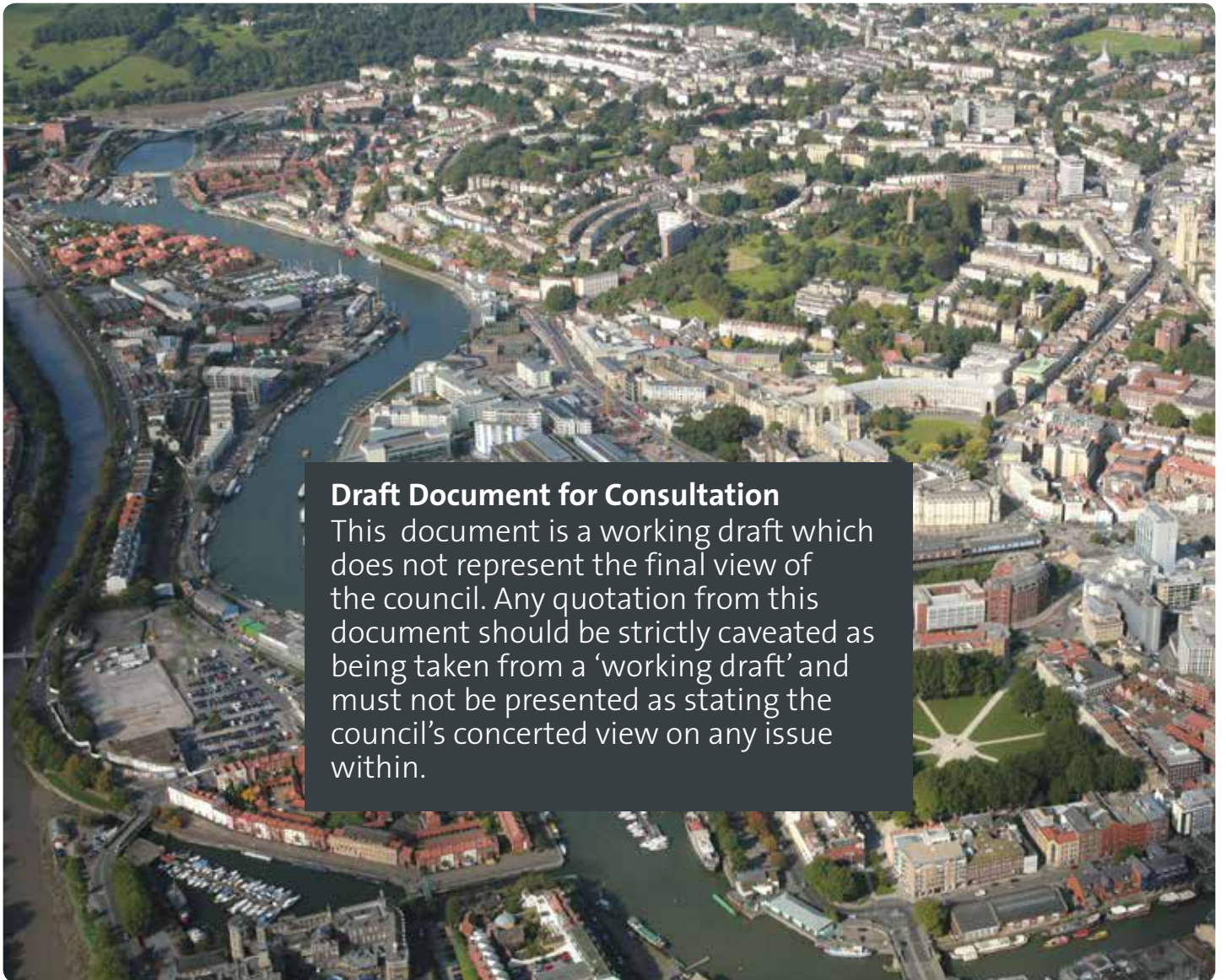




Bristol City Council **Brexit No Deal Scenario Assessment**



Draft Document for Consultation

This document is a working draft which does not represent the final view of the council. Any quotation from this document should be strictly caveated as being taken from a 'working draft' and must not be presented as stating the council's concerted view on any issue within.

Photograph: courtesy Destination Bristol

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Introduction



Brexit introduces many potential changes which could feasibly affect council services for better or worse.

This report considers the potential implications for Bristol City Council, focusing specifically on a ‘Hard’ or ‘No Deal’ Brexit. **This is not an indication of the council’s anticipated outcome of Brexit negotiations.** It is a reflection of prudence in planning, because this is the scenario with the most variables.

In keeping with HM Government advice¹, we recognise that it is sensible to plan at this level with the ability to remove or scale actions back, rather than risk experiencing unplanned impacts should a ‘No Deal’ scenario emerge.

The assessment is grouped according to the following seven areas of business focus:

- Finance & Funding
- Civil Contingencies
- Workforce
- Legal & Regulatory
- Supply Chain
- Key Operations
- City Economy

This report assesses risk and identifies high-level threats and opportunities associated with each of these workstreams. It summarises what the council is doing, or could do, to ensure any potential adverse effects on our citizens and services are minimized whilst any opportunities are maximised.

Subject to finalising this report and decision by the council’s Corporate Leadership Board, any urgent actions which have been identified will be progressed. All other actions will be incorporated into the forward plans of individual council service areas and, ultimately, the council’s annual Business Plan, which is published each April. An itemised list of risks and opportunities is detailed in the appendix to this report.

This assessment looks specifically at threats and opportunities to council services. It does not seek to offer commentary or opinion on Brexit.

By necessity this written assessment captures a point in time, but it should be noted that forward planning will continue as a live, dynamic process which responds to the latest information available to the council.

¹ <http://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario>

Background



On 23 June 2016 the United Kingdom voted to leave the European Union.

Nationally 52% of voters opted to leave. In Bristol there was a 62% vote to remain.

The UK Government invoked Article 50 of the Treaty of the European Union in March 2017, triggering a two year process, culminating in the UK formally leaving the EU on 29 March 2019 or at the end of any agreed transition period.

Negotiations on the terms of the UK's withdrawal have now concluded. The UK and the EU have agreed a draft Withdrawal Agreement but if this is not approved by the UK Parliament, the UK may feasibly leave the EU without a deal.

Since the referendum, Bristol City Council has been working to understand the social and economic impact of Brexit and to communicate the city's needs to central government. The Mayor of Bristol, Marvin Rees, established the Bristol Brexit Response Group (BBRG), made up of city leaders from the business, academic, voluntary, community and faith sectors immediately after the referendum.

The BBRG's initial report², published shortly after the referendum outlined the issues at stake to Bristol, including:

- Citizens' rights
- Loss of European funding
- Community cohesion
- The impact on businesses and key sectors of the city economy.

City leaders called on the government to respond to these concerns by moving to guarantee the rights of EU citizens, prioritise continued access to the single market and clarify the post-Brexit funding environment to ensure continued access to EU international cooperation projects and local growth and skills funds.

In February 2018 the Mayor of Bristol along with other Core Cities leaders met with Michel Barnier, the EU's chief negotiator, to outline the potential effect of Brexit on their cities and to discuss how the shared interests of their cities, communities and businesses can best be met in the approach to – and following - Brexit.

² <https://www.bristol.gov.uk/documents/20182/0/Bristol+and+Brexit/14d0424f-9e6e-4adc-8577-0b74e6274d0e>

Bristol City Council continues to engage with national government, submitting a response to the Communities and Local Government Committee's 'Brexit and Local Government Inquiry'³ and participating in Ministry of Housing, Communities and Local Government's EU Exit Advisory Panel.

