

Report

Cabinet



Part 1

Date: 6 April 2022

Subject Post EU Transition Update for Newport City Council

Purpose To present an update to Cabinet on developments since the UK left the European Union on Newport Council services and Newport's communities and economy.

Author Chief Executive
Head of People, Policy and Transformation

Ward All

Summary Since the UK left the European Union in December 2020 the UK and Wales has been adjusting to the trade arrangements and reacting to the wider global economic impacts and Covid restrictions.

In the last month the global economic challenges and uncertainty has continued to put pressure on households and businesses as costs continue to rise. The cost-of-living increases are not just affecting low-income households but also middle-income households as food, fuel and energy costs are increasing but salaries are not keeping pace.

Newport Council is implementing the Welsh Government's £150 Council Tax rebate for properties in bands A to D). The Council will also be supporting businesses with rate relief in the city. Funding continues to be provided to local food banks / groups to support the city's most vulnerable households.

There continues to be support provided to the city's EU/EAA communities with late EU Settlement Scheme applications and advice around rights and entitlements. Newport Council is also preparing to support Ukrainian refugees and is offering support to the Ukrainian families living and working in Newport. We also recognise the impact that the conflict in the Ukraine is having on our wider EU communities, many of whom have links to neighbouring countries who are also affected.

Proposal To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.

Action by Corporate Management Team

Timetable Immediate

This report was prepared after consultation with:

- Heads of Service and officer 'Task and Finish' group.

Signed

Background

The UK and Wales continues to see positive and negative impacts on the UK economy since leaving the EU. The global economic position continues to bring significant uncertainty as economies recover from the Covid pandemic and the current ongoing conflict in Ukraine. These global impacts are having an effect on the cost of living for households and businesses in Newport and Wales. Since the last Cabinet Report there has continued to be inflationary increases in the cost of living resulting from increases in the cost of fuel (petrol and diesel), Energy prices, food and other household goods and services. Businesses are also having to increase their own costs due to the ongoing [inflationary pressures](#) and are being passed onto the consumer. Reports from the UK Government and Welsh Government are indicating further inflationary and economic pressures throughout 2022 which are impacting significantly on low-income families but are now affecting middle income families.

Following the Welsh Government's announcement to provide householders living in bands A to D properties £150 Council Tax rebate, the Council's Revenue team will be making payment arrangements. At the last Council meeting it was announced that the Council has adopted the [Welsh Government's Retail, Leisure and Hospitality Rate Relief scheme for 2022/23](#) to support businesses across the city. In addition, the Council will be extending the rate relief in 2022/23 offering 25% for existing and new businesses that occupy previously empty premises, and self-isolation payments continue.

Position of Migrant Communities living in Newport and Wales

Newport Council recognises the contributions of all of our residents and are proud that Newport is a multi-cultural city with a rich, diverse heritage. All of our migrant communities continue to play a vital role in our economic and cultural growth.

Ukrainian Arrivals

The Ukrainian refugee crisis has seen unprecedented numbers of women, children and vulnerable adults displaced. A significant number of refugees have fled to neighbouring countries around Ukraine. The UK Government has encouraged Ukrainian nationals to utilise their Family Visa Scheme to bring extended family members to the UK, and Newport has started to see small numbers arrive in the city through this route. The Homes for Ukraine initiative is now live, which will see further arrivals being placed in local homes as part of UK Government's sponsorship scheme, and Welsh Government has recently committed to supporting around 1000 refugees as a 'super sponsor', working with local authorities to place people around Wales.

To date, over 150,000 expressions of interest have been received via the Homes for Ukraine scheme, with around 10,000 of these being in Wales. Newport, Swansea and Cardiff will likely have the largest intake of refugees in Wales although we are awaiting further detail in relation to locations and arrivals. Welsh Government's super sponsor scheme is expected to go live on the 26th March allowing people to identify Welsh Government as their sponsor, and will see a network of Welcome Centres established across the country, providing initial accommodation to families before they are moved to more permanent housing. This is likely to be a combination of social housing, private rented accommodation and community sponsorship, and Welsh Government will work closely with local authorities to manage this transition.

