

Highland Council

Minutes of Meeting of the **Brexit Working Group** held **REMOTELY** on Monday, 17 August 2020 at 2.00pm

Present

Mr J Gray
Mrs M Davidson
Mr B Boyd

Mrs T Robertson
Mr S Mackie
Mr D Loudon

Officials in attendance

Mr A MacLeod, Brexit & European Policy Co-ordinator
Ms R Cleland, Corporate Communications and Resilience Manager
Miss J MacLennan, Democratic Services Manager
Ms M Zavarella, Administrative Assistant

Mr J Gray in the Chair

BUSINESS

1. Apology for Absence

An apology for absence was intimated on behalf of Mr G Adam.

2. Declarations of Interest

There were no declarations of interest.

3. Confirmation of Membership

It was **NOTED** that the name of the additional Member from the Scottish Conservative & Unionist Group would be confirmed in due course.

4. Minutes of Previous Meeting

There had been circulated the Minutes of the previous Meeting held on 23 January 2020 which were **APPROVED**.

5. Actions Arising

In relation to matters arising from the previous meeting – it was **NOTED** as follows:-

Brexit Costs funding bid - copy of the Highland Council funding application to the Scottish Government circulated to all Members of the Working Group for information.

EU Settlement Scheme - with specific reference to the distribution list for Home Office literature, the Deep Sea Fishermen's Mission, Mallaig and Scrabster were added to the list.

IT Services – Purchase of an ID Document Scanning Service to be made available within a Council Service Point – a device had been purchased and had received the necessary Home Office and ICT authorisations but due to Covid-19 it had not been possible to deploy. However, the situation would be kept under review.

HR - Survey of Staff – no anticipation of a second survey being undertaken by HR in relation to the number of Council staff who were affected by Brexit and had applied to the EU Settlement scheme.

Contact with Highlands & Islands Enterprise, Skills Development Scotland, the Chamber of Commerce and the Federation of Small Businesses – this action had been superseded to some extent by COVID but will continue to be monitored

Arctic Policy and Engagement – in addition to the information provided at Item 6, the situation would be kept under review and further updates provided in due course.

6. Brexit and European Update

There had been circulated Report dated 31 July 2020 from the Brexit & European Policy Co-ordinator which provided an update on the current situation whereby it was noted that it was not possible to know what the full implications would be for the Highlands of the UK leaving the European Union until a deal (or 'no deal') was confirmed. However, it was considered reasonable to assume that there would be an increased burden on the Environmental and Trading Standards services of the Council in relation to import and export regulations. It was also expected that there would be a wider impact on some Third Sector funding as the UK would not now be participating in EU Programmes for 2021-2027.

Detailed information was also provided in relation to the following issues –

- Future Trading Arrangements (an outline of the three stages for 2021 in January, April and July);
- Immigration and Travel (which would replace free movement and come into effect on 1 January 2021 with a points-based system comprising mandatory and tradeable points);
- the EU Settlement Scheme (whereby EU citizens had until 30 June 2021 - or 31 December 2021 in the event of a 'no deal' – to apply to stay in the UK);
- the EU Funding Programmes (whilst the UK Government was not seeking continued participation, this was at odds with the Devolved Administrations and as such the Scottish Government had confirmed a commitment to working with European neighbours which had been reflected in a consultation report on the European Territorial Co-operation Programmes from 2021 -27);
- the UK Shared Prosperity Fund (this had first been mentioned in 2017 as a successor to the European Structural Funds but it was expected to be later in the year before any further specific detail was provided). In the meantime, partners across the Highlands & Islands had been consistently trying to influence the direction of this Fund through responses to numerous consultation papers and evidence to the Finance & Constitution Committee)
- Arctic Engagement - the Council, through the Highlands & Islands European Partnership, had kept up links with the Nordic Atlantic Co-operation (NORA) alongside partners from Greenland, Iceland, the Faroes and Western Norway which included consideration of innovative solutions to tackle the Covid-19

crisis, with a focus on saving businesses, communities and lives. Also, in a recent collaborative challenge online, representatives from Highland had been successful with a number of ideas resulting in prize money coming to the Highland area.

During discussion, Members raised the following issues:-

- in relation to the Shared Prosperity Fund, there was concern that Scotland and specifically the Highlands & Islands would not receive an equal share of the total funding available. In this regard, lobbying was ongoing through CoSLA and Members would be advised accordingly;
- there was a need for further clarification in relation to the situation pertaining to free ports although it was noted that Highland Council had been involved in a meeting with regard to this issue;
- in terms of future scenario planning, it was noted that a certain amount of this had been undertaken as part of the 'Yellowhammer' exercise but there was concern that this might need to be extended as it was not feasible to wait until 31 December before taking any necessary action;
- it was feared that the Highlands would lose approximately £90m per year in funding from 2021 through the loss of market access in particular;
- it had to be stressed that a 'no deal' situation would be the worst possible outcome for the area;
- it was of regret that all of the Devolved Administrations had asked for an extension to the transition period but this had been refused by the UK Government;
- there was a need for further information on the predicted population statistics for the Highlands;
- there had to be a focus on how crofters and landowners would receive subsidies in the future, along with issues in relation to climate change and job creation;
- it was expected that there would still be an underspend in relation to European funding in the current year and this had to be reviewed;
- an offer to work jointly on various issues, including the Shared Prosperity Fund, had been made from Cornwall and it was agreed that this should be followed up as soon as possible by the Chair and the Brexit & European Policy Co-ordinator;
- the loss of European workers from the Highland area was a very real concern and as such a range of scenario planning was required although it was acknowledged that this would be difficult to predict in terms of potential outcomes;
- business continuity planning would be crucial in the months ahead and it was encouraging that work was already being undertaken by the Council in this regard and in conjunction with other local agencies;
- there was a duty on the Council to consider and evaluate the impact on the wider economy of the Highlands (and not just in relation to Council services);
- in terms of future job creation, there would have to be close working arrangements in place with Highlands & Islands Enterprise and other partners, with a particular focus on the farming and fishing sectors; and
- there was also a need to link in with the work already being undertaken by the Recovery Board within the Council, particularly in relation to what was required to stimulate certain sections of the economy.

Thereafter, the Working Group:-

NOTED the terms of the report as circulated;

AGREED that a report should be submitted to the Recovery Board towards the end of October on the implications of Brexit on the Council's wider recovery programme and any potential associated opportunities to engage in national workstreams;

AGREED that research should be undertaken into what was happening with other Local Authorities in Scotland with regard to Brexit preparations; and

AGREED that the date for next meeting should be arranged towards the end of October with a view to taking into consideration developments regarding changes and certainty to the nature of any Brexit deal.

7. Date of Next Meeting

It was **AGREED** that the next meeting should be held at the end of October with a specific date to be advised in due course.

The meeting ended at 3.15pm.