

Changes to freedom of movement after Brexit - the implications for Wales

November 2019



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Changes to freedom of movement after Brexit - the implications for Wales

November 2019



About the Committee

The Committee was established on 28 June 2016. its remit was agreed on 15 September 2016 and can be found at: www.assembly.wales/SeneddEAAL

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David Rees AM
Welsh Labour

Current Committee membership:



Alun Davies AM
Welsh Labour



Huw Irranca-Davies AM
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Plaid Cymru



Mandy Jones AM
Brexit Party



David Melding AM
Welsh Conservatives

The following Members were also members of the Committee during this inquiry.



Mark Reckless AM
Brexit Party



Joyce Watson AM
Welsh Labour

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Chair's foreword

The four freedoms of the European Union – goods, capital, services, and people – have been a cornerstone of the single market and our membership of the EU. The freedom of movement of people has, over the last decades, allowed many people to come and make their lives here in Wales whilst the reverse journey has been taken by a great many people who have left Wales to live, work, and study in other European countries.

This flow of citizens, between Wales and the rest of Europe and vice versa, has undoubtedly enriched our communities the length and breadth of the country. However, once the UK leaves the EU, the UK Government has clearly stated that the freedom of movement of people will end.

It is in light of this forthcoming change that we decided to examine what the changes to freedom of movement after Brexit could mean for Wales. Our work concentrated on three broad areas – the proposals for a future immigration system, the operation of the EU Settlement Scheme (EUSS), and the arguments for differences in immigration approaches across the nations and regions of the UK after Brexit.

Our findings highlight a number of areas where we would ask the UK Government to review its White Paper proposals for the post-Brexit immigration system including on reducing the £30,000 salary threshold, and reviewing the potential equality impact of the proposals.

In terms of the EUSS, we heard a number of concerns regarding its operation including low levels of registration in Wales, concerns around the 'digital by default' aspects of the Scheme, and general awareness of how and where to access advice and support.

Finally, in examining the case for regional differences to immigration policy across the nations of the UK after Brexit, we heard that the specific needs of the Welsh economy, alongside future demographic changes, mean that the Welsh Government should give full consideration to the opportunities for doing things differently after Brexit.

In gathering evidence for this work, we heard from academics, a range of stakeholders representing businesses, public sector bodies and charities, and held two focus groups with citizens from other nations within the EU.

I would, in particular like to thank those who contributed to our focus groups. I was struck by the powerful and emotive testimonies that we heard during those sessions about the toll that Brexit has been taking on them, their friends and family members. I deeply regret the hardships being faced by some of our fellow citizens as a consequence of Brexit. I believe that it is incumbent on all politicians to reflect on the damaging effects that some of the rhetoric and language being used with regards to the immigration debate is having on our fellow citizens. It is perhaps the most important message of all from this report.

Our sincerest thanks goes to all those who contributed to our work.

Recommendations and conclusions

Recommendation 1. We recommend that the Welsh Government uses all the means at its disposal to ensure that the current proposed salary threshold is reduced in order to better reflect the Welsh context, in any post-Brexit immigration system. Page 24

Recommendation 2. We recommend that the Welsh Government creates a central hub of information on immigration policy which signposts all devolved sectors to authoritative information in relation to potential freedom of movement changes after Brexit and updates us on its efforts in this area in its response to this report. Page 29

Recommendation 3. We recommend that the Welsh Government provides, in its response to this report, an update on:

- what discussions it has had with the UK Government on future cooperation in the arts sector after Brexit, including on the agreement of new cooperative accords between the UK and the EU;
- what discussions it is having on the future involvement of the UK in the Erasmus+ programme, and any discussions it is having on a successor scheme;
- what discussions it is having on the mutual recognition of medical education and training qualifications. Page 32

Recommendation 4. We recommend that the Welsh Government updates its Community Cohesion Plan to take account of the new challenges to community cohesion in Wales. Page 38

Recommendation 5. We urge the Welsh Government to raise our concerns as set out in our conclusions, with the UK Home Office, and report back to this Committee on its efforts in that regard. Page 42

Recommendation 6. We recommend that the Welsh Government takes a stronger lead by redoubling its efforts to provide advice and support to EU citizens. One possible route to achieving this could be to bring forward a revised communications plan, containing key messages and to be disseminated through public services e.g. local health boards, schools and local government. Page 45

Recommendation 7. We recommend that the Welsh Government reiterates its message of support to EU citizens in Wales. Page 45

Recommendation 8. We recommend that the Welsh Government reviews the resources that it has made available to partner organisations via the EU Transition Fund to ensure they are sufficient to support vulnerable groups, and others, to apply to the EU Settlement Scheme.....Page 45

Recommendation 9. We recommend that the Welsh Government undertakes exploratory work on a spatially-differentiated immigration policy after Brexit and updates us on the Welsh Government’s policy in this area.....Page 55

Recommendation 10. We recommend that the Welsh Government commissions research on future demographic trends, which takes into account lower levels of migration, and its potential impact on the Welsh economy.Page 55

Recommendation 11. We recommend that the Welsh Government calls on the UK Government to establish a Shortage Occupation List for Wales, which the Welsh Government is able to amend according to Welsh needs.Page 56

Recommendation 12. We recommend that the Welsh Government outlines in response to this report whether it has undertaken a review to establish how a Wales-specific Shortage Occupation List would take account of some of the specific needs of Wales.....Page 56

Conclusion 1. We agree that a salary threshold set at this level will not meet the needs and requirements of Wales and the Welsh economy. We therefore call on the UK Government to lower the salary threshold requirements in any future system..... Page 24

Conclusion 2. We also heard clear views that the current White Paper gives insufficient regard to the impact of the proposals on equality. We believe it is important that any revised proposals are accompanied by an Equality Impact Assessment and urge the UK Government to commit to this.Page 24

Conclusion 3. We have received evidence which expresses concerns regarding the lack of information and uncertainty in relation to changes to freedom of movement rules after Brexit. We note that this is having a potentially detrimental effect on public confidence and the ability of stakeholders to adequately plan and prepare for various Brexit scenarios. We urge greater clarity and certainty from the UK Government..... Page 29

Conclusion 4. We consider that there are clear merits to modifying the EU Settlement Scheme to provide for an official, hard copy record of “settled” and “pre-settled” status..... Page 42

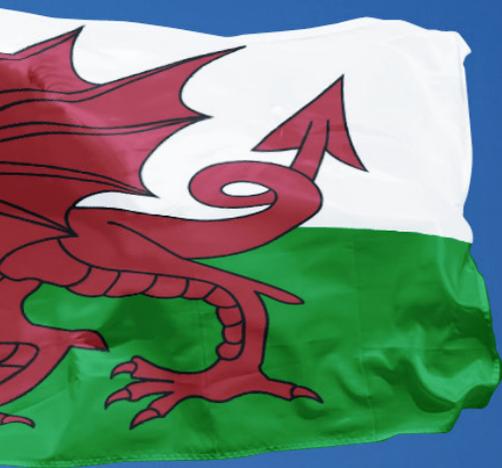
Conclusion 5. We agree that the UK Government should undertake an urgent assessment of whether a public information campaign is required in order to boost awareness of, and registration to, the EU Settlement Scheme..... Page 45



Chapter 1:

Introduction

The United Kingdom's withdrawal from the European Union will significantly affect freedom of movement of people. Although we have considered this issue on numerous occasions as part of broader areas of work, this is the first report to concentrate solely on the potential changes to freedom of movement of people after Brexit.



1. Introduction

The United Kingdom's withdrawal from the European Union will significantly affect freedom of movement of people. Although we have considered this issue on numerous occasions as part of broader areas of work, this is the first report to concentrate solely on the potential changes to freedom of movement of people after Brexit.

Background

1. In September 2017, the Welsh Government published "[Brexit and Fair Movement of People](#)", which set out its vision for the future of freedom of movement¹ after Brexit.
2. The UK Government, under Theresa May, published its White Paper on future immigration policy entitled "[The UK's future skills-based immigration](#)" in December 2018. The UK Government plans to consult on this White Paper for a year.
3. In March 2019, the Wales Centre for Public Policy published research, commissioned by the Welsh Government, on "[Migration in Wales: The impact of post-Brexit policy changes](#)". This paper examined the specific impacts that the White Paper proposals could have on Wales. The author of the report was then invited to our scene-setting session as outlined in the section below.
4. In July 2019, Boris Johnson MP took over as Prime Minister and subsequently announced that "improvements to the previous government's plans for a new immigration system are being developed".² The Migration Advisory Committee (MAC) has been tasked with developing plans for an "Australian style points-based immigration system", however it is not yet clear what this might entail.

¹ Please note that references to "freedom of movement" in this report relate directly to the free movement of people (as opposed to the "Four Freedoms of the European Union").

² HM Government, "[EU citizens and freedom of movement](#)" - 19 August 2019

Evidence gathering

5. On 13 May 2019, we held a scene-setting session with academics to better understand the policy landscape. We subsequently ran a public consultation, which received 14 responses.

