

Changes to freedom of movement after Brexit – implications for Wales Consultation Responses

September 2019



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FOM04*	RCN Cymru (Coleg Nyrsio Brenhinol Cymru)	RCN Wales (Royal College of Nursing Wales)
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FOM07*	Fforwm Busnes Cymru-Ffrainc (Le Club), Capital Law ac Acorn Recruitment	Wales-France Business Forum (Le Club), Capital Law and Acorn Recruitment
FOM08	Cyngor Meddygol Cyffredinol	General Medical Council
FOM09	Prifysgol Caerdydd	Cardiff University
FOM10	Cyngor Celfyddydau Cymru / Celfyddydau Rhyngwladol Cymru	Arts Council of Wales / Wales Arts International
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FOM14*	TUC Cymru (Cyngres yr Undebau Llafur)	Wales TUC (Trades Union Congress)

Bevan Foundation response to Changes to freedom of movement after Brexit – the implications for Wales

The impact of the Immigration White Paper in Wales

1. The Bevan Foundation was pleased to have the opportunity to give evidence to the External Affairs and Additional Legislation Committee in May, and we welcome the decision to undertake this important Consultation. We feel it is now a matter of urgency that the Welsh Government gather as much evidence on the possible impact of the end of free movement and the proposed changes to the immigration system and ensure that the concerns of stakeholders across Wales are listened to.
2. The changes to EU immigration have significant implications for people and organisations in Wales, affecting not only the approximately 80,000 EU nationals resident in Wales and 6,000 EU students but also affecting their families, communities and employers. Although we do not necessarily disagree with the proposal to end the distinction between EU and non-EU workers, we feel that the changes outlined in the Immigration White Paper, and the recent proposal to end free movement on Brexit Day could have serious implications for some sectors in Wales who rely on workers from the EU who fall outside of Tier 2, namely construction, manufacturing, tourism, hospitality and social care.
3. The Welsh Government must challenge this latest policy announcement, to ensure it lives up to the strong stance it has previously taken on protecting the rights of EU Citizens already living in Wales.
4. Given its importance we hope that the Welsh Government will act on the messages from stakeholders that we have engaged with throughout our project and ensures that going forward UK Immigration Policy reflects the economic and social needs of Wales. We believe that there is a case for regional variations, and during the course of our work we have found that this is largely supported by stakeholders who feel that given that immigration policy has strong links with other devolved policy areas including economy and skills, health and social care, education and community integration, there is a strong case for having a Welsh migration policy.

In-migration is vital for Wales to sustain its population

5. In our briefing paper [‘Demographic trends in Wales: How migration influences Wales’ current and future population](#), we found 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. Further, even with in-migration the number of people of working age is projected to drop, while the number of older people in Wales is set to rise significantly.

6. There are two key issues:
 - The number of people of working age is projected to drop significantly by 2037, even if migration is at a high level.
 - The number of older people is projected to rise significantly by 2037, with the lowest proportion of older people in the population occurring with high migration.
7. This creates a worrying prospect whereby an ageing population is putting pressure on social care services and the NHS and there are fewer working people who can support these services financially or by being part of the workforce.
8. It is clear that although migration is a complex issue, Wales' future population growth relies on people coming into Wales from within and outside the UK.

A £30,000 salary threshold would prevent people migrating to Wales

9. Based on our research and discussions with stakeholders we strongly believe that a minimum £30,000 salary threshold would have a significant negative impact in Wales. While welcoming the removal of the cap on Tier 2 and adding medium skilled workers with qualifications between Level 3 and 5 on the Regulated Qualifications Framework into Tier 2, this 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.
10. In 2017, the average gross salary in Wales for full-time workers was £26,024, £2,734 lower than the UK average. Salaries for some medium - to highly skilled jobs in Wales are below the £30,000 threshold, for example the salary for a Band 5 staff nurse in Wales in 2017/18 ranged from £22,129 to £28,747. So keeping the £30,000 earning threshold in place could reduce the number of medium- to higher-skilled workers, especially EEA workers, into these harder to fill jobs.
11. While we believe that proceeding with a £30,000 salary threshold would damage the economy in the short-term, as aforementioned it could also have longer- term repercussions, particularly in terms of population growth in Wales.

International students will find it harder to stay in Wales after graduating

12. Higher education representatives who took part in our symposium last October were particularly concerned that increasing restrictions on international students and staff will reduce the already declining numbers of students coming into Wales. Maintaining Wales' ability to attract, recruit and retain the "brightest and best" students and staff in higher education is crucial.
13. For international students, there will be no cap on numbers and students will be able to stay in the UK for 6 months after gaining a bachelor's or master's degree during which time they can seek skilled work and apply to remain in the UK if they successfully meet the skilled worker requirements. However, the £30,000 salary threshold would mean that it is highly unlikely that students would be able to live and

work in Wales after graduation given the average graduate salary in Wales is much lower.

A temporary workers route will negatively affect community integration

14. The temporary workers route may solve some short-term economic pressures but does not offer any solutions in terms of the projected population decrease.
15. Importantly, this transitional measure for lower-skilled workers could increase the churn of migrants, as they stay in Wales for a shorter period, which could have negative implications for integration and community cohesion. The higher the turnover of people, the less opportunities there are for migrants to integrate into the communities they live.

Going forward

16. Given the challenges that will result from ending free movement and the proposals set out in the Immigration White Paper we call on the Committee to consider the following actions.

A Wales – specific Shortage Occupation List (SOL) could respond to the needs of the Welsh economy

17. The recent review of the Shortage Occupation List (SOL) by the MAC concluded that it would not change the current composition of the SOL to address specific Welsh needs as many of the occupations where MAC received evidence of shortages in Wales, were also shown to be in shortage in the UK as well. For this reason, they have been placed on the UK wide SOL rather than specifically for Wales.
18. Much of the evidence received from the devolved administrations focussed on lower-skilled and medium skilled occupations and occupations that were highlighted in the evidence, were similar to those in the UK. The review did not recommend placing any of these on the Wales SOLs, but positively it recognised that this could be an option for future shortages.
19. One of the objectives of SOL is to prioritise migrants in some jobs over others, therefore in the event this cap is removed the SOL may not be as important in the future. On this basis MAC recommends a review which examines whether it should be discontinued or replaced with a system which gives preferential treatment to those coming to work in shortage occupations.
20. 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. Ideally this would include jobs with salaries which are below the £30,000 threshold.

Provide more training around registering under the EU Settlement Scheme

21. We strongly believe that the Welsh Government should be doing all it can to assist EU nationals resident in Wales to register under the scheme. It is vitally important that people do this to ensure they can access healthcare and benefits in the future.

22. Although we have not completed much primary research on this issue, during some recent discussions stakeholders in some areas have said there is a lack of support available, and many of those who are currently supporting EU migrants do not have the necessary training to support people through the application process.
23. 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.
24. We urge the Welsh Government to pay particular attention to supporting those more vulnerable EU citizens within our communities, including older people who may not realise they have to do it and/or not have access to the internet, those without the relevant documentation and survivors of domestic abuse who may not have the confidence to register or have the relevant documentation.
25. Overall, we believe that public facing bodies such as Local Authorities, schools and colleges, GP surgeries and libraries all need to play a role in signposting people, so need to have the relevant information and training in which to do this.

Wales would benefit from its own Student Visa

26. Alongside a lowering of the salary threshold we feel a separate Welsh student visa, could offer students in Wales a longer period in which to find work in a shortage or skilled role.

The MAC should include a Welsh-based expert

27. Given the important role that MAC now plays we feel Welsh Government should take a particular interest in its composition and make a case for the inclusion of a Welsh expert who understands the devolved context, and will be better placed to reflect the future interests and concerns in Wales.

Wales should have its own national Integration Strategy

28. We strongly believe that Wales needs an Integration Strategy which takes account of this issues that would arise in the event a temporary worker scheme is implemented.
29. Thinking of the issues around population decline, we need migrants who come to Wales to stay and settle we believe that an Integration Strategy will be key to ensuring that will happen.
30. The Bevan Foundation is currently working on developing recommendations for an Integration Strategy which includes all migrants not just those from the EU and Refugees and Asylum Seekers, and will report on this in the first half of next year.

Keep the debate around regional variations open

31. In his first statement as Prime Minister Boris Johnson announced a review into an 'Australian-style' points system. Although the debate around the 'Australian-style'

system typically focuses on the points system, it also involves devolving some decision-making powers so different states may try and attract particular skills.

32. 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 system¹ 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.
33. Given MAC's previous dismissal of the case for regional variations, this could present an opportunity to reengage with this important debate in Wales and nationally.

¹ Sumption, M (2014) [Giving cities and regions a voice in immigration policy: Can national policies meet local demand?](#)

Changes to freedom of movement after Brexit – implications for Wales

EAAL(5) FOM02
Evidence from Welsh Labour Representation Group

This response is on behalf of the Welsh Labour Representation Group (WLRG), a fringe and research group made up of Welsh Labour members looking at constitutional matters for Wales. Some of the questions in this response have been answered grouped together in order to give proper context to the answer.

Economic and public service effects of the UK Government's White Paper

What is your assessment of the implications for Wales of the UK Government's White Paper proposals on immigration after Brexit? What are your views on the salary threshold of £30,000 for Tier 2 immigration and its implications for Wales? 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?

The UK Government's White Paper proposals for immigration post-Brexit are dangerous and ill-thought-out. If it will not be amended, the Welsh Government must make its own immigration policy in order to protect the economy, families, and future of Wales.

As both the Scottish Government (28th February, 2019) and Wales Centre for Public Policy (WCPP, February 2019) reports on the UK Government's White Paper have shown, the effect on Wales and the EU citizens living in Devolved countries will be greatly detrimental – the most detrimental effect will be felt by those EU citizens living in Wales and earning less than £30,000.

When the average wage in Wales falls below £30,000 but those same people populate our most important services like farm work and health care, it means that the policy has the very real implication of causing shortages in staffing – shortages which will very quickly lead to the services becoming untenable. The WCPP predicted a 75% decrease in EU citizens migrating to Wales over ten years; this has a great many impacts but none so clear as those that impact frontline NHS services – a recently graduated nurse would be employed at band 5 under the Agenda for Change contract, which currently has a starting salary of £24,214, and only nurses reaching the top of this band would meet the earnings threshold. This band also includes operating department practitioners, diagnostic radiographers, podiatrists and many other allied healthcare professionals. In short, the UK Government's new immigration policy will cause our economy and public services in Wales to grind to a halt in both the short and long term.

EU nationals must not be brought into an expanded Tier 2 because the EU is our closest and biggest trading partner. Many EU nationals in Wales are highly-skilled, in complex employment, and still earn under £30,000. If our relationship is to change dramatically from the status quo of freedom of movement, a separate Tier should be made for EU nationals. Without the EU nationals working for less than £30,000 then the Welsh economy, public services, and much of the everyday infrastructure we rely on will fall into disrepair. This will greatly damage the families and the future of Wales by division that sets our infrastructure back.

International opportunities and responsible government

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

Yes, we at the WLRG absolutely agree that there is a case for the devolved nations to do things differently in relation to immigration policy after Brexit.

Not just for the economic and infrastructure reasons stated in our first answer but because there are a great many EU nationals that have made their families and lives here in Wales – there are many families with dual nationality that will be divided by the UK Government's immigration policy.

As a responsible government, Welsh Government cannot allow families to be divided by the UK Government's ill-thought-out policies.

There is a case, too, that a Welsh immigration policy could truly make Wales a Nation of Sanctuary. A world-leading policy of previous and the current Welsh Governments, making our own immigration policy reflect this Nation of Sanctuary would represent Wales greatly on the international stage.

The EU Settlement Scheme, from reports [the3million, July, 2019] and WLRG members with lived experience, has proven to operate in a bureaucratic, costly, overall ineffective, and technologically obtuse manner. Though there is little the Welsh Government can do for the moment, were Welsh Government given an opportunity to have their own immigration programme then they should make any such citizen/settlement scheme as easy as possible for those that have made families & lives here.

Are there any other issues relating to immigration policy after Brexit that you would like to bring to the attention of the Committee? What are your views on the proposal for a Wales-specific Shortage Occupation List ("SOL")?

All migrants are human and all humans are migrants – it is important that whatever policy Welsh Government develops be based on humane principles.

This should guide any decision around the use of an SOL system while keeping in mind that Wales has less of an immigration 'problem' and more of a brain-drain whereby our young leave the country.

Thank you for your consideration.

About FSB Wales

FSB Wales is the authoritative voice of businesses in Wales, with around 10,000 members. It campaigns for a better social, political and economic environment in which to work and do business. With a strong grassroots structure, a Wales Policy Unit and dedicated Welsh staff to deal with Welsh institutions, media and politicians, FSB Wales makes its members' voices heard at the heart of the decision-making process.

Over the next few weeks, we will have another UK survey looking at SMEs and Brexit. We will be happy to share this evidence as it becomes available. This paper is based on our most recent data.

FSB does not have expertise in the administration of the UK immigration system. Our interest is in UK immigration policies and their outcomes for smaller employers following Brexit.

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

The White Paper's proposals looks to reconcile different needs and approaches to immigration post Brexit, and this is an understandably difficult task. How the tensions within the document are resolved will have very important implications for Wales.

For example, it states, "the future border and immigration system must be flexible enough to service a range of interests and to reflect the diverse needs of all parts of the UK and our existing devolution agreements". However, on the next page it states that immigration policy is reserved and that they agreed with the MAC's rejection of the need for regional immigration policies. This seems contradictory.

The White Paper acknowledges the need for flexibility in the process to ensure a strong skills base. We welcome that there will be no cap on skilled workers, and the rhetorical commitment to a simpler system to minimise red tape for SMEs. It

is a concern that placing a £30,000 threshold for migrant workers undermines these aims.

As such, we welcome some of the broad rhetorical commitments to a skills-based approach, and to a flexible system, but have some concerns about how they will be implemented in practical terms. We also have some particular concerns on aspects of the White Paper, especially with regard to the salary threshold and their effect on SMEs in Wales. These will become clear over the course of this response.

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

There is a case for doing things differently, based around different polities, different skills needs, and regional disparities in terms of wages.