To date, the Government has published over one hundred technical notices⁴ on a wide variety of subjects. The Council has examined the relevant papers and used them to inform its ongoing assessment of the potential implications of a No Deal scenario.

Current Status of Negotiations

At the time of writing a draft Withdrawal Agreement between the UK and EU has been agreed. This relates solely to the terms of the UK's exit, not the future relationship between the UK and the EU.

The Withdrawal Agreement provides for⁵:

- **A deal on citizens' rights** that protects the rights of EU citizens in the UK and UK nationals in the EU, "ensuring they can live their lives broadly as now. Non-EU family members living lawfully in the UK with their EU citizen relative are also protected."
- **A time-limited implementation period** that provides certainty to businesses and individuals and ensures they only have to adjust to one set of changes in line with the future relationship with the EU.
- **Arrangements on the financial settlement that** "represent a fair settlement of the UK's rights and obligations as a departing Member State in accordance with its legal commitments and in the spirit of the UK's continuing partnership with the EU."

- **Governance arrangements** that provide legal certainty and clarity to citizens, businesses and organisations and respects the autonomy and integrity of both the UK's and the EU's legal orders.
- **A 'backstop' arrangement to avoid a hard border between Northern Ireland and Ireland.** This includes the continuation of the Common Travel Area arrangements and the ongoing protection of rights of individuals in Northern Ireland.

³ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/communities-and-local-government-committee/inquiries/parliament-2017/brexit-local-authority-inquiry-17-19/>

⁴ <https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal>

⁵ HM Government Explainer for the agreement on the withdrawal of the United Kingdom from the European Union, p.2

1. Finance & funding



Risk Title:
Finance & funding

Risk description:
The potential implications of a No Deal Brexit on the council’s finances and funding streams.

Likelihood	Impact	Risk Rating
Threat Risk Rating		
4	5	20
Opportunity Risk Rating		
2	5	10
Tolerance Rating		
1	5	5
Preparedness		
Medium		

Key threat risks:

1. Potential impact on inward investment and council income.
2. Inflationary pressures caused by fluctuations in sterling value.
3. Loss of EU grant funding.

Key opportunity risks:

1. To shape the development of the UK Shared Prosperity Fund so that it is complimentary to devolution and local priorities.
2. Strengthen the case for devolution of powers and money to city regions in order to address regional inequalities and promote economic growth.
3. The UK may still have the ability to ‘buy-in’ to EU grant funding programmes.

Actions and performance:

Actions and performance	
1	Engage with UK government to highlight the importance of ongoing access to core EU funding such as Horizon 2020, as well as appropriate successor regeneration and investment funding programmes.
2	Provide the government with the requested information to ensure it is able to put in place arrangements for underwriting existing EU funded projects, should a No Deal Brexit happen.
3	Develop partnerships bilaterally and via networks such as EUROCITIES to identify and bid for selected existing funding opportunities that are relevant to the corporate objectives of Bristol City Council.
4	Conduct a modelling exercise to best understand the level of the council's exposure and impact of changes to business rates income which could increase the council's resilience in the face of any potential changes to our funding base resulting from Brexit.
5	Work with partners to continue to support calls for devolved fiscal powers to local and combined authorities which could help address Brexit related risks to the council's finances.

Overview**Funding**

Membership of the EU currently allows UK actors, including the Council, to fully participate in a range of funded programmes. This is broadly split into three categories:

- Those that come from the EU via national government, such as the European Structural and Investment Funds (ESIF).
- Those that are delivered at the EU level including grant funding for research and innovation via Horizon 2020 and for transnational cooperation via programmes such as URBACT, Erasmus + and Interreg and;
- Strategic investment funding and support delivered via the European Investment Bank (EIB).

From 2005 to 2017, Bristol City Council secured over £27m of funding across the different streams and partnered with over 100 European cities. Bristol's Universities have also been awarded over 300 research grants, totalling over £150 million.

By accessing around £5.5 million worth of the ESIF European Regional Development Fund (ERDF), the council was for example, able to support the development of Filwood Green Business Park. The council's largest current Horizon 2020 funded project, REPLICATE, is worth approximately £3m over a three year period and enables the deployment of smart city solutions in selected districts.

The £2 million European Local Energy Assistance (ELENA) has also been instrumental in enabling the council to develop its Energy Programme of grant funding received through the EIB's European Local Energy Assistance Programme.

The city's universities have contributed to discussion and planning via their own networks, primarily Universities UK around the impacts of Brexit on funding arrangements, as well as on student and workforce access.

Finance

This part of the workstream is particularly unpredictable as the specific financial impacts on Bristol City Council will depend on changes in the national economy as well as the city/regional economy, the likely extent of which is not fully known.

Any higher trade costs between the EU and UK will result in reduced economic output in cities, and the Centre for Cities have identified that southern cities with large shares of employment in private-sector knowledge-intensive-services are predicted to be most negatively affected by increased trade costs.

These and other relevant factors are discussed in more detail in the other workstreams including City Economy, Key Operations, Supply Chain, as well as in the Funding section of this workstream, but it is clear that any impact on the national and city economy will also affect the City Council's finances.

Mechanisms for how this will occur include through effects on business rates income, demand pressures, investments and borrowing, and pension funding – discussed in more detail below.

In Detail - Threats & Opportunities

Funding

The key threat around funding is that the UK will not be able to access successor funding arrangements, including the future ESIF, Horizon Europe (replacing Horizon 2020) and transnational cooperation funds, and EIB investments in the next EU multiannual financial framework, which will run from 2021-2027. This threat increases if the UK does not have the ability to domestically replicate the range and opportunities created by the existing funding mechanisms available.

In addition, Horizon 2020 in particular acts as a facilitator of collaboration with European counterparts, leading to the exchange of best practice and knowledge, driving innovation in the council and helping to secure new UK research grants or other follow-on funding. This is at risk.

Despite the existence of a UK government guarantee to underwrite the funding for all successful bids for competitive EU funding made by UK participants until the end of the current programming period, additional threats include the potential for Brexit to reduce the opportunities for the council to partner in consortia for currently available funding opportunities.

An opportunity around funding is the chance to develop the proposed Shared Prosperity Fund (SPF), a new regeneration funding programme, as the UK successor to ESIF, so that it is complementary to devolution and local priorities and better funds those areas that are most in need. It is also an opportunity to make the future funding programme more streamlined, devolved, more easily accessible and to address the issue of match funding (ESIF has a 50% match funding requirement).

Even as a non-EU Member State, the UK may also still have the ability to 'buy-in' to EU grant funding programmes for research and innovation and for transnational cooperation, enabling UK actors to continue to apply to participate and capitalise on the benefits they provide. A number of mechanisms exist to facilitate this for Horizon 2020, for example, including 'associated' status.

In addition, calls for a successor to the investment funding provided by the EIB should be enhanced.

Finance

Reform to local authority funding in England has placed increasing importance on the revenue raised from locally retained business rates. Accordingly, all councils' financial sustainability and the funding of service delivery will increasingly depend on their ability to retain and grow rate-paying businesses. This in turn makes councils more financially vulnerable to macroeconomic conditions, with any economic downturn likely to lead to an increase in empty units and a slowdown in development. The resulting decrease in council income would place further pressure on already stretched resources.

Downgrades in the UK's credit rating have not yet led to higher borrowing costs, but this is a significant cost risk. It is also necessary to keep a close eye on the credit ratings of the limited number of deposit takers who meet the council's stringent investment criteria. Brexit also poses a threat of a downgrade to the council's own AAA credit rating, which could have an adverse impact on the council's pension fund.