6. Our consultation focused on the proposals contained in the White Paper, alongside the operation of the EU Settlement Scheme. Specifically we sought the views of stakeholders on the following questions:

- What is your assessment of the implications for Wales of the UK Government's White Paper proposals on immigration after Brexit?
- Is there a case for allowing the devolved nations to do things differently in relation to immigration policy after Brexit?
- What are your views on the proposal for a Wales-specific Shortage Occupation List (SOL) ?
- 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?
- What are your views on the salary threshold of £30,000 for Tier 2 immigration and its implications for Wales?
- How well is the EU Settlement Scheme operating? Is there more that the Welsh Government could be doing to ensure that EU nationals resident in Wales are registering under the scheme?
- Are there any other issues relating to immigration policy after Brexit that you would like to bring to the attention of the Committee?

7. Over the summer we also held forum discussions on the online platform, Loomio.

8. A list of the individuals and organisations who gave evidence is provided in Annex A.

9. We also wanted to hear from those who are directly affected by the EU Settlement Scheme. On 30 September 2019, we held focus groups sessions in

Cardiff involving EU citizens³ directly affected by potential changes to freedom of movement rules after Brexit, and individuals who work for organisations and charities that represent them.

10. A summary of those discussions was published on 25 October 2019. We are grateful to all those who gave evidence to our inquiry, and to the focus group participants for sharing their personal testimonies with us.

A brief note on this report

11. While Nationality and Immigration (including the free movement of people) are reserved matters under Schedule 7A of the Government of Wales Act 2006, a number of the issues raised by this matter intersect with the devolved settlement. Furthermore, there are a number of Wales-specific proposals in the UK Government's White Paper and the wider policy debate that merit detailed consideration by this Committee and the Assembly.

12. This report was prepared in a highly uncertain policy landscape, with the eventual form of Brexit yet to be finalised. We recognise that some of our findings and recommendations may need to be considered within this context. Our findings are intended to set out our initial view of future changes to freedom of movement, as expressed to us in the evidence we received.

13. We also acknowledge that many of our concerns centre on areas of policy that are wholly the responsibility of the UK Government. At the same time, we have a duty to represent the interests of the people of Wales. This includes ensuring that the impact on non-devolved areas are reflected in UK policy. We have therefore set out a number of conclusions (in addition to recommendations to the Welsh Government) where action is required at the UK level, and to which we expect the UK Government to give active consideration.

14. We will keep a watching brief in this area and are likely to revisit some of the issues and themes at a later date when the policy landscape becomes more certain.

³ In this context, the reference to EU citizens means EU citizens living in Wales, and the UK, from other European Union and European Economic Area countries.



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Chapter 2:

Immigration policy after Brexit

The UK's withdrawal from the EU is bringing about some of the biggest changes to UK immigration policy in decades. It is the stated policy of the UK Government that freedom of movement between the UK and the EU and vice versa will change.



2. Immigration policy after Brexit

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The UK's current immigration system

15. The UK currently has two distinct immigration systems: one for EU, European Economic Area (EEA) and Swiss citizens (for ease, these will all be referred to as "EU citizens"), and a separate system for non-EU nationals.

16. At present, EU citizens have the right to live and work in the UK for up to three months without being subject to any conditions. After three months, they have the right to reside if they are workers, looking for work in the UK or have sufficient resources to reside.

17. For non-EU citizens, there are different work visas available for different purposes. Most work visas are part of the UK's "points-based system". The system has five tiers, each with sub-categories:

- Tier 1 for highly skilled individuals;
- Tier 2 for skilled workers with a job offer to fill gaps in the workforce (this includes a salary threshold of £30,000 and is restricted to higher skilled workers);
- Tier 3 for low skilled workers to fill temporary labour shortages (this Tier has never been used as gaps are currently assumed to be filled by EU nationals);
- Tier 4 for students, and
- Tier 5 for temporary workers and young people covered by the Youth Mobility Scheme.

18. Tier 2 (General) is the main visa category for bringing skilled non-EU workers to the UK. It has been capped at 20,700 visas a year since 2017. Doctors and nurses were exempted from the cap in 2018.

Proposals for a post-Brexit immigration system

- 19.** The previous UK Government under Theresa May MP, published its immigration White Paper⁴ in December 2018, with a 12 months consultation period .
- 20.** This White Paper was informed by the recommendations of the Migration Advisory Committee (MAC) report.⁵
- 21.** The previous Government's White Paper proposed to:
- add EU citizens directly into the current points-based system under Tier 2 for skilled workers with job offers, with no preferential treatment above non-EU citizens;
 - expand Tier 2 by: removing the 20,700 visa cap and the resident labour market test; reducing the skills threshold to RQF+ level 3 (A-Levels or equivalent); retaining a salary threshold (whilst consulting on the current threshold of £30,000), and considering a Shortage Occupation List (SOL) for Wales; and
 - not provide a specific route for low-skilled workers, but introduce a range of transitional measures. It also proposed some modest changes to post-study work.
- 22.** As noted above, the current UK Government has subsequently committed to developing “improvements to the previous government’s plans for a new immigration system”, and tasked the MAC with developing plans for an “Australian style points-based immigration system”. This work has yet to conclude.⁶

Changes to Tier 2

- 23.** The White Paper proposes to expand and streamline Tier 2 by removing the cap on visas and the resident market test (among other things).
- 24.** In written submissions to our consultation, some stakeholders welcomed the commitment to streamline the Tier 2 process.⁷ However, concerns were also raised about the intention to incorporate immigration from the remaining 27 EU

⁴ HM Government, “[The UK's future skills-based immigration system](#)” - 19 December 2018

⁵ Migration Advisory Committee, “[Migration Advisory Committee \(MAC\) report: EEA migration](#)” - 18 September 2018

⁶ HM Government, “[EU citizens and freedom of movement](#)” - 19 August 2019

⁷ [FOM05](#) Welsh NHS Confederation; [FOM12](#) Universities Wales

Member States into the current point-based immigration system, with most falling under Tier 2 for skilled workers with jobs offers.⁸

25. The Royal College of Nursing Wales (RCN Wales) told us that the expansion of Tier 2 is “generally welcomed” however they also expressed concerns that these changes could entail “greater financial and administrative costs for sectors already operating under pressure”.⁹

26. Universities Wales told us that the UK Government’s intention of ending freedom of movement on 31 October, in the event of “no deal” had caused “considerable uncertainty for the higher education sector, not least because the policy has been changed on three occasions”.¹⁰

27. The Arts Council for Wales did not support the expansion of Tier 2 to include EU citizens. The Arts Council stated that “curtailing the easy two-way flow of talent ... could lead to a substantial loss of important skills to Wales and the Welsh economy”. Furthermore, the Arts Council highlighted concerns in relation to the complexity, cost, and administrative burden of the Tier 2 immigration system.¹¹

28. Cardiff University stated that it had been engaging with non-EEA nationals under the current Tier 2 points-based system since 2008 but that “the current system is onerous and costly for employers”.¹² They welcomed the White Paper’s intention to streamline the current sponsor licensing system. The University also expressed concerns about the timescales and whether expansion of the Tier 2 system could be achieved by January 2021.¹³

29. The Wales TUC told us that they were “especially concerned” about the impact that including EU citizens in an expanded Tier 2 will have on “marginalised groups in the labour market, such as women, who will be unfairly disadvantaged by the criteria”, including the salary threshold.¹⁴

30. Similarly, the WLGA stated that “any disproportionate impact on women, or any group with protected characteristics under the Equality Act must be

⁸ [FOM07](#) Wales France Business Forum (Le Club), Capital Law Ltd, Acorn Recruitment

⁹ [FOM04](#) RCN Wales

¹⁰ [FOM12](#) Universities Wales

¹¹ [FOM10](#) Arts Council for Wales

¹² [FOM09](#) Cardiff University

¹³ [FOM09](#) Cardiff University

¹⁴ [FOM14](#) Wales TUC

addressed,” adding that an Equality Impact Assessment for the Immigration White Paper would be “helpful”.¹⁵

The £30,000 salary threshold

31. One of the strongest messages we received in the evidence relates to the current £30,000 salary threshold for employing people through Tier 2. The UK Government has asked the MAC to consider this issue again.