There are several reasons that would make a case for different approaches in the devolved nations on immigration policy:

- *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.¹
- *Demography:* Wales has an older population, and is projected to be solely reliant on inward migration for future population growth.²
- *Wider Welsh policy* This links to wider policy levers held by Welsh government, to promote immigration as holistic policy making – for example, FSB welcome Welsh Government’s support for growing the ‘missing middle’ – growing the stock of medium sized firms in Wales – and a procurement policy that promotes community wealth and helps local SMEs. However, such policies require a strong skills base to fulfil demand, and immigration is important to fill skills gaps. 54% of FSB members in the UK say that a loss of skills by EU migrants could be a barrier to growing their business, and so hits at the heart of such Welsh policy.³

¹ A *Skilful Exit* (FSB:2017), p 18; J Portes & G Forte, *Migration in Wales: The impact of post-Brexit policy changes* (Wales Centre for Public Policy: 2019), p 17

² *Migration in Wales* (WCPP: 2019), p 24

A Skilful Exit (FSB: 2017)

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- *Differential regional wages:* pay levels in Wales are lower than London and the South East – e.g. a typical gross salary in London is over £30,000. A typical Welsh salary is closer to £26,500,⁴ and so the needs of Wales will be different according to local labour market forces.

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

There should be a SOL for Wales, on a similar basis to Scotland.

The Committee should explore whether, if the £30,000 threshold remains at the UK level, there is scope for use of SOL in order to mitigate the impact and to ensure the retention of mid-level skills.

Given the scope for disruption post Brexit, the SOL should be under continual review in the short term, both at the UK level and devolved level. These should also take into account unexpected knock on effects due to skills based inward migration in the UK.

A hypothetical example to illustrate this point may be in construction. In Wales, there is far less dependence on EU migrants in this sector than in London, but there remains a constant squeeze on skills. However, if Brexit were to lead to skills shortage in London, wage inflation may attract construction workers from Wales, leading to greater skills shortage here. Given the tight margins in the sector, this could have a severe impact. This illustrates some of the things that need to be monitored closely and continuously, and why a devolved SOL is useful.

A Welsh SOL should also be sensitive to regional needs. For example, in rural areas there may be a shortage in tourism and hospitality, but these may not register on a Wales wide analysis if there were no such issues in urban centres (such as Cardiff, Swansea, Newport, Wrexham etc.).

Even so, the use of SOL on such a basis has yet to be tested (for example in Scotland) for such use, and certainly not to the scope we are looking at here. As such, we would suggest that while this is something to be explored, and should be used, it cannot be relied upon as a silver bullet.

<https://gweddill.gov.wales/statistics-and-research/annual-survey-hours-earnings/?lang=en>

A no-deal Brexit is now a distinct possibility. Concrete action is required to test, perhaps via a pilot project, whether a more flexible immigration system can work in practice, avoiding additional burdens for smaller employers in Wales and throughout the UK.

Such an action could include setting a different salary threshold for Tier 2 visas or revising and expanding the Shortage Occupation List.

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However, it may prove most productive to take inspiration from the recently launched seasonal workers pilot for agriculture - adopting something similar in key sectors, such as tourism and hospitality, for an initial two year period. Not only would this ease the workforce pressures faced by tourism businesses, a sector disproportionately reliant on EU staff, it would also assess in real-time if differentiation leads to greater costs and complexities for smaller employers.

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?

FSB has some concerns on this proposal. It may appear on the surface that it makes things bureaucratically simple to fall under one system, but what that would involve for an effective immigration policy that helps SMEs would be a substantial overhaul of the Tier 2 system which EU workers are being brought into.

The number of smaller businesses going through the tier two route are small, but the overwhelming message we have here is that the system is difficult, overly complex and highly bureaucratic. There is also potentially significant costs involved in this system to which SMEs are not currently accustomed.

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%).⁵ 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.

Our figures show that around 16% of our members in Wales employ EU nationals from outside the UK, with the vast majority of these employees being medium or high-skilled individuals (42.4% and 33% respectively).

This trend is broadly similar with the UK wide survey results and in particular shines a light on the importance EU mid skilled workers to small businesses.³

Our Welsh members report that they are hiring such individuals to fill gaps in their business that they are otherwise unable to fill, or that the individuals they are hiring fit well within the skills requirements for their business. We believe that this flexibility should continue to be available to all businesses, and that barriers to hiring skilled migrants should not be prohibitive to the smallest businesses.

³ *Making Brexit Work for Wales' Smaller Businesses* (FSB:2017), p 5

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We welcome that the White Paper acknowledges the need for the system to be light-touch and easy for SMEs to use – we look forward to seeing proposals on how this will be done practically beyond the following:

“The new system will need to be accessible to the large number of businesses, particularly smaller enterprises, that have previously been able to hire migrant labour from the EU, without needing to engage with the existing sponsorship requirements. Therefore, we will need to make the system as straightforward and light touch as possible, and low cost to employers.”⁴

It is for these reasons that FSB has welcomed the UK Government’s continued commitment to some form of transitional period and a phased introduction of any new immigration system, avoiding a scenario where smaller firms will be locked out of accessing the labour and skills they need. With a phased introduction, small firms must have the time they need to prepare. However, Brexit transition period is already being curtailed in the interim as we await a deal, with the cut-off point remaining at 31 December 2020, and the prospect of no deal makes everything more uncertain. Any system or deal needs to ensure stability over the long term, as employers need to know what changes are coming and when they are happening in order to plan for their skills needs. A transition period remains vital for this.

Beyond this, 3.4% of our surveyed members are EU nationals who own or operate business in Wales. Whilst this number is a small proportion, and we are unable to provide further analysis based on the size of the sub sample, the needs of these business owners in the transition should be further explored. Wales and the UK must remain an attractive place to set up a business for entrepreneurs from around the world.⁵

A no-deal is an increasing possibility. That Freedom of Movement could come to an abrupt end the day after a no-deal Brexit as stated by a UK Minister recently,⁶ without a transition period for immigration policy to be put in place, is a major concern and would have a severe impact on SMEs.

⁴ *The UK’s future skills-based immigration system* (UK Government White Paper: 2018), p 13

⁵ *Making Brexit Work for Wales’ Smaller Businesses* (FSB:2017), p 6

⁶ Priti Patel, cited in ITV News: <https://www.itv.com/news/2019-08-19/number-10-freedom-of-movement-will-end-onoctober-31-if-there-is-no-brexite-deal/>

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

This is the most worrying part of the White Paper, and 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.

Our findings, and those of the Welsh Centre for Public Policy (WCPP) find that mid-level skills are the largest need in Wales – and such migrants are likely to come underneath the threshold.⁷

In the White Paper, the UK Government has said that the threshold is required because they want migrants “to raise productivity levels, make a positive contribution to public finances and ensure there is no downward pressures on wages.” The evidence for this approach as the central plank to policy is contradictory. The White Paper itself cites the Migratory Advisory Committee (MAC) on migrant labour, stating that “there is a lot of uncertainty about the impact of immigration on productivity, although most studies conclude there is a positive impact”.⁸ Both the Migration Advisory Committee and WCPP paper show that the high and mid-level skilled migrant labour have no or a positive effect on the labour market, while stating they may have had a ‘minor’ impact on wages at the low skill level.⁹ The evidence indicates that a threshold of £30,000 – in Wales at least – is arbitrary.

As noted, Pay levels in Wales are lower than London and the South East – e.g. a typical gross salary in London is over £30,000. A typical Welsh salary is closer to £26,500.¹⁰ The pool of talent Wales can attract as compared to other regions would be smaller and would put Welsh SMEs at a competitive disadvantage for similar skills.

We would expect that raising the wages of mid-level skills to £30,000, coupled with the prospect of increased costs in recruiting EU workers, would be unsustainable for most smaller businesses. We will have further data on this following our upcoming survey.

The white paper itself notes that “the government believes that in some circumstances – for example where skills are in shortage – there should be some flexibility to allow migration at lower salary levels.”¹¹ It also recognises the needs of

⁷ *The UK’s future skills-based immigration system* (UK Government White Paper: 2018), p 48

⁸ *ibid*

⁹ *Migration in Wales* (WCPP: 2019), p ; White Paper, p 119-20

¹⁰ <https://gweddi.gov.wales/statistics-and-research/annual-survey-hours-earnings/?lang=en>

¹¹ *The UK’s future skills-based immigration system* (UK Government White Paper: 2018), p 129

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start-ups to have lower salary workers at the outset, and we look forward to proposals that develop on this.¹²

It makes sense that the salary threshold reflects this labour market reality so that flexibility and regional needs are built into the system. Arguably, setting a different salary threshold would not affect the UK Government's drive to create a skills-based immigration system, because the underpinning qualifications framework would remain unchanged. In fact, you could argue that it is more in keeping with the government's intentions. Another approach would be to ensure that the SOL carries more weight than the salary threshold as an arbiter in a points system, but this would require careful planning, thorough engagement with the SME sector on its implementation, and so require a transition period.

Were this threshold to be maintained it would become practically impossible for the vast majority of small firms in Wales to access any non-UK labour. It would, as our UK Chair Mike Cherry stated, "cause serious disruption to the economy".

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?

According to the latest official figures, over 900,000 people have applied for EU settled status so far. By the end of June 2019, the Home Office had processed 806,000 applications, granting full settled status in 65% of cases and pre-settled status in 35% of cases. The department says that nobody has been refused status outright.

As of July 31 2019, 15,600 applications had been received from Wales¹³ - with approximately 80,000 EU citizens in Wales.¹⁴

The Home Office are not treating the refusal of settled status as an immigration decision, so applicants are not being refused settled status, they receive pre-settled status. The principle reason for being granted pre-settled instead of settled status is a failure to demonstrate five years' residence in the UK.

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. Currently, awareness of the settled status scheme is limited,

¹² Ibid, p 45-6

¹³ EU Settlement Status Statistics (Home Office: July 2019)

¹⁴ <https://gov.wales/package-of-support-for-eu-citizens-living-in-wales-announced>

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and it is plausible that campaigns in Wales could complement the UK level to provide a better understanding of the level of awareness in Wales.

The Welsh Government has a role to improve communications for EU citizens who reside in Wales, working with social partners, and FSB Wales are happy to help in this regard in engaging with members and employers on this issue.

The prospect of no deal raises more uncertainty about the status of residents who have not yet applied for settled (or pre-settled) status, so this is becoming a matter of some urgency, given that just over a quarter of EU citizens residing in Wales have applied.

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

A significant portion of our members in Wales suggest that in response to restrictions on free movement of EU labour they will seek either to redouble efforts to attract and train UK workers or will seek to absorb the costs of a new immigration system. However, it is clear that smaller businesses will not be able to successfully absorb any cost. It is therefore essential 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.

The current costs for recruiting through the Tier 2 system would be unsustainable for many smaller businesses and this needs addressing.

The White Paper also includes a proposal for a transitional measure for a “time limited route for temporary short-term workers. This route will allow people to come for a maximum of 12 months, with a cooling-off period of a further 12 months to prevent people effectively working in the UK permanently.”¹⁵

While this could potentially help employers adjust to a post-Brexit immigration system, there are aspects that may make it less appealing. Small businesses often recruit staff for the long-term as recruitment is expensive. The annual or biennial churn in workers would be disruptive for many workplaces, especially for micro businesses. There will also be no ability to switch to other visa routes for these workers. Therefore, while this proposal may have a positive effect at the margins, we should be realistic as to its likely impact.

We hope that this response has been useful to the Committee, and would welcome any further enquiries. For more information, please contact Dr Llyr ap Gareth on llyr.apgareth@fsb.org.uk, or our Wales Office at 02920 747 406.

¹⁵ *The UK's future skills-based immigration system* (UK Government White Paper: 2018), p 16

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Changes to freedom of movement after Brexit – implications for Wales

EAAL(5) FOM04
Evidence from Royal College of Nursing

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

The provision of excellent health and social care services to the public, in both the NHS and in the independent care home sector, relies on an immigrant workforce. An immigration system is required that is effective, easy to understand and navigate for applicants and recruiting employers and both fair and seen to be fair.

Nursing has always been an internationally mobile workforce. Many nurses are educated here and work abroad, hopefully to return, with new skills and experiences. Attracting international nurses is important to research, innovation in practice and the development of the profession. 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. To provide a sense of scale of the issue RCN Wales estimates that there are currently over 1500 registered nurse vacancies in NHS Wales. We know that NHS Wales spent £63.8m on agency nursing in 2018/19 - a rise of 24% since last year.

The shortage in the care home sector is extremely serious and Welsh Government research on the impact of Brexit on the social care workforce shows that recruiting and retaining NMC registered nurses became more difficult during 2018/19. ([Welsh Government, 2019, Research on Implications of Brexit on Social Care and Childcare Workforce in Wales](#))

In addition the care home and care at home sector in Wales requires care workers and domiciliary workers. Although action can be taken by employers to improve pay and conditions and by the Welsh Government to promote the sector this alone will not provide the workforce needed. The demography of Wales means it is dependant on immigration to support the delivery of health and social care services. ([External Affairs and Additional Legislation Committee, 2018, Report on the preparedness of the healthcare and medicines sector in Wales](#))

We are concerned that without review and amendment the proposals put forward by the UK Government are likely to exacerbate the existing staffing crisis.

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

RCN Wales believes there is indeed such a case. The needs of the sector differ across the regions of the UK. A pilot scheme for regional based visa for example would seem sensible. There is little and mixed evidence on this approach and it would ideal to trial it in the social care sector in Wales.

There is no necessity for devolving the functions and legislative powers concerned. The goal would be to create an immigration framework that a) took evidence of regional need into account and b) had mechanisms to allow the system to respond to this need.

The creation of such a framework could be achieved through greater engagement across the UK administrations and joint working. It would also allow for regions with similar situations to have similar rules apply. The Wales Centre for Public Policy highlighted similarities in wages and at-risk sectors across the UK ([Wales Centre for Public Policy, 2019, Migration in Wales: The Impact of Post-Brexit changes](#)) and unless a specific case can be made for distinction there are good reasons for consistency including administrative simplicity.