The unpredictable effect of Brexit on demand for council services (as discussed in other workstreams) may complicate the management of necessary spending reductions in the years ahead. The longer term impact on demand will depend on the city's economic performance, but other factors may have impacts too: for example a temporary increase in reported hate crimes following the Brexit referendum necessitated a response from the council and our partners.

There is also a possible opportunity if devolved fiscal powers are released to local authorities and Combined Authorities. Although a significant next step, it would appear to be in line with Government priorities and progress made so far in devolving powers and money to city regions in order to address regional inequalities and promote economic growth and productivity across the UK. The ability to raise local taxes has been championed by many local authorities and would allow for increased funding sources for the council.

Notwithstanding the risks discussed above, Bristol City Council remains in a relatively strong financial position when compared with many other local authorities. This should provide the council with resilience and flexibility to enable us to respond to both threats and opportunities post-Brexit.

2. Civil Contingencies



Risk Title:
Civil Contingencies

Risk description:

Brexit preparations are being undertaken as a multi-agency response via the Local Resilience Forum (LRF). As with all the council’s civil contingencies work, the LRF is working to coordinate and plan for potential emergencies and disruptions.

Likelihood	Impact	Risk Rating
Threat Risk Rating		
2	7	14
Opportunity Risk Rating		
4	3	12
Tolerance Rating		
2	5	10
Preparedness		
Medium		

Key threat risks:

1. Those outlined in the Avon & Somerset Local Resilience Forum (A&SLRF) community risk register, including disruption to food and fuel supplies.
2. Failure of critical or essential services due to a lack of staff.
3. Port congestion leading to delays in the processing of goods and increased road traffic.

Key opportunity risks:

1. Civil Contingencies will take full part in A&SLRF Tactical and Strategic Coordinating Group meetings in the run up to 29 March.
2. Possibility of trade displaced from channel ports coming to Avonmouth / Portbury.

Actions and performance:

Actions and performance	
1	Avon and Somerset Local Resilience Forum (A&SLRF) is likely to produce both a Brexit 'Threat and Risk Assessment' assessing the impact of Brexit on risks listed on the Community Risk Register and any new, relevant risks identified.
2	Civil Contingencies to work with Avon & Somerset Local Resilience Forum (A&SLRF) and central government partners to understand the work that has taken place with ports of entry; Avonmouth, Royal Portbury Docks and Bristol International Airport.
3	Civil Contingencies to work with the A&SLRF partners to engage local ports of entry to ensure port plans and LRF plans are coordinated.
4	Public Health and Trading Standards teams to understand what BCC's options are should demand increase in these service areas as a result of a change in the customs regime.
5	Take part in the A&SLRF table-top scenario planning exercise planned for January 2019.
6	In order to make the most robust plans possible, Bristol City Council will work with the Ministry of Housing, Communities and Local Government 'Resilience and Emergencies Directorate' (RED) teams to understand the national work undertaken with ports of entry.
7	Liaise with North Somerset Council regarding the possible impact on Bristol Airport and the Royal Portbury Docks and possible congestion around these sites.

Overview

As with all of the council's civil contingencies work, Brexit preparations are being undertaken as a multi-agency response under the auspices of the Local Resilience Forum (LRF). The LRF is the multi-agency vehicle for Category 1 and Category 2 Responders (as defined under the Civil Contingencies Act) to coordinate and plan for emergencies and disruptions.

This work is focussed on:

- Identifying civil contingency threats that may increase as a result of Brexit.
- Taking action to mitigate increased risks.
- Making plans for high and very high risks.

- Establishing command and control arrangements for the lead up to and following Brexit to manage any incidents that may occur.

There is an LRF for every police force area in England (arrangements differ slightly for the UK devolved administrations). Bristol City Council is part of the Avon and Somerset LRF (A&SLRF), which is chaired by Assistant Chief Constable Nikki Watson. Bristol City Council is represented on the Executive Group of the A&SLRF at an Executive Director level.

In Detail - Threats & Opportunities

The National Risk Register and Avon & Somerset Community Risk Register

The A&SLRF maintains a Community Risk Register, based on the Cabinet Office National Risk Register. A number of risks that appear on the National Risk Register and the A&SLRF Community Risk Register that may be affected by a No Deal Brexit have been identified. These are:

- Emerging infectious diseases (due to changes in port controls).
- Food supply contamination (due to changes in food inspection regimes at ports).
- Fuel supply.
- High consequence dangerous goods / transport accident (due to changes and likely congestion at ports).
- Influx of British nationals.
- Local accident on motorways and major trunk roads (due to congestion around ports).
- Major outbreak of exotic notifiable disease in animals including birds (due to changes in port inspection regimes).
- Public Disorder.

Re-assessment of risks in light of a No Deal Brexit

Initial re-assessment of these risks suggests that none currently will change significantly. This fits with similar re-assessments being undertaken by other LRFs across the country. However, the risks will be kept under review and changes may be made as understanding of the implications of a No Deal Brexit develops.

New risks associated with a No Deal Brexit

The LRF is also identifying new risks that may arise as a result of a 'no-deal' Brexit. Primarily, these are:

- **Workforce risks** – the risk that a critical or essential service will fail due to a lack of staff following a No Deal Brexit. The sectors most at risk in the A&SLRF area are the health and social care sector, agriculture & tourism.
- **Port congestion** – the significant immediate impact of a No Deal Brexit is likely to be congestions around Ports of entry.

A&SLRF Engagement with Ports in Avon & Somerset

Significant central and local government resource and effort has gone into understanding the likely impact on the UK's big cross channel ports, such as Dover and Folkestone. This has included understanding how inspection regimes will change, the impact likely delays will have on supply chains and the subsequent traffic congestion around ports. The learning from this work has been shared with LRFs.

The Civil Protection Unit Manager attended a workshop in London with the senior police officer based at Bristol International Airport (BIA) to understand more about this work and how relevant it is to ports in Avon and Somerset. BCC Port Health teams have also been involved in meetings with DEFRA regarding the implications for Port Health inspection regimes.

A&SLRF have begun a process of engaging ports in Avon and Somerset; the Bristol Port Company (Avonmouth & Portbury) and BIA. The Civil Protection Unit Manager has been involved in this engagement. Initial assessment of the trade passing through the ports suggests exposure to any potential negative impacts of Brexit is relatively small:

Water ports:

- Low quantity of perishable goods.
- Main goods: fuel, animal feed, aggregate, cars, road salt, Hinkley supply materials, fuel pellets.
- Proportion of goods from EU comparatively little.
- Plentiful storage space if goods get stuck, so effect on the road network should be minimal but may grow if disruption continues.
- Possibility of trade displaced from channel ports coming to Avonmouth / Portbury.

Airport:

- Almost zero freight
- Issues around stranded passengers are not considered a new risk for the airport which has successfully managed 'no fly' issues in the past

Currently, the risk profile of Avon & Somerset ports is significantly lower than the big cross channel ports. However, the LRF is trying to establish the likelihood of 'displaced' trade increasing through A&S ports, increasing the risk of highway disruption.

LRF Plans

The LRF is likely to produce both a Brexit 'Threat and Risk Assessment' assessing the impact of Brexit on risks listed on the Community Risk Register and any new, relevant risks identified; and a multi-agency Brexit plan, detailing how the multi-agency community will manage any additional risks and how Command, Control and Coordination will be managed in the build-up to and following 29 March 2019.

Command, Control and Coordination

The Cabinet Office have stated their expectation that LRFs will 'stand up' their command, control and coordination systems in the build up to and following 29 March 2019. This will involve a regular meeting of a multi-agency 'Strategic Coordinating Group' (SCG) from January 2019.

