

Committee(s):	Date(s):
Policy & Resources Committee	11 April 2019
Subject: Immigration and Social Security Co-ordination (EU Withdrawal) Bill	Public
Report of: Remembrancer Report Author: Philip Saunders	For Information
<p style="text-align: center;">Summary</p> <p>The 2017 Queen's Speech forecast legislation to end the EU's rules on free movement of EU nationals in the UK. The Bill is intended to achieve that objective and in doing so addresses the existing immigration system, not the future arrangements.</p> <p>The report summarises the Bill's provisions and notes the steps taken by the City Corporation to support its employees.</p> <p>Recommendation</p> <p>To note the contents of this report.</p>	

Main Report

Background

1. The Bill, which is before the House of Commons (but is currently static), is prompted by the UK's departure from the EU. Currently the UK's immigration system is, broadly, composed of two parts: the EU framework and the rules that apply to the rest of the world.
2. In her Mansion House speech a year ago, the Prime Minister confirmed the Government's intention to end EU freedom of movement as applied to the UK. Mrs May confirmed that, in the future, there would be a single immigration system.

The Bill

3. In the Commons, Home Secretary Sajid Javid said the Bill addressed "concern over uncontrolled immigration" and emphasised that the issue "was at the heart of the debate in the run-up to the European Union referendum". He told MPs that "The result left no doubt: people in the UK want control over our borders. They want a fair system that works for the entire UK". He added that "For the first time in more than 40 years, we can deliver this by putting control over who comes to the UK firmly in our hands. Ending free movement is the first step, and that is what the Bill delivers".
4. For Labour, Diane Abbott said the Bill was "one of the flimsiest pieces of proposed legislation on a major issue that I, and many others, have ever seen".

Nevertheless, she explained - “the Labour party is clear that when Britain leaves the single market, freedom of movement ends...as set that out in our 2017 manifesto. I am a slavish devotee of that magnificent document”. Stuart McDonald (SNP) said his party opposed the Bill as it failed to revoke the net migration target and did not address the “flawed” immigration system.

5. Currently citizens of the EU, Lichtenstein, Norway, Switzerland and Iceland (referred to as EU nationals in this report for brevity) have a right to enter, reside and work in the UK without the need to obtain leave under the UK immigration rules. Following the terminology in EU Treaties, this right is generally referred to as ‘free movement’. In practice, free movement means that EU citizens do not require a visa in order to come to the UK and are not required to demonstrate, for example, a level of income or English language proficiency.
6. The Bill provides the Secretary of State with a power to repeal free movement as applied in the UK. To cater for the ‘deal’ and ‘no deal’ scenarios, the Bill gives the Secretary of State a power to repeal the free movement provisions from a date of his choosing.
7. If the Bill becomes law, EU citizens and their family members will become subject to UK immigration laws and will be required to obtain permission to enter and remain.
8. The Bill does not impose new immigration requirements on citizens of the Irish Republic. There are long-standing legislative provisions that make separate arrangements for the UK and the Irish Republic. Currently, there is a mutual entitlement to travel and settle without immigration controls. The Bill makes no changes to those arrangements and, arguably, sets out more clearly than in earlier Acts that Irish citizens do not require leave to enter or remain in the UK.
9. The Bill does not provide for future immigration arrangements. The Government’s current proposals are set out in a consultation document. The Remembrancer’s Office, as part of the preparation for the consultation and wider messaging, worked with the matrix of institutions connected to the City Corporation to conduct an impact assessment, including GSMD, Barbican, Museum of London and City schools. This work investigated - and continues to scrutinise - potential impacts on student numbers, the availability of talent to City institutions, the ease of access for categories of workers such as artists, the effect of visa processing times, and the loan of art works.
10. The Remembrancer’s Office and the Economic Development Office are working together to respond to the consultation, based on the research commissioned by EDO and produced by EY.

Settled Status

11. Although the Bill does not deal expressly with the settled status of EU nationals, the status of EU citizens living in the UK may be affected by the timing of the revocation of existing rules.