32. Most respondents emphasised that the vast majority of EU nationals currently living and working in Wales earn under this salary threshold, even those in medium and high-skilled roles.¹⁶

33. Wales TUC highlighted the fact that the median annual salary in Wales in 2018 was approximately £21,630, significantly below the proposed threshold.¹⁷

34. The Welsh NHS Confederation (NHS Confed) told us that:

“our members feel that the Immigration White Paper will pose significant additional challenge for the NHS in Wales in terms of the health and social care workforce and therefore the services that can be provided across our communities. Our members are mostly concerned that the proposed £30,000 salary threshold within the Skilled Worker Route will materially affect their ability to recruit overseas professionals across all specialties.”¹⁸

35. The NHS Confed added that the White Paper proposals would “exacerbate current staffing shortages” and highlighted that 53 per cent of EU NHS staff currently earn below £30,000.¹⁹

36. Airbus stated that the threshold is “too high for key sectors”, which could have implications for key services and industries.²⁰

37. The South and Mid Wales Chamber of Commerce (SMWCC) told us that “the proposed salary threshold is wildly out of step with the average salaries in Wales”.²¹

¹⁵ [FOM13](#) Welsh Local Government Association

¹⁶ [FOM05](#) Welsh NHS Confederation; [FOM12](#) Universities Wales; [FOM01](#) Bevan Foundation; [FOM04](#) RCN Wales; [FOM06](#) Airbus; [FOM11](#) South & Mid Wales Chamber of Commerce; [FOM03](#) FSB Wales

¹⁷ [FOM14](#) Wales TUC

¹⁸ [FOM05](#) Welsh NHS Confederation

¹⁹ [FOM05](#) Welsh NHS Confederation

²⁰ [FOM06](#) Airbus

²¹ [FOM11](#) South & Mid Wales Chamber of Commerce

They added that the threshold will “disadvantage Wales”, both in terms of attracting overseas talent compared to more affluent areas, and in terms of the disproportionate increases in pay that Welsh businesses would have to offer non-UK citizens.²²

38. The Federation of Small Business Wales (FSB Wales) described the £30,000 salary threshold as “the most worrying part of the White Paper”. It stated that the threshold arguably “goes against the grain of the stated aim of a skills-based immigration approach, particularly when it comes to regional disparities in wages, such as in Wales”.²³ They also argued that setting the salary at this threshold would put Welsh SMEs at a competitive disadvantage to other areas of the UK with higher average wages.

39. The Bevan Foundation argued that the £30,000 salary threshold would have a “significant negative impact in Wales” and that other proposals to reform Tier 2 (for example by reducing the qualifications requirements) would have “little benefit as a £30,000 threshold would effectively act as a barrier as it does not reflect the lower salary levels in Wales”.²⁴ Furthermore, they noted that the average gross salary for full-time workers in Wales, in 2017, was around £26,000.²⁵

40. The Wales-France Business Forum expressed “serious concerns” about the salary threshold and argued that “policy should not be driven by a salary level” and should instead be “based on employers’ and economy’s need for skills/workers”.²⁶

41. RCN Wales stated that they do not believe that “any salary threshold should be part of the immigration system” and argued that “immigration should be encouraged in the sector and regions it is needed irrespective of salary”.²⁷

The Migration in Wales report

42. In March 2019, a Welsh Government-commissioned paper by Professor Jonathan Portes estimated the impact of the White Paper’s proposals on Wales.²⁸

²² FOM11 South & Mid Wales Chamber of Commerce

²³ FOM03 FSB Wales

²⁴ FOM01 Bevan Foundation

²⁵ FOM01 Bevan Foundation

²⁶ FOM07 Wales-France Business Forum (Le Club), Capital Law and Acorn Recruitment.

²⁷ FOM04 RCN Wales

²⁸ Wales Centre for Public Policy, “Migration in Wales: the impact of post-Brexit policy changes” - March 2019

43. The research found the challenges of the ageing population to be more acute in Wales than elsewhere in the UK, with slower growth in the overall population but faster growth in the over-65s. Meanwhile, the 16-64 population is projected to shrink by 5% by 2039. It argued that lower than projected migration might exacerbate these issues.²⁹

44. Professor Portes estimated that under the White Paper's proposals, almost two-thirds of EU workers currently in Wales would not be eligible for a Tier 2 visa with a £30,000 salary threshold, leading to a 57 per cent reduction in EU immigration to Wales over 10 years. He estimated that it would result in "a hit to GDP of between roughly 1 and 1.5% of GDP over ten years [in Wales], compared to 1.5 to 2% for the UK as a whole".³⁰

Welsh Government's view

45. Following the referendum, the Welsh Government set out its detailed approach to immigration in 2017.³¹ It called for a preferential system of immigration for EU citizens, and said that "should the UK Government pursue a restrictive immigration policy which would be detrimental to Wales, [it] would explore options for a spatially-differentiated approach that would be more fitting to Wales' needs and interests".³²

46. In response to the publication of the White Paper, the Counsel General and Brexit Minister, Jeremy Miles AM, said he was "extremely concerned that such a restrictive immigration system after Brexit would lead to real skills shortages in our key economic sectors", and called on the UK Government to drop the £30,000 salary threshold.³³

Our view

47. The evidence received suggests to us that there are a number of areas included in the White Paper proposals that are a cause for concern. These concerns centre around the potentially negative impacts that incorporating future

²⁹ Wales Centre for Public Policy, "[Migration in Wales: the impact of post-Brexit policy changes](#)" - March 2019

³⁰ Wales Centre for Public Policy, "[Migration in Wales: the impact of post-Brexit policy changes](#)" - March 2019

³¹ Welsh Government, "[Brexit and the Fair Movement of People](#)" - 7 September 2017

³² Welsh Government, "[Brexit and the Fair Movement of People](#)" - 7 September 2017

³³ National Assembly for Wales, Record of Proceedings, [Statement by the Counsel General and Brexit Minister: The Implications of the UK Government's Immigration Proposals for Welsh Public Services and the Wider Economy](#) - 11 June 2019

migrants from the remaining EU27 into the UK's current (albeit expanded) points-based immigration system, and the impact of the proposed £30,000 a year threshold.

48. We note that the evidence overwhelmingly rejects the current proposals for a £30,000 a year salary threshold. In particular, we note that this salary threshold would be significantly above median salaries in Wales and that nearly two-thirds of EU workers currently in Wales would be ineligible to move to Wales under the proposed future scheme.

Conclusion 1. We agree that a salary threshold set at this level will not meet the needs and requirements of Wales and the Welsh economy. We therefore call on the UK Government to lower the salary threshold requirements in any future system.

49. We welcome the review being undertaken by the Migration Advisory Committee and look forward to considering revised proposals in due course.

50. In undertaking this review, the Migration Advisory Committee should also take into account the fact that a £30,000 salary threshold would set the bar at a significantly higher level than average earnings in Wales. In 2018 the median annual salary was £21,630 for all workers, or around £26,000 gross, on average for full-time workers, in Wales.

Recommendation 1. We recommend that the Welsh Government uses all the means at its disposal to ensure that the current proposed salary threshold is reduced in order to better reflect the Welsh context, in any post-Brexit immigration system.

51. We note the concerns expressed to us by stakeholders that the proposed changes to Tier 2, and the salary threshold, could negatively impact marginalised groups of citizens.

Conclusion 2. We also heard clear views that the current White Paper gives insufficient regard to the impact of the proposals on equality. We believe it is important that any revised proposals are accompanied by an Equality Impact Assessment and urge the UK Government to commit to this.

Wider implications of the proposed changes

52. A number of stakeholders identified wider impacts that the proposed changes may have on key sectors.³⁴

53. The Welsh Local Government Association (WLGA) highlighted the importance of EU immigration to the public services such as teaching and social care.³⁵ They also stated that Brexit could pose additional challenges in terms of fulfilling skills shortages.³⁶

54. FSB Wales highlighted potential difficulties from transitioning to a new system:

“An overwhelming majority of smaller employers in the UK have never made use of the UK’s points-based immigration system (95%), as the majority have recruited EU workers from UK labour markets (85%). As is presently constituted, the system to sponsor workers from outside the UK would be costly and onerous. This is particularly true for SMEs who will tend not to have HR departments to be able to deal with the complexities. As such, there is a risk that this will hurt SMEs and business growth.”³⁷

55. Airbus told us that the White Paper proposals could “block well-established pipelines and leave gaps in the requirements of Wales which can’t be filled in the short term”.³⁸

56. The Wales-France Business Forum argued that the White Paper proposals will “inevitably result in a reduction in the amount of people from the EU coming to live in Wales” adding that this would exacerbate existing skills shortages.³⁹

57. The SMWCC outlined the risk that:

“If the UK takes a more hostile attitude to immigration fewer people from overseas will want to move here, reducing the pool of talent that Welsh businesses can choose from. Our members who regularly recruit

³⁴ FOM05 Welsh NHS Confederation; FOM06 Airbus; FOM11 South & Mid Wales Chamber of Commerce; FOM03 FSB Wales

³⁵ FOM13 Welsh Local Government Association

³⁶ FOM13 Welsh Local Government Association

³⁷ FOM03 FSB Wales

³⁸ FOM06 Airbus

³⁹ FOM07 Wales-France Business Forum (Le Club),

international staff are already reporting that they are receiving fewer applications from outside the UK. They expect this to only get worse with time.”⁴⁰

58. Some respondents, including Universities Wales, stated that current uncertainty about the immigration system after Brexit is causing issues in planning workforces and teaching programmes.⁴¹ In particular, Universities Wales said that:

“The new Euro Temporary Leave to Remain scheme will require all EU nationals arriving after 31 October 2019 and staying after 31 December 2020 to apply for a free three-year temporary leave to remain visa. This proposal is likely to cause uncertainty for any students studying longer than three years.”⁴²

59. In its submission, the General Medical Council (GMC) stated that there is a relatively “high dependency on EEA qualified in certain areas of the UK” and that “in some remote and rural areas of Scotland and Wales, there are a higher percentage of non-UK licensed doctors than the overall figure”.⁴³ Its paper also provided figures on the uneven distribution of EEA qualified doctors, when broken down by local health board, ranging from over 10 per cent of doctors in Hywel Dda University Health Board to 3.7 per cent at Powys Teaching Health Board.