It is currently expected that the SCG will meet weekly from January, with meetings becoming more regular as required. Meetings are expected to continue beyond 29 March, with the Cabinet Office advising LRFs to plan for up to 12 weeks of additional meetings from exit day, possibly longer.

Brexit Table-top Exercise

An A&SLRF table-top exercise is planned for January 2019. The exercise will use scenarios developed by the Ministry of Housing Communities and Local Government (MHCLG) Resilience and Emergencies Directorate (RED). These scenarios will be used by all LRFs in the UK. The exercise is aimed at the strategic officers likely to make up the Brexit Strategic Coordinating Group.

MHCLG 'RED' Teams

The Resilience and Emergencies Directorate of the Ministry of Housing Communities and Local Government has regional 'RED' advisers across the UK. The RED teams have recruited additional resilience advisers to support LRFs and Category 1 and 2 Responders to prepare for a No Deal Brexit. The RED team that covers Avon and Somerset are based in Bristol. The CPU Manager has been in close contact with RED Advisers to ensure both the A&SLRF and the council are aware of their advice. RED advisers are available to answer technical questions or escalate queries and concerns to relevant central government departments.

Business Continuity Plans

An update on the business continuity work undertaken by the council over the previous 18 months has just been submitted to the council's Audit Committee⁶. It sets out the processes in place to prevent disruptive events, including Brexit, from affecting the delivery of services. In summary:

- Following work undertaken with the Emergency Planning College, business continuity planning was extended from limited number of identified 'critical services' to all service areas within the authority. As part of a review of planning, services are now required to identify 'critical activities' the service will seek to maintain during disruptions.
- They must also set 'Recovery Time Objectives' – the time after which critical activities must be recovered. This information informs the planning of cross-cutting business support services such as IT and workplace support.
- Services must identify key staff, consider how disruptions would be managed and make plans for four headline scenarios:
 - Loss of staff
 - Loss of workspace
 - Disruption to IT services and systems
 - Loss of contracted / commissioned providers and suppliers

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⁶ <https://democracy.bristol.gov.uk/documents/g3199/Public%20reports%20pack%2026th-Nov-2018%2014.30%20Audit%20Committee.pdf?T=10>

3. Workforce



Risk Title:

Workforce

Risk description:

The potential implications of a No Deal Brexit on the council's workforce.

Likelihood	Impact	Risk Rating
Threat Risk Rating		
2	3	6
Opportunity Risk Rating		
2	3	6
Tolerance Rating		
1	3	3
Preparedness		
Medium		

Key threat risks:

1. Negative effect on the council's ability to recruit and retain EU citizens to its workforce.
2. A No Deal Brexit could create or exacerbate skills shortages.
3. A tightening labour market could result in an upward pressure on wages, bringing about additional costs to the council.

Key opportunity risks:

1. Provide reassurance to EU citizens in the council's workforce through pro-active communication, offering advice and guidance on residency and employment rights in the event of No Deal.
2. Deliver targeted training opportunities to upskill existing staff.
3. Develop a more complete profile of the council's EU citizen workforce.

Actions and performance:

Actions and performance	
1	Implement the Mayor’s commitment to fund the cost of any council employees who wish to seek EU settled status.
2	Ensure that long-term hiring strategies and workforce planning are aligned with business priorities.
3	Initiate a regular programme of communication to our EU workforce to make sure they are aware of their rights and understand how to access help and guidance.

Overview

An important consideration for Bristol City Council is how a No Deal Brexit could affect the council’s ability to recruit and retain staff.

The Confederation of British Industry (CBI) has warned that businesses and large organisations have been experiencing increasing difficulties since the referendum, with 41% of surveyed firms saying recruitment had been negatively impacted ⁷.

This has been attributed to the fall in the value of the pound making the UK less attractive in comparison to other countries. Firms also report anecdotally of EU citizens working in the UK feeling less welcome because of Brexit, and being unsettled by the lack of clarity over their rights to remain.

Residency Rights - No Deal

The post-Brexit rights of EU citizens living in the UK and those of UK citizens living in the EU has been one of the key issues at stake in the negotiations over the UK’s withdrawal from the EU.

In June 2018 the Home Office confirmed that it would implement a ‘settled status’ regime for EU citizens in the UK, whether there is a Withdrawal Agreement or not. Those with settled status would have same rights to work

and study and the same access to benefits and public services.

An application fee of £65 for adults and £32.50 for children will apply, with the fee for children in local authority care to be refunded by the Home Office. A soft launch has been scheduled for late 2018 through a dedicated website and app, which are expected to be live in March 2019.

In the State of the City Address 2018, the Mayor announced that the council would fund the cost of any council employees who wish to seek EU settled status.

Residency Rights - Draft Withdrawal Agreement

If approved, the draft Withdrawal Agreement would guarantee the existing EU residence and social security rights of the 3m EU citizens in the UK, and the 1m UK citizens living on the continent.

Under the agreement the 19,000 EU citizens who live in Bristol, as well as their family members, would be able to continue residing, working or studying as they do at the end of the transition period, for the rest of their lives.

⁷ <http://www.cbi.org.uk/cbi-prod/assets/File/FINAL-Brexit-preparedness-survey-write-up.pdf>

The agreement would also enable family members who do not yet live in the same host state to join them in future. These individuals would have the right to the same treatment as host state citizens set out by EU law.

The Labour Market

Data from the 2011 Census suggests 15% of people living in Bristol were born outside the UK and of these, 4.6% (19,686) were born in the EU. Bristol's EU population is higher than both the England and Wales average (3.6%) and the South West region as a whole (2.8%). In England, only London and Nottingham have a higher proportion of EU residents.

Bristol City Council has a workforce of 6,300 employees. 92 employees have identified themselves as being from European Economic Area (EEA) countries (excluding Irish Citizens). Of these, 69 have less than five years' service. In Adult and Children's Social Care of a total workforce of 1700, so far we have identified 43 employees who are EU citizens and therefore eligible for the council's Settled Status offer.

Extrapolating 2011 census data would indicate that approximately 280 directly-employed council staff are EEA citizens.

In Detail - Threats and Opportunities

Our current assessment is that the impact of a No Deal Brexit on our directly employed workforce and service delivery are not significant at this stage.

However, the council will take steps to improve our monitoring systems so that if there is an adverse impact on our EU citizens we will be in a position to respond to it. As part of this process, all employees will be asked to ensure that their personal information on the council's HR systems is fully up to date.

We will also start a pro-active programme of communication with employees who are EU citizens to ensure that they are aware of their rights and the Mayor's offer in relation to application costs. They will also be signposted to relevant official guidance – including the process for applying for settled status.

One of the key workforce threats is the potential for Brexit to create or exacerbate skills shortages. In the South West the employment rate of EU citizens, at 79.5%, is around 5% higher than UK-born residents. Government statistics suggest Brexit is already having an effect on the labour market, with National

Insurance Number registrations for EU citizens down by 29% in the region since the referendum. According to the Chartered Institute of Personnel and Development (CIPD), firms expect the biggest changes in the next three years to be tougher competition for well-qualified talent and the increasing difficulty in recruiting senior and skilled employees⁸.

As well as creating a more challenging recruitment environment, a tightening labour market could also result in an upward pressure on wages, bringing about additional costs to the council.

However, this could also present an opportunity to deliver targeted training opportunities to help upskill existing staff.

It will be important to ensure that long-term hiring strategies and workforce planning are aligned with business priorities. The council will continue to monitor the impact of Brexit so that it can inform its workforce forward planning and recruitment processes so that talent is hired not just for the skills that the council currently needs, but also for the skills that the council thinks it will need in six to 12

⁸ <https://www.cipd.co.uk/news-views/brexit-hub/workforce-trends>

months. There should also be a focus on the development of current staff for succession.

