

HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Employment in Hampshire County Council Committee
Date:	9 March 2020
Title:	Post EU Exit transition – Workforce Implications and Considerations for Hampshire County Council
Report From:	Director of Corporate Resources

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Purpose of this report

1. The purpose of this report is to provide an update to EHCC on the workforce implications as a result of exiting from the EU. The content is valid as at the point of submission (28 February 2020).

Recommendation

2. EHCC are asked to note the work underway in respect of the workforce in the current known context of an EU Exit.

Executive Summary

3. A paper was provided to EHCC in July 2018, March and October 2019 outlining the broad implications of the UK uncoupling from the EU.
4. The position on an exit from the EU is somewhat clearer following the UK's departure on 31 January with proposals for the new immigration system published on 19 February. Further work has commenced to fully understand the impact of these proposals on the Council.

EU Settlement scheme and Timeline

5. Following ratification of the Withdrawal Agreement, the UK exited the European Union on the 31st January 2020. This means the UK left with 'a deal' in place which, amongst other provisions, guarantees a transition period up till 31st December 2020. During this period, free movement will continue, and the UK and EU will try to negotiate a trade deal.

6. The latest data available shows that there were circa 43,000 non-UK EU Nationals living within the Hampshire County Council administrative area during the period July 2018 to June 2019.
7. The latest Home Office data shows that, as at the end of September 2019, a total of 31,090 people from the Hampshire and Isle of Wight area, including 14,700 from Hampshire County Council area, had successfully secured settled or pre-settled status through the scheme. The Governments next set of statistics are due to be released in February 2020 and are not known at the time of writing this paper.
8. The [EU Settlement Scheme](#) is designed to make it straightforward for EU citizens and their family members to stay after the UK leaves the EU. To apply they only need to complete 3 key steps – prove their identity, show that they live in the UK, and declare any criminal convictions.
9. To support people to make an application, individuals can visit the [EU Settlement Scheme](#) pages. The Home Office has 1500 staff working on the Scheme, including a team of people running a dedicated, seven-days a week phone service – [The EU Settlement Resolution Centre](#).
10. Across the UK, there are 300 assisted digital locations offering support to those who do not have the appropriate access, skills or confidence to complete the online form. There are also translated materials in 26 languages available. Assistance with ID scanning is available at Southampton Register Office.
11. As previously shared, the Government has published a fact sheet on the EU Settlement Scheme (appendix 1) and continues to promote the scheme following the initial intensive media campaign in early September 2019. The County Council's webpages provide the most up to date information to staff and residents including signposting to relevant local and national websites.
12. The Scheme opened fully on 30 March 2019. Given the Withdrawal Agreement has been ratified the deadline for applying to the EUSS is now 30th June 2021.
13. The Council continues to ensure that updated communications are provided to staff so that they are sighted and can, where appropriate, take the required action.
14. The time frames for 'uncoupling' Britain from the EU will provide the Council with some time to progress the recruitment and retention interventions detailed below. EU citizens arriving in the UK before 31 December 2020 and applying to the scheme by then will still be able to live, study, work and access benefits and services as they do now for a temporary period. To remain in the UK after December 2020, EU, EEA and Swiss citizens moving to the UK after exit will be able to apply for European

Temporary Leave to Remain – which will last 36 months from the date the leave is granted.

UK's proposed new Immigration Policy

15. From 1 January 2021, a new points-based system for immigration is proposed, affecting all immigration to the UK including EU nationals who arrive from 1 January 2021 onwards. The proposals include reformed positions on 'skilled works' and 'global talent systems' but under the new proposals there will be no 'low-skilled' or temporary work' routes into the UK.
16. All applicants, both EU and non-EU citizens, will need to demonstrate the following: that they have a job offer from an approved sponsor, that the job offer is at the required skill level, and that they speak English. An applicant will also need to earn more than the minimum salary of £23,040 to be eligible to make an application, although under certain circumstances the salary requirement will be 'tradeable' against other criteria.
17. The Home Office have stated that they will continue to refine the system in the light of experience and will consider adding further flexibility into the system including additional attributes that can be 'traded' for points against a lower salary. They have also stated initiatives are being brought forward for scientists, graduates, NHS workers and those in the agricultural sector, however the policy statement does not mention social care.
18. Currently, around one in six staff working in adult social care in England have a non-UK nationality. Early considerations of the immigration system proposals would suggest that non-UK nationals would be ineligible to apply for a visa to fill County Council roles within the grade A – D bracket as these fall below the minimum salary threshold for immigration. From a wider social care system perspective, it is likely that many care workers will fall into that bracket, ultimately compounding existing staffing pressures.
19. The Migration Advisory Committee have been commissioned to produce a 'shortage occupation' list covering all jobs encompassed by the skilled worker route, and to keep the list under regular review. These occupations will attract extra points (which will be 'tradeable') in the new points-based system, which may help them reach the threshold of the 70 points that they need in order to be eligible to apply, even if they do not meet the minimum salary level. Further information will be made available on the shortage occupations, although it is not yet known if this will include care workers.