Cost

60. A number of stakeholders highlighted the additional costs that employers could face as a result of these changes.⁴⁴

61. The SMWCC said that there are a number of additional costs involved as part of the process of acquiring visas for non-EU nationals.⁴⁵

62. Similarly, FSB Wales said that their members would either increase efforts to attract and train UK workers, or will seek to absorb the costs of a new immigration system, however they warned that smaller business will not be able to “successfully absorb any cost”. They went on to state that: “it is therefore essential

⁴⁰ FOM11 South & Mid Wales Chamber of Commerce

⁴¹ FOM12 Universities Wales

⁴² FOM12 Universities Wales

⁴³ FOM08 General Medical Council

⁴⁴ FOM05 Welsh NHS Confederation; FOM03 FSB Wales; FOM11 South & Mid Wales Chamber of Commerce

⁴⁵ FOM11 South & Mid Wales Chamber of Commerce

that the UK Government seeks to ensure that the costs of any post Brexit work permitting system are minimal, and that the Welsh Government is able to provide appropriate training and education to meet our skills needs”.⁴⁶

63. The NHS Confed fed told us that concerns around cost “could act as a deterrent for both employers and applicants”.⁴⁷ In particular they highlighted the lack of detail on the cost of sponsorship, Immigration Skills Charge and the Immigration Health Surcharge, and stated the costs associated could

“further deter non-UK nationals from applying for posts in health and social care in Wales, or make it cost prohibitive for employers.”⁴⁸

Impact of uncertainty and the risk of “no deal”

64. A number of stakeholders talked about the effects of continued uncertainty, and the potential impact of a “no deal” Brexit.

65. A “no deal” Brexit would mean leaving the EU without a formal, legal agreement in place on a range of issues where the EU and the UK currently cooperate. Although some bilateral agreements (so-called “mini-deals”) are likely to be in place (in areas such as aviation, healthcare and haulage) these are likely to be limited in scope, and designed to mitigate worst case scenario impacts.

66. In August 2019, it was reported that the Home Secretary, Priti Patel MP, would seek to end freedom of movement on 31 October 2019, if the UK leaves without a deal. But the UK Government has subsequently acknowledged that in the event of a “no deal” Brexit, much of the free movement framework will remain in place under the EU (Withdrawal) Act 2018 until Parliament passes primary legislation to repeal it.⁴⁹

67. FSB Wales told us that “freedom of movement could come to an abrupt end the day after a no-deal Brexit as stated by a UK Minister recently” and expressed concerns about the “severe impact on SMEs” that such an outcome would have.⁵⁰

68. The NHS Confed told us that their members have expressed concerns over “the lack of detail around future policies” including in a “no deal” scenario. In

⁴⁶ FOM03 FSB Wales;

⁴⁷ FOM05 Welsh NHS Confederation

⁴⁸ FOM05 Welsh NHS Confederation

⁴⁹ HM Government, “No deal immigration arrangements for EU citizens arriving after Brexit” – 5 September 2019

⁵⁰ FOM03 FSB Wales

particular, the NHS Confed stated that “further clarification is needed about EU citizens’ rights and entitlements” and expressed concerns “about the tone of the messaging about what will happen if someone is not registered with a scheme by December 2020”.⁵¹

69. The NHS Confed also expressed concerns about a lack of certainty about the future administrative costs for individuals in any future system:

“For example, the cost EU/EEA citizens must pay for visas (which is not yet established) could increase per year and could prevent applicants from EU countries applying to posts in Wales. Furthermore, the lack of detail on the cost of sponsorship, Immigration Skills Charge and the Immigration Health Surcharge could further deter non-UK nationals from applying for posts in health and social care in Wales, or make its cost prohibitive for employers.”⁵²

70. Cardiff University stated that it “would be very concerned if free movement were to be curtailed with little or no notice in the event of a no-deal Brexit”.⁵³ The University went on to outline the impact that this would have on student mobility and called for the UK’s full participation in the Erasmus+ scheme after Brexit.⁵⁴

71. Similarly, Universities Wales told us that “the UK Government’s intention of ending freedom of movement on 31 October 2019, in the event of a no-deal Brexit, has caused considerable uncertainty for the higher education sector, not least because the policy has been changed on three occasions”.⁵⁵

72. The Wales-France Business Forum told us that the “lack of certainty” is impacting on the current flow of people including in sectors such as engineering, construction and technology.⁵⁶

73. The General Medical Council also highlighted issues in relation to “no deal” and more generally in relation to effects that continuing uncertainty is having on medical education and training, and information sharing.⁵⁷

⁵¹ [FOM05](#) Welsh NHS Confederation

⁵² [FOM05](#) Welsh NHS Confederation

⁵³ [FOM09](#) Cardiff University

⁵⁴ [FOM09](#) Cardiff University

⁵⁵ [FOM12](#) Universities Wales

⁵⁶ [FOM01](#) Wales-France Business Forum

⁵⁷ [FOM08](#) General Medical Council

Our view

74. We received evidence which suggests that Brexit is already having an impact on the attractiveness of Wales (and the UK) as a place to live, work, and study.

75. We also heard that moves towards a more restrictive immigration system after the UK leaves could negatively affect devolved sectors such as health and social care and create a range of additional costs for employers.

76. The evidence we received from stakeholders demonstrates the high degree of uncertainty and suggests that there is a lack of authoritative information on this issue. This is exacerbated by the somewhat mixed messages emanating from the UK Government.

Conclusion 3. We have received evidence which expresses concerns regarding the lack of information and uncertainty in relation to changes to freedom of movement rules after Brexit. We note that this is having a potentially detrimental effect on public confidence and the ability of stakeholders to adequately plan and prepare for various Brexit scenarios. We urge greater clarity and certainty from the UK Government.

77. We share the concerns of stakeholders, particularly in key sectors such as healthcare and higher education, about the continuing uncertainty in relation to the future of freedom of movement. It is vitally important that the Welsh Government works with stakeholders to ensure they have access to correct information.

Recommendation 2. We recommend that the Welsh Government creates a central hub of information on immigration policy which signposts all devolved sectors to authoritative information in relation to potential freedom of movement changes after Brexit and updates us on its efforts in this area in its response to this report.

Other sector-specific issues

Arts

78. In its submission, the Arts Council of Wales stated that “the proposals do not do anywhere near enough to take into account the unique nature and needs of the highly mobile creative sector” and that “recognition of [the] uniqueness of the creative sector is needed in order to enable the sector to continue to thrive”.

79. The Arts Council also stated that the White Paper “proposes a cooperative accord in culture and education” which “acknowledges that both the EU and the UK will need provisions that allow for mobility in relation to these accords, but at the moment there is no further detail on what or how this might be”.⁵⁸

Further and higher education

80. In their submissions, Cardiff University and Universities Wales highlighted the important and beneficial role that freedom of movement has on the higher education sectors in Wales.⁵⁹

81. Cardiff University expressed concerns about the future of the Erasmus+ student mobility scheme. The University stated that:

“[...]time is running out for the UK to maintain full and uninterrupted membership of Erasmus+ or its successor scheme. If we are to avoid a gap for participating students, the matter must be resolved 18 months ahead of effective full withdrawal. Any replacement scheme for Erasmus+ would need to allow us to continue valuable collaboration with EU partners and support compulsory periods abroad for modern language students, as well as support the wider internationalisation of HE in Wales.”⁶⁰

82. These concerns were echoed by Universities Wales who emphasised the benefits of the Erasmus+ programme in maintaining “outward and inward mobility to Wales” and “the important role in links between Welsh universities and across Europe”.⁶¹

83. Both Cardiff University and Universities Wales expressed concerns about a change to the processing of the biometric element of student visas recently introduced by the Home Office. Cardiff University stated:

“In September and October, around 1,000 students will be enrolled in pre-sessional English language courses at Cardiff University. These students will all require an appointment with Sopra Steria over a period of four weeks. Sopra Steria will be unable to meet this demand with the existing total of 48 free-of-charge appointments per day in Cardiff to cover all UK Visa and Immigration tiers. This means international

⁵⁸ FOM10 Arts Council of Wales

⁵⁹ FOM09 Cardiff University; FOM12 Universities Wales

⁶⁰ FOM09 Cardiff University;

⁶¹ FOM12 Universities Wales

students will not receive the required visa until late into their studies unless they pay to upgrade their applications, or the institution engages a separate outsource company at significant cost. This is a serious service failure by the Home Office and Sopra Steria which needs immediate attention to rectify.”⁶²

Health, social care, and medical regulation

84. RCN Wales and the NHS Confed highlighted that a more restrictive immigration policy after Brexit would exacerbate recruitment and retention problems in health and social care in Wales. In particular RCN Wales told us:

“International recruitment of nurses is not a substitute for the sustainable growth of the profession within Wales but it is important to recognise the NHS in Wales and our care home sector requires international recruitment of nurses to provide services and will continue to do so.”⁶³

85. In its submission, the General Medical Council expressed concerns about medical education and training after Brexit. The GMC stated that:

“The definitions of a primary medical qualification, as well as some specialist medical training, are enshrined in EU law by the recognition of professional qualifications Directive. This assumes comparability of medical education and training across the EEA. It is on the basis of medical qualifications that are deemed to have met certain minimum standards, that doctors can exercise their right of free movement within the EEA.