People will arrive with the right to work and access benefits and leave to remain in the UK for 3 years, however, local authorities will play a key role in supporting both new arrivals and hosts as people start to arrive in Wales. UK Government has announced a tariff of £10.5k per person under the Homes for Ukraine Scheme and committed to additional funding for associated education costs.

Welsh Government guidance on the Homes for Ukraine scheme is currently in draft, but it is likely that this will mirror the recently published guidance for England. The guidance places a number of expectations on local councils, including carrying out DBS and safeguarding checks on host placements, administering the £350 per month payment to hosts, provision of wrap around integration support and in person visits to check suitability of housing.

With arrival numbers remaining largely unknown, the council has established a local response group to co-ordinate our approach to welcoming and supporting people arriving in Newport. This group is currently mapping capacity and potential demand across a range of key areas including social care, housing, education and integration support. The council is working closely with partners and other Gwent authorities to ensure a joined up, cohesive approach to Ukrainian resettlement, taking a regional approach wherever possible to maximise efficiency.

EU/EAA Citizens

Newport has seen a significant number of residents obtaining either settled or pre-settled status. The Home Office continues to receive late applications from any EU citizen who has 'reasonable grounds' for missing the deadline. Reasonable grounds include a serious medical condition, where a parent or guardian has failed to apply on behalf of a child, or where a person is isolated or digitally excluded and has not been able to access the application system.

The latest statistics to 31st January 2022 show that a total of 6,493,300 applications have been received. 437,000 applications were received after 30th June 2021 deadline. 6,192,600 applications were concluded with:

- 51% (3.17 million) granted settled status
- 41% (2.5 million) granted pre-settled status
- 4% (0.2 million) refused
- 4% (0.2 million) withdrawn, void or invalid

EU citizens who were resident in the UK after the 31st December, but haven't made an application no longer have their rights protected, including the right to live, work, study and access benefits and services in the UK. If an EU citizen is identified by someone in Immigration Control who may be eligible for the EUSS, they will be given 28 days to make a late application. From mid-September the Department of Work and Pensions also suspended benefits for all EEA citizens who do not apply for EUSS within 28 days of reminder letters.

The council's Connected Communities team continue to support and signpost EU/EAA citizens and their family members to specialist support services that are able to make late applications to the EUSS, challenge negative decisions and provide advice around rights and entitlements. The team co-ordinate a weekly multi-agency drop in at Community House, Eton Road, and over the coming months plan to deliver Rights and Entitlements sessions to communities, using local schools as a base and develop an online information session for professionals.

Services, provided by voluntary sector organisations including Citizens Advice Bureau, Tros Gynnal Plant (TGP) Cymru, Newport Mind, Settled and Newfields Law are funded by the Welsh Government and Home Office until the end of March 2022. There has been an indication from both the Welsh Government and the Home Office that funding may be extended to September-December, which is welcomed, however the council recognises that demand for advice services is escalating, cases are increasingly complex, and this is likely to continue post-December.

Concerns continue to be raised through local networks about the vulnerability of EU citizens and their family members, including the risk of exploitation due to restricted rights, discrimination, or hardship. The Connected Communities Team has developed a referral pathway for partners and council colleagues to access migration advice from the team and is currently mapping out services which can be accessed for a range of support across the city.

Citizens with No Recourse to Public Funds

Colleagues across Social Services, Housing, Health, and Connected Communities teams have been working to understand the local picture in relation to people and families with no recourse to public funds (NRPF). A Hardship Group has also been established to ensure that the increasing number of people presenting as having NRPF are supported effectively. This work is enabling the Council to examine how we can improve and coordinate services and is contributing towards policy development.

It is anticipated that the number of families and individuals presenting as needing support due to restrictions of their rights and entitlements will continue to increase over the coming months.

Financial Summary (Capital and Revenue)

As part of the Council's financial monitoring process, the Council's Finance team continue to work with managers to identify, monitor, and report any impacts on budgets due to Covid-19, the response to the Ukraine refugee crisis and Brexit.

