

Report

Cabinet



Part 1

Date: June 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, reacting to the wider global economic impacts and Covid restrictions.

The global economic challenges, and Ukraine conflict is placing cost of living pressure on households and businesses. There continues to be inflationary increases on food, fuel and energy prices. These pressures are set to increase further in 2022.

In response, Newport Council is implementing the Welsh Government's £150 Council Tax payment for properties in bands A to D and the unpaid carers support scheme. A further £15m is available through the Discretionary Assistance Fund to provide financial support to individuals and families who are experiencing extreme financial pressures.

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 supporting 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

It has been two and half years since the UK left the European Union. The UK and Wales continues to see positive and negative impacts on the economy as it adjusts to the new trade arrangements but also respond to the wider global impacts following the pandemic and more recently the conflict in Ukraine. Households and businesses across Wales and Newport are facing an unprecedented cost-of-living crisis fuelled by soaring energy bills and inflation rises. The Office for National Statistics ([ONS](#)) reported a 7.8% increase in the Consumer Price Index in the 12 months to April 2022. Businesses are now having to pass on increases to goods and services onto the consumer due to increases in fuel, transport and production costs. For households, increases to food, fuel and general costs of living are increasing and are anticipated to worsen in the autumn. The UK Energy Regulator, Ofgem has already indicated that the fuel cap is set to rise again from £1,971 to around £2,800 in October. The cost of living crisis is significantly impacting low and middle income families.

Welsh Government and Newport City Council Response.

The Welsh Government launched the [Claim What's Yours](#) campaign for households and individuals to access benefits to assist them with the help they need. Earlier this year, Welsh Government also announced a £150 cost of living payment on [Council Tax](#) costs for households living in bands A to D. Newport Council is encouraging as many households as possible to claim the payment. This also includes a discretionary element of £1.2m which the Council will design and implement over the same period. The unpaid carers financial support scheme is being administered by the Council enabling residents who look after someone for 35 hours or more and have low incomes to receive £500 payment. Further information can be found [here](#).

Additionally, the Welsh Government a further £15m is available in the form of a [Discretionary Assistance Fund](#) to provide financial support for individuals who are experiencing extreme financial pressures. The fund for additional support will be extended until the end of March 2023. For businesses, Newport Council announced it will be using its [discretionary powers](#) to support businesses in the city centre in addition to the rate relief from [Welsh Government](#).

Newport Council continues to support the city's food banks charities and groups. Earlier in the year £100k was allocated to support food banks and groups to access additional support. NCC is working in partnership with GAVO funding a fixed term Food Sustainability Co-ordinator to consider preventative work in relation to food poverty. The postholder will work closely with third sector partners and managing a grant programme which will further boost the capacity of food related projects.

The UK Government recently launched details on the Shared Prosperity Fund (SPF) that is replacing the EU funding that Wales received prior to leaving the EU. In Wales, the regional groups such as Cardiff Capital Region (CCR) Corporate Joint Committee) will be responsible for overseeing the delivery of SPF. Each local authority in CCR including Newport, will be developing local investment plans involving local and regional stakeholders to identify interventions that will support the delivery of local priorities across Newport.

EU / EAA 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. The latest [Home Office](#) statistics show that 5.8 million EU and EAA citizens have been granted settled and pre-settled status.

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.

Ukrainian Refugee Support

The ongoing conflict in Ukraine has caused the displacement of many tens of thousands of Ukrainian people from their homes. The UK Government has encouraged Ukrainian nationals to utilise the Family Visa Scheme which allows individuals to safely join family members or extend their stay in the UK. Newport has seen a rise in the number of families arriving in the city through this scheme. The Homes for Ukraine scheme will see further arrivals being placed in local homes as part of the UK Government's sponsorship scheme, whilst the Welsh Government are supporting around 1,000 refugees as a 'super sponsor' working alongside local authorities to place people around Wales.

As people from Ukraine arrive in Newport and Wales, we want to ensure that they are fully supported with a full-wrap around service that ensures their safety, sanctuary and access to services to support them. Welsh Government have announced they will be providing a £4m humanitarian aid to Ukraine, which will be donated to the Disaster Emergency Committee, which represents 15 major aid charities.

To date through the Homes for Ukraine scheme, 4,475 confirmed applications have been submitted with a sponsor in Wales. Of those 1,939 have confirmed applications have Welsh Government as super sponsor and 1,576 visas have also been issued where Welsh Government is the super sponsor. In total 1,428 people with sponsors in Wales have arrived in the UK. Through the Homes for Ukraine scheme, Newport currently has 80 approved visa applications issued with 52 active Ukrainian placements across 22 sponsors.

People arriving to the UK and Wales will be granted access to Universal Credit and jobs support immediately, however local authorities will play a vital role in supporting both new arrivals and hosts. The guidance set under the Homes for Ukraine Scheme places a range of expectations on local councils to complete DBS, property and safeguarding checks on host placements, administering the £350 'thank you' payment per month payment to hosts, £200 payment to each Ukrainian individual, integration support and in person visits to check suitability.

The council are pleased to be able to offer school places to Ukrainian children and young people through two Ukrainian Hub Schools, one secondary and one primary. This Hub provision will enable Ukrainian children, young people, and their families to come together, reducing pupils' feelings of isolation from other Ukrainian children and young people during a period of significant change. This will ensure pupils are quickly placed into a supportive school environment, where they can be expertly assisted to settle into their new life in Newport. Discretionary transport may be provided in line with the Council's Home to School Transport Policy.

The councils established Operational Response Group who meet on a weekly basis, co-ordinate Newport Council's 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.

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 four risk score is detailed below:

Risk Title / Description	Risk Impact score of Risk if it occurs* (1-5)	Risk Probability of risk	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
---------------------------------	--	---------------------------------	---	---

		occurring (1-5)		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 budget contingency put in place, as reported in the February budget report to Cabinet.

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 some specific issues, and NCC responses, that will need monitoring for their potential impact such as the cost of living, cessation of EU funding and the Ukrainian refugee support.

Comments of Monitoring Officer

There are no specific legal issues arising from the report

Comments of Head of People, Policy and Transformation

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 operational 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: 6th June 2022