Engaging with the workforce

20. Following updates provided by government, information is provided to staff on the Council's website pages. In addition to which, access to the ongoing 'yammer' forum enables staff to be engaged in discussions and

receive information, assurance and support where needed. Interestingly, the number of contacts or queries received by staff remain relatively low.

The workforce – nationality profile

21. Prior to February 2018, an employee was unable to record their citizenship within the SAP database. Given this, we have been unable to accurately quantify the number of non-UK EU employees or the roles they occupy.
22. However, from February 2018, an employee's citizenship can be recorded, though this is being collected for new recruits rather than retrospectively.
23. The table below shows the number of new recruits for the period February 2018 to December 2019, with a breakdown of UK; UK national, EU national; and non-UK or EU national employees.

New Recruits: Feb 2018 to December 2019 (TOTAL)							
	Adults Health and Care	CCBS	Childrens Services	Corporate Services	Economy Transport & Environment	Grand Total	% of new recruits
GB01 (UK National)	650	1090	765	475	155	3135	92.86%
GB02 (EU National)	43	21	37	19	5	125	3.70%
GB03 (Non UK or EU National)	55	21	20	14	6	116	3.44%
Grand Total	748	1132	822	508	166	3376	100%

24. During this period (August 2019 to December 2019) of the reported numbers, we have seen a slight decrease in hires from non-EU Nationals, to some of HCC's 'hard to fill' roles (catering, nursing, care). Hire levels of EU nationals remain in line with previous trends, suggesting an exit from the EU will have a relatively small impact on respective labour markets.
25. Data will continue to be monitored and tracked in order to identify any trends or specific parts of the organisation and/or roles that are being affected as a result of the EU Exit.
26. Whilst we don't have turnover data in relation to EU Nationals, the overall turnover for the Council was 15.03% as at March 2019. This is below the UK average of 22.8%, however it is consistent with the public sector average of 15.7%. This is carefully monitored within departments and for key roles, with measures being put in place to mitigate. A further update on the position will be included in next the Workforce Report.

Roles impacted / Recruitment and retention challenges and interventions

27. The types of jobs that EU and non-UK or EU National workers perform across the Council varies and there is no change to the profile as previously reported. Each department has considered the roles that may be impacted as a result of a potentially reduced labour pool and the mitigations in place to address recruitment and retention challenges take account of exiting the EU.
28. Departments are also working closely with the agency (C2H) to ensure, as part of normal business, though with consideration for the EU exit, that effective ways of attracting and securing staff are considered and put in place.
29. The interventions underway to attract and retain staff to its hard to fill roles (some of which are not necessarily as a direct result of the EU Exit) have been referenced in previous papers and are progressing well, attracting people from EU and non-EU countries. Key areas of focus are outlined below:

CCBS

30. There has been minimal change in respect of HC3S, with a small cohort of EU nationals being directly employed in catering professions. HC3S is seeking to mitigate future risk through promotion of the EU Settlement Status Scheme, recruitment and retention innovation and seeking to ensure continued access to a contingent workforce through Connect2Hampshire.
31. Concerns continue to exist in relation to Vehicles Technicians, Warehouse Operatives and Facilities Management. There are known EU workers fulfilling lower skilled roles, such as cleaning operatives, in these areas and given that this is an occupation of regular turnover, it is something we are monitoring closely and exploratory work with Connect2Hampshire to develop a bank of agency operatives is underway.

ETE

32. Whilst the department does not have a reliance upon recruiting or employing staff from within the EU, the risk resides more specifically in respect of the wider construction industry which as we know relies on EU nationals for labour and skills, especially in London and the South East. Current skills shortages coupled with a buoyant, competitive market could be further exacerbated in existing shortage occupations e.g. Engineering, Transport and Highways specialisms, as a result of our exit from the EU and this could present a direct challenge for ETE in competing for labour. As a consequence, appropriate mitigations are in place including initiatives to

build capacity and capability within our existing workforce to 'grow our own' talent base.

Adults' Health and Care

33. The area of workforce most likely to be impacted by the EU exit are the Care and Nursing staff in HCC Care. In addition to pro-actively marketing the Settlement Status scheme the service has improved its nurse recruitment through the nursing conversion scheme which has enabled current Care Assistants and/or Assistant Practitioners to have their overseas nurse qualifications recognized in the UK. A significant amount of work has been undertaken to encourage agency workers in the service to be recruited directly by Connect2Hampshire to improve the capacity and capability of its contingent workforce. Future recruitment into the care sector will be significantly affected by the Government's new immigration policy, as set out below in paragraph 33.

Children's Services

34. Whilst there continues to be a shortage of skilled workers in occupations including social workers and residential workers, the department does not have a reliance upon recruiting or employing staff from the EU. The risks arising from the EU exit in this area are considered limited and where there are challenges, appropriate mitigations are in place. Including working closely with Connect2Hampshire.

