

Item No. 16.	Classification: Open	Date: 22 January 2019	Meeting Name: Cabinet
Report title:		Southwark Brexit Panel - Recommendations to Cabinet	
Ward(s) or groups affected:		All	
From:		Councillor Victoria Mills, Finance, Performance and Brexit	

FOREWORD - COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR FINANCE, PERFORMANCE AND BREXIT

As this report is published we are just 75 days from 29 March 2019 and the UK's exit from the EU. We have no greater certainty about what that exit will look like than we did following the EU Referendum in 2016 and there is every chance this report will appear out of date by the time of our Cabinet Meeting on 22 January. This is no way for our communities, economy, public services and our EU residents to plan for the future and the negative impact we now know Brexit will have.

In this context, I want to thank the work of the council's Brexit Panel and the all those stakeholders – local businesses, local residents, local health and education providers and council staff – for the contribution they have made to the Panel report which we are receiving today. I also want to welcome the recommendations made by the panel and give assurance that the Cabinet will act upon these. This includes a clear commitment to pay for council staff who are EU residents to get their settled status and of course to ensure any child in our care is not only funded to gain settled status but supported in this process.

The council will do all it can in the coming weeks and years to ensure that EU residents know Southwark is their home – they are not only welcome here, they are essential to the strength of our community and our economy. We will also continue to prepare for the impact of Brexit – both the potential challenges in the weeks and months after 29 March 2019 but also the longer-term impacts to our local businesses and public services. It is therefore prudent and welcome that our 2019/20 draft Policy and Resources Strategy creates both a £300,000 fund to respond to the recommendations made by the panel and cover immediate cost pressures arising from Brexit, as well as a £2million 'Brexit Risk Reserve'.

Of course, whilst the council should be doing all it can to minimise the impact of Brexit, it's clear that there has been a huge failure by central government to negotiate a timely, well-prepared and well-resourced exit from the EU. Local government concerns have been ignored and we appear to be left to face the many challenges of Brexit without proper guidance or financial support from government. The council will continue to do all it can to ensure the government takes responsibility for supporting local and regional government, and public services, and acknowledges it cannot simply expect even more from services stretched to breaking point as a result of austerity.

Finally, the Panel's report also acknowledges that the evidence it heard overwhelmingly supported the UK and Southwark remaining in the EU. Whilst there is currently nothing we as a council can do to change the outcome of the 2016 EU Referendum we will continue to make the case that the best place for Southwark is at the heart of an open-looking and opportunity-embracing European and global city.

RECOMMENDATIONS

That cabinet:

1. Welcomes the work of the Southwark Brexit Panel (SBP) noting the report at Appendix 1.
2. Accepts the recommendations from the Southwark Brexit Panel.
3. In accepting the recommendations, notes that further work will be undertaken by officers in particular relation to:
 - a. Collating information and resources being provided by other organisations about support for EU citizens, the settled status application process and other relevant information, and signpost to voluntary and community sector organisations offering support;
 - b. Identifying vulnerable individuals and groups who may struggle with the settled status application process or be unaware of what they need to do, including older people (including in care homes or supported housing) and some people with disabilities, and work with voluntary and community groups to ensure those people are communicated with effectively;
 - c. Use the outcomes of the work from 3(a) and (b), to help establish the process for the one-off fund that will make grants to voluntary and community groups to support vulnerable people through Brexit;
 - d. Work with London First and other relevant pan-London groups to develop a plan for, protect and enhance our local tourist offer including undertaking work that seeks to promote the strong cultural offer in Southwark balanced against the potential pressures tourism can place on our residential communities.
4. Bring a progress report back in March 2019.

BACKGROUND INFORMATION

5. On 23 June 2016 the UK voted in the EU referendum on whether the UK should 'remain' in the EU or 'leave'. 52% of those that took part in the referendum voted to leave the EU. The Government triggered Article 50 of the Lisbon Treaty on 29 March 2017, initiating the start of EU and UK negotiations. The timeline for negotiations was two years as stated in the Treaty meaning the deadline to leave the EU is 29 March 2019.
6. In Southwark over 72% of the residents who took part in the referendum voted to remain in the EU. Southwark is home to 41,000 non-Irish EU citizens, whose status in the UK following the departure from the EU is unclear. Providing certainty to those citizens and ensuring their rights are protected is a priority for the council.
7. Southwark Council has taken a number of steps to prepare for the impact of the UK leaving the EU on the borough and our residents. The council appointed a Brexit Officer to look at how leaving the EU would impact the local economy and the legal status of Southwark's 41,000 non-Irish EU nationals. Following the local elections in May 2018, the Leader of the Council created a cabinet member portfolio with responsibility for Brexit (cabinet member for finance, performance and Brexit). The Cabinet Member for Finance, Performance and Brexit, Cllr Victoria Mills, established the Southwark Brexit Panel on 9 July 2018 to enable a cross party group of councillors to examine the impact of Brexit in Southwark.