The most significant workforce implications relate to the council's supply chain and in particular health and social care commissioned services (as outlined later in this assessment). It should be noted that Bristol, North Somerset and South Gloucestershire CCG (BNSSG) has the highest vacancy rates across social care in the South West – at 10.9%. Current estimates indicate 19% of all care worker roles across BNSSG were non UK born, with 9% born in the EEA (non-UK). This sector is therefore particularly vulnerable to any fall in net-inward migration in the event of a No Deal Brexit.

Overall, the reliance on EU citizen employees in the health and social care sector will exacerbate the acute problems of recruitment and retention that already exist. Commissioners of Adult Social Care services are already working with providers to seek to mitigate these risks but there is a high probability that the council's ability to ensure citizens receive the services they need could be adversely affected.

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4. Legal and Regulatory



Risk Title:

Legal & Regulatory

Risk description:

The potential legal and regulatory implications of a No Deal Brexit

Likelihood	Impact	Risk Rating
Threat Risk Rating		
3	5	15
Opportunity Risk Rating		
3	5	15
Tolerance Rating		
2	5	10
Preparedness		
Medium		

Key threat risks:

1. Failure to meet statutory duties due to providers of social care services being unable to recruit and/or retain sufficient staff due to immigration restrictions for EEA national or EEA nationals choosing to leave the UK.
2. Contract failure due to contractors / delivery partners being unable to recruit/retain sufficient staff due to immigration restrictions for EEA national or EEA nationals choosing to leave the UK.
3. Statutory powers and duties to EU nationals in relation to homelessness, housing allocation, social care are unclear- risk vulnerable people's needs not being met and of legal challenge.

Key opportunity risks:

1. Opportunities to make changes to new contract terms and conditions.
2. Opportunity to consider innovative ways to deliver statutory duties.

Actions and performance:

Actions and performance	
1	Identify relevant legal duties and plan contingencies to meet these if there is provider failure – be clear as to the baseline duty below which there will be a risk of challenge e.g. Care Act statutory duties.
2	Seek legal/data protection advice on the risks of data transfer outside UK and take action as a result.
3	Identify key contracts at risk from provider failure and review relevant contract provisions. Plan contingencies and assess cost.
4	Seek further clarity from government and legal view on duties to EU Nationals and the position of EU nationals working in the UK if no deal and share with affected providers.
5	Meetings between Procurement and Legal teams to look at new contract terms.
6	Consider if specific contract terms required for new contracts running beyond April 2019.
7	Seek detailed guidance on implications of No Deal for state aid and data transfer.

Overview

Many local government activities are affected by EU rules and regulations, including waste management, environmental standards, trading standards and procurement.

The EU Withdrawal Act 2018 ensures that there is legal certainty as both EU Derived Laws (ie UK legislation giving effect to EU laws) and Direct EU Legislation (ie EU rules having direct effect on UK without being subject to UK legislation) will continue to apply even under “No Deal”.

Under the terms of the draft Withdrawal Agreement, the UK would continue to be bound by the EU legal and regulatory framework (including the ECJ) until the end of the transition period – 31 December 2020.

Non-regression requirements in the agreement will also prevent the UK from bringing in lower standards on social, environmental and labour regulations. (This reflects one of the demands made by the Bristol Brexit Response Group, which called for certain EU-derived laws, including non-discrimination and equal pay, occupational health and safety, fair working conditions and employment standards to be protected)⁹.

⁹ <https://www.bristol.gov.uk/documents/20182/0/Bristol+and+Brexit/14d0424f-9e6e-4adc-8577-0b74e6274d0e>

In Detail - Threats and Opportunities

Statutory Duties

There are numerous statutory duties placed on local government, set out in various Acts, Regulations and statutory guidance. In the context of a No Deal Brexit the key legal risk to the council is the failure to meet these statutory duties – for example, as a result of supplier/provider failure.

As set out later in the report, a key risk is in the area of Adult Social Care. If the council or its providers cannot recruit or retain sufficient staff or if providers simply fail, the council may fail to meet its statutory duties, creating the risk of legal challenge alongside the failure to meet the needs of our city's most vulnerable people. There is an emerging risk in respect of our statutory duties towards looked after children and this is still being quantified. This is in respect of retention of foster carers.

Procurement

Procurement rules will continue to apply. The Public Contracts Regulations 2015 require the publication of electronic versions of procurement documents for above threshold procurements on the Official Journal of the European Union (OJEU), via Tenders Electronic Daily. However if the UK withdraws from the EU without a deal, it is highly likely that UK public sector businesses will lose access to this platform.

Transparency of procurement opportunities is a key part of the government agenda. The government has confirmed that a UK-specific e-notification service will be made available to UK businesses and individuals if OJEU access arrangements are not finalised before the 29 March 2019. For those public sector bodies who place contracts on OJEU directly, they will be contacted closer to 29 March 2019 with further information about the new UK system.

This will not affect the requirement for relevant contracts to be advertised on domestic platforms such as 'Contract Finder' and 'Sell2Wales' which will continue.

State Aid

The UK committed to continuing the control of anti-competitive subsidies by creating a UK-wide subsidy control framework. The government has already stated that the Competition and Markets Authority (CMA) will take on the role of UK state aid regulator.

The UK proposes maintain a robust state aid regime into its future economic relationship with the EU, with an upfront commitment to maintain a common rulebook with the EU on state aid, enforced by the CMA.

Competition

After the UK leaves the EU, the CMA will want to continue to work together with EU's Directorate General Competition, "building on their existing highly effective relationship". The Government's EU White Paper notes that there are currently no strict requirements that apply to national competition regimes or requirements to have the same procedural rules. The UK has, however, kept in step with the EU's competition regime, and has gone further than EU minimum standards. The government notes that it will be important to ensure that competition decisions are compatible.

Employment law implications

The government proposes to maintain current UK employment laws, so that existing workers' rights enjoyed under EU derived law will continue to be available under UK law on the day of withdrawal. Much of UK employment law derives from EU Directives, including TUPE, collective consultation requirements, working time requirements (including holiday

and time off), agency worker protection and discrimination.

The Withdrawal Agreement would commit the government to the non-regression of employment law standards.

Data protection

The government's official guidance on data protection if there is a No Deal Brexit says that there will be no immediate changes to data protection standards. This is because the Data Protection Act 2018 would remain in place and the EU Withdrawal Act would incorporate the GDPR into UK law to sit alongside it. The legal framework governing transfers of personal data from organisations established in the EU to organisations established in the UK would change.

Organisations have been advised to monitor the government's discussions with the EU on their adequacy decision to allow the flow of personal data from the EU to the UK. If this decision is not made, or the timeline is unfavourable, the government's advice is for organisations 'to consider assisting your EU partners in identifying a legal basis for those transfers¹⁰'. The implications for councils are uncertain¹¹ and further work is needed to clarify this.

Product safety and consumer protection

The government has confirmed its commitment to maintain a robust programme of risk-based market surveillance to ensure that dangerous products do not reach consumers. To that end, it proposes the establishment of co-operation arrangements between UK and EU regulators complemented by exchange of information.

The government's No Deal technical notices on 'labelling products and making them safe'¹² contain detailed advice on the implications of No Deal for local authorities.

The government's Technical Notices state that there would be no change to food standards, but after a six month grace period minor labelling changes will be required. Tobacco labelling regulations will also remain the same – and will continue to be the responsibility of Bristol City Council's Trading Standards officers. In the event of No Deal Bristol City Council will ensure that relevant teams are briefed on the government's Technical Notices so they understand the implications for enforcement and other regulatory activities.