We welcome the UK Government's statement in the white paper that "the UK Government will work with the Devolved Administrations to understand their unique perspectives and challenges and to ensure that employers have the flexibility they need to deploy staff and that individuals are able to visit, live and work in all parts of the UK". ([Home Office, 2018, UK's future skills-based immigration system](#)) We suggest that any future engagement is conducted in the spirit of this statement and believe this echoes the Welsh Government's own aim as set out in 'Brexit and the Fair Movement of People', which stated its preference was for "a spatially differentiated approach, where the Welsh Government would have a stronger role in determining how future migration to Wales would be managed". ([Welsh Government, 2017, Brexit and the Fair Movement of People](#)).

We recommend that the Welsh Government seek to strengthen and maintain this inter-governmental relationship and to strongly influence the UK Government within its parameters to ensure that Wales' needs are met.

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

The RCN welcomes the Migration Advisory Committee's proposal for a Wales specific occupation shortage list and has called for this measure for many years. Any shortage list applies to Tier 2 workers and allows visas to be issued more easily in the identified areas and Scotland has had access to this mechanism for some time.

However, we recognise that there are issues which do need to be addressed as the proposed list only applies to the current immigration rules. We believe

more information could be released from the UK Government to understand how the proposals will interact with its white paper. More information would also be useful on the £30,000 threshold, which currently does not allow for any regional and sectoral variation in salary. If a shortage occupation list is to be developed for Wales then it would be beneficial for it to be developed on population need as opposed to along salary lines.

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

The Royal College of Nursing does not believe any salary threshold should be part of the immigration system. Immigration should be encouraged in the sector and regions it is needed irrespective of salary.

£30,000 is a ridiculously high figure excluding most nurses and certainly excluding care workers. We welcome the action taken by the UK Government to have the Migration Advisory Committee review this figure. We concur with the recommendation of the Wales Centre for Public Policy to treat this as a priority policy area. ([Wales Centre for Public Policy, 2019, Migration in Wales: The Impact of PostBrexit changes](#)). However, any threshold could risk creating an immigration system in which salary is synonymous with skill and value to society. Any new system should demonstrate an understanding of the skills and economic impact that the nursing and social care workforce provide but whose salaries often fall well below the proposed £30,000 threshold.

Although the expansion of Tier 2 visas is generally welcomed, we are concerned that this could entail greater financial and administrative costs for sectors already operating under pressure. For example, the cost of sponsoring employees could likely rise and coupled with the temporary workforce route, providers could find themselves competing with the twin problems of the financial implications of its skilled staff and without the much-needed support of a stable lower skilled workforce.

As stated, the expansion of Tier 2 to include intermediary skills is generally welcomed but recruitment issues will still be exasperated if the salary threshold is maintained at £30,000 as this could cause a discrepancy between the skills of those eligible and the amount they are able to earn. This is not an issue which can be solved by raising salaries due to the existing financial pressures which exist in health and social care.

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?

EU staff within the nursing workforce make a significant contribution to the NHS and help ensure safe and effective care. The Welsh Government has taken steps to assure EU nationals of their continued welcome however we

believe that further assurances are needed to give these individuals the confidence in their continued ability to flourish in this country. The RCN and other organisations have been active in promoting the scheme and supporting our EU national members through the process and we welcome support made available via the EU transition fund. We believe a continued joint effort between the Welsh Government and health organisations will help ensure that individuals are supported through this process and that we retain all those we have chosen to live and work in Wales.

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

Temporary Workers route

The temporary workers route has been proposed by the UK Government for what is termed 'low skill workers' to address the needs of sectors such as social care. This proposal would not address the current staffing crisis we are experiencing in Wales, which requires a long-term workforce, who view Wales as their home and place of work.

Under the current proposals, suitable candidates with the required qualifications to work in sector would be limited to maximum of 12 months, with no access to public funds or the training required to upskill and potentially apply for a Tier 2 visa. The proposal could create a transient workforce which would affect the ability to forward plan or provide continuity of care for patients. We recommend that steps be taken to increase the number of people entering training and widen access to the workforce to deal with any potential gaps.

A Wales wide approach to International recruitment

The Train Work Live campaign is an effective branding campaign. However we believe the Welsh Government can turn this branding into an effective support unit for the NHS on international recruitment. This is a complex business and many health organisations spend a great deal of time and money with little final recruitment to show for the process. Support for immigration, NMC registration and language testing can be consistent with such an approach. Indeed the Welsh Government could expand this further, along the lines of the Global Learners Programme. This programme allows international professionals to work in the NHS on a three-year placement, with the aim of taking their experiences and learning back to their home countries.

About the Royal College of Nursing Wales (RCN)

The RCN is the world's largest professional organisation and trade union of nurses, representing around 435,000 nurses, midwives, health visitors, healthcare support workers and nursing students, including over 25,000 members in Wales. RCN members work in both the independent sector and the NHS. Around two-thirds of our members are based in the community. The RCN is a UK-wide organisation, with its own National Boards for Wales, Scotland and Northern Ireland.

The RCN represents nurses and nursing, promotes excellence in nursing practice and shapes health and social care policy.

Introduction

1. The Welsh NHS Confederation is the only national membership body which represents all the organisations that make up the NHS in Wales: the seven Local Health Boards, three NHS Trusts and Health Education and Improvement Wales (HEIW). This response therefore represents the views of our members.
2. We welcome this inquiry into the changes to freedom of movement after Brexit and the implications for Wales. The Welsh NHS Confederation has submitted written evidence in response to the UK Government Immigration White Paper on behalf of members (attached) and we have also developed a response with health and social care organisations (attached).
3. Our key messages in response to the White Paper are:

Overview: We are concerned that the UK Government's intention for a new system as proposed in the Immigration White Paper will have a detrimental impact on current recruitment and retention problems across the health and social care sector in Wales and across the UK. The health and social care sector is already dealing with serious workforce gaps and demand continues to outstrip the supply of staff, despite the increase in staff numbers.

Valuing EEA citizens: EEA citizens are a hugely-valued part of the workforce, providing high quality care and support to those in need and making a significant contribution to communities they live in. It is vital that the UK Government provides reassurances, support and confidence in the Settled Status Scheme throughout the Brexit process and beyond.

The £30,000 PA salary threshold: If the proposed salary threshold were already in place, at least 53.5%ⁱ of EU/EEA citizens working within the NHS in Wales would not meet this. This percentage is higher for social care, especially domiciliary care. We are also concerned that the proposed salary threshold would have an impact on future recruitment. Many social care and NHS jobs do not fill the requirements for the minimum skills or salary levels of current non-EEA immigration rules. It is vital that the £30,000 threshold is replaced with criteria that allows our sector in Wales to recruit and retain the workforce needed to provide care and support. The value that public services brings to society should be a key factor in assessing the skill levels and entry requirements required within a future immigration system, not the amount people earn. Furthermore, contributions to public services are crucial to ensure that the rest of the economy functions effectively. The adult

social care sector in Wales alone contributes more than £2 billion to the Welsh economy, creates 127,000 jobs and enables individuals to make contributions to other parts of the economy.ⁱⁱ

Future recruitment: Despite Welsh Government recruitment and retention initiatives such as Train.Work.Live and WeCare, which have sought to develop a well-trained, compassionate workforce and attract the best talent globally, the end of free movement threatens to exacerbate existing recruitment pressures. While these programmes can provide an opportunity to train a future more domestic workforce, the time needed to train qualified staff is intensive. Due to current vacancy rates across health and social care in Wales, we need to be able to relieve immediate pressure on the system while planning for qualified domestic and international staff. While immigration is not the most sustainable nor primary mechanism for recruitment, it has proven to be a necessity to attract world talent to positions that need to be filled and are essential to delivering publicly-valued services.

Concerns of the Shortage Occupation List: We welcome the UK Government's acceptance of the Migration Advisory Committee's recommendation to establish a separate Shortage Occupation List for Wales as well as the inclusion of many health and social care roles. However, it is important to note that this would only apply to the current immigration rules, and therefore a review of the purpose of the Shortage Occupation List is needed to determine how it will interact with the Immigration White Paper. The removal of immigration caps, coupled with other policies to attract people to publicly valued professions including social care workforce or allied health professionals, is needed.

The demographics in Wales are different to the rest of the UK: 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. The number of people aged 65 and over in Wales is projected to rise by 232,000 (32.2%) between 2016-2041ⁱⁱⁱ. At the same time, there are fewer young and working aged people who can take care of the growing ageing population in future. It is important that a new immigration system includes the voice of devolved administrations which sit within a different context to that of England/ the rest of the UK.

Questions

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

4. Overall, 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.

5. Our members are supportive of policies that will simplify the immigration process (such as streamlining the sponsorship route) which will enable a simpler and fairer immigration process. The Electronic Travel Authorisations will make right-to-work checks more straightforward, and the removal of immigration caps and the resident labour market test will enable the person most suited to the needs of the post to be accepted, regardless of nationality.
6. However, our members are concerned about how policies relating to skilled and temporary workers will impact the recruitment and retention issues that the Welsh NHS currently faces. It is a concern that the Economic Analysis (Annex B of the White Paper) illustrates there could be a reduction of up to 80% in the number of EU/EEA workers coming to the UK to work in the long-term. The NHS in Wales relies on non-UK nationals with the skills that are required across the system. This would affect all recruitment activity outside the UK and would impact the ability to secure future professionals across a wide range of disciplines.
7. According to the June 2019 Electronic Staff Record data, approximately 53% of the total EU/EEA workforce who currently work in the Welsh NHS would be impacted by the £30,000 salary threshold if it were already in place. Staff from the base entry grade through to advanced and specialist practitioners would be affected by the proposals. The specialty professions that will be impacted the most by this salary cap are nurses and midwives, psychologists, chiropodists, healthcare scientists, speech and language therapists, occupational therapists, physiotherapists, orthoptists, radiographers and pharmacists.
8. Our members are concerned that a new immigration system could also take time to implement, especially given the heavy reliance on technology such as Electronic Travel Authorisations. This, combined with any poor management from the start of introducing a new system, could lead to poor immigration experiences for those coming to work and live in the UK.
9. There are also concerns that the potential costs could act as a deterrent for both employers and applicants. 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 it cost prohibitive for employers.

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

10. Overall, our members do not believe Wales should have different immigration policies from the rest of the UK. That said, there should also be full recognition and reflection of the demographic, social and economic needs of Wales and our population. This could be accomplished through a Wales-specific Shortage Occupation List that responds to changes in the labour market. The commissioning of the Migration Advisory Committee to re-examine the salary

threshold is also welcomed, although we wouldn't want to see competition for scarce resources to be a result.

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

11. Overall, our members are supportive of Wales having its own Shortage Occupation List. While some shortages will be felt across the UK, there will be other areas that have specific recruitment challenges and labour market needs because of demographics, rurality and geography of Wales. Being able to set local controls would result in a more accurate targeted approach for devolved nations to account for regional variation. However, there remains the risk for increased competition resulting in an overheated market place for candidates to apply.

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?

12. Our members are generally supportive of the proposal to have one single Tier 2 system that will apply to all non-UK nationals. This will ensure fairness while providing equal opportunities for any nationality to apply for a post under one system with a set Shortage Occupation List.

13. However, based on our members' previous experience with the Tier 2 system, this could also affect the ability to recruit on an international scale which could result in a decrease in patient care and quality of care if there is an even greater strain on recruitment and retention that already exists within the sector.

14. Although not recommended in the White Paper, there is a case to investigate whether there should be a separate route for 'low-skilled' workers, or additional sectoral-based schemes such as the one already in place for agriculture.

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

15. The NHS Wales workforce relies on a talent pipeline which brings the best talent, domestic and international, to the service. While there are recruitment campaigns, such as Train.Work.Live and the upcoming joint workforce strategy for health and social care, developed by Health Education and Improvement Wales and Social Care Wales, these initiatives focus on bringing the best talent to essential positions regardless of nationality.

16. Our current workforce is reliant on international recruitment which attracts and recruits working age people who provide care for vulnerable people across Wales. It is acknowledged that relying on migration is not sustainable, however it will take several years to attract, train and retain UK national staff to work in essential health and care positions in Wales. The NHS in Wales will always be reliant on a non-UK workforce to some extent.

17. Given that 53.5% of the EU/EEA staff (according to their contracted hours) will not be able to meet the £30,000 salary cap, our members are most concerned

about the impact this will have on the existing workforce across health and social care in Wales as this arbitrary limit will disproportionately affect our key patient-facing workforce.

18. The Migration Advisory Committee recommended maintaining the current salary threshold of £30,000 p.a. of the current Tier 2 immigration system, while simultaneously reducing the skills requirement to Regulated Qualifications Framework (RQF) 3+ (A-level and above). Such a proposal would have the effect of allowing entry to intermediate and medium-skilled workers (compared to the current RQF 6+ of highly-skilled workers). This means that while the skill level would be reduced to an 'intermediate' level, the required salary threshold would remain the same as those positions defined as 'highly-skilled'.

19. There is a discrepancy in the skill requirements versus expected salary. Many roles within the healthcare sector at an RQF 3 level would not meet the £30,000 threshold. Many positions within a Band 4 level post^{iv}, such as dental nurses and theatre support workers would be able to meet the required skill level but fall short of the salary threshold, with Band 4 posts ranging in salary from £21,089 - £23,761.

20. Within NHS Wales, Band 5 is the lowest banding on which new entrants into qualified nursing, allied health professionals (such as diagnostic and therapeutic radiographers, dietitians, physiotherapists, speech and language therapists, and occupational therapists), Health Sciences and Pharmacists, and Administrative professions (Finance Analysts, Human Resources Advisors, IM&T Analysts / Technician and Information Analysts) can be appointed into in the NHS. Band 5 posts range in salary from £24,214 - £30,112. All new entrants are required to commence on the bottom of the pay band and work up through annual pay increments. New entrants to the NHS recruited from overseas can request incremental credit, in recognition of previous reckonable experience gained outside of the NHS, which may enable them to be appointed on a higher Band 5 pay point. No newly recruited employee can, however, be appointed to the top pay point (currently £30,122), as this is not permitted within National Terms and Conditions of Service. That means all nursing specialties in Agenda for Change Bands 5, 6, 7 and 8a, who would be the professional patient facing workforce, could be excluded. This will include those advanced practitioners in scarce disciplines, for example emergency department staff.