The arrangement to continue to recognise the majority of EEA qualifications will not be reciprocated by European medical regulators for UK qualifications.”⁶⁴

Our view

86. We note the sector specific-concerns highlighted above and agree that the Welsh Government should provide us with an update which addresses these concerns.

⁶² FOM09 Cardiff University

⁶³ FOM04 RCN Wales

⁶⁴ FOM08 General Medical Council

87. We note the previous findings of the Children, Young People, and Education Committee report,⁶⁵ and the Culture, Welsh Language, and Communications Committee report in this area.⁶⁶

Recommendation 3. We recommend that the Welsh Government provides, in its response to this report, an update on:

- what discussions it has had with the UK Government on future cooperation in the arts sector after Brexit, including on the agreement of new cooperative accords between the UK and the EU;
- what discussions it is having on the future involvement of the UK in the Erasmus+ programme, and any discussions it is having on a successor scheme;
- what discussions it is having on the mutual recognition of medical education and training qualifications.

⁶⁵ Children, Young People, and Education Committee, “[Degrees of Separation: the impact of Brexit on Further and Higher Education](#)” - December 2018

⁶⁶ Culture, Welsh Language, and Communication Committee. “[Short inquiry into the implications of Brexit on areas within the Culture, Welsh Language](#)” - December 2018



Chapter 3:

The EU Settlement Scheme and future of EU citizens in Wales

There are an estimated 3 million citizens from other EU and EEA countries living in the UK, with around 80,000 in Wales. The UK Government launched the EU Settlement Scheme to regularise the immigration status of EU and EEA nationals after Brexit. This chapter looks at how this scheme is operating and what the issues are for the people affected.

3. The EU Settlement Scheme and future of EU citizens in Wales

There are an estimated 3 million citizens from other EU and EEA countries living in the UK, with around 80,000 in Wales. The UK Government launched the EU Settlement Scheme to regularise the immigration status of EU and EEA nationals after Brexit. This chapter looks at how this scheme is operating and what the issues are for the people affected.

Background

88. The EU Settlement Scheme (EUSS) was established because, in most cases, EU citizens living in the UK will no longer have a legal right to reside in the UK once it leaves the EU and free movement ends. Irish citizens do not have to apply to the EUSS, and can reside in the UK indefinitely under a separate scheme.⁶⁷

89. Applicants to the EUSS will get either “settled” or “pre-settled” status, depending on how long they have lived in the UK:

- Settled status is available to those who have lived in the UK continuously for five years by 31 December 2020 (or by the date the UK leaves the EU without a deal). It allows people to stay indefinitely, unless they leave the UK for more than five years.
- Pre-settled status may be given to people who started living in the UK by 31 December 2020 (or by the date the UK leaves the EU without a deal) but have not yet lived in the UK for five continuous years. It allows them to stay in the UK for a further five years.

90. The UK Government has confirmed that the EUSS will continue to operate in the event of a no deal. It states that “[t]he deadline for applying will be 30 June 2021, or 31 December 2020 if the UK leaves the EU without a deal”.

91. As of 30 September 2019, 29,300 EU citizens in Wales had applied to the EUSS, which is approximately 41 per cent of EU citizens (excluding Irish citizens)

⁶⁷ HM Government, “[Common Travel Area Guidance](#)” - 22 February 2019

currently living in Wales.⁶⁸ Across the UK, 56 per cent of the EU citizens have applied to the EUSS.

92. Currently around 61 per cent of applicants are granted settled status, and 39 per cent are granted pre-settled status (0.5 per cent had an “other outcome”).

Personal experiences in relation to the EU Settlement Scheme

93. On 30 September, we held focus group sessions during which we heard powerful and emotive personal testimonies regarding the EU Settlement Scheme.

94. Many participants felt that they were no longer welcome in the UK following the EU referendum, and that the policy pursued by the UK Government since the referendum has exacerbated this.⁶⁹

95. A number of participants noted that some of the rhetoric relating to the issue of EU migration had hardened, and described the toll that this had had on their emotional wellbeing, and that of friends and family members.

96. One participant emphasised that it is not simply an administrative process, but that real people are involved and that it was important to remember how the process affects them. The participant went on to say that “the act of having to apply for a status that downgrades one’s rights feels debilitating. No wonder there are no queues to do it”.⁷⁰

97. Contributors to our online forum had mixed experiences of the application process ranging from broadly satisfactory, to negative. One contributor stated:

“I was granted settled status but on the other side my daughters and wife who lived here longer than 6 years, they were asked for evidence and on my wife when put the NI number it said the records showed she was here less than five years which is ridiculous. I have send all the evidence they requested but no answer yet. This is causing so much stress to my family it’s ridiculous.”⁷¹

⁶⁸ House of Commons Library, “[The progress of the EU Settlement Scheme so far](#)” - 11 October 2019

⁶⁹ External Affairs and Additional Legislation Committee, “[Focus Group Summary](#)” - October 2019

⁷⁰ External Affairs and Additional Legislation Committee, “[Focus Group Summary](#)” - October 2019

⁷¹ External Affairs and Additional Legislation Committee, “[Loomio Online Forum Discussions](#)”

98. Another contributor told us:

“I have applied, and was granted a settled status (I don’t think anybody knows what it really is) and the experience was disheartening.”

99. A number of participants also noted that the rights that all citizens currently have, through the UK’s membership of the EU, cannot be guaranteed after Brexit and argued that these rights need to be enshrined in primary legislation by the UK Government.⁷²

Our view

100. At the heart of this policy area are the everyday lives of individuals and their families. We sympathise with our fellow citizens living in Wales who are having to engage with the many uncertainties as a consequence of Brexit.

101. We explored some of the implications of Brexit for community cohesion during our work on Equalities and Brexit in October 2018. This work included worrying evidence about increased incidences of hate crime and negative sentiments. We were concerned to hear similar testimonies about negative attitudes to immigration during our focus group sessions - attitudes that we strongly condemn.

102. We called for concrete steps in our letter of October 2018, which we reiterate here.

Recommendation 4. We recommend that the Welsh Government updates its Community Cohesion Plan to take account of the new challenges to community cohesion in Wales.

Issues relating to the operation of the EUSS

103. A number of issues relating to operation of the EU Settlement Scheme were raised with us during the course of our work. Airbus told us that “the scheme is operating well, appears to be user friendly and has given some confidence to non UK employees that they can remain in the country and continue to live and work here”.⁷³

⁷² Focus Group Summary

⁷³ FOM06 Airbus

104. The Wales-France Business Forum told us that “there is general disapproval for the scheme from people who have been contributing to the UK economy for years”.⁷⁴ The Forum added:

“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).”⁷⁵

105. Universities Wales told us that they had heard anecdotal evidence that individuals who had applied for pre-settled status and who, once eligible for settled status, were “having difficulties in making the second application”.⁷⁶

106. The Welsh Labour Representation Group (WLRG) told us that in their view (from their members, and reports) the EUSS was operating “in a bureaucratic, costly, overall ineffective, and technologically obtuse manner”.⁷⁷

107. Nearly all participants in our focus groups noted the low level of registration for the EUSS in Wales. Referring to the impact the Scheme was having on people on the ground, one participant commented that “policies are drafted for ideal scenarios, but lives are not ideal”.⁷⁸

Digital “by default”

108. Stakeholders raised concerns about the EUSS’s “digital by default”, approach and issues with the technology.⁷⁹

109. The Wales-France Business Forum highlighted the fact that the current system requires EU nationals to have an Android phone or tablet. Adding that “if they don’t have Android devices, they can only apply by post”.⁸⁰ However, as noted by representatives of the third sector, an application can only be commenced online, and requires an email address, which could pose problems in future for vulnerable citizens in particular.