KEY ISSUES FOR CONSIDERATION

8. The Southwark Brexit Panel was established on 9 July 2018 by the cabinet member for finance, performance and brexit with the following terms of reference:
 1. To lead and co-ordinate research on the likely impact on council services and residents as a result of the United Kingdom (U.K.) leaving the European Union (EU).
 2. To gather evidence from local stakeholders to build a picture of the impact of Brexit in Southwark and use this evidence to inform the council's response to Brexit.
 3. To make recommendations to Cabinet about actions the Council should consider taking to mitigate any possible impacts on its services and residents and share evidence gathered with relevant stakeholders.
9. The Southwark Brexit Panel is a time limited, task focused and cross-party group, established to gather evidence and carry out a review of the impacts of the UK exiting the EU, to inform the council's response to Brexit. The panel is not a decision making body but was tasked with reporting back to cabinet on its findings, making recommendations for decisions where relevant and appropriate.
10. The panel has held meetings since July 2018, taking evidence from a range of stakeholders, local service providers and community organisations. The range of issues considered by the panel includes education, health, business and employment, local public services and EU citizens' rights.
11. In addition, in October 2018 a regional Brexit Sounding Board took place, organised by Southwark Council and the LGA in partnership with Lambeth and Lewisham Boroughs. The format and agenda for this event was shaped by the evidence gathered by the Southwark Brexit Panel. It offered an opportunity for panel members and other stakeholders to raise issues and concerns directly with central government, with representatives from the Ministry of Housing, Communities and Local Government EU Exit Team in attendance.
12. The report at Appendix 1 sets out the findings of the Southwark Brexit Panel, including a summary of the evidence sessions, panel discussions and the LGA Brexit Sounding Board. The report also sets out eighteen recommendations which have been proposed by the Southwark Brexit Panel for cabinet consideration. The table below takes each recommendation and the corresponding response.

No.	Southwark Brexit Panel Recommendation	Response
1	Publish the Council's Brexit contingency planning, financial planning and risk register in January 2019 with a further update in February 2019 and again in March 2019. This should include making sure contractors also have continuity plans in place and that the council is working closely with the GLA and other London Boroughs to ensure we have robust emergency planning in place especially in the event of no deal.	Agreed.
2	Continue to develop our understanding of the impact of Brexit on the council, our workforce, our services, our partners and our residents, and the council's role in helping them to	Agreed.

No.	Southwark Brexit Panel Recommendation	Response
	prepare for Brexit.	
3	Identify and assess the risks to public order associated with a no-deal Brexit and develop contingency plans accordingly to respond to and mitigate against those risks.	Agreed.
4	Publish and review the work already undertaken about the potential impact on Southwark Council's workforce.	Agreed.
5	Cover the cost of applying for settled status for Southwark Council employees.	Agreed.
6	Request information from contractors on their workforce impact assessments.	Agreed.
7	The Council should cover the cost of applying for settled status for all children in its care.	The Home Office have agreed to waive the fee for children in care.
8	Southwark Council should create a one-off fund that will make grants to voluntary and community groups to support vulnerable people through Brexit. This would ensure difficult to reach groups are supported to apply for settled status and any other difficulties emerging for EU citizens as a result of Brexit.	<p>Agreed; to be informed by the outcomes of work from (9) and (10) below.</p> <p>In order to support residents and staff:</p> <ul style="list-style-type: none"> • Southwark is one of only two London Boroughs piloting a document scanning service • Local libraries will be providing an Assisted Digital Service.
9	Collate information and resources being provided by other organisations about support for EU citizens, the settled status application process and other relevant information, and signpost to voluntary and community sector organisations offering support.	Officers to undertake necessary work and report back on progress.
10	Identify vulnerable individuals and groups who may struggle with the settled status application process or be unaware of what they need to do, including older people (including in care homes or supported housing) and some people with disabilities, and work with voluntary and community groups to ensure those people are communicated with effectively.	Officers to undertake necessary work and report back on progress.
11	Request clear guidance from central government about process for EU citizens during the transition period and in the event of no-deal.	Agreed.