21. If the salary threshold for Tier 2 remains at £30,000, this would have a negative impact on NHS employers being able to recruit workers from outside the UK into Band 5 professional posts. This would also impact the ability to recruit into other essential areas which are covered in Band 4, such as health care support workers, social care support workers, and non-clinical staff, meaning that many occupations would be unable to be part of the system. This could accentuate existing recruitment and retention issues across the system. The effect will also greatly impact support staff (nursing and midwives, healthcare scientists, allied health professionals, ambulatory staff and pharmacists). In these areas, it is

estimated that between 97% and 100% of EU/EEA nationals will not meet the proposed threshold.

22. Our members suggest that if a salary threshold was in place, a better level would be the bottom on Band 4 i.e. £21,089^v. At the very least, any salary threshold needs to be variable to reflect recruitment needs in scarce disciplines through a Wales-specific Shortage Occupation List and that immigration policies are reflective of public service and value. Salary should not be used as a proxy for skill.

23. If applicants were unable to meet either the salary or skills threshold, they might be inclined to use the Temporary Worker Route. However, this would lead to a more transient migrant workforce which is non-sustainable in the long term. This would not support the idea of creating a stable future workforce as set out in *A Healthier 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?

24. According to the Electronic Staff Record, approximately 2% (1,623) of the approx. 95,000 NHS Wales workforce is of EU/EEA nationality^{vi} and would therefore be eligible to apply for the Settled Status Scheme.

25. Currently, our members have only limited feedback into how the Settlement Scheme is operating within their organisations. Health Boards and Trusts have been promoting the Settled Status Scheme across their organisations and encouraging staff to apply for Settled Status. However, it is difficult to develop an accurate picture of the number of people working in the NHS that have applied to the scheme as individuals are not legally obliged to notify their employers whether they have applied or whether they have been successful in their application.

26. As part of our ongoing work with members, the Welsh NHS Confederation has been promoting the Settled Status Scheme through the production of a Toolkit for Workforce Directors and HR professionals around the Settled Status Scheme and also promoting the Scheme within our weekly Brexit Newsletter, which is shared with members and stakeholders on a weekly or bi-weekly basis. As a result of the package of the support that was announced by the Welsh Government in July around the Settled Status Scheme, the Welsh NHS Confederation has met with Newfields Law Solicitors, who have received funding to provide free immigration advice to people around Settled Status. We have promoted their services with our members and stakeholders.

27. 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. There is anecdotal evidence from an EU citizen working within the Welsh NHS that if they were not working in the NHS and receiving information from their employer, they would not have known about the Settled Status Scheme.

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

28. Much of what is included in the UK Government's White Paper is dependent on the signing of the Withdrawal Agreement, the Implementation Period or bilateral agreement with other countries. Our members have expressed concerns over the lack of detail around future policies and what could happen in a potential no deal scenario (i.e. if free movement were to end the day after the UK exits from the EU).

29. Our members expressed initial concerns if free movement were to end immediately in the event of no-deal Brexit, as this would pose significant challenges for the sector's workforce. It is helpful to see that the UK Government has confirmed the use of European Temporary Leave to Remain, which allows EEA nationals arriving in the UK after 'Brexit day' to apply for permission to stay in the UK to live, work or study for three years. However further clarification is needed about EU citizens' rights and entitlements, and there remains concerns about the tone of the messaging about what will happen if someone is not registered with a scheme by December 2020, with threats of 'enforcement action, detention and removal as an immigration offender'.

30. It is important to ensure that right-to-work requirements are clearly defined with updates made to the Electronic Staff Record in a timely fashion. Currently there are no details on how right-to-work checks would be made on EEA citizens in the event of no deal, and there is no easy way to distinguish between EEA citizens who qualify for, but have yet to apply for, settled status and others.

31. The evidence to date from the Welsh NHS suggests it is unlikely that large numbers of EU nationals currently working in the Welsh NHS will leave to return to their home countries post-Brexit. There may be additional costs to medical staffing agencies to fill these posts in the short-term.

32. Since Wales is working towards an integrated health and social care system, any impact in one area could have implications for another. For example, the social care workforce relies significantly on an EU/EEA workforce; if social care has increased recruitment and retention issues post-Brexit, this will undoubtedly impact demand on frontline NHS services as well.

Conclusion

33. In conclusion, EEA citizens are a hugely valued part of the health and care workforce. They provide high quality care and support to those that are in need, and make a significant contribution to the communities they live in. It is vital that the UK Government provides reassurances, support and confidence in the Settled Status Scheme and provides the necessary mechanisms to ensure that health and social care can attract world talent to positions that need to be filled and are essential to delivering publicly valued services.

34. Despite immigration policies remaining a UK responsibility, it is important to consider how national policies will impact devolved nations and governments including the Welsh NHS and its staff.

ⁱ Figure includes those working on a part-time basis or in temporary positions.

ⁱⁱ Social Care Wales (5 June 2018). The Economic Value of the Adult Social Care Sector – Wales Final Report.

ⁱⁱⁱ <https://gweddiill.gov.wales/statistics-and-research/national-population-projections/?lang=en>

^{iv} According to Agenda for Change pay scales.

^v Agenda for Change is currently aligned with England pay scales, meaning that there might be some variation between Wales and England pay scales.

^{vi} This is according to 68% completion rate of the Nationality field, which voluntary to complete.

Changes to freedom of movement after Brexit – implications for Wales

EAAL(5) FOM06
Evidence from Airbus

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

Impact for Wales will depend on the business sector and certainly for lower skilled and lower paid roles in sectors where the reliance on labour from outside of the UK is significant this would have a detrimental effect on the delivery of key services and industries. Health and agriculture spring to mind
Is there a case for allowing the devolved nations to do things differently in relation to immigration policy after Brexit?

This would need to be based on the UK government salary threshold and the comparative Welsh salaries in the critical sectors. If a salary level in Wales is lower than its equivalent for a role in England and below the threshold there could be a case to manage in isolation. There could also be a case if the impact of the restrictions on specific skills was greater due to the dependency in Wales for non-UK labour.

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

As above (point 2). There would need to be a thorough impact analysis and clarity where the real needs existed and the Welsh economy and people in Wales would suffer.

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?

I believe that this would potentially block well established pipelines and leave gaps in the requirements of Wales which can't be filled in the short term.

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

This is too high for key sectors in Health care and Agriculture and would leave Wales exposed to failing to deliver key services and maintain key industry

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? From my knowledge and feedback from employees who have gone through the scheme it

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. At this moment in time I don't see anything more the Welsh Government should be doing.

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

A main concern is the movement of internal employees across borders in carrying out their day to day tasks as well as developing careers and sharing knowledge and experiences over a longer period of time.

Changes to freedom of movement after Brexit – implications for Wales

EAAL(5) FOM07

Evidence from Wales France Business Forum (Le Club), Capital Law Ltd,
Acorn Recruitment

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.

Wales France Business Forum (Le Club)

Capital Law Ltd

Acorn Recruitment

10 September 2019

Changes to freedom of movement after Brexit – implications for Wales

EAAL(5) FOM08 Evidence from General Medical Council

Executive Summary

1. The General Medical Council (GMC) is an independent organisation that helps to protect patients and improve medical education and practice across the UK.
 - We decide which doctors are qualified to work here and we oversee UK medical education and training;
 - We set the standards that doctors need to follow, and make sure that they continue to meet these standards throughout their careers;
 - We take action to prevent a doctor from putting the safety of patients, or the public's confidence in doctors, at risk.
2. While regulation of the medical profession is reserved to Westminster, the GMC operates within the legal and legislative structures of the different jurisdictions within the UK.
3. We would like to take this opportunity to highlight several issues relevant to Wales arising from changes to freedom of movement, following the UK's withdrawal from the EU.
4. Our registration processes and procedures currently accommodate the movement of doctors between the UK and countries inside and outside the European Economic area (EEA). GMC registration with a licence to practice allows doctors to practice in all four healthcare systems in the UK.
5. Our statutory powers are set out in the Medical Act 1983. The way in which we regulate doctors from the EEA is determined by the recognition of professional qualifications Directive (2005/36/EC), which is transposed into UK law via the 1983 Act.
6. Leaving the EU, and the subsequent implications for freedom of movement, could have a significant impact on the regulation, movement and education of doctors throughout the UK.

The EEA medical workforce

7. As the regulator, the GMC holds a unique data set on the medical profession. Doctors from Europe make a vital contribution to the health services across the UK. As of September 5 2019, there are 33,060 doctors on the medical

register who gained their primary medical qualification (PMQ) from another country in the EEA. This constitutes around 10.7% out of a total of 309,320 on the UK medical register.

8. Brexit will instigate significant questions for workforce arrangements in all four countries of the UK. Our data shows that there are a similar proportion of EEA graduates in each broad area of practice in Scotland and Wales. Northern Ireland has the greatest proportion of EEA graduates who are GPs. England has the most EEA graduates who are specialists or on neither register and not in training.

9. There is a relative high dependency on EEA qualified doctors in certain areas of the UK. We know that in some remote and rural areas in Scotland and Wales, there are a higher percentage of non-UK licensed doctors than the overall UK figure.

10. Broken down by Health Board region, the EEA percentages in Wales are as follows:

- Aneurin Bevan University Health Board: 4.9% of a total of 1,202 doctors;
- Betsi Cadwaladr University Health Board: 8.9% of a total of 1,485 doctors;
- Cardiff and Vale University Health Board: 6.3% of a total of 1,381 doctors;
- Cwm Taf University Health Board: 5% of a total of 1,027 doctors;
- Hywel Dda University Health Board: 10.7% of a total of 895 doctors;
- Powys Teaching Health Board: 3.7% of a total of 135 doctors;
- Swansea Bay University Health Board: 5.4% of a total of 1,053 doctors.

11. We have not observed a reduction in the number of EEA graduates on the medical register since the referendum itself, nor in the number of EEA graduates who have joined the medical profession. We saw a slight surge in applications in the run up to March 29, although this has since levelled off. However, it remains too early to be certain what impact any changes to the UK's relationship with the EU might have on the numbers of EEA graduates applying to register in the UK.

12. Both the UK Government and the EU have given assurances that decisions on the recognition of professional qualifications (RPQ) made before EU exit will be respected. This means that the registration status of doctors with an EEA qualification who are currently on the medical register will not be impacted.

13. The draft Medical Act amendments legislating for a 'no deal' Brexit were adopted in March and will be enacted should we have a 'no deal' Brexit. We've worked very closely with UK Department of Health and Social Care (DHSC) officials and lawyers over the past 18 months to make sure we can register doctors who qualified in the EEA in a timely and streamlined way, without compromising standards. We are aware UK DHSC officials have been working closely with officials in the devolved governments. The GMC Wales Office has also engaged closely with Welsh Government officials to ensure we consider issues from a four-country perspective.

14. Under the 'no deal' framework, EEA nationals will be treated as International Medical Graduates (IMGs). We are amending the IMG framework to recognise

certain EEA qualifications as evidence of knowledge, skill and experience regardless of the nationality of the holder. The qualifications covered by this new route would be those primary, specialist and GP qualifications that are included in Annex V of the RPQ Directive as of exit day. This should avoid the need for most EEA doctors to follow our traditional IMG route to the register which can take a considerable amount of time and should ensure minimal disruption to the NHS workforce.

15. We have two outstanding concerns with the 'no deal' legislation:

- The lack of clarity about the process of designating an EEA qualification as non-comparable. While the Privy Council would have to approve such a measure, it is unclear on what grounds we would be able to make such a request and what information we would have to provide to satisfy the Privy Council.
- The lack of detail on the proposed scope of the two-year review. In our view, this should be thorough and allow us to explore wider ranging reforms to our international registration processes to make them fair, flexible and responsive.

16. UK Government has recently confirmed that rules allowing EU nationals to live and work freely in the UK would end immediately on the current departure date of 31 October, in the event of 'no deal' exit. If the UK leaves the EU without an agreement at the end of October. This will not impact the registration status of EEA doctors but could impact upon the numbers of EEA doctors living and working within Wales, particularly in the case of those who have not yet applied for, and received, settled status in the UK.

17. Looking ahead, it is unclear what impact the UK's withdrawal from the EU is likely to have on the future number of European qualified doctors on the register and whether we are likely to see a future reduction in the numbers applying from the rest of Europe.

18. In the meantime, we will continue to publish data about EEA doctors practising in the UK¹ to provide up-to-date information and assurance for employers. For the first time we will also publish country-level workforce reports to aid the four governments of the UK and their agencies with national planning.

Brexit and medical regulation

19. Under European law, doctors who are nationals of the EEA (and those who are entitled to count as such) and hold medical qualifications from another country in the EEA² are entitled to have their qualifications recognised and to

¹ <https://www.gmc-uk.org/publications/30409.asp>

² Where those qualifications are compliant with the recognition of professional qualifications Directive (2005/36/EC)

pursue medical careers in the UK with the same rights as doctors who qualified in the UK.

20. The advantage of the European framework is that those EEA applicants benefiting from automatic recognition can gain speedy entry onto the medical register. The significant disadvantage is that (unlike doctors who graduated outside of the EEA) we cannot test their competence. Instead we must rely on the robustness of the medical education and regulation system in the doctor's home country for that assurance.

21. Whether there are changes to how we register EEA qualified doctors in the future will depend on whether the recognition of professional qualifications framework is continued under the future agreement between the UK and EU.

22. While we do not have a position on what the UK's position on freedom of movement should be, we would like to highlight areas that will require careful consideration to ensure patient safeguards and workforce flows are maintained.

Medical education and training

23. 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.

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

25. We have contacted our European medical regulator counterparts over the past few months to find out how they will register UK graduates in the event of a 'no deal' Brexit and have shared these results with DHSC officials.

26. With the exceptions of Ireland and France, it appears that most regulators will not replicate our preferential treatment and will treat UK graduates (regardless of their nationality) as IMGs. Ireland will put in place a similar arrangement to our 'no deal' amendments and France will continue to apply the recognition of professional qualifications Directive to UK nationals for a period of five years.