Schools

35. There has been little change in the situation in relation to schools, with teacher recruitment at secondary level continuing to be acutely difficult, particularly in the core subjects – English, maths, sciences, computing and modern foreign languages (MFL).
36. There is no evidence to suggest that there is an increase of EU staff leaving roles at present.
37. Measures continue to be put in place to aid recruitment and retention in these key roles.

Corporate Services

38. It is not anticipated that de-coupling from the EU will have a direct impact on the majority of roles across Corporate Services. The exception to this may

be administrative roles within Shared Services. The position is being monitored carefully and measures are in place to aid recruitment and retention on an ongoing basis.

Next Steps

39. Following release of the latest information received in respect of the new immigration system, there is further work to be undertaken in order to understand the impact on our workforce. The focus of attention will be on our ability to recruit from the non-UK workforce into directly employed roles and also for services and roles that have a reliance on agency and casual workers.
40. The Chief Executive has asked all Departments review their workforce risks and mitigations in light of the updated immigration proposal, following which, findings being shared with EHCC in June 2020.
41. Subject to updated risks and mitigations it is suggested that the Leader may wish to write to Government setting out our concerns in relation to the wider social care system.
42. It will become increasingly important that we continue to take innovative approaches to attraction and selection, developing relationships with our providers, and placing a high emphasis on developing and marketing ourselves as an 'employer of choice'.

Conclusion

43. The time frames for detailed above will enable the Council to progress interventions and address employment challenges.
44. Recruitment data since February 2018 continues to suggest that the number and proportion of EU nationals who have gained employment with the County Council is relatively low (3.70%) with around half of these in roles that are difficult to recruit to.
45. The County Council continues to be actively engaged in the information coming out from Government regarding the EU exit and the impact on our labour pool in order to ensure that we are able to access, secure and retain skilled people to deliver essential public services. Alongside this, there remains a strong focus on growing, developing and retaining our current employees.

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	No
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
Workforce Report – July 2018	EHCC
Brexit – Workforce Implications and considerations – 11 July 2018	EHCC
Brexit – Workforce Implications and Considerations for Hampshire County Council – 13 March 2019	EHCC
Workforce Report – June 2019	EHCC
Brexit – Update - Workforce Implications and Considerations for Hampshire County Council – October 2019	EHCC

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

1.1 Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by proposals in this report.

Appendix 1.

Factsheet on the EU Settlement Scheme

The EU Settlement Scheme has been fully open to the public since 30 March 2019. EU, other EEA and Swiss citizens can apply by 30 June 2021.

What is the EU Settlement Scheme?

The EU Settlement Scheme is a free Scheme which enables EEA and Swiss citizens resident in the UK, and their family members, to obtain the status they will require in order to live and work in the UK after 30 June 2021.

Applicants only need to complete three key steps – prove their identity, show that they live in the UK, and declare any criminal convictions.

It is designed to be as simple and straightforward as possible. For further information, [click here](#).

Why do EEA citizens need to apply?

The UK is leaving the EU which means that free movement will come to an end. This means that EEA citizens resident in the UK, and their family members, need to obtain a status in order to evidence their right to work, housing and benefits in the UK after 30 June 2021. An EEA citizen with permanent residence status who wishes to continue living in the UK after then will either need to apply to the Scheme or, if they prefer and are eligible, apply for British citizenship. This is because permanent residence is a status acquired under EU law whereas the Scheme secures their status under UK law.

Is the Scheme only available on Android?

No. Use of the Identity Document Check App, currently only available on Android devices, is entirely optional – it is just one of several ways people will be able to verify their identity, including by post.

There are over 80 locations where applicants can have their passport scanned and verified across the UK. Assisted digital support is available at over 300 locations, supplemented by a network of over 65 tutors who provide in home support, and there is also a dedicated telephone advice and support service for the Scheme.

During public testing of the EU Settlement Scheme 95% of applicants successfully used the App to prove their identity remotely, removing the need for them to submit their identity document to the Home Office for manual verification.

Currently, Apple iPhone users are not able to use their device to self-verify their identity

using the App because it is the present policy of Apple not to allow any third party access to the iPhone “ID chip”. However, the Home Secretary has confirmed that the App will be available on Apple devices later this year.

What support is available to EEA citizens?

Support is available to all EEA citizens online [here](#).

To help EEA citizens apply there is also a dedicated telephone advice service – [The EU Settlement Resolution Centre](#) - and there are over 1,500 staff who process EU Settlement Scheme applications.

There is an assisted digital service for EEA citizens in over 300 locations across the UK, offering support to those who do not have the appropriate access, skills or confidence to complete the online form.

The Home Office has also translated communications materials into 26 languages. Alternative formats can be requested.

The Home Office has made up to £9 million available to 57 [voluntary and community sector organisations](#) across the UK to help vulnerable or at-risk EEA citizens to apply.

The funding will provide support to an estimated 200,000 vulnerable or at-risk EEA citizens.