

EAST RENFREWSHIRE COUNCIL  
AUDIT AND SCRUTINY COMMITTEE

17 FEBRUARY 2022

Report by Directors of Business Operations & Partnerships and Environment

UPDATE ON WITHDRAWAL FROM THE EUROPEAN UNION

**PURPOSE OF REPORT**

1. This report provides an update on the impacts of the United Kingdom's (UK's) exit from the European Union (EU) and East Renfrewshire Council's work in response to this.

**RECOMMENDATION**

2. It is recommended that the Audit and Scrutiny Committee:-
- (a) note and consider this report; and
  - (b) determine if any further updates are required.

**BACKGROUND**

3. A number of pressures continue to be faced, with supply chain and cost of living implications across the economy. The ongoing and wide-ranging impacts of the COVID-19 pandemic means that it remains impossible to identify whether the cause of these pressures is as a result of EU Exit, or if it is caused by another factor (or combination of issues).

4. COVID-19 continues to cause pressure to Council Services, this has only been exacerbated as a result of the Omicron variant and subsequent boom in infections witnessed both locally and nationally. Due to these pressures, many services are stretched and would be unable to effectively respond in the event that any urgent EU Exit matters arose.

5. As of January 2022, the UK is bringing a phased introduction to its border measures for the import of goods from the EU. This approach will see changes come into effect on 1 January 2022, 1 July 2022, 1 September 2022 and 1 November 2022.

6. For any EU nationals seeking to live and work in the UK from 31 December 2020, applications need to meet the criteria of the UK's points based immigration policies. However, EU Nationals living in the UK prior to 31 December 2020 are still eligible to submit late applications under the EU Settlement Scheme.

7. The legal and regulatory landscape has not significantly altered in Scotland or the UK following EU Exit. It has been announced that the UK Government will be publishing a Brexit Freedoms Bill in early February 2022. At the time of writing, it is unpublished and there has been no signal of which laws will be targeted for change.

**BORDER MODEL**

8. During 2022, the UK Border model will undergo a number of changes for products being imported from the EU. This will be to meet that the terms of the Trade and Cooperation Agreement for tariffs, duty, etc. and to ensure that products entering the UK are safe for use /

to appropriate standards. Border checks for goods going from the UK to the EU have been in place from January 2021.

9. There remains an exception in relation to border models for goods coming to / from Great Britain from the island of Ireland (both Northern Ireland and the Republic of Ireland). In December 2021, the UK Government extended the continuing temporary controls for movement of goods in this respect. This is to allow discussions between the UK and EU on the Northern Ireland protocol to continue without disrupting businesses.

10. The following are key dates for customs declarations and controls for goods arriving from the EU (with the exception of goods from Ireland), following controls being introduced on 1 January 2022:

- From 1 January 2022, pre-notification is required for Sanitary & Phytosanitary (SPS) goods.
- From 1 July 2022, Safety & Security Declarations, along with certification and physical checks will be introduced for remaining regulated animal by-products; all regulated plant and plant products; all meat and meat products; all remaining high-risk food, not of animal origin.
- From 1 September 2022, certification and physical checks will be introduced for all dairy products.
- From 1 November 2022, certification and physical checks will be introduced for all remaining regulated products of animal origin – this includes composite products and fish products.

11. Sanitary (human and animal) and phytosanitary (plant) are measures that apply to food, supplements and composite products. Measures to assess and control items of these nature in coming to countries are designed to protect humans, animals and plants from diseases, pests or contaminants.

12. Once the UK border fully applies, all goods coming to the country will be subject to an export declaration. Any companies importing goods will be required to have an Economic Operators Registration and Identification number (EORI number). Companies will also be required to make import declarations that outline details and value of any goods imported, as this will impact on the levels of VAT and duty paid. Finally, some goods will require a licence or certificate to accompany their import – for example sanitary and phytosanitary goods – to highlight that they are safe for use in the UK.

## **PRICE OF GOODS / COST OF LIVING**

13. As per previous reports, a number of goods have proven increasingly difficult to acquire or have faced significant cost increases. While it is likely that a number of causes have led to this consequence – there is likely to be a vastly increased cost of living experienced across communities in 2022.

14. The Council's Money Advice and Rights Team (MART) are expecting an increase in contacts due to the economic pressures faced across this year. Increased costs are anticipated through pressures on fuel / energy costs, supply chains and challenges arising from the end of the furlough scheme. MART continue to monitor numbers and will keep this under regular review.

15. Fuel poverty is an issue which has already seen increased demand, which has been assisted by the Humanitarian Funds Grants issued through MART. MART are discussing a Service Level Agreement with The Wise Group, who specialise in fuel arrears. This will allow direct referral, while relieving pressures on MART.

16. The Council's Humanitarian fund has allowed the recruitment of a temporary Fuel Poverty worker within the Environment Department, to start to address some of the most pressing needs of residents in fuel poverty; as well as extra support to Citizens Advice Bureau, with a view to assisting people with utility arrears.

17. Problems are not anticipated for Capital Programme contracts that have been completed or are already underway as a result of the increased costs and challenging supply-chain environment for goods. There is a higher risk where the Council is about to enter into contracts and awaiting tender prices; however, it should be noted that costs of such projects are spread across a number of years through borrowing and repayment.