27. This loss of automatic recognition for UK qualifications has potential implications for undergraduate and postgraduate medical education in the UK. Bearing in mind that, UK-wide, around 5% and 4% respectively of participants in those programmes are from the EEA, it remains to be seen whether UK medical education will continue to attract applications at this level when the qualifications conferred no longer benefit from automatic recognition throughout Europe.

Fitness to practise information sharing

28. It will be important to consider how health regulators ensure professionals practising in the UK are fit to practise medicine should the UK withdraw from the recognition Directive. It would therefore be helpful for us to retain access to the Internal Market Information (IMI) system, which we use to communicate with other medical regulatory authorities within the EEA.

29. IMI is a secure communications tool introduced by the Directive that we use to transmit and respond to queries about a doctor's registration documents. We also use it to send and receive alerts about doctors' fitness to practise. This warns us when a doctor has their practice restricted in one of the other 27 EU member states.

30. We are exploring how we will share fitness to practise information with European regulators once we no longer have access to the IMI system. Discussions are already well under way with the Medical Council of Ireland.

31. Our aim is to mitigate the impact of the loss of access to the IMI system through:

- Other means already in place to share fitness to practise and registration information with non-EEA countries. Before the European Commission introduced and mandated the use of IMI, we used these same processes in our interactions with EEA countries. We plan to revert to these should the Commission decide not to give IMI access to the UK post-EU exit.
- Existing strong bilateral and multilateral relationships through our joint leadership of the European Network of Medical Competent Authorities (ENMCA).

Potential impact of freedom of movement within health and social care in Wales arising from future trade agreements

32. Historically, we had reciprocity agreements in place with a number of old commonwealth countries including Australia, New Zealand, South Africa, Hong Kong, Singapore, Malaysia and the West Indies to grant easy access to the UK medical register. The 'old section 19' route ended on 17 December 2002 when it was abolished by the Medical Act 1983 (Amendment) Order 2002.

33. We supported the abolition of this route to registration, largely on the grounds of fairness - we had never reviewed the curriculum or training in any of the 'old section 19' countries. Registration on this basis was also largely at odds with our long-standing policy that we should be able to assess a doctor's capability for practice at the point of registration, rather than relying entirely on where someone had qualified.

34. It would be imperative that regulators such as the GMC were consulted on the equivalence (or not) of medical training in a particular country, should the UK's Department of International Trade be keen to include the recognition of

professional qualifications in the healthcare sector in any trade agreements with third countries. There would also need to be some sort of mechanism to ensure an ongoing assessment of the training to ensure it remained equivalent over the years and that the assumption of equivalence was not simply 'fossilised' into a trade agreement, like it currently is for many specialties in the RPQ Directive.

Conclusion

35. We thank the Committee for the opportunity to highlight these issues. If you have any queries or require any further information, please contact Wales Policy and External Affairs Officer Huw Anslow at huw.anslow@gmc-uk.org or by contacting the Wales Office at 02920 494948.

Overview

- i. Cardiff University is an ambitious and innovative university with a bold and strategic vision. Our world-leading research was ranked 5th for quality and 2nd for impact amongst UK universities in the 2014 Research Excellence Framework. We provide an educationally outstanding experience for our students. Driven by creativity and curiosity, we strive to fulfil our social, cultural and economic obligations to Cardiff, Wales, the UK and wider world.
- ii. We are an international community. Students and staff from the EU and beyond create a beneficial and diverse learning environment: 16% of our academic staff and 5% of our students are non-UK EU nationals (10% of our research students are non-UK EU nationals). Circa 7% of tuition fee income for the University is from non-UK EU domiciled students.
- iii. Freedom of movement after Brexit is a serious issue for Wales, the higher education sector and Cardiff University: 7.5% of students in Welsh HEIs are from the EU (2017/18 HESA student return); 7.3 % of staff are from the EU (2017/18 HESA staff return) and 5% of fees received by Welsh universities are from EU domiciled students (2017/18 HESA finance return).
- iv. We would be very concerned if free movement were to be curtailed with little or no notice in the event of a no-deal Brexit.
- v. In the event of a no-deal Brexit, the UK and Welsh Government should do everything possible to facilitate the mobility of students. The priority should be to maintain the UK's full participation in the Erasmus+ scheme after Brexit (on an associated basis as a full Programme country) as well as the successor programme. Failing this, a replacement scheme must be established.
- vi. We urge the Committee to reiterate and amplify all recommendations of the Children, Young People and Education Committee in its report on the impact of Brexit on higher and further education.¹ All of these recommendations were

¹ National Assembly for Wales Children, Young People and Education Committee, *Degrees of Separation? The Impact of Brexit on Higher and Further Education* (Cardiff: National Assembly for Wales, 2018)
<<http://www.assembly.wales/laid%20documents/cr-ld11939/cr-ld11939-e.pdf>> (Accessed: 22 August 2019).

accepted in full, principle or part by the Welsh Government.² We also urge the Committee to reiterate and amplify the recommendations of its own report on Wales' future relationship with the EU.³ Specifically, we would draw attention to recommendations 6, 10, 11, 12, 13, 14 and 17. These recommendations were accepted in full or in principle by the Welsh Government.⁴

vii. Although we welcome the UK government's decision to allow a period of post-study work (one year for PhD students and six months for others), we would advocate a period of at least two years for all students. We would also advocate a sponsorship process of as little administrative burden as possible.

Consultation questions

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

1.1 We welcome the decision not to restrict the numbers of international students who choose the UK as a place to study and share the view that "international students enhance our educational institutions financially and culturally; enrich the experience of domestic students and become important ambassadors for the UK in later life".⁵ We welcome the intention not to restrict numbers of skilled and highly skilled workers.

1.2 Although we welcome the decision to allow a period of post-study work (one year for PhD students and six months for others), we would advocate a period of **at least two years for all students**. We agree with our Universities UK colleagues on this position.⁶ We also have concerns regarding the £30,000 salary threshold (discussed in more detail in section 5).

1.3 We urge the UK Government to create a sponsorship process of as little administrative burden as possible, thereby avoiding unnecessary delays to

² National Assembly for Wales Children, Young People and Education Committee, *The Welsh Government response to the Committee's report* (Cardiff: National Assembly for Wales, 2019) <<http://senedd.assembly.wales/documents/s83987/The%20Welsh%20Government%20response%20to%20the%20Committees%20report.pdf>> (Accessed: 22 August 2019).

³ National Assembly for Wales External Affairs and Additional Legislation Committee, *Wales' Future Relationship with Europe: part one – a view from Wales* (Cardiff: National Assembly for Wales, 2018) <<http://www.assembly.wales/laid%20documents/cr-ld11491/cr-ld11491-e.pdf>> (Accessed: 22 August 2019).

⁴ National Assembly for Wales External Affairs and Additional Legislation Committee, *Welsh Government Response to Recommendations from the External Affairs and Additional Legislation Committee Report: Wales' Future Relationship with Europe* (Cardiff: National Assembly for Wales, 2018) <<http://www.assembly.wales/laid%20documents/gen-ld11553/gen-ld11553-e.pdf>> (Accessed: 22 August 2019).

⁵ HM Government, *The UK's future skills-based immigration system* (2018) <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766465/The-UKs-future-skills-based-immigration-system-print-ready.pdf> (Accessed: 27 August 2019).

⁶ Universities UK, *Parliamentary briefing: An improved post-study work system* (2018) <<https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2018/uuk-parliamentary-briefing-post-study-work.pdf>> (Accessed: 27 August 2019).

appointments and income for applicants. We would like to draw attention to the wholly unsatisfactory way the Home Office changed the processing of the biometrics element of visa and immigration applications for overseas students. This processing was, until 2019, conducted by a large network of Post Offices. Students now must go through a much smaller network of centres run by Sopra Steria. This was a result of the Home Office's decision to change its biometrics partner for UK Visa & Immigration services.

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 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.

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

2.1 Yes. Wales has specific challenges and incentives that differ to the rest of the UK. The migrant population in Wales is lower than the rest of the UK (5.8% compared to 13.7%), with 2.6% of the total population being from the EU (5.2% for the UK). EU migrants in Wales are also more likely to be in work and contributing to the economy than the working age population as a whole—79% of working age migrants are in employment compared to 71.3% of the total working age population.⁷ In addition, there would be an estimated hit to GDP in Wales of between 1-1.5% over 10 years if the proposed immigration rules were to be followed. Although Wales has lower levels of migration than the UK average, we have a faster growing older population than the rest of the UK, meaning there will be less people of working age to fill roles and more demand on services such as the NHS and social care.⁸ One approach for the whole of the UK is therefore not appropriate.

2.2 The Welsh Government recognises that migrants make a positive contribution to Wales' economy and to society more widely.⁹ It is vital that the many sectors that rely on these skills can meet their recruitment needs where the

⁷ Welsh Government, *Brexit and Fair Movement of People* (2017) <<https://gov.wales/sites/default/files/publications/2018-10/brexit-and-fair-movement-of-people.pdf>> (Accessed: 27 August 2019).

⁸ J. Portes and G. Forte, *Migration in Wales: The impact of post-Brexit policy changes* (Cardiff: Wales Centre for Public Policy, 2019) <https://www.wcpp.org.uk/wp-content/uploads/2019/03/FINAL-WCPP-report_Immigration-in-Wales-post-Brexit.pdf> (Accessed: 27 August 2019).

⁹ L. Stone, *Life after free movement: Making future immigration policy work for Wales* (Merthyr Tydfil: Bevan Foundation, 2019) <<https://41ydvvd1cuyvlonsm03mpf21pub-wpengine.netdna-ssl.com/wp-content/uploads/2019/01/Discussion-paper-FINAL-Jan-2019.pdf>> (Accessed: 21 August 2019).

local labour market cannot, including the higher education (HE) sector. The Bevan Foundation has recognised the reliance of the Welsh higher education (HE) sector on international mobility, seeing a “strong case for a [...] Welsh student visa and rights to work after graduation”.¹⁰ Overseas staff in the HE sector are essential to ensuring research and teaching quality as well as facilitating international research collaborations. International collaborations are vital for the strength of universities, with the leading edge of science, research and innovation found at the international level. International research also allows for the sharing of resources not readily available within a single nation.¹¹

2.3 We would like the Committee to note that international students are of enormous value to the Welsh economy. A 2018 study by London Economics, on behalf of the Higher Education Policy Institute and Kaplan Pathways, measured the economic impact of international students in the UK in each parliamentary constituency.¹² It showed that the:

international students of Welsh provided a net benefit of £900.7m to the economy

cohort from the Cardiff Central constituency contributed £151.4m, which was the highest of any Welsh constituency and the thirteenth highest in the UK

3,225 international students of the four constituencies in Cardiff and Penarth contributed a combined £244.7m

2.4 Similarly, a 2017 report by Viewforth Consulting for Universities Wales evidenced the positive effect on the Welsh economy created by international students.¹³ Analysing the economic impact on Wales of the 22,190 international students studying at the eight universities in Wales during 2015/16, it showed the students and their visitors generated:

£487m of export earnings (equivalent to 3.7% of all 2015 Welsh exports)

£716m of Welsh output

£372m of Welsh Gross Value Added (GVA).

2.5 Involvement with Erasmus+ provides tangible benefits to students who take part: students who go abroad are 9% more likely to gain a 1st or 2:1 degree, 24%

¹⁰ Ibid, p. 27.

¹¹ J. Adams and K. A. Gurney, *The Implications of International Research Collaboration for UK Universities* (London: Digital Science, 2016) <<https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/International/implications-research-digital-collaboration-uk-universities.pdf>> (Accessed: 29 March 2019).

¹² G. Conlon, M. Halterbeck and J. Julius, *The costs and benefits of international students by parliamentary constituency* (London: London Economics, 2018) <<https://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-of-international-students-by-constituency-Final-11-01-2018.pdf>> (Accessed: 21 August 2019).

¹³ U. Kelly and I. McNicoll, *The Economic Impact of International Students in Wales* (Cardiff: Universities Wales, 2017) <<http://uniswales.ac.uk/media/Unis-Wales-international-student-research.pdf>> (Accessed: 21 August 2019).

less likely to be unemployed and 9% more likely to be in graduate jobs six months after graduation.¹⁴ However, 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.

2.6 In the event of a no-deal Brexit, the UK and Welsh Government should do everything possible to facilitate the mobility of students. The priority should be to maintain the UK's full participation in the Erasmus+ scheme after Brexit (on an associated basis as a full Programme country) as well as the successor programme. Failing this, a replacement scheme must be established.

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

3.1 A Wales-specific Shortage Occupation List would be welcome, although is unlikely to make a dramatic difference. For most occupations the SOL is likely to be similar in England and Wales. Manufacturing, social care, health and education will be the most affected sectors, although this is the same across the UK.¹⁵

4. 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?

4.1 As an 'A-rated' licence holder (granted by the Home Office), the University has been able to engage non-EEA/Swiss nationals under Tier 2 of the current points-based system since 2008. The current system is onerous and costly for employers due to the significant responsibilities associated with recording and reporting information in relation to Tier 2 sponsored workers; a breach of these responsibilities can result in the downgrading or loss of the sponsorship licence. In addition, the system is extremely complex for applicants to navigate. The Immigration White Paper acknowledged the shortcoming of the current sponsor licencing system and referred to the implementation of a "reformed lighter-touch, risk-based approach, such as seeking to share and utilise data already held across government, reducing the administrative burden on employers".¹⁶ This intent was very much welcomed by the University.

However, the lead-time to develop such a system would be significant. This must be addressed before the expansion of Tier 2 to EEA/Swiss nationals and it seems unlikely that such ambitious reforms would be achievable by January 2021. There

¹⁴ Universities UK, *Gone International: mobility works* (2017) <https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/International/GoneInternational2017_A4.pdf> (Accessed: 4 September 2019).

¹⁵ J. Portes and G. Forte, *Migration in Wales*, p. 4.

¹⁶ HM Government, *The UK's future skills-based immigration system* (2018).

would also need to be a significant transition period in order to move effectively to an expanded system; as we move closer to the planned implementation, this seems less likely.

4.2 In addition, a Home Office fact sheet of 19 August 2019 stated:

“Details of other changes immediately after 31 October and improvements to the previous government’s plans for a new immigration system are being developed and the government will set out its plans shortly. The Prime Minister has been clear that he wants to introduce an Australian style points-based immigration system. The Home Secretary is commissioning the independent Migration Advisory Committee (MAC) to examine this.”¹⁷

Without any real clarity as to the how the new immigration system will operate, it is difficult to comment further at this stage.