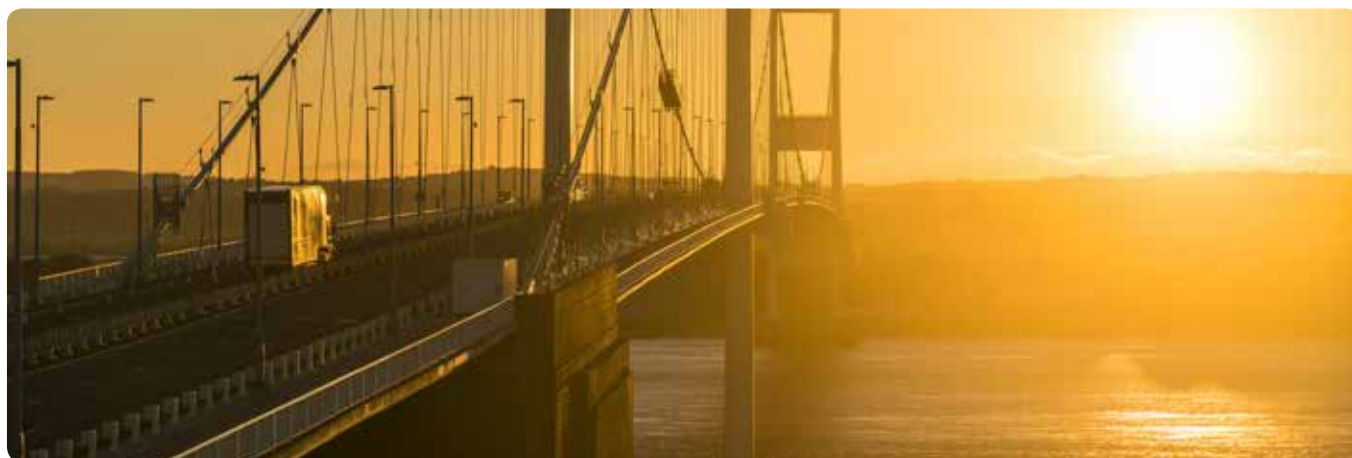
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¹⁰ <https://www.gov.uk/government/publications/data-protection-if-theres-no-brexIt-deal>

¹¹ <https://www.local.gov.uk/sites/default/files/documents/Appendix%20-%20No%20Deal%20-%20Key%20Changes%20for%20Councils%202.pdf> p14

¹² <https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal#labelling-products-and-making-them-safe>

5. Supply Chain



Risk Title:
Supply Chain

Risk description:

The potential impact of a No Deal Brexit on the council's supply chain.

Likelihood	Impact	Risk Rating
Threat Risk Rating		
2	2	4
Opportunity Risk Rating		
2	3	6
Tolerance Rating		
2	2	4
Preparedness		
Medium		

Key threat risks:

1. Impact of cost pressures on key suppliers / delivery partners.
2. Delays to the delivery of capital programmes.
3. Increased cost of dollar-denominated IT products and services.

Key opportunity risks:

1. Proposed changes to import VAT could drive down prices.

Actions and performance:

Actions and performance	
1	Liaise with key suppliers to ensure that they are taking a managed approach to business continuity and ensuring plans are in place to deal with the potential impact of No Deal.
2	Devise a map of the supply chain in order to develop a clearer understanding of the key suppliers to the council, focusing on contract value and the criticality of the service provided.
3	Seek legal advice to deal with contractors seeking to vary contracts.
4	Explore option to insert a provision within ICT and other relevant contracts to cover currency fluctuation and the council will also identify which current suppliers are non-UK businesses.
5	Consult with their legal colleagues to ensure any changes in legislative requirements post-Brexit reflect any changes in the finance industry and that these are captured in new contracts and / or in any variations to existing contracts.

Overview

Bristol City Council spends around £350m per year on goods and services from around 10,000 suppliers. Whilst it is impossible to understand the impact of a No Deal Brexit across the full extent of the council’s supply chain, we are taking steps to assess the preparedness of key suppliers.

As part of existing supply chain management processes, the council is in regular dialogue with around 20 key suppliers – defined as those who deliver support to vulnerable residents, provide essential frontline services or those with the highest contract value.

In line with existing policy and practice, the council will continue to liaise with its key suppliers to ensure they are taking a managed approach to business continuity in the event of a No Deal Brexit. Specifically, the council will seek assurances that;

- Risks to continuity have been assessed.
- Dependencies and potential points of failure have been identified.
- The impact of disruption on service users drives the response.
- Planning is embedded in the organisation (staff are trained / aware, plans tested, regular reviews).

In Detail - Threats and Opportunities

In relation to service delivery in the face of a No Deal Brexit, any impact on the council's supply chain could have a knock-on effect on the council's ability to sustain the delivery of both statutory and non-statutory services.

A No Deal Brexit could result in cost pressures to the council. In areas such as construction, social care, education, facilities management, repairs and maintenance there could be delays to the supply of component parts. A loss of product availability due to changes in the supply chain means that wholesale system changes could be needed which would come at a further financial cost.

A No Deal Brexit would mean the introduction of customs checks at the border, potentially creating delays in the processing of goods. There is also a threat that 'front loading' by suppliers may result in a lag in delivery timescales which could come at financial and operational costs to the council.

In relation to ICT, post-Brexit impact upon the technology and innovation sector largely depends upon what model the UK adopts for its relationship with the EU. If the UK remains in the EEA, the changes may be minimal. If the UK joins the European Free Trade Association, the landscape depends on the exact nature of that relationship. If the UK distances itself further from the EU, the changes may be more extensive.

Post-Brexit, if the pound's recovery takes longer it would make dollar-denominated IT products and services in the UK relatively more expensive for an extended period. This has already been seen with announcements of price hikes for PCs, mobile phones and servers. Moving forward, Bristol City Council should ensure that there is provision within contracts to cover currency fluctuation and the council should also identify which current suppliers are non-UK businesses.

There is the potential for reputational and financial threats due to delays in capital programmes. In relation to transport and construction, consultation will be needed with affected contractors in order to understand how they will support services going forward as well as how they will cover the loss of personnel. Specifically in relation to transport, more emphasis will have to be placed on the use of energy efficient vehicles as part of future contracts.

There are potential opportunities in relation to changes to import VAT; there are proposals that a government import delay on VAT could come into place. This could have a huge financial impact on cash flows of suppliers, as VAT will not have to be paid up front, potentially driving down prices.

6. Key Operations – Social Care



Risk Title:
Social Care

Risk description:

The potential impact of a No Deal Brexit on the council’s social care services.

Likelihood	Impact	Risk Rating
Threat Risk Rating		
4	5	20
Opportunity Risk Rating		
3	3	9
Tolerance Rating		
3	3	9
Preparedness		
Medium		

Key threat risks:

1. Pressures on workforce and supply chain could lead to disruption to services.
2. Impact on the timeliness / quality of care delivered in different settings (e.g. hospital discharge, residential and nursing homes, homecare, children’s residential care, foster care) due to shortages of care staff/ carers.
3. A tightening labour market leading to increased wage demands could lead to further cost pressures on providers.