Risks

The Council's Post EU Transition risk is recorded on the Council's Corporate Risk Register which is presented to Cabinet and Audit Committee every quarter. The Quarter three risk score is detailed below:

Risk Title / Description	Risk Impact score of Risk if it occurs* (1-5)	Risk Probability of risk occurring (1-5)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Post EU Transition	4	3	See Report.	Head of People, Policy and Transformation
Supporting Ukrainian refugees to settle in Newport.	4	2	See this Report on the Council's response to the Ukrainian refugee re-settlement programme.	Corporate Management Team.

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Corporate Plan
Strategic Recovery Aims

Options Available and considered

1. To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.
2. To request further information or reject the contents of the report

Preferred Option and Why

1. To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.

Comments of Chief Financial Officer

As commented in previous reports, the lasting financial impact of Brexit is still uncertain, however, there are emerging issues, as referenced in this report, which have the potential to impact upon both capital and revenue budgets. Whilst no significant financial impact has been explicitly reported to date, increased costs and delays to schemes have been identified as part of the Capital Programme, which are partly due to increased costs of materials and challenges with the availability of labour. Between now and the end of the financial year, any impacts, on the in-year revenue budget in particular, will need to be managed from within existing resources and the overall Council underspend, supplemented by earmarked reserves, if required.

Looking ahead to the next financial year, budget managers will be expected to continue to monitor the impact of leaving the EU and will need to work with Finance colleagues to escalate any material financial implications and report them where relevant. Any material impacts will need to be factored into medium term financial planning and the development of the new capital programme.

The report identifies two specific issues that will need monitoring for their potential impact. The first is the implementation of the Winter Fuel Payments, which will require oversight and administration by Council services, albeit there should be no net cost upon the Council, as this is fully funded by Welsh Government. The second issue is the ending of the grant funding currently being utilised by voluntary sector organisations to support those impacted by the EU exit. Whilst there is the potential for the funding to be extended, it will be important to monitor this situation to ensure there is no financial impact upon the Council. Linked to this, officers will continue to explore the possibilities of accessing any grant funding that is being made available to public bodies in supporting the impact of the new arrangements.

In addition to the issues identified above, the emergence of the Ukrainian refugee crisis presents the potential for specific financial implications. Details regarding the schemes introduced by both UK Government and Welsh Government require further clarity before the full financial impact can be understood. Specifically, it is not yet known whether the costs incurred by the Council in coordinating its response will be fully funded or whether any degree of cost will fall upon the Council. Therefore, in this initial period, it will be important that costs incurred are separately recorded and steps are already being taken to ensure this is achieved.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report, which provides an update for Cabinet regarding the Council's Brexit preparations. The specific risks associated with the withdrawal have now been mitigated by the belated trade deal, subject to ratification by the member states. However, despite the agreement regarding no tariffs and quotas on imported and exported goods, there is still remaining uncertainty regarding the impact on other areas, such as services and data security. Any legal implications for existing contracts for supplies, services and care provision, data security matters and any regulatory enforcement issues, particularly in relation to port health, will be addressed once the details of the trade agreement are clarified and implemented in national legislation. Despite the non-imposition of tariffs and quotas, additional port health checks will be required in terms of certifying compliance with new Regulations. Environmental Health officers have now been trained to undertake import and export food health certificate checks, and this will have significant resource implications once the port activity increases. Local business advice and support is also being provided in relation to Brexit compliance. The UK Shared Prosperity Fund and the implementation of the Internal Markets legislation will have implications in terms of public sector contracts and procurement also equivalent state-aid, fair competition requirements.

The Homes for Ukraine scheme will have significant implications for the Council, particularly in relation to DBS and safeguarding checks of host placements, administering payments and providing support for educational and social needs. There may also be residual housing duties in the longer term, if host placements are not extended.

Comments of Head of People, Policy and Transformation

The Council's Brexit Task and Finish officer group is continuing to monitor the people aspects of support required and regular updates will continue to be provided by finance, regulatory and other supporting services. The Council and its partners remain committed to support EU/EAA citizens as outlined in the Report. In addition, the Council's Gold team is providing strategic oversight and support to enable Ukrainian refugees to settle in Newport. Newport Council and its partners are taking necessary actions to identify the necessary resources for services to be able to effectively support refugees settling in the City and mitigating any impacts on existing services.

Scrutiny Committees

The Council's Audit Committee receives regular risk register updates on the Council's Risk Register which includes the Brexit Risk.