No.	Southwark Brexit Panel Recommendation	Response
12	Engage with partners and local businesses to encourage them to support their EU workers to apply for settled status – this could be through schools and health partners but also working through the Southwark Business Forum.	Agreed.
13	<p>Prepare a comprehensive communications plan looking at all avenues we have to engage with residents, including:</p> <ul style="list-style-type: none"> • Sharing information through direct mailings, council website, council publications, social media etc.; • Signposting to support and information available; • Clearly communicate the message that the council wants EU citizens living in Southwark to stay in the borough; • Identify organisations and partners who could communicate with residents about settled status process (e.g. NHS, GP surgeries, Job Centres) and encourage them to make information available. 	Agreed.
14	Review the information available on the council website for businesses (including new businesses starting up in the borough) to make it as easy as possible for businesses to understand their obligations and changes to regulations etc. This is important and helpful whether there are changes following Brexit or not.	Agreed.
15	Note the potential impact of Brexit on the local economy and job market, particularly in key sectors identified in the Brexit Panel evidence sessions – construction, hospitality, social care, and digital and creative. Consider how this could be linked-in to the current work being done on Labour Market Intelligence and vacancies by the Council.	Noted.
16	Look to fast track work streams in the Council's Skills Strategy to help support local residents to be upskilled and fill potential gaps in the hospitality, health and social care and construction workforces.	Agreed as part of skills strategy delivery plan.
17	The Council should publish a Tourism Strategy and Action Plan by autumn 2019 to ensure a sector that could remain strong during Brexit contributes to the local economy and job creation. This does not need to be limited to the direct link with Brexit but rather be a wider piece of work that seeks to promote the strong cultural offer in Southwark and whilst balancing the potential pressures tourism can place on our residential communities.	In taking this forward and given the importance of a pan-London response on tourism, work with relevant organisations such as London First in response.
18	The evidence gathered by the Brexit Panel overwhelmingly made the case that remaining in the EU would be beneficial for Southwark. The panel calls on cabinet to continue to press for the best outcome for Southwark and to strongly make the case, on behalf of the 72% of residents who voted to Remain and based on the clear evidence gathered by the panel, that Southwark would be better off if the UK were to	Cabinet note the findings of the panel.

No.	Southwark Brexit Panel Recommendation	Response
	remain in the EU.	

Policy implications

13. The Southwark Brexit Panel is not a decision making body, however the Panel has set out recommendations to cabinet which if adopted may impact on future policy.

Community impact statement

14. The UK's exit from the EU is an issue of national importance and the impact of Brexit locally will be significant. As a result, the Southwark Brexit Panel was established to support the council in effectively scoping the potential impact of Brexit for Southwark's residents, businesses and local services. Assessing the potential consequences of Brexit will help the council to anticipate and prepare its case in advance to government.
15. The Public Sector Equality Duty will be taken into account when implementing the individual recommendations.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

16. This report notes the outcomes of the Southwark Brexit Panel (SBP), including the recommendations from that Panel set out within the report at Appendix 1 (recognising that the SBP is not a decision making body) and asks Cabinet to agree to these recommendations.
17. It is noted that the Brexit Panel has no decision making powers but was set up to make recommendations back to the Cabinet.
18. Local authorities in England have a "general power of competence" in accordance with section 1 Localism Act 2011 meaning that they have power to do any thing that individuals generally may do. Councils also have the power under section 111 Local Government Act 1972 to do anything calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The recommendations here relate to actions that the Council should take in the light of the referendum decision for the UK to leave the EU, and as such are executive decisions covering a range of functions including the general power of competence.
19. The public sector equality duty in section 149 Equality Act 2010 is relevant to this decision. This requires the council, and the decision, in the exercise of all its functions, to have due regard to the need to:
 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it

Consideration of the community impact statement above is relevant to meeting this duty.

Strategic Director of Finance and Governance (FC18/032)

20. This report is requesting cabinet to note and accept the recommendations of the Southwark Brexit Panel as set out in the report. The report also notes that further work will be undertaken by Officers in order to implement the recommendations by the Brexit Panel and report back to cabinet on progress in March 2019.
21. The strategic director of finance and governance notes that the Policy and Resources Strategy 2019-20 report to cabinet, amongst other recommendations, includes a proposal to set aside a sum of £2m from the London Devolution Reserve to act as a special risk reserve to protect the council against the negative effects of Brexit. This resource will be available for one-off initiatives in accordance with council priorities and is expected to fund the various initiatives arising from this report.
22. It is also noted that the Policy and Resources Strategy 2019-20 report also includes a commitment of £300k to cover some of the operational cost pressures arising from Brexit outcome which is expected to fund the costs outlined in this report.
23. It should be noted that confirmation of this funding is subject to cabinet approval and subsequent council assembly approval as part of the 2019/20 council budget setting meeting in February 2019.
24. The strategic director of finance and governance notes that an update on this position will be provided in the next cabinet report in March 2019.
25. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

APPENDICES

No.	Title
Appendix 1	Southwark Brexit Panel: Report
Appendix 2	Equality Analysis: Initial Screen on Southwark Council's Response to Brexit

AUDIT TRAIL

Lead Officer	Eleanor Kelly, Chief Executive		
Report Author	Stephen Gaskell, Head of Chief Executive’s Office Aine Gallagher, Principal Policy and Public Affairs Officer		
Version	Final		
Dated	10 January 2019		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments Included
Director of Law and Democracy		Yes	Yes
Strategic Director of Finance and Governance		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			10 January 2019