

<b>Item No.</b> 6	<b>Classification:</b> Open	<b>Date:</b> 27 April 2021	<b>Decision Taker:</b> Southwark Brexit Panel
<b>Report title:</b>		Brexit Update Report	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Councillor Rebecca Lury, Cabinet Member for Finance, Business and Jobs	

## RECOMMENDATION(S)

1. That the Southwark Brexit Panel note the report.

## BACKGROUND INFORMATION

2. The purpose of this report is to provide an update to the Southwark Brexit Panel on the latest information relating to Brexit and its impact on Southwark.
3. The work of the Southwark Brexit Panel to date can be found here: <http://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeeld=475>
4. The UK is now almost four months into its new relationship with the EU, governed by the UK-EU Trade and Cooperation Agreement (TCA). Central to the TCA is the Free Trade Agreement (FTA), which covers our economic and social partnership with the EU.
5. Our new relationship with the EU is a more distant one, posing new challenges to those who wish to move between the UK and EU to live and to work, and to UK businesses wishing to trade with EU countries. As we settle into the new relationship, and as the TCA evolves, opportunities will undoubtedly present themselves too.
6. Brexit continues to cause significant uncertainty for many individuals, businesses and organisations. We remain committed to doing everything we can to mitigate the impact of Brexit on our communities across the borough.
7. The key areas that are of importance as we continue to adjust to our new relationship with the EU:
  - Preserving the rights of EU citizens living and working in Southwark.
  - Making the best use of Brexit funding to mitigate its impact on our communities and residents.
  - Engaging and supporting our businesses to help them adjust to the new arrangements.
  - Greater clarity on funding arrangements for local government post-Brexit, specifically on the emerging UK Shared Prosperity Fund and the 2021-22 UK Community Renewal Fund.

## KEY ISSUES FOR CONSIDERATION

### Preserving the rights of our EU citizens

8. EU citizens have until 30 June 2021 to apply to the EU Settlement Scheme (EUSS) to continue lawfully living and working in the UK. EU citizens applying to the EUSS must usually have started living in the UK by December 2021. The deadlines are different in some situations, for example when applying to join a close family member. Irish citizens and those with indefinite leave to enter or to remain in the UK do not need to apply to the EUSS.
9. If an EU citizen misses the 30 June 2021 deadline, they will be unlawfully residing in the UK according to UK law and will face restrictions on rights and entitlements until Pre-Settled Status or Settled Status is obtained. There is no guarantee that the Home Office will grant Pre-Settled Status or Settled Status after 30 June 2021; however, late applications will be considered where there are reasonable grounds, such as:
  - children applying without the support of a parent or guardian
  - those in abusive or controlling relationships who are prevented from applying or accessing documentation
  - those who lack the mental or physical capacity to apply.
10. Government data published on 25 February 2021 showed that 54,110 Southwark residents had applied to the EUSS, a further 5,150 applications since 27 November 2020, the figure reported in the last Brexit Panel Update. Because of large differences between figures on applications and grants of status and official estimates of the number of EU citizens living in Southwark, it is not possible to know how many of our EU citizens are eligible for the EUSS and have not yet applied.
11. Over the next few months we will continue to promote the EUSS via our channels (see next section) and work with our Voluntary Community Sector (VCS) to ensure we reach our target groups and make it easy for our EU citizens to remain living and working in the UK. This includes financial support for those helping our EU citizens with applications to the EUSS (see Supporting communities and Brexit funding).
12. Due to the ongoing COVID-19 pandemic our EUSS walk-in service, which helps EU citizens complete their applications, had been suspended since March 2020, with the team providing support remotely. The walk-in service reopened on a limited basis on 12 April 2021 in line with step 2 of the government's roadmap, and socially distanced face-to-face support has resumed.