⁷⁴ [FOM07](#) Wales-France Business Forum

⁷⁵ [FOM07](#) Wales-France Business Forum

⁷⁶ [FOM12](#) Universities Wales

⁷⁷ [FOM02](#) Welsh Labour Representation Group (WLRG)

⁷⁸ [Focus Group Summary](#)

⁷⁹ [Focus Group Summary](#)

⁸⁰ [FOM07](#) Wales-France Business Forum

110. The Wales TUC thought there was more the Home Office could be doing, for example improving the accessibility of document scanning centres throughout Wales to ensure that all those eligible can register.⁸¹ The fact that there is only one document scanning centre* in the whole of Wales was also raised during the focus groups, who also noted that the costs associated with travel can be very high.⁸²

111. During the focus groups, many noted the difficulties relating to the digital-only nature of the scheme. Some of those who worked with vulnerable groups, in particular, stated that the need for those individuals to create an email address to register for the scheme could pose problems in years to come. It was argued that consideration could be given to providing registrants with a physical document.⁸³

112. One participant stated that “they are making it deliberately difficult for EU citizens”.⁸⁴

Evidence from the UK Government

113. During our session with the Parliamentary Under-Secretary of State at the Department for Exiting the EU, James Duddridge MP, on 23 September, the Minister told us that of the 3.2 million EU citizens in the UK as a whole, over 1.5 million had applied for and received either settled or pre-settled status.

114. The Minister also highlighted the fact that the UK Government had made funding available to 53 organisations to improve take-up of the Scheme. Mr Duddridge said:

“There’s a particular concern around vulnerable groups. There’s a large number of people who are holding back because they have got that time. It’s not something urgent for them. They are actually settled and they know they have the commitment to have settled status. They see that people are going through the process, but they’re just holding back until nearer the time. Where there has been some concern is around things like minors, people in care, people who are vulnerable, people who perhaps don’t have the language skills or the money to engage in the process. The Government has set up a fund, funnelled

⁸¹ [FOM14](#) Wales TUC

* NB: a number of additional scanning centres have subsequently been announced, [a full list is available to read online](#).

⁸² [Focus Group Summary](#)

⁸³ [Focus Group Summary](#)

⁸⁴ [Focus Group Summary](#)

through 53 different organisations, that will help those vulnerable people.”⁸⁵

115. Of the 53 organisations identified by Mr Duddridge, one is based solely in Wales.⁸⁶

116. In terms of the technological issues with the Scheme, the Minister told us that the Scheme would soon be available on Apple devices. The Minister also explained that “the best practice for [...] these types of systems is to go fully electronic where possible”.⁸⁷

Our view

117. On the basis of the evidence received, we have a number of concerns about how the EU Settlement Scheme is operating in practice. As remarked by one of the contributors to our focus group sessions - “policies are designed for ideal scenarios, but lives are not ideal”.

118. In particular we heard about problems with availability of the Scheme on Android only (although we are reassured that this will be addressed soon) and concerns about the digital-only nature of the Scheme.

119. We also heard of difficulties regarding the scanning of documentation and note at the time that we were receiving evidence, there was only one document-scanning centre in Wales. We welcome the subsequent provision of additional document-scanning centres in Wales. In terms of the official Home Office support for vulnerable groups, we note that there are no assisted digital centres in some rural areas of North Wales⁸⁸, and that home visits are only available in a limited number of locations.⁸⁹

120. It is clear to us that urgent action is required to address shortcomings with the scheme. These issues must be raised with the Home Office by the Welsh Government, at a Ministerial level, urgently.

⁸⁵ Record of Proceedings, [paragraph 204](#) - 23 September 2019

⁸⁶ HM Government, [List of organisations](#) - 28 August 2019

⁸⁷ Record of Proceedings, [paragraph 205](#) - 23 September 2019

⁸⁸ HM Government “[Assisted Digital home visit](#)” – 3 July 2019

⁸⁹ HM Government “[Assisted Digital home visit](#)” – 3 July 2019

121. We heard of the additional difficulties that some individuals and families are facing in terms of the requirement to travel to embassies, and in some instances former home countries in order to secure documentation, including passports.

122. We share the concerns expressed to us about the lack of physical documentation given to those who have applied for, and received, settled status. Furthermore, we note the concerns raised by the House of Lords EU Justice sub-committee in February 2019 that the lack of physical documentation provided to citizens has “clear parallels” with the Windrush scandal. We are clear that what happened to those affected by the Windrush scandal cannot be allowed to be repeated.

Conclusion 4. We consider that there are clear merits to modifying the EU Settlement Scheme to provide for an official, hard copy record of “settled” and “pre-settled” status.

Recommendation 5. We urge the Welsh Government to raise our concerns as set out in our conclusions, with the UK Home Office, and report back to this Committee on its efforts in that regard.

Advice, support, and communication

123. There were mixed views in the evidence on the Welsh Government’s package of advice and support for EU citizens.

124. Some, such as the WLGA, Airbus, and the Wales TUC stated that the Welsh Government has been doing everything possible to support applications and raise awareness.⁹⁰ The Wales TUC told us:

“The Welsh Government has been proactive in trying to maximise the number of EU nationals registering under the scheme, using its networks to reach those it applies to. This has included work with trade unions, as well as third sector organisations. It has also invested in resources to raise awareness and understanding, and provide specialist legal advice.”⁹¹

⁹⁰ FOM13 Welsh Local Government Association; FOM06 Airbus; FOM14 Wales TUC

⁹¹ FOM14 Wales TUC

125. During the focus group sessions, it was noted by those working for the third sector that the level of support by the Welsh Government, both in terms of financial support and the coordinating role being delivered by officials, was high.⁹²

126. The Bevan Foundation told us that the Welsh Government “should be doing all it can to assist EU nationals resident in Wales to register under the scheme”.⁹³ They told us:

“The Welsh Government needs to ensure that advice and support is offered in all Local Authorities and local stakeholders are aware of who they can signpost people to. It may be helpful if stakeholders who currently provide support to EU migrants are offered some basic training (level 1) and more advice is available to local stakeholders about where and who they can signpost people to. On undertaking a basic internet search there doesn’t appear to be much in the way of advice about where to go to access support in Wales. There needs to be a directory available for people applying and stakeholders.”⁹⁴

127. The NHS Confed told us that their members recommend the UK Government “increase the amount of national advertising of the Scheme to raise awareness about the possible implications if people do not apply”.⁹⁵

128. Similarly the WLGA told us that they hear anecdotal evidence from local authorities that not all EU nationals are aware of the scheme, adding that more should be done to publicise it. They also expressed concerns about a lack of access to hard copy information:

“While there are online resources made available by the Home office this in some cases is then reliant on local authorities having to print them off, which has both time and resource issues - feedback from some authorities is that local businesses might not have an all-staff email newsletter or online resource so authorities are asked whether they can provide leaflets that they can distribute instead.”⁹⁶

129. FSB Wales told us that, in relation to whether the Welsh Government can do more: “there are questions whether government departments are communicating properly with each other, and with the public”. They went on to state that a

⁹² [Focus Group Summary](#)

⁹³ [FOM01](#) Bevan Foundation

⁹⁴ [FOM01](#) Bevan Foundation

⁹⁵ [FOM05](#) Welsh NHS Confederation

⁹⁶ [FOM13](#) Welsh Local Government Association

campaign in Wales could “complement the UK level” in order to improve understanding and awareness of the scheme in Wales.⁹⁷

130. Participants in the focus group stated that although the Welsh Government had improved its communications work in recent months, this work was insufficient. In particular, there was a sense from participants that the messages were not reaching individuals and families on the ground.⁹⁸

131. Some participants drew comparisons between the clear and unequivocal messages of support being issued by the Scottish Government to EU citizens in Scotland and the perception that the messages emanating from Welsh Government were more muted, and at the very least, not reaching the individuals and communities affected. Many felt that the Welsh Government should seek to emulate the Scottish Government’s leadership in this area, and strengthen how it communicates its messages of support for EU citizens living in Wales.

Welsh Government view

132. On 9 July 2019, the Counsel General and Brexit Minister Jeremy Miles AM, announced a package of support for EU citizens living in Wales. The support from the Welsh Government included:

- support with EUSS applications through the network of Citizens Advice in Wales;
- providing an immigration advice service for complex cases, delivered by immigration legal specialists, Newfields Law;
- increasing the provision of digital support centres; and
- working with charities to raise awareness of the need to apply in hard-to-reach and vulnerable communities.⁹⁹

Our view

133. We heard mixed evidence from stakeholders on general awareness and communications work relating to the Scheme, although we note that the majority of the evidence suggests that both Welsh and UK governments could be doing more.

⁹⁷ FOM03 FSB Wales

⁹⁸ Focus Group Summary

⁹⁹ Welsh Government, “[Package of support for EU Citizens living in Wales announced](#)” - 9 July 2019

134. We welcome the package of measures introduced by the Welsh Government in July 2019 to help support EU citizens in Wales. Furthermore, while we recognise that the Welsh Government was not involved in the design or the implementation of this non-devolved policy area, we are clear that the Welsh Government needs to improve its communication of the advice and support available to EU citizens living in Wales.

