

Agenda Item	6.
Report No	COG 03/19

HIGHLAND COMMUNITY PLANNING PARTNERSHIP

Committee: Chief Officers Group

Date: 23 January 2019

Report Title: Impacts on Highland of the vote to leave the European Union

Report By: Stuart Black, Director of Development and Infrastructure, Highland Council

Purpose/Executive Summary

The result of the June 2016 referendum and subsequent moves towards the UK leaving the European Union (EU) will clearly have an impact on the Highland area and its people. In some cases impacts in Highland will be no different to other areas of the UK but, in other cases the impacts in Highland may be more significant than in many other areas. In particular, the fact that Highland benefitted from the EU “cohesion policy” approach designed to reduce disparities between regions could mean the area is disproportionately impacted. This report summarises some of the areas most likely to be impacted by the UK’s withdrawal.

Recommendations

The Chief Officers Group is invited to:

- note the work currently under way in Highland in relation to the UK’s exit from the EU and agree any actions required by the Community Planning Partnership.

2. Background

- 2.1 The result of the referendum on 23 June 2016 saw a majority vote in favour of the UK leaving the European Union. Since the referendum there has been a significant level of debate about the UK’s departure but the lack of certainty as to the precise form of the withdrawal agreement and subsequent arrangements with the EU has made planning for Brexit difficult.

- 2.2 The Council, commonly in conjunction with its partners from the Highlands & Islands European Partnership (HIEP), has already been called on to respond to a number of consultations on the possible impacts of the UK's withdrawal from the EU. To date, consultations responded to have included those undertaken by the UK Government, the Scottish Government, COSLA and the Scottish Cities Alliance covering topics such as:
- the rural economy and regional policy
 - post-Brexit funding
 - inward migration and workforce planning
 - continuation of trans-national cooperation projects after Brexit
- 2.3 In parallel with responding to these consultations, The Highlands & Islands European Partnership also undertook an information gathering exercise with some of this information providing evidence for the responses. Key amongst this was the production of a Regional Policy briefing paper which outlined the importance to the Highlands & Islands of a regional policy approach that recognises the challenges the area faces and seeks to address these. This was widely distributed in June 2018 to all Highlands and Islands MSPs, MPs, Scotland's MEPs, the Convenors of three Scottish Parliament Committees, as well as to the Scottish and UK Governments.
- 2.4 In conjunction with the other Highlands & Islands Local Authorities the Council prepared three further briefing papers that considered impact on Highland of the UK decision to leave the EU. These covered:
- Inward Migration
 - Access to Markets and
 - Agriculture, Crofting and Land Management.
- with the latter being a summary of a more substantial study of agriculture in the Highlands & islands undertaken by Scotland's Rural College on behalf of the Highlands and Islands Agricultural Support Group. All of the above were endorsed by the Council at its meeting on 6th September 2018 and subsequently formed the basis of the programme for a Highland Brexit seminar.

3. Brexit Seminar

- 3.1 At its meeting on 28 June 2018, the Highland Council agreed to set up a Brexit Working Group and to host a Brexit summit for appropriate Highland stakeholders. Given the status of the ongoing negotiations over the UK's withdrawal and the level of uncertainty over the terms of the withdrawal agreement at the time it was considered appropriate to schedule the Brexit summit in the autumn (and in particular after the EU Leaders summit in October) when there was expected to be more clarity.
- 3.2 Ultimately there was no agreement at the EU Leaders summit but it was considered useful to proceed with the summit so the Council hosted this on 30th November. A wide variety of business organisations and public sector representatives were invited including all members of the Chief Officers Group with a good cross section of these attending.
- 3.3 The programme for the seminar covered the following topics:
1. The future of regional policy

2. Agriculture, Crofting and Land Management implications
3. Key sector implications
4. Workforce implications and planning*
5. Educational and skills implications
6. Future influence in the EU

Opportunities were also included for delegates to question all the speakers.

* In view of the fact that it may be useful to assist other partners in their HR processes with EU staff a summary of this is included as Appendix 1 to this report.

- 3.4 Feedback gained through the event suggested that the work described in section 2 above was addressing the main areas of concern to Highland but further reference was also made to infrastructure. The Highland area had been a significant beneficiary of European Funding in previous years with much of this going towards infrastructure improvements such as roads, harbours and communications infrastructure and it was emphasised that efforts were required to ensure that this would continue in future.

4. Future Funding

- 4.1 The UK government has commenced work on the development of a future funding scheme to replace EU structural funds – to be known as the UK Shared Prosperity Fund. A consultation on this was due to have been launched by the end of 2018 but this has been delayed. However some work is under way in a “pre-consultation” stage which involves the UK government hosting a series of events across the UK. These are aimed at practitioners who administer the current funds with a view to better understanding some of the issues with the current schemes. Three events were held in central Scotland in late 2018 with a further event in Inverness and an island event being planned for early February. It is anticipated that the findings from these events will inform the types of questions asked during the subsequent formal consultation.

5. Conclusion

- 5.1 The current level of uncertainty as to the terms of the UK's withdrawal from the EU continues to make it difficult to define the exact impacts the UK withdrawal will have on Highland. However, a broad range of partners in Highland, and indeed in the wider Highlands & Islands have already been considering the priorities for a post 2020 strategy that recognises the unique needs of the area. This work is continuing with further evidence currently being gathered and this will continually be refined to ensure the interests of Highland are recognised in all consultations and future planning.

Designation: Director of Development and Infrastructure, The Highland Council

Date: 15th January 2019

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Appendix 1: BREXIT Group briefing – Highland Council Human Resources activity

The Council have planned a number of stages to help mitigate the impact on our existing and future workforce, these are outlined below.

The Council is also working with COSLA and Scottish Government to develop clarity on issues and to design an approach to help SLA's understand workforce implications and prepare readiness plans.

Stage 1 - April/May 2018

- Communicate a strong and clear message to staff regarding the Council's commitment to support EU and EEA migrants to stay in Highland – the CEX and Leader issued a joint statement. https://www.highland.gov.uk/info/20012/staff_information/815/brexit
- Set up communication channels with regular updates. Initially web pages have been developed to disseminate information and link to latest published updates. https://www.highland.gov.uk/info/20012/staff_information/815/brexit/2

Stage 2 - May 2018 ongoing

- Conduct a workforce audit to confirm the immigration status of employees. (There is currently little in the way of metrics within The Council to give an indication of the scale of implications on the workforce, as we have not to date recorded the nationality of council employees.)
- Initially an all staff survey has been issued to help identify EU nationals. The results so far indicate:
Approximately 5% (152) of the total respondents have selected EU/EEA national, and 142 of those intend to stay, 7 are undecided, 2 would prefer not to say and 1 intends to leave. 116 EU national employees would like support. In addition another 28 employees (24 British, 4 other) have identified themselves or their family as being affected and requested support.
- Focused engagement through line managers with hard to reach staff groups within Services. (e.g. Toolbox talks to encourage completion of Survey)
- Explore options for definite confirmation of right to work in UK - post 2021. (e.g. bring your passport to work day)

Stage 3 – October 2018 ongoing

- Initiate direct communication with EU/EEA identified nationals. (Acknowledgment email sent to survey respondents that requested help, pilot settlement info communicated)
- Design support for impacted employees:
 - More than 5 years – Settled Status guidance (what it means and how to apply)
 - Less than 5 years – Other options guidance
- Establish links with Corporate Workforce Planning

Stage 4 - April 2019 - ongoing

- Ongoing communication including
- FAQ's webpage
- Specific forums (e.g. application support)
- Guidance surgeries (Area based)
- Support for applying for relevant documentation