## Supporting communities and Brexit funding

13. The Policy and Resources Strategy 2019-20, approved by cabinet in February 2019, recommended that a £2m risk reserve be set aside to ensure council services are protected from the impact of Brexit. It also recommended that a further £300,000 commitment be added to the base budget in the form of a Brexit fund, to support work in the community. A working group has been established to explore uses for the Brexit fund to mitigate the impact of Brexit on our communities and individuals.
14. Acting on learnings from discussions with Community Southwark and a subsequent VCS survey (see 28.01.21 Brexit Panel Update), it was decided that the council should explore using some of the fund to support advice providers operating in Southwark, with a focus on those providing advice and support to EU citizens applying to the EUSS. The Council has to date received three proposals.
15. **Proposal 1:** The primary aim of the project is to deliver practical support to vulnerable or at-risk EU citizens and their families to help them make their EUSS application, including assisting residents who miss the 30 June 2021 deadline to show good cause, to the Home Office, for the late application.
16. The project will focus on complex cases needing specialist advice and will take cases by referral from partner agencies.
17. Categories of vulnerability that the project will work across:
  - homeless people, particularly rough sleepers
  - people with physical or mental disabilities
  - looked after young people and those leaving care
  - victims of trafficking
  - victims of domestic abuse.
18. The project has requested a total of £42,950 to provide the above support until September 2021, supporting approximately 30 additional residents.
19. **Proposal 2:** The project aims to provide access to the EUSS for the marginalised Latin American community in Southwark, through a combination of in-person and remote service provision.
20. All EU citizens accessing the project's services are informed of the EUSS and asked if they and their family members have applied. Those who want to access the EUSS service are then referred to either trained staff and volunteers or to immigration advisers for advice and support. Funding will enable the project to increase its caseload capacity as well as deliver two webinar/workshops about the changes to the immigration system and the need to apply to the EUSS before the deadline.

21. Categories of vulnerability that the project will work across:
  - women facing domestic abuse and other forms of violence against women (e.g. trafficking, modern slavery, prostitution) as well as supporting:
    - older residents and children; and
    - residents with language barriers and low levels of IT literacy.
22. The project has requested a total of £15,004 to provide the above support until September 2021, supporting approximately 100 to 150 additional residents (including through the group sessions).
23. **Proposal 3:** The project supports Spanish and Portuguese speakers with long-term health problems or disabilities. A priority is to ensure that those who have been shielding for many months are able to apply to the EUSS before the deadline.
24. The project currently receives Home Office funding to provide EUSS support four days a week. Money from the Brexit fund will enable the project to extend its support to five days a week until September 2021, funding one Project Co-ordinator supported by two volunteers. The additional resource will specifically target Southwark residents.
25. The project will be able to offer an additional four in-person appointments a week and to expand its follow-up support helpline, helping an estimated 100 additional clients with their EUSS applications. It will also enable expanded outreach and awareness activities, offering information and advice on the EUSS, reaching an estimated 250 residents. The project has requested a total of £3,063.50.
26. In the immediate to short term, the focus is on providing financial support to those assisting vulnerable and at risk EU citizens with their applications to the EUSS. Emerging pressures and further research will shape how the fund is used over the medium-to-long term. All proposals will be put to the Cabinet Member for Finance, Business & Jobs, Councillor Rebecca Lury, (in consultation with the Strategic Director of Finance and Governance) for consideration.

### **Engaging and supporting our businesses**

27. With the UK settling into its new relationship with the EU and the deadline for applying to the EUSS now only a few months away, our Brexit webpages and communications will now focus on helping businesses adjust to the new trading arrangements and ensuring that EU employees have applied to the EUSS.
28. We will continue to direct businesses to key sources of advice and guidance, specifically:
  - The government's transition page, where businesses and their employees can get a tailored list of actions for adjusting to our new relationship with the EU; and

- The London Business Hub's EU Post-Transition Business Resource Hub, which pulls together everything businesses need know about the UK-EU agreement, providing guides on the various aspects and hosting resources and events to support businesses to adapt.
29. We now have regular contact with over 11,250 businesses via our weekly e-newsletter and this will be used to keep Southwark businesses updated going forward. At regular intervals running up to 30 June, we will remind business of the deadline for applying to the EUSS for their workforce. We will also continue to bring to their attention any new and relevant information, guidance or resources that may help them adjust to our new relationship with the EU, exploring opportunities to disseminate these messages through the council's other channels, in particular through social media.