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

5.1 The salary threshold is too high, with £30,000 more than the starting salary for a range of important skilled work in short supply, e.g. nursing and allied health professionals, social workers, care workers, lecturers, technicians, research assistants and teachers. In Wales, average earnings are significantly below £30,000, meaning this rule would have a disproportionate affect.¹⁸ A serious, evidence-based re-appraisal is needed on this matter to prevent a detrimental effect on the lives of people that rely on these professional roles.

5.2 We are part of the Russell Group of the UK’s leading research-intensive universities. A policy briefing from the Russell Group has made clear the extent to which the current proposals could damage research intensive institutions:

- At Russell Group universities, nearly 59,000 positions (a third of all roles) would not qualify for sponsorship under the proposed thresholds, with 10% of these positions currently filled by EU nationals.
- Most academics earning less than £30,000 at Russell Group universities are aged 34 years and below, indicating early career researchers and teaching staff would be hit hardest.
- A £30,000 threshold would hinder the ability to recruit part-time staff, as the current rules require actual salary rather than full-time equivalent salary.

¹⁷ HM Government, *Media factsheet: EU citizens and freedom of movement* (2019)

<<https://homeofficemediac.blog.gov.uk/2019/08/19/media-factsheet-eu-citizens-and-freedom-of-movement/>> (Accessed: 3 September 2019).

¹⁸ L. Stone, *Immigration after Brexit* (2018) <<https://seneddresearch.blog/2018/11/19/immigration-after-brexit/>> (Accessed: 27 August 2019).

Part-time staff make up 26% of the Russell Group workforce, with women accounting for 70% of the part-time workforce.¹⁹

5.3 We would encourage the Committee to **consult the Russell Group’s policy briefing in full.**

6. 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?

6.1 As an employer, we have no concrete information as to how well or otherwise the EU Settlement Scheme is working. The University has issued repeat communications to staff in order to encourage them to register for settled or pre-settled status. However, we do not know how many have done so and how many have been successful as the Home Office has stated that it is the responsibility of the individual to make an application to the scheme. There is no requirement for applicants to inform their employer (in this case the University) that they have applied or of the outcome of their application and the employer is not required to check that an employee has applied. From its inception the Scheme’s uptake was going to be difficult for the University to gauge.

6.2 The Welsh Government might want to consider a media campaign, although it should heed lessons from the Advertising Standards Agency recent ban on a Home Office radio advert regarding the scheme.²⁰

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

7.1 We would like to highlight the particular impact any changes will have on the city of Cardiff. 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.²¹ 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”.²²

¹⁹ Russell Group, *Priorities for a future skills-based immigration system* (2018) <https://russellgroup.ac.uk/media/5785/future-immigration-system-russell-group-briefing-july-2019.pdf> (Accessed: 3 September 2019).

²⁰ Advertising Standards Agency, *ASA Ruling on Home Office* (28 August 2019) <<https://www.asa.org.uk/rulings/home-office-A19-567167.html>> (Accessed: 3 September 2019).

²¹ G. Piazza and N. Clayton, *With or without EU? How changes to European migration will affect cities after Brexit* (London: Centre for Cities, 2018) <<https://www.centreforcities.org/wp-content/uploads/2018/08/2018-08-22-With-or-without-EU-%E2%80%94-How-changes-to-European-migration-will-affect-cities-after-Brexit-2.pdf>> (Accessed: 21 August 2019).

²² *Ibid.*, p. 20.

7.2 Using opportunities stemming from the UK-EU Mobility Framework, we encourage the Welsh and UK governments to explore options that support flexible mobility arrangements for students and research workers.

7.3 The Tier 1 Exceptional Talent visa should be expanded to ensure all PhD-level roles are eligible for this route across all fields of research. Indeed, all charges associated with securing a visa must be reasonable and proportionate and the Immigration Skills Charge exemption for PhD-level roles should be maintained.

Cardiff University

10th September 2019

Changes to freedom of movement after Brexit – implications for Wales

EAAL(5) FOM10
Evidence from Arts Council of Wales

Context:

1. This written evidence is submitted by the Arts Council of Wales. It is informed by the expertise and experience of the Arts Council's international arm, Wales Arts International. We have maintained an active engagement with European programmes and funding over the past ten years, including the being the only UK member of the international cultural mobility network On the Move.¹
2. We welcome this consultation by the External Affairs and Additional Legislation Committee. Since the EU referendum vote, we have undertaken a number of pieces of research to assess the potential impact of Brexit on the arts sector in Wales. We have also contributed to consultations held by the National Assembly for Wales (including to this Committee), the House of Commons and the House of Lords. These are all detailed on our website².
3. Of particular relevance to this consultation is the survey conducted in the summer of 2016, by Wales Arts International on behalf of Arts Council of Wales. The purpose of this survey was to understand the potential impacts of the EU referendum decision on the creative and cultural sector in Wales³, potential implications of reduced freedom of movement were a major concern and a key area of uncertainty for our sector.
4. Additionally, in January 2018 we submitted evidence to the House of Lords EU Home Affairs Sub-Committee inquiry *Brexit: movement of people in the cultural sector*⁴; and whilst that evidence pre-dates the UK Government's White Paper on a future immigration system, the concerns for our sector remain the same.

¹ <https://on-the-move.org/>

² <https://arts.wales/news-jobs-opportunities/briefing-note-on-brexit-for-arts-practitioners>

³ [The Arts in Wales and the potential impact of leaving the EU](#), survey by Arts Council of Wales / Wales Arts International, October 2016

⁴ House of Lords, EU Home Affairs Sub-Committee inquiry, [Brexit: movement of people in the cultural sector](#),

July 2018

5. The creative industries, and the arts sector that we work with, rely on the constant flux and exchange of local, national and global participants. The strength, diversity and innovation of the arts depend on the free movement and exchange of ideas, talent and creativity – the so-called mobility of artists and creatives. This is essential for the creation and production of the high quality of work for which Wales and the UK is known.

6. Europe is an important source of specialist talent for a whole range of companies, from Welsh National Opera to National Dance Company Wales, with creative individuals employed both as part of the core team as well as contracted for specific productions. The easy two-way flow of this talent is currently part of the success of the creative industries as a powerful engine for growing economic activity in Wales.

7. A diverse workplace makes our companies competitive internationally. Attracting international talent and leaders offers a new perspective to our companies' culture. Alongside Welsh and British colleagues they transform the quality and nature of the arts experience, helping our companies to develop their capacity and reach. This in turn helps them to break into the new international markets that are so important in sustaining a viable business.

8. The creative sector thrives on innovative and specialist expertise and technologies. By their very nature, such skills are not widely available. Exceptional talent in the arts and creative industries is as vital to the success of the sector as other areas such as science and academia. European workers provide a steady stream of skills in areas where we currently lack capacity or expertise. Additionally, these workers help us better understand Europe, our biggest overseas market.

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

9. There are implications for the arts sector in Wales of the UK Government's recent White Paper proposals on immigration after Brexit. In our opinion, the proposals do not do anywhere near enough to take into account the unique nature and needs of the highly mobile creative sector.

10. A recognition of this uniqueness of the creative sector is needed in order to enable the sector to continue to thrive. Many creative workers are self-employed or work on specific time limited contracts. The working patterns of the sector are atypical – a contract could be for a few hours, a day or longer term.

11. The current system for non-EU nationals and the proposed future immigration system for both EU and non-EU nationals offer visa options for creative workers. But there are limitations associated with these. For example, the Permitted Paid Engagement visa route is only valid for one month and for single entry, so it would need to be more flexible to the needs of the cultural sector, who may require different lengths of stay eg for tours.

For longer-term appointments, the current visa options (such as Tier 2 or Tier 5) require UK employers to first apply for a sponsor licence. For many small and

micro companies in the creative sector, the financial and administrative cost of becoming a Tier 5 visa sponsor (for short term contracts) will be prohibitive.

12. The implications for the arts sector in Wales are not necessarily different from those in other parts of the UK in the same sector. We share many similar concerns.

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

13. From the perspective of arts and culture, 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.

14. 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.

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

15. The future mobility of highly trained artists and skilled workers is a key concern. There is currently a limited amount of creative industries (including arts) occupations on this list. We do not have sufficient information as to the implication for our sector to take a view on the proposal for a Wales-specific Shortage Occupation List at this point.

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?

16. Curtailing the easy two-way flow of talent currently enabled by EU freedom of movement could lead to a substantial loss of important skills to Wales and to the Welsh economy. Our main concern with the proposals for Tier 2 is that this can be a complex and somewhat limited route for needs of the arts sector. The cost and administrative burden may be prohibitive for many smaller companies.

17. The UK Government's White Paper setting out the future relationship between the UK and the EU⁵ proposes a cooperative accord in culture and education. It 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.

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

18. High levels of technical skills do not always translate into high salaries. The nature of the arts sector and employment contracts – as well as the self-employed/freelance status of many creative professionals - mean that this threshold is too high and therefore would be prohibitive for many in the arts sector in 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?

19. As an organisation we do not have direct experience on the operation of this scheme and therefore we do not have a comment to make on this.

However, we support the case to safeguard the rights of EU nationals living and working in Wales and the UK, and to ensure they are welcomed.

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

20. Artist mobility is the foundation of artistic and creative development. Any changes to immigration regulations must be negotiated in ways that allow reasonable and appropriate mobility of creative workers. It must specifically avoid counter-productive barriers based exclusively on salary thresholds and quotas.

21. This view is supported by the National Assembly for Wales' Culture, Welsh Language and Communications Committee, who has made a series of recommendations in their report entitled Brexit: the arts sector, creative industries, heritage and the Welsh language⁶ including:

***“Recommendation 3.** The Welsh Government should ensure that any future arrangements for enabling European workers to come to Wales and vice versa will not be financially and administratively prohibitive for small employers. The arrangements should also take into account the fact that the arts sector is more likely to employ people on atypical work contracts. “*

22. We welcome and support the research and recommendations carried out by the Creative Industries Federation in their Global Talent Report⁷. We would like to see the introduction of visa free travel, or of a specific multi entry touring visa for creatives working between the UK and EU. We would also welcome a review of

⁶ [Report – Brexit, the arts sector, creative industries, heritage and the Welsh Language](#)

⁷ [Creative Industries Federation Global Talent Report 2017](#)

the options around the permit free festivals model and intermediary bodies providing certificates of sponsorship. All options should be explored with a view to minimise the bureaucratic burden and enable the creative, artistic and commercial success of a key sector.

23. As the UK member of the On the Move network, the Arts Council of Wales will support the development of an information network which researches and shares intelligence and of the establishment of an “information point” on artist mobility for the UK, based in Wales. It will focus working with the arts sector on visa, work permit and border issues as well as taxation issues.

Arts Council of Wales / Wales Arts International

September 2019

Changes to freedom of movement after Brexit – implications for Wales

EAAL(5) FOM11 Evidence from South and Mid Wales Chambers of Commerce

Covering most of Wales, the South & Mid Wales Chamber of Commerce's core membership is SME's who are wanting to expand and grow their business. Through our extended network we speak to businesses of all sizes and from all sectors. We understand their ambitions, the challenges they face in getting there and we work with partners across the private and public sectors to help them achieve their goals.

In the three years since the decision of the United Kingdom to leave the European Union we have held numerous discussions with our members on how they may be affected. These have included round-table meetings, panel discussions and surveys. Many of these conversations have focussed on the impact of changing the UK's immigration rules, with one survey asking questions specifically on the UK Government's White Paper.

Impact on Businesses

It is clear that while only a proportion of Welsh businesses currently employ non-UK citizens these companies are the ones with growth potential. The Welsh economy will only succeed if these businesses succeed.

In a survey of Chamber members, conducted online between 20 May and 10 June 2019, 70% of businesses told us that they have not employed a non-UK citizen in the last year. Of these 80% do not expect that the new immigration rules will have an impact on them, 15% expect a limited or indirect impact, while only 5% expect the changes to have a direct affect on them.

Meanwhile, of the 30% of firms who have employed a non-UK citizen in the last year 56% expect to be directly affected with an additional 12% expecting some impact. These businesses are also the larger companies (50% employ more than 50 members of staff compared to only 15% of businesses who do not hire overseas workers) that are more likely to export (71% export compared to 46% of firms who only employ UK citizens).

Concerns of Businesses

Our members primary concern is that any changes to the immigration system will make it harder for them to recruit people with the skills and knowledge that the business needs to develop, and that this in turn will increase costs making the business unsustainable.

In detail these concerns include:

- 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 international staff are already reporting that they are receiving fewer applications from outside the UK. They expect this to only get worse with time.
- There are costs; fees, administrative costs and time, involved with getting a visa for an employee from outside the EU. If EU citizens also require a visa to work in the UK this will increase the costs for businesses.

A professional services business based in Cardiff told us,

“We pay consultants to manage our visa applications - change always brings cost.”

- There are already difficulties with the visa system, with the time taken to process applications often meaning that potential employees decide to not take up the offer. Including EU citizens in this process will slow it down further and increase the number of people not taking up roles.

A small manufacturer of electronic goods told us,

“The foreign visa system is a farce. By the time you get a licence the employee has moved on and even then you then move into a lottery for the actual visa.”

While a marketing, media and events company based in Cardiff told us,

“Any difficulty or increased work in getting skilled staff into the UK to work will have a direct impact on our ability to operate.”

- There are insufficient people in the local area with the appropriate skills to fill roles while people with the skills in other parts of the UK may not be willing to move.
- The proposed salary threshold is wildly out of step with the average salaries in Wales. If the threshold of £30,000 is imposed it will disadvantage Wales in attracting overseas talent compared to more affluent areas. Welsh businesses would also have to disproportionately increase what they pay non-UK citizens just to put them over the threshold.
- Any added restrictions, whether bringing in rules for EU citizens or increasing regulations for non-EU citizens, may affect the ability of global companies to move staff around for short term working.