### **SHARED PROSPERITY FUND**

18. The UK Government is due to launch the Shared Prosperity Fund this year, as a replacement for previously available EU funding, such as Structural Funds. While details on the Fund has not been finalised, it can be confirmed that it will be a competitive process. Councils / projects will therefore be expected to bid for funding against other areas throughout the UK. The UK Government would be the final decision maker on what bids are successful.

19. Much of the information relating to the Shared Prosperity Fund remains unconfirmed, with an anticipated "Levelling Up" white paper from the UK Government having faced repeated delays. This white paper is now expected to be made available by late January / early February 2022.

### **EU SETTLEMENT SCHEME**

20. While the EU Settlement Scheme formally closed for applications on 30 June 2021; there are a number of circumstances in which the Home Office will accept late applications. The Scheme exists to allow EU Nationals resident in the UK prior to 31 December 2020 to apply to protect their rights to live and work in the UK.

21. Home Office statistics show that to the end of September 2021, there have been 1,440 Settlement Scheme applications within East Renfrewshire. This represents an increase of 200 from previous reporting; which covered to the period ending March 2021. Updated National Records Scotland (NRS) data for November 2021 suggests that approximately 1,000 EU Nationals are resident in East Renfrewshire. While this would suggest that all of East Renfrewshire's EU Nationals have applied – it should be noted that the NRS population estimates data rounds to the nearest 1,000.

22. The Council will continue to signpost the EU Settlement Scheme on our website, while applications are being accepted. This will include circumstances for late applications and avenues of support. We will continue to use our social media channels to share alternative language events for potential applicants and our Intranet to provide information and support for Council staff. Additionally, the Resilience Coordinator will continue to work with partners to ensure that our messaging and approach to the Settlement Scheme remains up to date; which will include monitoring and engagement with the Independent Monitoring Authority (IMA). The IMA are an independent body who have been established to protect EU Citizens' rights and uphold the terms of the Withdrawal Agreement.

23. It is worth noting that the IMA launched judicial review proceedings against the Home Office in December 2021 in relation to the EU Settlement Scheme. The Review relates to those with Pre-Settled Status having to apply for Settled Status before their Pre-Settled status expires, or they would automatically lose their rights to live and work in the UK. It is estimated 2.5 million would be affected across the UK by this case. Home Office figures outline that 410 would potentially be impacted in East Renfrewshire; as such any developments arising from

these proceedings will be monitored, with consideration on appropriate means to support those with a Pre-Settled Status.

24. As EU Citizens without Settled Status or those arriving to live or work in the UK are subject to the UK points-based immigration system, there is concern that they will be classified as having No Recourse to Public Funds (NRPF). NRPF is an immigration control attached to a person's immigration status, which restricts their access to social security benefits and social housing. There is currently a grace period, coupled with COVID public health regulations that have allowed Local Authorities to assist people subjected to NRPF. Both of these will not be ongoing measures, creating a risk of destitution and homelessness. While it remains unclear what action will be taken by the Home Office and Department of Work and Pensions, the matter of NRPF individuals will be monitored.

### **FINANCE AND EFFICIENCY**

25. There are currently no finance and efficiency implications arising from this report.

### **CONSULTATION**

26. This report has been produced with input from the Council's Brexit Working Group.

### **PARTNERSHIP WORKING**

27. This report details work of the Council's Brexit Working Group, a cross-discipline group of Council Officers. Each Council Department is represented along with a number of key areas. Additionally, the Council has worked with COSLA, Voluntary Action East Renfrewshire, the Scottish Government, Citizens Advice and the East Renfrewshire Chamber of Commerce as part of our EU Exit preparations.

### **IMPLICATIONS OF THE PROPOSALS**

28. There are currently no staffing, property, legal, IT, State Aid, equalities and sustainability implications arising from this report. However, it is noted that State Aid is a developing area of UK Government Policy. Council officers continue to review developments.

### **CONCLUSION**

29. In providing a broad overview of the status of the UK's exit from the EU, this report seeks to outline the main areas of impact upon East Renfrewshire Council, as well as work undertaken and ongoing. While the ongoing Covid-19 pandemic undoubtedly remains the priority, EU Exit procedures and preparations were well established, having been implemented for previous Brexit deadlines. These will be key mechanisms in responding to impacts from EU Exit that may develop, as the new UK-EU relationship becomes established.

### **RECOMMENDATION**

30. It is recommended that the Audit and Scrutiny Committee:-

- (a) note and consider this report; and
- (b) determine if any further updates are required.

## SOURCES CITED

EU Settlement Scheme Quarterly Statistics, September 2021:

<https://www.gov.uk/government/statistics/eu-settlement-scheme-quarterly-statistics-september-2021>

Annual Population Survey (APS), Office for National Statistics, National Records of Scotland (updated November 2021) – Tab 1.2 (Population by Nationality)

<https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/population-by-country-of-birth-and-nationality/jul-20-jun-21>

Note: Data from the APS is rounded to the nearest 1,000. If a figure is calculated to be under 500, it will be rounded to zero. As the APS is a sample survey, there are large confidence intervals that come with this data and therefore the true value will lie somewhere in this range (not necessarily zero).

31 January 2022

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