Recommendation 6. We recommend that the Welsh Government takes a stronger lead by redoubling its efforts to provide advice and support to EU citizens. One possible route to achieving this could be to bring forward a revised communications plan, containing key messages and to be disseminated through public services e.g. local health boards, schools and local government.

Recommendation 7. We recommend that the Welsh Government reiterates its message of support to EU citizens in Wales.

Recommendation 8. We recommend that the Welsh Government reviews the resources that it has made available to partner organisations via the EU Transition Fund to ensure they are sufficient to support vulnerable groups, and others, to apply to the EU Settlement Scheme.

135. We note that Wales has the lowest level of registration to the EU Settlement Scheme of all four nations of the United Kingdom. Furthermore, we heard that messages of support for EU citizens resident in Wales are not reaching people on the ground.

Conclusion 5. We agree that the UK Government should undertake an urgent assessment of whether a public information campaign is required in order to boost awareness of, and registration to, the EU Settlement Scheme.

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Chapter 4:

Impact across nations and regions - is there a case for regional immigration?

In this final chapter, we examine some of the wider issues and arguments in relation to immigration policy after Brexit. This includes considering the case for Wales to do things differently in the future.

4. Impact across nations and regions - is there a case for regional immigration?

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Background

136. The changes to immigration being brought about by Brexit have instigated a wider debate about whether there is a case for regional variation to immigration policy across the UK.

137. The research conducted by Professor Jonathan Portes highlighted a number of issues in relation to Wales that were different to, or more acute when compared with, the rest of the UK.

138. As outlined previously, a key element of his research was in relation to demographic change and an ageing population. It argued that lower than projected migration might exacerbate these issues.¹⁰⁰ This is echoed in some of the evidence received from stakeholders, which is detailed below.

139. Professor Portes also found that manufacturing, social care, hospitality, health and education sectors in Wales are most likely to be affected by the White Paper proposals.

140. On the whole, however, Professor Portes concluded that it is difficult to make a case for a regional migration system, as migration in Wales is not significantly different to the rest of the UK.

Demographics

141. As mentioned above, we heard that the challenges of an ageing population are more acute in Wales than in the rest of the UK. A number of the submissions we received also highlighted this issue.¹⁰¹

¹⁰⁰ Wales Centre for Public Policy, "[Migration in Wales: the impact of post-Brexit policy changes](#)" - March 2019

¹⁰¹ [FOMQ1](#) Bevan Foundation

142. The Bevan Foundation stated that “in recent years Wales’ population growth has relied largely on in-migration, and looking ahead to 2037 without some level of internal and/or international migration Wales’ population is projected to decrease”. Adding that the “number of people of working age is projected to drop, while the number of older people in Wales is set to rise significantly”.¹⁰²

143. Universities Wales also cited the Bevan Foundations findings in its submission, whilst also stating that “Wales’ migrant population is proportionally lower than the rest of the UK”.¹⁰³

144. The NHS Confed also highlighted that “Wales’ population is ageing and more reliant on net migration, with people aged over 65 years making up the largest share of the population and more people in Wales with long-term limiting illnesses” and cited the fact that “the number of people aged 65 and over in Wales is projected to rise by 232,000 (or 32 per cent) between 2016 and 2041”. They went on to argue that “it is important that a new immigration system includes the voice of devolved administrations which sit within a different context to that of England” and the rest of the UK.¹⁰⁴

145. RCN Wales stated that “the demography of Wales means it is dependent on immigration to support the delivery of health and social care services”, and that action to improve pay and conditions in sector alone “will not provide the workforce needed”.¹⁰⁵

Potential wider economic impact

146. Another area noted in the Portes report, and highlighted in the evidence, is the potential economic impacts of the end of freedom of movement, and a move towards a more restrictive immigration system after Brexit.

147. The SMWCC told us that “some businesses are considering relocating overseas if they cannot fulfil their employment requirements here” leading to job losses and a reduction in the tax base.¹⁰⁶ They also highlighted the fact that a manufacturer in Swansea had told them: “we’ll move overseas if necessary”.

¹⁰² [FOM01](#) Bevan Foundation

¹⁰³ [FOM12](#) Universities Wales

¹⁰⁴ [FOM05](#) Welsh NHS Confederation

¹⁰⁵ [FOM04](#) RCN Wales

¹⁰⁶ [FOM11](#) South & Mid Wales Chamber of Commerce

148. Cardiff University emphasised the particular impact that any changes could have on the city of Cardiff. The University stated in its submission:

“A 2018 study by the Centre for Cities analysed the importance of migrants in the city economies of the UK, noting that cities account for more than two-thirds of the non-UK EU nationals. Crucially, the study also noted that migrants are particularly important in the education sectors of three UK cities—Cardiff, Cambridge and Oxford—where they account for 10% of that sector’s jobs, and this is due to ‘the role that the universities play in these economies and their reliance on international talent’.”¹⁰⁷

149. In their submission, the WLGA looked at the link between immigration and pay. The WLGA told us that “the MAC report and the White Paper argue that restricting EU migration of lower skilled or paid workers will improve prospects of native workers”, but went on to compare this with other findings, stating:

“However, as recognised in the recent WCPP report, ‘Migration in Wales: the impact of post-Brexit policy changes’, the empirical evidence set out in the MAC report does not provide much support for these propositions; the research commissioned by the MAC found no clear links between migration and training, and a positive one between migration and productivity, with little to suggest that reductions in migration would result in significant wage rises for low-paid workers. The distributional consequences of reduced immigration are therefore likely to be small, although it is possible that there might be bigger impacts in some sectors. There may also be negative distributional consequences if the reductions in government revenue result in less funding for public services.”¹⁰⁸

150. Wales TUC also argued that the White Paper proposals would not “address concerns” around low pay in the workforce and would rather “exacerbate them” by “concentrating power further in the hands of exploitative employers, increase discrimination and strains on public services as well as shortages in key public sector jobs”.¹⁰⁹

¹⁰⁷ [FOM09](#) Cardiff University

¹⁰⁸ [FOM13](#) Welsh Local Government Association

¹⁰⁹ [FOM14](#) Wales TUC

151. In its submission, the Bevan Foundation emphasised the particular impact that the White Paper changes could have on key sectors such as construction, manufacturing, tourism, hospitality and social care.¹¹⁰

Arguments around spatial differentiation

152. We received a number of submissions which covered the potential for spatial differentiation in immigration policy across the nations and regions of the UK.

153. The White Paper proposals also contain some Wales-specific measures for consultation including a Wales-specific Shortage Occupation List (SOL).

154. FSB Wales outlined a number of reasons that would make a case for different approaches in the devolved nations on immigration policy. They included:

- Different needs: in economic terms, Wales is dependent on sectors that employ larger numbers of EU27 staff – for instance, in tourism and hospitality, agriculture and manufacturing.
- Demography: Wales has an older population, and is projected to be solely reliant on inward migration for future population growth.
- Differential regional wages: pay levels in Wales are lower than London and the South East

155. The Bevan Foundation agreed that there is a case for spatial differentiation in immigration policy and stated that “we have found that this is largely supported by stakeholders” given “the strong links with other devolved policy areas”.¹¹¹ The Foundation also highlighted some international examples where policy has been devolved to the sub-state level:

“Stakeholders who took part in our symposium highlighted the regional migration programs in Australia and the Provincial Nominate Program (PNP) in Canada that are implemented alongside the national system and felt that these provides a good model for Wales, because they would allow the Welsh Government to design its own criteria and nominate people to migrate to Wales who may not meet the eligibility criteria under Tier 2, including lower skilled migrants.”¹¹²

¹¹⁰ FOMQ1 Bevan Foundation

¹¹¹ FOMQ1 Bevan Foundation

¹¹² FOMQ1 Bevan Foundation

156. They also argued that:

“It is important that the Welsh Government continues to push for a system that takes into account the needs of the Welsh economy. It is encouraging that the MAC has suggested that there could be some regional variations and we believe the ability to define its own ‘permitted occupations’ is crucially important if Wales is to meet the shortages and demands in certain sectors of the economy.”¹¹³

157. The WLRG agreed that “there is a case for the devolved nations to do things differently in relation to immigration policy after Brexit.”¹¹⁴

158. The Wales-France Business Forum argued that “having a single migration policy for both London and Cardiff is, at best, clumsy” and told us that a separate policy for Wales would reflect the fact that “each devolved nation comes with its own challenges and needs”.¹¹⁵

159. The Arts Council of Wales argued that “it is essential that the UK Government considers the full impact of leaving the EU on the UK sector overall as well as the many varied “regional” implications - especially in areas such as culture which is a devolved responsibility”.¹¹⁶ In particular, the Arts Council highlighted:

“One of the challenges that the arts sector in Wales could face, if there were to be limitations on the number of visas awarded each year, is how that might be reflected in the devolved nations and how to ensure that the awards have a fair geographical spread.”¹¹⁷

