

Changes to freedom of movement after Brexit – implications for Wales

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What is your assessment of the implications for Wales of the UK Government's White Paper proposals on immigration after Brexit?

This consultation seeks views in relation to the UK Government White Paper, which was published when Theresa May was Prime Minister. Since then, there has been a change in Prime Minister and Home Secretary, and therefore there is a fundamental question whether the previous administration's policy on immigration remains current policy of the UK Government. There have been recent reports of the new Home Secretary indicating that free movement of people will cease at midnight on 31 October. Such a dramatic change in policy would severely alter the responses below, which are based on the UK Government's policy as set out in their White Paper.

However, this lack of certainty is symptomatic of Brexit as a whole and impacts on the current flow of people. For example, firms in engineering, construction and technology have told us having difficulties in getting people to move to UK for projects as they have no idea what their status will be.

As at June 2016, 79,100 non-UK EU nationals resided in Wales, which represents 2.6% of the Welsh population. Focussing on those figures only, one could think that the UK Government's White Paper proposals on immigration will have limited implications for Wales.

This is wrong. We firmly believe that the UK Government's proposal will:

- Inevitably result in a reduction in the amount of people from the EU coming to Wales to live. Wales is already lacking diversity and suffers from an increasing skills shortage. The policy will only make it worse.
- Make 'fly-in/fly-out' business activities harder, thereby making it less attractive for EU businesses/branches to do business together. We are particularly concerned about the Visitor Case Studies set out at p.42 of the White Paper proposals on immigration after Brexit. The lack of clarity as to when someone may or may not have to apply for an Electronic Travel Authorisation is seriously worrying.
- Impact negatively on the Welsh economy as a whole. In the year ending June 2018, France was the second largest export market for Welsh products (after Germany), with £2.7bn worth of Welsh products reaching the French market. Equally, France exported £0.8bn worth of French

products to Wales that year. A decrease of those figures seems unavoidable.

There is a serious conflict between the Welsh Government's International Strategy seeking to boost the Welsh economy through international trade and the UK Government's White Paper proposals on immigration. We welcome the opening of Welsh Government offices around the world. Le Club has already gained tremendously from its relationship with the Welsh Government office in Paris through Mrs Ivon van Heugten.

Working collaboratively, Le Club and the Welsh Government office in Paris have been organising various networking events in both France and Wales. The introduction of Welsh businesses to French businesses via the forum with the Welsh Government's support creates an environment between the two countries in which businesses and international relations can thrive. We seriously fear that the UK policy on immigration might compromise any positive impacts the Welsh Government international offices may have.

Is there a case for allowing the devolved nations to do things differently in relation to immigration policy after Brexit?

Because of the freedom of movement within the UK, it is difficult to conceive how, in practice, the devolved nations could be allowed to do things differently in relation to headline immigration policy after Brexit. This does not mean that there is not a case for it in certain respects.

Each devolved nation comes with its own challenges and needs from migration. This is because salary levels are different, as are the primary employment sectors. Manufacturing, for example, is a leading sector in Wales whereas London is more financial services focussed. Having a single migration policy for both London and Cardiff is, at best, clumsy. Each devolved nation (if not city) craves personalised policies on immigration, designed to facilitate its own policies, not negate them.

We would expect a high degree of collaboration between the devolved nations and the UK Government on immigration, with an ability to diverge on particularly sensitive areas of migration policy. For example, the £30k salary threshold demonstrates how policy by the UK Government in London is not fit for purpose for Wales. Policy driven by levels of salary is completely misplaced and counter-productive; it will only undermine our economy and won't help improve productivity. The Welsh Government's input would be valuable to ensure that immigration policy works for Wales, and in particular, for the key sectors of its economy (such as the construction/infrastructure industry, which we believe would be very badly hit) and for its NHS (which relies on many EU-qualified doctors, nurses and social care workers, the British Medical Association has warned).

What are your views on the proposal for a Wales-specific Shortage Occupation List ("SOL")?

Different parts of the UK have different needs when it comes to employment. In principle, the idea of a Wales-specific SOL would allow a different approach in Wales.

However, the answer to this question flows from the last. The freedom of movement in the UK will no doubt impact on the value and efficiency of any SOL.

Our position is that an option to diverge, based on a global collaboration between the UK Government, the devolved nations and businesses, is preferable.

What are your views on the proposal to bring EU nationals into an expanded Tier 2, and ending any distinction between EU and non-EU workers?

We do not welcome the proposal to end any distinction between EU and non-EU workers:

It is highly likely to result in a rapid decrease of French students and nationals in the UK (including Wales) as they will be more likely to choose to move to EU countries instead.

It will have a negative impact on the current relationship between France and the UK. Historically, French students and workers have considered the UK as a place of opportunity, where they can establish themselves in the long term. The next generation of French citizens is unlikely to share that vision.

It will also have a negative impact for British citizens who will, reciprocally, be subject to similar rules when travelling to EU countries.

What are your views on the salary threshold of £30,000 for Tier 2 immigration and its implications for Wales?

Le Club has serious concerns about the salary threshold of £30,000 for Tier 2 immigration.

This is an arbitrary figure, with no substantive rationale behind it.

Many Welsh businesses have shared their ongoing difficulty in recruiting low pay grade worker.

The threshold appears totally unrealistic in light of the wages currently applicable in Wales (£509/week in average) and seems to only suit London wages (£713/week in average).

Policy should not be driven by a salary level; it is fundamentally irrelevant. Policy should be based on employers' and economy's need for skills/workers - skills at all levels, from unskilled to highly-skilled, and across all sectors, and should be reviewed periodically by Government in collaboration with employers' representative bodies.

One could suggest that lowering the threshold could be a solution to address this issue. However, based on our consultation, the threshold would need to be lowered to such an extent that it would be pointless.

We find it difficult to see how any immigration selection based on salary threshold can work.

How well is the EU Settlement Scheme operating? Is there more that the Welsh Government could be doing to ensure that EU nationals in Wales are registering under the scheme?

The general feedback on the registration of the scheme per se is globally positive, subject to a few errors.

The fact that the current system requires EU nationals to have an Android phone or tablet, if they want to register electronically, is unfortunate and has been heavily criticised. If they don't have Android devices, they can only apply by post. This does not project the welcoming and modern environment that would be key to ensure that EU citizens who currently live in the UK, and who contribute to the economy, do not leave the UK as a result of Brexit.

Fundamentally, there is a general disapproval for the scheme from people who have been contributing to the UK economy for years, sometimes decades. They feel undervalued and hurt by the need to take an active step to legalise their stay in the UK. It would be preferable for it to be granted automatically, with a right to opt-out (in a similar way as the current organ donation system works).

Are there any other issues relating to immigration policy after Brexit that you would like to bring to the attention of the Committee?

Regardless of whether Brexit happens or not, there is a serious lack of knowledge in Wales over the benefit of migration. There is, therefore, an obvious need to educate people on the matter.

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