### **UK Shared Prosperity Fund**

30. As part of the 2021 Budget the government launched its £220m UK Community Renewal Fund (UKCRF). Bids for the UKCRF are for 2021-22 only and all projects must be delivered (including all expenditure incurred) by 31 March 2022.
31. The UKCRF will provide funding to places across the UK to pilot programmes and new approaches to local challenges as the government moves away from the EU Structural Funds model and towards the UK Shared Prosperity Fund (UKSPF), which will launch in 2022. Learning gathered from the UKCRF will inform the design of the longer term UKSPF. Further details on the UKSPF will be published as part of a UK-wide Investment Framework later in 2021, with the spending profile to be confirmed at the 2021 Spending Review.
32. The government has identified 100 priority places based on an 'index of economic resilience', which are prioritised through the UKCRF. The lead authorities of the 100 priority places will receive capacity funding (£20,000 each) to help them with bid coordination and appraisal. Southwark is not in the list of 100 priority places, so neither the borough nor its lead authority, the Greater London Authority (GLA), will receive capacity funding.
33. All places are eligible to apply for UKCRF funding and being a priority place does not guarantee funding; however, not only will priority places receive capacity funding but also preference will be given to submissions from those places (see 37).
34. Proposed projects should align with one or more of four investment themes: skills; local businesses; communities and place; and supporting people into employment. Ring-fencing will not be applied across the themes, allowing places to take a holistic approach.
35. Lead authorities are required to appraise and create a shortlist of projects (up to a maximum of £3m per place), before submitting them to the Ministry of Housing, Communities and Local Government (MHCLG) for assessment (by noon on Friday 18 June).

36. The government will select projects against set criteria, including strategic fit and deliverability, efficiency, and effectiveness. Ministers will also take into consideration thematic split, geographic spread, and balance between priority and non-priority places, “with appropriate regard to priority places”.
37. Although Southwark can apply directly to the UKCRF, the way in which the fund is set up appears to put Southwark and its London partners at a significant disadvantage. Consequently, there will be a regional pushback, orchestrated by the GLA and London Councils, to lobby the government to secure a greater and fairer share of the UKCRF for London.
38. UKCRF timeline:
  - 18 June 2021 – Lead authorities submit project shortlists to the MHCLG.
  - Late July 2021 onwards – Successful projects are announced and the first tranche of funding is released.
  - Nov and Dec 2021 – Mid-point monitoring of funded projects.
  - 31 March 2022 – The UKCRF finishes and the second tranche of funding is paid to lead authorities.

### **Next steps**

39. Of paramount importance is the ongoing impact of Brexit on our communities and businesses, so we will:
  - Continue to push hard in our efforts to promote the EUSS to EU citizens living in Southwark through our channels.
  - Continue to explore uses for the Brexit fund to mitigate the impact of Brexit on our communities and individuals. In the short term, the focus will be on supporting vulnerable and at risk EU citizens to apply to the EUSS, with emerging pressures shaping how the fund is used over the medium-to-long term.
  - Support the GLA in its efforts to secure greater levels of funding for the London boroughs as part of the UKCRF, with a fair share secured for Southwark.
  - As further details emerge, explore what opportunities the UKSPF as the UK’s successor to EU funding presents for Southwark.
  - Continue to engage with our business network, sharing the latest information and guidance to them to help them adjust to our new relationship with the EU.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Work of Southwark Brexit Panel	Local Economy Team Tooley St - Fifth Floor, Hub 1 160 Tooley Street, London, SE1 2QH	Matthew Rolfe MSTeams
<a href="http://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeeld=475">http://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeeld=475</a>		

## APPENDICES

No.	Title
None	

## AUDIT TRAIL

<b>Lead Officer</b>	Eleanor Kelly, Chief Executive Officer	
<b>Report Author</b>	Matthew Rolfe, Strategy Officer	
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Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
<b>Cabinet Member</b>	Yes	Yes
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