A manufacturer employing 500 people in the Valleys told us,

“We are a global organisation with development responsibility for all regions. We need to be able to bring

colleagues from all regions for hands on training to the UK for them to apply the skills to local markets. Any restrictions to this prevent us from training our global workforce and undermines our ability to carry out essential functions of a global development centre.

If the concerns of businesses come to fruition, there will be impacts both for those individual firms and on the wider Welsh economy. These could include:

- Some businesses are considering relocating overseas if they cannot fulfil their employment requirements here. This will lead to job losses and reduction in tax being paid.

A manufacturer based in Swansea told us,

“We’ll move overseas if necessary.”

- The impact of the immigration rule changes on one business can have a knock-on effect on their customers, supply chain and sub-contractors. These effects are likely to include increased prices, inability to fulfil orders and businesses looking to find alternative, cheaper suppliers.

A professional services business based in the Valleys told us,

“Any restrictions on immigration make it even more difficult for our clients to find employees and so affects our business because they are less successful.”

Doing things differently and a Wales-specific Shortage Occupation List

Our members are concerned that introducing a different immigration policy in Wales compared to the rest the UK will add to their administrative burdens and costs rather than make the system simpler.

In considering whether to support a Wales-specific Shortage Occupation List we would urge the Committee to ask the following questions:

- Are there many occupations with a significant enough shortage in Wales that they would be included on a Wales-specific list but not an UK wide list?
- If there is, why is there a shortage in Wales but not in the rest of the UK?
- Are there alternative steps that could be taken to encourage people to take these jobs in Wales?
- If a Wales-specific list is introduced how can it be done without any additional administration burdens and costs to businesses?
- And finally, what happens in the case of businesses that employ people across the UK? Which shortage occupation list would they fall under? And how will this impact on where businesses choose to locate staff?

What should the Welsh Government be doing?

While most of the decision making around immigration policy lies with the UK Government, we believe that the Welsh Government has a role to play in minimising the effect on Welsh businesses of any changes in the immigration system. Our recommendations are:

1. The Welsh Government, working with the private sector, fully research which occupations currently rely on workers from overseas, which sectors are most affected and what the implications could be for their supply chains.
2. All occupations require some level of skill, knowledge or experience. For the occupations that could be particularly hit by changes to the immigration rules, the Welsh Government should develop training pathways in schools, colleges, universities and in partnership with private sector training providers, for people, particularly living in areas with a high concentration of these roles, or in areas of high unemployment, to gain the required skills.
3. The Welsh Government, the business community and others to work together to make Wales an attractive place for people to choose to work through improving housing availability and quality, improving transport connections within Wales as well as to the rest of the UK and beyond, improving the quality of life for people, particularly for young people, in all parts of Wales and, improve working conditions. This must however be done in a way that doesn't make Wales an unattractive place to locate a business.
4. Give serious consideration to the questions we ask around a Wales-specific Shortage Occupation list before pressing ahead.
5. Influence the UK Government to:
 - a. Reduce the proposed £30,000 salary cap.
 - b. Increase the capacity to process visa applications.
 - c. Reduce the cost of visa applications.

Yours sincerely,



Heather Myers

CEO, South & Mid Wales Chamber of Commerce

Changes to freedom of movement after Brexit – implications for Wales

EAAL(5) FOM12 Evidence from Universities Wales

Universities Wales welcomes this consultation into changes to freedom of movement after Brexit – the implications for Wales, to inform Welsh and UK Government thinking in this area. It is worth noting that on 9 September 2019 the UK Parliament was prorogued; with the session discontinued the UK Government will need to introduce new legislation in the next session to end freedom of movement.

Executive summary

- i. The EU plays a very important role in Welsh higher education in terms of student and staff recruitment; student and staff mobility; and research collaborations that exist between Welsh universities and European institutions. The proposed changes to freedom of movement in the UK Government's white paper, *The UK's future skill – based immigration system*,¹ presented serious challenges for Welsh universities.
- ii. Viewforth Consulting report published in 2017 using 2015/16 data details the economic benefit of EU students for Wales:
 - Every EU student generated £19.3k of Welsh output
 - One Welsh job was generated by every six EU students in Wales
 - Every EU student generated £9.3k of Welsh GVA²
- iii. In 2017/18 (the latest available data) there were 1,485 EEA nationals working in Welsh universities, accounting for 7% of the total workforce and this proportion rises to 11% amongst the academic workforce. In the same year, 7.5% of students in Welsh higher education institutions were from the EU.³
- iv. The UK Government's intention of ending freedom of movement on 31 October 2019⁴, 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. The most recent Home Office policy paper⁵ was updated on 5 September; it outlines a new European Temporary Leave to Remain (Euro TLR) scheme. The new Euro TLR scheme

¹ UK Government, White Paper, [The UK's future skills-based immigration system](#), December 2018

² Kelly, U and McNicoll, I, [The Economic Impact of International Students in Wales](#), Viewforth Consulting, November 2017

³ Higher Education Statistics Agency 2017/18 dataset

⁴ BBC news, [Brexit: Freedom of movement plan 'will create chaos'](#), August 2019

⁵ UK Government, Home Office, [No deal immigration arrangements for EU citizens arriving after Brexit](#), September 2019

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.

- iv. The Erasmus+ student mobility programme faces particular risks as, despite the UK Government's underwrite guarantee of funding for Erasmus mobility⁶, there is still the possibility that spring semester placements for 2019/20 academic year, which have not yet been finalised, will be at risk. All Erasmus mobility for 2019/20 should be underwritten in full by the UK Government.
- v. The proposal to introduce a six-month post-study leave for all master's students and bachelor's students (and a year for those who have completed a PhD) is welcome, but does not go far enough and we have been lobbying for a two-year post-study work visa.⁷

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

- 1.1 The UK Government published its immigration white paper, *The UK's future skills-based immigration system*,⁸ in December 2018. It set out a single immigration system for all, based on skills need rather than nationality with no preferential treatment for EU citizens. It also contained the UK Government's responses to both Migration Advisory Committee (MAC) reports on international students and EEA workers. The proposed system will come into effect after the proposed transition period, currently expected to last until the end of December 2020.
- 1.2 The importance of student mobility during academic programmes is highlighted in a Universities UK report which 'found that mobile graduates from the 2015/16 academic year were more likely to be in graduate employment or further study, more likely to have a higher starting salary, and had a lower unemployment rate than their non-mobile peers'.⁹ Continued participation in the Erasmus+ programme is considered vital to maintain outward and inward mobility to Wales as well as playing an important role in links between Welsh universities and universities across Europe. If continuation in Erasmus+ is not possible then the UK Government must replicate the scheme across the whole of the UK with appropriate consultation with the devolved administrations.

⁶ UK Government, [Register to claim Erasmus+ and ESC funding from the government guarantee](#), April 2019

⁷ Universities UK, [Parliamentary briefing: An improved post-study work system](#), September 2018

⁸ UK Government, White Paper, [The UK's future skills-based immigration system](#), December 2018

⁹ Gone international

1.3 It will be essential for Welsh universities to continue to maintain and increase ‘international links [which] create esteem and demonstrate the wider engagement and status of an institution, helping to attract students and staff from an international catchment’.⁹ The draft Welsh Government international strategy highlights the importance of people to the strategy and the need for continued participation in Erasmus+.¹¹

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

2.1 The immigration white paper supports the MAC recommendation to offer a six-month poststudy leave to all master’s students and bachelor’s students (and a year for those who have completed a PhD). This is a positive step but is not as generous a post-study work visa as many of our competitors – Canada offer up to three years, Australia up to 18 months and the USA up to twelve months. Universities Wales is working with its parent body Universities UK to lobby UK Government for a two-year post study work visa.¹⁰ If this is not forthcoming for the UK, Welsh Government should initiate discussions with stakeholders on the recommendation by the Children, Young People and Education Committee: ‘the Welsh Government should proactively demand, via any future UK Immigration Bill, executive powers for Welsh Ministers that allow them to make spatially different immigration rules specifically for students and academic staff in Wales’.¹¹

2.2 Wales’ migrant population is proportionally lower than the rest of the UK. The Bevan Foundation highlights Wales’ aging population and its reliance on migration to maintain growth. If ‘Wales wants to continue growing its population and minimise the reduction in the numbers of people of working age, it will need to look to immigration, both from within the UK and outside of the UK.’¹²

3. What are your views on the proposal for a Wales-specific Shortage Occupation List?

3.1 In May 2019 the MAC published its review of the Shortage Occupation List (SOL).¹³ It recommended separate SOLs for Wales and Northern Ireland alongside the existing Scotland-only SOL. The review recommended a

⁹ Adams, J and Gurney KA, [The implications of international research collaboration for UK universities](#), February 2016

¹¹ Welsh Government, [International Strategy: draft for consultation](#), July 2019

¹⁰ Universities UK, [Parliamentary briefing: An improved post-study work system](#), September 2018

¹¹ Children, Young People and Education Committee, [Degrees of Separation? The Impact of Brexit on Higher and Further Education](#), December 2018 (Recommendation 1)

¹² Bevan Foundation, [Demographic trends in Wales: An analysis of how migration influences Wales’ current and projected population](#), November 2018

¹³ Migration Advisory Committee, [Full review of the Shortage Occupation List](#), May 2019

number of additions to the list, most relevant to the higher education sector are the addition of all biological scientists and biochemists, archaeologists, bio-informatician and informatician.

3.2 The MAC also recommended a review of the role of the SOL given that two of the main benefits of being on it (outside cap and no Resident Labour Market Test) will disappear under the future immigration system.

3.3 It is not clear how the MAC will operate in relation to the devolved administrations and whether they would manage the SOL for the devolved nations. If the Wales-only SOL is managed by the MAC it is difficult to see what the substantial benefits for a Welsh-only SOL would be.

4. 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?

4.1 The immigration white paper sets out the intention to improve and reform the current Tier 2 visa and sponsorship system for employers and to update the visitor rules. These proposals are aimed at accommodating the new single skills-based work route which will include EEA nationals for the first time.

4.2 Universities UK and Universities Wales hosted a roundtable with HR representatives from Welsh higher education institutions. The discussion explored existing issues on career progression and mobility of Tier 2 international staff, experiences of using the Sponsorship Management System and issues with the current visitor rules.

4.3 Most of the existing proposals to improve the visa system are welcomed; they will provide several benefits to improve recruitment, career progression and mobility for international staff on a Tier 2 visa in universities. Abolition of the Resident Labour Market Test and removal of the cap on numbers of skilled workers are particularly welcomed because their removal will reduce costs for institutions and speed up the recruitment process. While the lower skills threshold to include occupations at RQF 3-5 is also seen as an improvement. However, a major issue for Welsh universities is the proposed £30,000 salary threshold.

4.4 As proposed, the Tier 4, student route, would also benefit from a more streamlined approach to reduce burden and improve the user experience, thus promoting a more welcoming environment. The Home Office's recent decision to change its biometrics partner for UK Visa and Immigration services from the using the network of Post Offices to a much smaller network of centres run by Sopra Steria has caused considerable problems and a delay in visas being issued to incoming international students.

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

- 5.1 In 2017/18 there were 1,485 EEA nationals working in Welsh universities, accounting for 7% of the total workforce. This proportion rises to 11% amongst the academic workforce. 365 EEA nationals in Welsh universities (25%) are earning less than £30,000.¹⁴
- 5.2 The £30,000 threshold would impact Welsh universities' scientific and research communities as well as their ability to recruit sufficiently qualified and skilled technicians and language assistants. If implemented, the £30,000 threshold would severely restrict the ability of Welsh universities to recruit EEA nationals to lab technician and language assistant roles leading to shortages and/or upward pressure on wages associated with these roles.
- 5.3 A salary threshold is problematic for the sector: salary is not a proxy for skill and lowering the skills threshold to RQF3 is ineffective if the current salary threshold remains. The issue is likely to impact negatively on recruitment and on retention when transitioning EEA nationals into the new system, since a number also make up lower skilled roles at universities compared to non-EEA nationals. The addition of EEA staff to the skilled work route will significantly increase the administrative and resource burden of the sponsored work route even with the positive proposals described in the white paper.
- 5.4 In February 2019 Universities UK, Universities Wales' parent body, called for the salary cap to be set at £21,000 to protect key higher education workers.¹⁵ The Welsh Government commissioned research looking at the impact on Wales if the MAC recommendations were implemented. This research included consideration of an appropriate salary threshold for Tier 2 and suggested that a lower salary threshold for Wales and the UK as a whole should be introduced.
- 5.5 In June 2019 Professor Alan Manning, Chair of the Migration Advisory Committee, was asked¹⁶ by the then Home Secretary, Sajid Javid, for the MAC to be involved with the UK Government engaging with businesses, employers and other stakeholders over the course of 12 months before determining where precisely the thresholds should be set.

¹⁴ Higher Education Statistics Agency 2017/18 dataset

¹⁵ Universities UK press release, [Universities UK calls for salary cap to be set at £21k to protect key higher education workers](#), February 2019

¹⁶ [Letter from the Home Secretary to the Chair of the MAC](#), June 2019

6. 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?

- 6.1 Higher education institutions were part of the pilot phase of the scheme at the end of 2018. Welsh institutions promoted the scheme and some institutions paid the £65 application fee that was initially charged but discontinued in January 2019.
- 6.2 Institutions were not required to and did not monitor applications to the scheme. Institutions did, however, encourage their staff to apply for settled status via various communications.
- 6.3 Anecdotal feedback from some individuals who applied for pre-settlement and are now eligible for settled status, and that they are having difficulties in making the second application.
- 6.4 The UK Government's intention of ending freedom of movement on 31 October 2019¹⁷, 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. The most recent Home Office policy paper¹⁸ was updated on 5 September; it outlines a new European Temporary Leave to Remain (Euro TLR) scheme. The new Euro TLR 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.
- 6.5 If there is clarity on whether we will leave on 31 October, and on what basis, it would be helpful for Welsh Government to launch a media campaign communicating this, what it means and reiterating details of the settled status scheme. The support package announced by Welsh Government in July¹⁹ should be part of the campaign. It would also be helpful for a similar campaign to be run by the UK Government in the EU.