Key opportunity risks:

1. Maintaining the existing strong focus on recruiting to care jobs in Bristol.

Actions and performance:

Actions and performance	
1	Work with commissioned and in-house care provision to better understand risk/ contingency/ opportunity plans for Brexit.
2	Maintain the existing strong focus on recruiting to care roles in Bristol - this is already high priority in the ACE Directorate as it underpins BCC's ability to ensure sufficiency of supply of care and to meet statutory duties.
3	Map exposure to EU loans underpinning strategic new build plans in the Adult Social Care sector.
4	Support the LGA's calls for a secure and sustainable Adult Social care workforce and excellent care skills to be a priority for the Government in drafting a future Immigration Bill ¹³ .
5	Continual focus on Delayed Transfers of Care (DTOCs) from hospital and how a lack of care staff plays into this.
6	Work closely with fostering households concerned about deportation. There may be a reduction in foster carers and potential foster carers if they consider their living situation to be precarious. Discuss with prospective foster carers at application stage / fostering panel and similarly for prospective adopters at assessment and panel stages.
7	In line with the commitment made in the Mayor's State of the City address the council will consider extending its offer of assistance with Settled Status application costs to commissioned providers to help stabilise their workforce.

Overview

The Adult Social Care sector is already facing difficulties due to reductions in overall funding, whilst the challenge in delivery is already recognised at the national level. It is also a sector considered most vulnerable to changes in migration, thus exiting from the EU is adding an additional layer of risk to an already fragile sector.

In the Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group area 19% of all care workers are non-UK born – 2,130 people. Of those 9% (1,206 employees) are EEA citizens.

The council foresees a proportionately higher impact for frontline care workforce, such as home care, given this is generally a lower level entry sector and the impact of changes to people's status will therefore have a greater impact.

The council is already seeing challenges in regard to recruitment for nursing roles within its care homes where a significant number of nursing staff are from the EU and in the ability of commissioned providers to recruit to homecare roles. These predicted pressures for the provider supply chain will adversely affect areas such as delayed transfers of care from hospitals out to social care provision.

¹³ https://www.local.gov.uk/sites/default/files/documents/12062018_EuropeanUnionBill_LGABriefing_v3.pdf

Commissioned providers may yet not be clear on the implications of No Deal on their own organisations and staff, whilst a tightening labour market could result in increased wages, adding further cost pressures to the sector. It therefore remains vital that the council's commissioned and in-house services are futureproofing their workforce plans for the coming period.

In Detail - Threats and Opportunities

As a result of pressures on its workforce and supply chain, there is a significant threat that council services could fail to be delivered and that the council would therefore be unable to deliver its statutory duties, impacting on service users, families and citizens.

This could have a knock-on effect on other services as the council is forced to dedicate less resource to discretionary services.

The extent of risk for council providers in regard to loans from the EU that underpin new builds and investments continues to be investigated, including the potential impact on strategic new build plans in Adult Social Care. This mapping exercise will continue in the coming weeks.

Challenges in nursing recruitment, for example, would be an additional threat to Adult Social Care and providers' ability to deliver statutory requirements on placing service users in nursing care.

More broadly, exiting the EU could offer the opportunity to take innovation approaches to delivery of services. However when this relates to statutory services, there is an increased legal risk for the council associated with this. Collaboration across sectors is also a further opportunity; in particular between local authorities and other local partners such as the Acute Trusts in the City and commissioned providers as organisations prepare to leave the EU.

7. City Economy



Risk Title:

City Economy

Risk description:

Considers the potential impact of a No Deal Brexit on the city economy.

Likelihood	Impact	Risk Rating
Threat Risk Rating		
3	5	15
Opportunity Risk Rating		
3	3	9
Tolerance Rating		
3	3	9
Preparedness		
Medium		

Key threat risks:

A period of negative or restricted economic growth, impacting upon trade, investment, business confidence, council funding and finance, the labour market and key sectors of the local economy.

Key opportunity risks:

Increased opportunities for UK-born workforce.

Actions and performance:

Actions and performance	
1	Robust data analysis, shared amongst key partners and stakeholders to reach a common understanding of local economic conditions, leading to early identification of real threats and opportunities.
2	Achieving consensus with partners and stakeholders on strategic objectives for inclusive and sustainable economic growth, with effective action planning and monitoring, to avoid becoming distracted by poorly evidenced instinctive short-term measures.
3	Increased investment in skills training and 'inclusion infrastructure', directed at both employer and resident needs, to exploit potential for job insertion for residents in the wake of vacancies created by shortage of migrant workers.
4	Continue to make the case to Central Government to devolve more skills funding to local level.

Overview

Bristol is one of the most successful cities in the UK, with a higher employment rate than other Core Cities and an economy that contributes approximately £14bn to the Treasury (ONS 2016 figures) every year. The West of England Local Enterprise Partnership (LEP) has the highest annual growth rate of the Core City LEP areas and Bristol has the third highest number of business start-ups¹⁴. However, Bristol's prosperity is not shared by all its citizens and many areas experience multiple deprivation.

Economic Forecasts

In November 2016, the Office for Budget Responsibility (OBR) made a number of judgements about how the vote to leave would affect the economy. The OBR noted that this was not straightforward, given that the nature of the future trading relationship is unknown and the terms of exit are yet to be agreed. However, the OBR retained the same broad-brush assumptions regarding Brexit that have underpinned previous forecasts, specifically that:

- Import and export growth will slow over a 10 year period as new trading negotiations are negotiated.
- The UK will experience lower net inward migration.
- Uncertainty over investment returns would cause some investment to be postponed or cancelled.

The 2018 Autumn Budget saw a revised set of growth forecasts, with GDP revised up slightly and unemployment forecasts lowered. However, all these forecasts are based on a Brexit deal. Should the UK leave without a Withdrawal Agreement and therefore a transition period – the OBR states that:

A disorderly Brexit could have severe short-term implications for the economy, the exchange rate, asset prices and the public finances¹⁵.

¹⁴ <https://www.bristol.gov.uk/documents/20182/32947/State+of+Bristol+Key+Facts+2017-18/94b14c82-b664-0f5f-4487-8623f4be9ae6>

¹⁵ <https://obr.uk/efo/economic-fiscal-outlook-october-2018/>

Official government estimates, suggest that a No Deal Brexit could see GDP growing by 8% less than would be expected were the UK to remain in the EU.

Impact of negative or restricted growth

In addition to recessionary pressures, or those of stagnant or very slow growth, a No Deal Brexit is likely to bring with it specific impacts upon the UK labour market, representing both threats and opportunities.

As described earlier, a reduction in the number of foreign-born workers – both EU and non-EU – has the potential for a range of impacts. This could include skills shortages, with the CIPD pointing, out over a year ago¹⁶, that the UK ranks in the bottom four Organisation for Economic Cooperation and Development

(OECD) countries for literacy and numeracy among 16-24 year olds. CIPD warn that underinvestment compared to other EU countries in skills and training means the UK is “sleepwalking into a low-value, low-skills economy post-Brexit”.

While the available data makes it difficult to quantify Bristol’s vulnerability to skills shortages, it should be noted that the city has an above average number of residents qualified to degree level (48.5%) – with Bristol residents more highly qualified than all other Core Cities. However, at the other end of the scale over 15,000 working age residents of Bristol had no qualification and a further 25,000 were only qualified to the NVQ1 level, meaning over 40,000 residents are classed as ‘poorly qualified’.

In Detail - Threats and Opportunities

Any negative or restricted economic growth as a result of No Deal is likely to have a negative impact upon investment, trade, business confidence and council finances (particularly lost business rate income). Work commissioned by Core Cities suggests in the event of a No Deal Brexit, Bristol’s GVA (Gross Value Added) will fall by over 2.5% relative to the previously projected growth forecast (based on a ‘Remain’ 2030 baseline).

Increased unemployment, reduced household income and rising personal debt are common features of a weakening economy. Each has the potential for increased demand upon local authority services and impact upon council revenue streams through council tax and rent. Social costs, for example in respect of advice services, are also likely to increase. Reduced economic activity will have wider implications for a range of council income streams, from planning fees to Community Infrastructure Levy and parking fees.