12. If a Withdrawal Agreement is ratified then it is most likely that the current immigration legislation would be revoked at the end of any implementation period. That would mean that EU citizens who arrived in the UK between Brexit day and the end of an implementation period would be eligible to apply for settled status.
13. The situation is less predictable in the case of no deal. Those who arrived in the UK before 29 March 2019 would have until 31 December 2020 (the Government has indicated that the period might be extended to August 2021) to apply for a status under the EU Settlement Scheme. The Government has indicated that citizens of EU27 nations who arrive after 29 March 2019 would not be eligible to apply for settled status but would still be able to come to the UK for visits, work or study as they do now. They would be able to stay for up to 3 months without the need to make any form of application. If they wished to stay longer than 3 months they would need to apply for permission and receive European Temporary Leave to Remain. This permission would last for 3 years. Applications to remain in the UK beyond the 3 year period could be made after the expiry of the period (i.e. 2021) and would be assessed under the skills-based future immigration system that will be established in the future.
14. The administration of the settled status scheme is widely regarded as a success. Over 100,000 applications have been received and all have been accepted.

Social Security

15. Currently, EU states provide access to basic social security benefits to those who exercise freedom of movement. Under a Withdrawal Agreement, current arrangements would continue. In the case of no deal, however, the UK would not be eligible to participate in an EU27 scheme. The UK government has indicated, in a policy statement from the Department for Exiting the EU, that EU citizens resident in the UK prior to Brexit would be entitled to continue to claim and receive benefits. Nevertheless, there would be little certainty about how a recipient of benefits – where that person had lived and worked in the UK and an EU27 country, for example – would enforce their rights and claim benefits in the EU27 country. This issue of enforceability would also apply to EU nationals seeking to access any benefits accrued while in the UK.

Parliamentary Activity

16. To inform debates in Westminster, the Remembrancer's Office has briefed MPs and peers ahead of debates and committee hearings to promote, based on the City's research, the following positions:
 - a. Reduce the administrative burden and uncertainty associated with the current visa system,
 - b. Create an entirely digital immigration status so that applicants no longer need to surrender their passport or update physical status documents,
 - c. Avoid duplicative processes associated with extending a visa inside the UK,

- d. Develop technology in a way that supports employers and sponsors of different sizes and sectors.
- 17. Briefings have highlighted the importance of EU27 students to GSMD, the opportunities offered under the EU's Erasmus+ student exchange programme, the importance to cultural institutions of simple, targeted and cost-efficient visa processes, the risks to recruitment, the impact on London as a hub for global business.
- 18. Other opportunities have been taken to promote the City Corporation's visa research, such as participating in a London First event on immigration.

Implications

- 19. The City Corporation's HR department, in liaison with the Remembrancer's Office, has taken steps to support employees who might be concerned about their status. Details of the Government's settled status scheme and helpful links are posted on the City's intranet homepage. In addition, HR Business Partners are working with their department's Chief Officers to identify any critical roles held by EU citizens and any hard-to-reach employees who may need specific support, for example those who need more support in completing their applications due to language or technology barriers. Employees are directed to their HR business partner if they have further questions.
- 20. Given the effective operation of the settled status scheme, it is very likely that applications by current City Corporation employees who are within the scope of the scheme would be successful.
- 21. The future immigration system will be of interest to the City Corporation and its associated institutions, such as GSMD, in relation to student numbers and the availability of teaching staff from the EU27. Examples of future arrangements of interest to the Barbican and Museum of London include access to artists, stage management expertise, the transit of artefacts, and
- 22. Future immigration and visa arrangements will be of importance across financial and professional services, small businesses, and the third sector in relation to access to talent. If a future system restricts access to talent it will have implications for London and the UK's status as a hub for global businesses. International workers, for example, make up 41% of the City's workforce and 34% of London's finance and insurance jobs. Further reports will be submitted as this aspect develops.

Annex

- 21. Report by the Director of HR who was consulted, along with the Economic Development Office, in the preparation of this report.

Philip Saunders

Parliamentary Affairs Counsel

T: 02073321201

E: philip.saunders@cityoflondon.gov.uk