160. The SMWCC expressed concerns that the introduction of “a different immigration policy in Wales compared to the rest of the UK” will add to the “administrative burdens and costs” faced by businesses “rather than make the system simpler”.¹¹⁸

161. The Wales TUC expressed concerns about different immigration policy across the devolved nations, stating:

¹¹³ [FOM01](#) Bevan Foundation

¹¹⁴ [FOM02](#) Welsh Labour Representation Group

¹¹⁵ [FOM07](#) Wales-France Business Forum

¹¹⁶ [FOM10](#) Arts Council of Wales

¹¹⁷ [FOM10](#) Arts Council of Wales

¹¹⁸ [FOM11](#) South and Mid Wales Chamber of Commerce

“We have concerns about an immigration system that links immigration status to one geographical locality as migrant workers would risk losing their legal status and rights if they travelled to another part of the country, and that a regional immigration system might link some areas to lower pay requirements that could depress pay across the country.”¹¹⁹

162. The WLGA stated that the UK Government’s acceptance of the need for separate SOLs “suggests that there is a case for some degree of differentiation, and that a single, national-level policy may not in practice be appropriate for national or regional needs”.¹²⁰ They also stated that:

“Given that the effects of Brexit and changes to freedom of movement will vary within and across places there is a need for any future immigration system to better reflect the regional differences across the UK.”¹²¹

Shortage Occupation List (SOL)

163. The shortage occupation list (SOL) is an official list of occupations for which there are not enough resident workers (including EU nationals) to fill vacancies. The UK list is supplemented by a separate list for Scotland.

164. The majority of stakeholders, including FSB Wales, the Bevan Foundation, the Royal College of Nursing Wales, the Welsh NHS Confederation, Cardiff University, and the Welsh Local Government Association, supported the creation of a Wales-specific Shortage Occupation List (SOL).¹²²

165. While arguing against a spatially different immigration policy in Wales, the NHS Confed told us there should be “full recognition of and reflection of the demographic, social, and economic needs of Wales” and that “this could be accomplished through a Wales-specific Shortage Occupation List”.¹²³

166. The SMWCC told us that a number of issues need to be ascertained before proceeding with a Welsh SOL. These issues included an assessment of whether there are many occupations with a significant enough shortage to merit inclusion

¹¹⁹ [FOM14](#) Wales TUC

¹²⁰ [FOM13](#) Wales Local Government Association

¹²¹ [FOM13](#) Wales Local Government Association

¹²² [FOM01](#) Bevan Foundation; [FOM03](#) FSB Wales; [FOM04](#) RCN Wales; [FOM05](#) Welsh NHS Confederation; [FOM09](#) Cardiff University; [FOM13](#) Wales Local Government Association

¹²³ [FOM05](#) Welsh NHS Confederation

on a Wales-only list; whether there are alternative steps that could be taken to encourage people within Wales to fill shortages; and concerns around any additional administrative burdens and cost to businesses.¹²⁴

167. The WLGA told us that:

“We welcome the UK Government’s acceptance of the MAC’s recommendation to consider whether the composition of the SOL needs to be different for Wales, as well as the inclusion of many health and social care roles. This could lead to salary thresholds which better reflect the needs of devolved nations.”¹²⁵

168. FSB Wales stated that “there should be a SOL for Wales, on a similar basis to Scotland” and that “if the threshold remains at the UK level, there is scope for the use of SOL in order to mitigate the impact”.¹²⁶

169. Cardiff University stated that it welcomed a Wales-specific SOL but that it was “unlikely to make a dramatic difference” as, for most occupations, the shortages are likely to be similar across the UK.¹²⁷

170. In addition to supporting the creation of a Wales SOL, the Bevan Foundation called for Migration Advisory Committee to include “a Welsh expert who understands the devolved context”.¹²⁸

Welsh Government’s view

171. The Welsh Government previously stated that it is open to “options for a spatially-differentiated approach that would be more fitting to Wales’ needs and interests”.¹²⁹

172. In its September 2019 paper – “A Brighter Future for Wales”, the Welsh Government provided updated detail on its approach to migration. It advocates the retention of free movement by remaining in the EU, but with additional immigration controls. This includes:

- improving legal protection against exploitative working practices;

¹²⁴ FOM11 South & Mid Wales Chamber of Commerce

¹²⁵ FOM13 Welsh Local Government Association

¹²⁶ FOM03 FSB Wales

¹²⁷ FOM09 Cardiff University

¹²⁸ FOM01 Bevan Foundation

¹²⁹ Welsh Government, “Brexit and the Fair Movement of People” - 2017

- the ability to remove EU migrants who do not find work within six months by tracking National Insurance numbers, and
- reform of short-term transfers of staff on the terms and conditions of their home countries to ensure they “are not used to undermine those of the host country”.¹³⁰

Our view

173. We note the evidence received in relation to the particular demographic challenges and economic needs of Wales. We are clear that future policy in this area must reflect these needs, and the Welsh Government should do everything in its power to press the case for these needs to be reflected.

174. We further note that these demographic changes, principally an ageing population, are likely to be exacerbated by the end of freedom of movement. It is also the case that some sectors of the economy are likely to be hit harder by the end of free movement than others. It is vitally important, therefore, that the Welsh Government gives full consideration to the opportunities for spatial differentiation in immigration across the devolved nations post-Brexit.

175. We have not drawn a firm conclusion on whether the Welsh Government should press for greater control of the immigration system in Wales after Brexit. However, in presenting this report we would wish to acknowledge that such differentiation happens in other countries across world, most notably Canada and Australia. Furthermore, of more pressing importance to us as a Committee are the issues relating to the proposed salary threshold, and the rights of EU citizens in Wales.

176. We note that the Welsh Government has previously stated that it is open to exploring a spatially-differentiated approach, and would explore these options if the UK Government proposed a more restrictive immigration policy after Brexit.

Recommendation 9. We recommend that the Welsh Government undertakes exploratory work on a spatially-differentiated immigration policy after Brexit and updates us on the Welsh Government’s policy in this area.

Recommendation 10. We recommend that the Welsh Government commissions research on future demographic trends, which takes into account lower levels of migration, and its potential impact on the Welsh economy.

¹³⁰ Welsh Government, “[A Brighter Future for Wales](#)” - 26 September 2019

177. We welcome the proposals to introduce a Wales-specific Shortage Occupation List and hope that those proposals are taken forward by the UK Government. At the same time, we note that, to be effective, any Wales specific list must be underpinned by robust evidence that addresses the particular demographic challenges and economic needs of Wales.

178. Furthermore, we note that this particular measure may only yield fruit when taken together with a salary threshold more closely aligned to median earnings in Wales.

Recommendation 11. We recommend that the Welsh Government calls on the UK Government to establish a Shortage Occupation List for Wales, which the Welsh Government is able to amend according to Welsh needs.

Recommendation 12. We recommend that the Welsh Government outlines in response to this report whether it has undertaken a review to establish how a Wales-specific Shortage Occupation List would take account of some of the specific needs of Wales.

Annex A

Changes to freedom of movement after Brexit: the implications for Wales - oral evidence session 13 May 2019

Evidence session	Transcript	Senedd.TV
1. King's College London Jonathan Portes	Read the transcript	Watch on Senedd.tv
2. Institute for Public Policy Research Marley Morris	Read the transcript	Watch on Senedd.tv
3. Bevan Foundation Victoria Winckler	Read the transcript	Watch on Senedd.tv
4. The Migration Observatory, Oxford University Madeline Sumption	Read the transcript	Watch on Senedd.tv

Annex B

Changes to freedom of movement after Brexit: the implications for Wales - consultation respondents

[View the consultation responses online.](#)

Reference	Consultation respondents
FOM01	Bevan Foundation
FOM02	Welsh Labour Representation Group
FOM03	FSB (Federation of Small Businesses)
FOM04	RCN Wales (Royal College of Nursing Wales)
FOM05	Welsh NHS Confederation
FOM06	Airbus
FOM07	Capital Law Wales France Business Forum
FOM08	General Medical Council
FOM09	Cardiff University
FOM10	Arts Council of Wales / Wales Arts International
FOM11	South and Mid Wales Chambers of Commerce
FOM12	Universities Wales
FOM13	Welsh Local Government Association
FOM14	Wales TUC (Trades Union Congress)

Annex C

Changes to freedom of movement after Brexit: the implications for Wales - Focus group session

The [External Affairs and Additional Legislation Committee](#) held a focus group session on [Monday 30 September 2019](#) in Little Man Coffee, Cardiff. The purpose of the session was to give EU nationals and partner organisations an opportunity to share their lived experiences, and to discuss how they have been affected by Brexit, the EU Settlement Scheme, and any future changes to freedom of movement.

The feedback received during the focus group was anonymised and used as evidence to support the Committee's findings in this report.

[View the Focus Group Summary online.](#)