What impact the Article 50 negotiations have had upon your business / organisation to date?

The UK’s exit from the EU will have a significant impact on local authorities, creating challenges that need to be addressed but also opportunities to do things differently. Councils across Scotland are taking a lead on preparations for Brexit because our residents and our local businesses expect us to be ready. Brexit will ultimately be judged as a success or failure by localities: real people in real communities. That’s why we are working with the Scottish Government and SLAED groups and engaging with the expertise of local government to ensure we get these crucial negotiations right for local communities.

In terms of workforce challenges, many local authorities rely heavily on EU migrant workers, with the current UK position being that we will no longer be a member of the single market, there will be significant implications for the workforce and the local economy. Councils are already facing acute shortages in a number of key sectors that would only be exacerbated. In particular, teacher recruitment is extremely challenging for many councils, and shortages and gaps in skills in social work and the care sector.

There would also be a significant impact on lower and unskilled sectors such as agriculture, fishing, hospitality, and the food industry.

Similarly, many councils have key businesses that employ significant numbers of migrant workers: local business that have expanded and grown successfully partly facilitated by the availability of an EU workforce. There is real concern that if companies do not have access to this workforce they would move abroad. In addition, there are highly skilled and specialist areas that could also be affected, such as the technology and engineering sectors.

What preparations, if any, are being made by your business / organisation for the range of scenarios which may result from the Article 50 negotiations?

- Promotion of EU Settlement Scheme to employees and local residents/businesses
- Working closely with SG/COSLA and SLAED groups
- Promotion of ‘PREPARE FOR BREXIT’ CAMPAIGN – which is a multi-agency campaign that aims to create a sense of urgency around Brexit, raising awareness among businesses and translating that awareness into action. It will inform companies on a wide range of potential Brexit impacts including business planning, workforce and skills, supply chains and finance/legal/regulatory, and will encourage them to proactively prepare for Brexit’s risks and opportunities. Support currently consists of an online toolkit of articles, expert advice and (as appropriate) access to financial support. From November 1st (phase 2) this support will be bolstered by the addition of an online Brexit diagnostic tool which will help businesses identify their key issues before directing them to relevant support. The support on offer will primarily be existing
support, and will be available to any company anywhere in Scotland, regardless of size and sector.

- What you consider the impact of a no-deal outcome would be for your business / organisation?

It is clear that as the negotiations proceed this will have a significant bearing on the economy in Scotland and local economies therein. Clearly an area of deep concern has been around the future of the EU structural funds, including rural development funding. Whilst there are assurances in place around the existing funds, there remains uncertainty about the future and to what extent alternative arrangements, post withdrawal, will provide in terms of replacement benefits. We are keen that the main governance elements of the EU funds (strategic focus, partnership based, medium term commitments and funding certainty beyond a single parliamentary term) are retained in their domestic replacement. As opposed to EU funds which had many compulsory elements there is the risk that their eventual home-grown replacement can be seen as discretionary and that they could be redeployed to other priorities.

- To what extent, the guidance issued by the European Commission and UK Government has been helpful in helping you to prepare for the UK’s withdrawal from the EU?

There is not a substantial body of information yet as to the early impacts of Brexit. We recognise however that there is a need to do substantive work on the financial impacts and we need to work with our member councils to do this work.

- What further support or guidance you consider the Scottish Government, UK Government and / or European Commission should be providing to enable individuals, businesses and organisations in Scotland to prepare for the UK’s withdrawal from the EU?