Fairness and Equality Impact Assessment:

Not applicable as this is an information only report

Wellbeing of Future Generations

There is potential long-term impacts of post EU and single market Trade Negotiations which could affect the future demand on our services to provide the necessary support, advice and guidance. There may also be opportunities that could arise, and the Council will need to prepare accordingly. In preparation we have been working collaboratively across the Council and with our partners to make sure that our services to prevent any scenario where services are disrupted and to provide resilience across the City and to our local partners.

We have also been involving our stakeholders and where necessary providing the necessary advice and guidance to those that need our support. We will continue to monitor and report where necessary any impacts which Brexit could have on the delivery of our services.

Consultation

Not Applicable

Background Papers

Welsh Government website '[Preparing Wales to leave the EU](#)'

Welsh Local Government Association '[Brexit Website](#)'

Newport City Council's '[Brexit Webpage](#)'

Dated: 28 March 2022

Appendix 1 – Summary of ongoing Council Activity

Theme	Progress of Activity completed by Newport Council to 1 st April 2022
Social Services and Education	<ul style="list-style-type: none"> • Education Welfare Officers and schools were reminding parents to apply to EUSS prior to the deadline. In September Education Welfare Officers will be supporting schools to identify any pupils that have not returned to school as a result of returning to their home country. • All schools were reminded to inform EU families of the need to apply and offered further support from Newfield's Law who have been commissioned by Welsh Government to work within schools. • The council has engaged Newport MIND to support all eligible children who are looked after to apply to the EUSS. • Maindee Primary School collaborating with Compas to deliver a project supporting Roma children and their families to improve their understanding and knowledge of the Roma community, their history and traditions. This work is also supporting the identification of community leaders and influencers to support this work.
Policy and Partnership Team	<ul style="list-style-type: none"> • The Council received additional funding for 2021/22. This funding is being used to support two officers to support Migration work and additional work related to Brexit. • Remaining funding will be used to support services with any Brexit / Covid work in 2022/23.
Local Community (Community Cohesion) <ul style="list-style-type: none"> • EU Settled Status / EU communities • Food Poverty • Homelessness (EU Citizens) • Community cohesion 	<ul style="list-style-type: none"> • The council has awarded £62,000 to food projects across Newport to respond to winter demand. A Food Sustainability post is also being hosted by GAVO to develop the city's approach to food poverty issues and manage a grant programme over the next 12 months • The Connected Communities Team worked with local Hungarian, Polish, Czech, and Slovak communities in early December to celebrate St Nicholas Day. Community events across the city reached around 200 families who were signposted to appropriate support and received information on the EUSS. A community survey on perceptions of the city and council services was also distributed. • The work of our Community Cohesion officers continues to focus on post-Brexit rights and access to key services in the City for EU citizens • Complex migration cases continue to present to the council for support, and this is expected to continue. • The council are aware of a growing number of EU and non-EU nationals who are finding themselves with no recourse to public funds as a result of EUSS outcomes, and the hidden demand for support which is at present masked by extended COVID duties which require LAs to house people with no recourse to public funds, as well as the current restrictions on private evictions. • We continue to provide free school meals to any family that is identified as having no recourse to public funds. • Hardship Group has been established to consider complex migration cases and develop organisational policy in relation to NRPF. • A weekly partnership drop in for EU communities continues to be coordinated and supported by the council. • A bi-monthly EU Citizens forum continues to bring services providing support to EU citizens to maintain a cohesive response to emerging issues. • Some delays with the construction of Social Housing Grant funded schemes developed in partnership with Housing Associations. Increased labour and material costs impacting the delivery of

Theme	Progress of Activity completed by Newport Council to 1 st April 2022
	<p data-bbox="549 194 1342 255">Disabled Facilities Grant Programme and possible impact on affordable housing in the city.</p> <ul data-bbox="512 264 1453 454" style="list-style-type: none"><li data-bbox="512 264 1453 324">• EU Community Grant Scheme launched and awarded 4 projects with funding.<li data-bbox="512 333 1453 394">• EU citizens' rights cards distributed to community venues across Newport.<li data-bbox="512 403 1453 463">• Rights and entitlements sessions for communities and professionals planned for Spring 2022.