%), broken down into:</p> <ul style="list-style-type: none"> <li>• 16% Entered FE, HE or Training (+6%)</li> <li>• 60% Entered Employment (+36%), of whom 83% Sustained Employment 6 Months (+29%) and 67% Sustained Employment 12 Months (+67% as not previously recorded)</li> </ul> <p>During this time, additional support has been established for those who are long-term unemployed and affected by COVID-19 through our investment of funding relating to Parental Employment Support, Young Person's Guarantee and No One Left Behind Intermediate Labour Market Opportunities for those aged 25+ &amp; LTU, and our enhanced Discover Work Employer Recruitment Incentive</p> <p>The next phase of No One Left Behind and the devolvement of funding to the Discover Work Partnership will lead to additional / enhanced support following the conclusion of Challenge Fund (Round 2) with a value of up to £1.55m for the delivery of additional and / or enhanced services in an Employability Pathway during the period 1 July 2022 – 31 March 2024 with scope for two further annual extensions. Challenge Fund (Round 2) is open to eligible organisations who want to support our Community Wealth Building approach to economic development, by delivering employability services that remove structural inequalities experienced by local residents that prevent their progression towards sustainable employment.</p> <p>The Discover Work Strategy &amp; Action Plan 2022-2027 is now published - <a href="http://www.discoverworkdundee.co.uk/about/">www.discoverworkdundee.co.uk/about/</a> - including actions for the co-commissioning of the Discover Work Service for April 2023/24 (end of Employability Pathway, exit from European Social Fund, end of Fair Start Scotland, emergence of UKSPF, Phase 3 of NOLB) while gaining full clarity on the scope of opportunities provided by UK Government's Levelling Up and Regeneration Policy including the UK Shared Prosperity Fund (as successor to European Structural &amp; Investment Funds) with its' intention to invest in people and skills.</p> <p><b>Reviewed 5 May 2022</b></p>
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	<p>This will depend on how the new trade arrangements work in practice and will continue to be monitored. Support is available via DIT Scotland, SDI, Business Gateway and Dundee &amp; Angus Chamber to help businesses identify opportunities in new markets.</p> <p><b>Reviewed 18 May 22</b></p>
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	Diane Milne	<p>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. In June 2021, the UK Government presented the draft Subsidy Control Bill which will replace this temporary regime, and the Bill received royal assent in May 2022 as the Subsidy Control Act 2022. The Act aims to make it easier for public authorities to provide subsidies to businesses, and introduces provisions designed to ensure that certain categories of subsidies,</p>

	explore any opportunities for local businesses.		<p>which are low risk and aligned with government priorities, can proceed with minimum administrative burden and maximum legal certainty. The main provisions are expected to come into force in Autumn 2022</p> <p><b>Reviewed 30 May 2022</b></p>
Freeports	<p>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</p>	Caroline Morgan	<p>The UK and Scottish Governments set out their shared vision for what Green Freeports in Scotland should look like, with bidding open 25 March 2022 for 12 weeks and closure date 17 June 2022. It is expected that the successful Green Freeport locations will be announced in early autumn 2022, beginning operations in spring 2023.</p> <p><b>Reviewed 11 May 2022.</b></p>