There are 22,175 business units across the city. Any reduced level of development and an increase in empty retail units would see a further challenge for the local economy and council finances. There is a threat that if large companies reduced or ceased production in the UK, it would impact Bristol’s economy through lost jobs and flow down impact on supply chain. The city’s business landscape includes 34 EU head quartered corporates and 2,639 foreign-owned businesses. Amongst the 24 businesses that have a £100m turnover, nine of these are foreign-owned.

Nearly two thirds of businesses have not prepared for a No Deal Brexit, according to the British Chamber of Commerce. Their survey of over 2,500 firms across the UK found that 62% of firms have not done a risk assessment of the impact of Brexit to their business. The figures reveal a disparity between the preparedness of the largest companies and their smaller counterparts; 69% of micro firms have not completed an assessment, compared to 24% of firms with over 240 employees.

¹⁶ <https://www.cipd.co.uk/about/media/press/170419-uk-skills-crisis>

The number of micro businesses in Bristol is slightly lower than the national average – but even so, extrapolating this national data to a local level would mean an estimated 14,000 micro-businesses in the city have made no preparations for a No Deal Brexit.

Of all the UK's regional cities, Bristol is the third most reliant on EU exports. With 66% of the city's exports going to the EU, compared to just 8% going to the US and 2% to China, Bristol is only behind Exeter and Plymouth in terms of its reliance on trade within the European Union¹⁷.

Manufacturing and construction are vital sectors to the area. Approximately 20.5% of national aerospace employment is currently located in the South West, with both Airbus and Rolls Royce employing 3,000 people at their Filton sites (just beyond the Bristol local authority boundary in South Gloucestershire).

Recent months have been marked by uncertainty and threats to jobs in the sector. In June Rolls Royce announced 4,600 redundancies, saying that although their Derby site would be hit the worst, some corporate and support jobs would go at its Filton Plant, Airbus has warned that should the negotiations between the UK and EU conclude without a deal, its site at Filton would be at risk¹⁸. The Chief Executive of Business West said he believes Airbus's warning should be taken seriously and "the role of Airbus as an employer and an anchor firm for our high-tech, advanced manufacturing and aerospace sectors is hard to overstate."

Between 2014 and 2020, the city region is to receive €68m in European Structural and Investment Funding and both the council and wider city are exposed to European Investment Bank (EIB) loans. The future of these is uncertain, which poses a potential threat to a number of city economy projects.

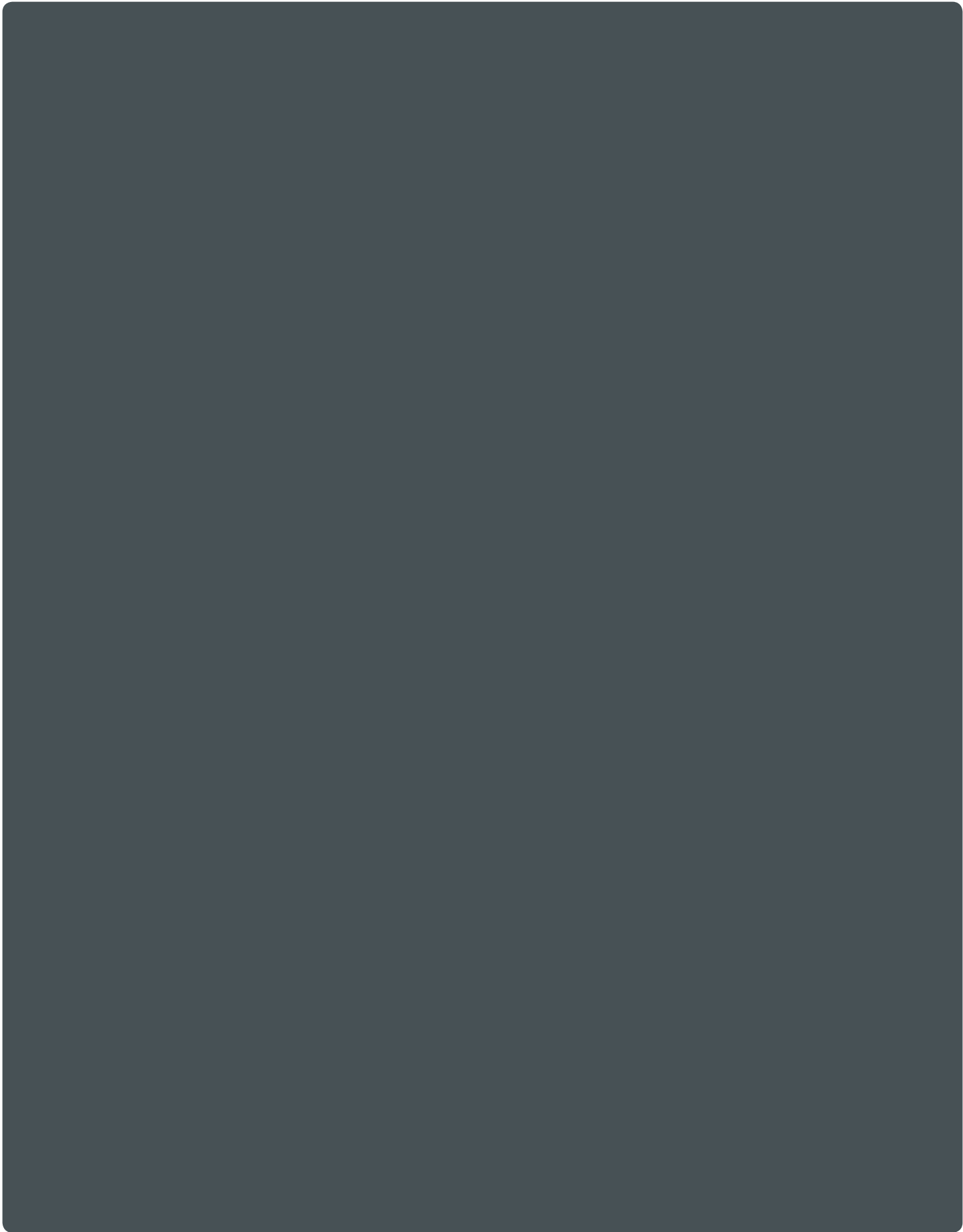
The withdrawal of EU citizen workers carries both threats and opportunities. Some threats, with direct relevance to the council's own workforce, have already been explored, in terms of recruitment challenges and skills shortages. But with this specific threat comes a potential opportunity for unemployed and economically excluded UK citizen residents. Increased numbers of vacancies prompt employers to find ways of attracting and adapting to these residents who may have previously been overlooked.

However, should an economic downturn outweigh the reduction in the readily available workforce, it could easily be that progressive labour market policies aimed at inclusive growth are pushed to one side in favour of a more prosaic and pragmatic focus upon any job rather than a quality job. A tight labour market aids attempts to foster inclusive growth, while the evidence shows that the opposite has a negative impact on diverse recruitment, skills development and utilisation, and the incentive for improved terms and conditions.

It remains important to maintain good economic intelligence, through the analysis of both hard and soft data, in order to have early notice of changes in the business environment and the local labour market. This should alert us to which of the potential threats and opportunities is manifesting locally, as well as identifying additional impact not previously assessed.

¹⁷ <https://www.centreforcities.org/reader/cities-outlook-2017/uk-cities-export/>

¹⁸ https://www.google.co.uk/search?q=airbus+filton+No+Deal&rlz=1C1GCEA_enGB815GB815&aq=airbus+filton+No+Deal&aqs=chrome..69i57.4254j1j7&sourceid=chrome&ie=UTF-8



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