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

- 7.1 The Home Office established a National Advisory Group which seeks the views of stakeholders from the Devolved Administrations on how the

¹⁷ BBC news, [Brexit: Freedom of movement plan 'will create chaos'](#), August 2019

¹⁸ UK Government, Home Office, [No deal immigration arrangements for EU citizens arriving after Brexit](#), September 2019

¹⁹ BBC new report, [Brexit: Welsh Government to help EU citizens apply to stay](#), July 2019

current system works and on the new proposals. Universities Wales was invited to join the group in May 2019.

- 7.2 Recommendation 6 from *Wales' future relationship with Europe Part one: a view from Wales* 'that the Welsh Government seeks clarity from the UK Government on the timescales for moving to a future immigration system at the earliest opportunity in order to provide businesses and public sector bodies with much needed certainty on the recruitment issues that they may face in the future'²⁰ should be reiterated to UK Government.

²⁰ External Affairs and Additional Legislation Committee, [Wales' Future Relationship with Europe: part one – a view from Wales](#), March 2018

About Us

The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities and the three fire and rescue authorities are associate members.

The WLGA is a politically led cross-party organisation, with the leaders from all local authorities determining policy through the Executive Board and the wider WLGA Council. The WLGA also appoints senior members as Spokespersons and Deputy Spokespersons to provide a national lead on policy matters on behalf of local government.

The WLGA works closely with and is often advised by professional advisors and professional associations from local government, however, the WLGA is the representative body for local government and provides the collective, political voice of local government in Wales.

Introduction

As one of the largest employers in a local area, either directly or through commissioned services, ensuring councils continue to deliver high-quality public services is an absolute priority. But as leaders of place, councils also have a unique insight and interest in ensuring that the needs of employers in the wider local economy – both large and small, public and private – are understood, and met. Fundamental to this is a steady supply of skills, including European Economic Area nationals, where appropriate. Ensuring a steady skills supply is critical to business continuity for the sustainability of essential public services and for local employers to thrive and grow. Getting the skills supply right for both national and local economies is not a new problem, but Brexit adds an additional challenge.

Notwithstanding Brexit and the potential reduced reliance on EU workers, we face a range of skills challenges which affect people and places in different ways. These include large numbers of adults with poor basic skills and capabilities; shortages of higher-skilled technical and vocational workers; and geographical differences contributing to reduced local growth, poor productivity and low pay in many areas.

Councils, looking across their local economies, continue to highlight potential areas where recruitment may become more challenging post-Brexit. This is within local government and the wider public sector including social care and health, as

well as across local industries such as agriculture, catering, hospitality, construction, retail and tourism. It is clear that the effects of Brexit and changes to freedom of movement will vary within and across places.

Given these challenges and the unique position of local authorities we welcome the opportunity to respond to the External Affairs and Additional Legislation Committee's consultation into changes to freedom of movement after Brexit – the implications for Wales. In relation to the UK Government's White Paper proposals on immigration after Brexit it is also worth noting that WLGA have endorsed the recent Welsh NHS Confederation Policy Forum's response to the UK Government's Future Skills Based Immigration System White Paper which was focused on the health and social care sector.

Implications of policies proposed in the Immigration White Paper

Free movement has enabled EU migrants to live and work across Wales, including through routes that begin elsewhere in the UK. The flexibility of free movement has facilitated the emergence of migrant networks, as family and friends move to join previous migrants, and such networks facilitate integration and settlement. At the same time, access to social security and public services has enabled EU migrants to sustain often low-paid and precarious jobs.

Local authorities in Wales, as well as employers and third sector organisations, have actively supported the recruitment and settlement of EU migrants. Many areas have invested in infrastructure to support language learning and have developed tailored support services. Local authorities have also played an active role in recruiting and retaining EU staff working in public services such as teaching and social care. EU nationals have made an important contribution to sustaining such services, in turn helping to retain existing populations in these areas, both UK and foreign-born.

The proposals to end free movement and restrict immigration to Tier 2 and temporary routes could seriously disrupt current patterns of mobility and settlement across Wales. As we will discuss in more detail later there are a number of sectors in Wales where the £30,000 salary threshold would not be met. The proposed seasonal agricultural workers programme and transitional temporary scheme would involve short-term stays of single migrants, without access to public funds and with no pathway to settlement and integration. This would prohibit the retention of staff in many local areas, with serious consequences for the sustainability of local services.

The proposals also imply a diversification of migrants in terms of countries of origin. This is not a problem in itself, and could make a positive contribution to local communities. However, the presence of migrants from a wider range of countries, alongside changes to existing patterns of migration with regard to length of stays, gender, age and family profiles, would require existing services to adapt in order to support newer groups and their social integration. Smaller

communities will also lack existing migrant networks in local areas, implying less informal support for integration. The potential consequences for local support services require further analysis.

We need a high performing and well-coordinated employment and skills system responsive to the needs of employers and local areas if we are to address skills gaps and shortage by investing adequately in, and targeting retraining and upskilling support of the current workforce and ensuring young people are trained for current and future jobs. Every place is different with a unique mix of people, jobs, economies and geography. This creates a varied picture with some places at or close to full employment and with skilled workforces, while others are still recovering from recession and facing challenges in employment, pay and productivity. Ultimately every area wants the power to match skills supply and demand, so residents can compete for current and future jobs. Yet despite the levers to achieve this being nationally rather than locally controlled, local intelligence on skills is absolutely critical in understanding what the skills levels of an area are, and what skills are needed where and when.

In order to help address these skills gaps and shortages it is essential that we have a fair and reasonable immigration system that supports all to be able to attract both EU and non-EU citizens to live and work in Wales. As recognised in the Welsh NHS Confederation Policy Forum's response it is likely that the proposals as currently set out in the UK Government's Immigration White Paper will have a detrimental impact on many parts of our workforce in Wales. For example, the report 'Research on the Implications of Brexit on the Social Care and Childcare Workforce in Wales' which considered the composition of the regulated social care sector, suggests that the immediate impact of the UK leaving the EU is likely to exacerbate existing workforce and retention pressures.

We recognise that the White Paper is a starting point for some of the proposals and there is still more work to be done to fully work through some of the detail. This is an evolving and shifting area of policy, for example the Prime Minister's recent announcement regarding commissioning the Migration Advisory Committee (MAC) to conduct a review into the potential implications of an Australian points-based immigration system. However, regardless of whether any future immigration policy is skills-based, points-based or a combination thereof, we need to ensure that the system in place is able to meet the needs of employers in Wales.

Both the MAC report and the White Paper argue that restricting EU migration of lower skilled or paid workers will improve the prospects of native workers, particularly those with lower skills, since it will increase the incentive of employers to invest in training or other measures to boost productivity. 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.

Below we further consider some of the key areas and proposals contained within the White Paper in more detail.

Level of salary threshold

The MAC recommended that if in the skilled route the permitted skills level is expanded to include intermediate skills (RQF 3-5), the current minimum salary threshold of £30,000 should be maintained, to maximise economic contribution. The White Paper agrees with the MAC's view that the salary thresholds should ensure that migrants are raising the level of productivity in the UK, making a positive contribution to public finances and are not putting downward pressure on earnings. Whilst we welcome the fact that it goes on to say that, "before confirming the level of a future salary threshold we will want to engage extensively with businesses and employers, consider wider evidence of the impact on the economy and take into account current pay levels" [6.24 p.48], it seems inevitable that some level of salary threshold will be in place.

The recent WCPP report highlights some of the key challenges with setting a £30,000 threshold in Wales with eight out of the top ten sector-occupations having median earnings below the £30,000 threshold and in most cases well below. For these sectors a substantial majority of EU workers would not qualify for a Tier 2 visa. The most vulnerable sector is likely to be manufacturing, with three occupations (skilled workers, plant and process operatives, and unskilled workers) in the top 10 and with even most skilled manufacturing workers earning less than £30,000. It is also notable that EU workers are spread across occupations and are clearly not solely working in unskilled roles.

One area in particular that local authorities have highlighted significant concerns over in relation to the salary threshold is social care, where an increasing proportion of new entrants to the sector, in both the UK as a whole and Wales, are EU citizens. The findings from an independent study of the economic value of adult social care sector in Wales¹ found that social care creates jobs for 127,000 people. It also directly employs almost as many people as the NHS, which makes it one of the biggest employers in the country, with most employed in care homes and home care. The wider impact (which includes its effect on organisations that supply services to the sector and the spending power of those directly and indirectly employed in social care) means that social care contributes £2.2 billion to the Welsh economy overall, with £1.1 billion of this directly added by the social

¹ Available at: https://socialcare.wales/cms_assets/file-uploads/The-Economic-Value-of-the-Adult-Social-Care-Sector_Wales.pdf

care sector. This makes adult social care the seventh largest contributor to the Welsh economy. The study also found that adult social care in Wales employs a larger proportion of the total workforce than any other UK country, but at a time when there are significant recruitment challenges and a need to recruit 20,000 more care workers by 2030² the average employee earns around £16,800 a year. This is well short of the potential threshold of £30,000 and so it is essential the threshold is reviewed and replaced with criteria that allows employers in Wales to be able to recruit and retain the workforce needed to provide the services needed, some of which will be providing care and support to the most vulnerable in our society. The value that public services bring to society should be a key factor in assessing the skill levels and entry requirements required within a future immigration system, not the amount people earn.

As the social care sector is largely dependent on women (the social worker women to men ratio in 2017 was roughly 4:1³), there are also concerns about women's rights post-Brexit. Any disproportionate impact on women, or any group with protected characteristics under the Equality Act, must be addressed. It would be helpful if there was an Equality Impact Assessment for the Immigration White Paper in order to help look at the impact the end of free movement and the proposals in the Paper would have on certain groups.

Having a single salary threshold level which does not take into account regional differences in pay could possibly make Wales less attractive to international talent compared to other regions in the UK who pay higher salaries. The recently commissioned work by the Home Secretary for the MAC to conduct a deeper examination into the proposed salary threshold to take into consideration regionalism, sectoral differences and entry level positions, is welcomed. However, we are cognisant of the conclusion drawn in the WCPP report that if the salary threshold were to be reduced to £20,000 then whilst this would mitigate modestly the impacts on Wales (and on the UK as a whole) they would still remain substantial.

Lowering skills threshold

The UK Government has followed the MAC's recommendation to lower the skills threshold from RQF Level 6 (graduate level) to RQF Level 3 (A level or equivalent). However, the impact of this will largely be dependent on the level of the new salary threshold. We know for example that most roles within the health and social care sector with an RQF 3 level would not meet the £30,000 threshold; in the Welsh NHS the average annual salary for a full time (37.5 hours/week) post with an RQF 3 level qualification is £20,795. Many essential roles in the social care sector also would not meet the RQF 3 criteria and so would not be eligible to be sponsored by an employer. The inference made in the White Paper is that

² <https://www.bbc.co.uk/news/uk-wales-47440774>

³ Social Care Wales (2017). Social workers on the Register in Wales 2017

employers should be able to raise salaries to meet the threshold requirements under intermediate qualified jobs. However, given the significant financial pressures public services in particular are under, for many posts such as those in social care where local authorities are the main purchaser of services there is little prospect of raising salaries to a level that would attract greater numbers of UK workers. The proposed changes therefore run the risk of exacerbating existing labour shortages in many areas.

Temporary worker route

For overseas workers earning below the new salary and skills thresholds the UK Government proposes a temporary visa. This will allow migrant workers to carry out any role, with no salary or skill requirements, but it will be strictly limited to 12-months with a further year cooling off period before workers can return to the UK. There will be no ability to switch to other visa routes (even if the criteria are met), access public funds, bring dependants or have a route to permanent settlement. But it will not be linked to an employer sponsor, so workers under this route will be free to move between jobs. At this stage this route is intended as a transitional measure with a full review in 2025 to consider if this route should remain open.

In principle this scheme could help to alleviate pressures on specific sectors and occupations, in particular for unskilled and seasonal work. However, concerns have already been raised about having such an explicitly temporary route and how attractive this would be to either employers or workers, particularly those in skilled or semi-skilled jobs. Any role that requires any element of training means that the actual time an employer has a worker who is able to competently do their job is already reduced, knowing that that employee will also have to leave their role within 12 months and somebody else may need to be trained up to do the same job. There are also considerable potential downsides for those migrant workers coming in via this route where they would have fewer rights, the potential for abuse by unscrupulous employers would be greater, there would be little incentive to integrate with the rest of the workforce or the local community and the level of “churn” and any associated social costs would be higher. For those sectors that have relied on a steady stream of EU workers such as social care, hotel and catering and distribution sectors the effects could be significant.

As this route will not carry entitlements to access public funds we are concerned about the implications for migrants and our local communities to further restrict rights to access public funds. In addition, under this route individuals cannot bring dependants and it cannot lead to permanent settlement. We would argue that this completely ignores the wider contribution migrants bring in terms of demographic profiles and the benefits that they bring to communities.

This temporary worker route was an area considered in the WCPP report where they concluded that, “there is little reason to believe that the ‘temporary worker visa’ outlined in the UK would do much to mitigate the impacts either overall or in the specific sectors most at risk” and in fact there is the potential for significant unintended and undesirable consequences as a result. For areas such as social care where continuity of care is such a vital issue and has been a key challenge in

areas such as domiciliary care the suggestion that this temporary worker route may be able to alleviate some workforce pressures will not enable local authorities to be able to provide the assurances that service users and their families need.

Regional flexibility

The White Paper acknowledges at the start that the new system has to “work for the whole of the UK – for Scotland, Wales, Northern Ireland and all parts of England” and that there is a need to “work with the Devolved Administrations to understand their unique perspectives and challenges and to ensure that employers have the flexibility they need to deploy staff and that individuals are able to visit, live and work in all parts of the UK.” However, with the exception of the possible expansion of the Shortage Occupation List (SOL) to Wales and Northern Ireland (and the continuation of the enhanced SOL in Scotland) there is not a great deal of consideration given to the specific interests of the devolved nations.

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.

The acceptance of a need for separate SOL lists by the UK Government for devolved nations 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. The White Paper states that the Government accepts the MAC’s recommendation to “pay more attention to managing the consequences of migration at a local level”. 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. This includes needing to acknowledge the demographic differences between the devolved nations – Wales’ population is aging and more reliant on net migration, with people aged over 65 years making up the largest share of the population. At the same time, there are fewer young and working aged people who can take care of the growing aging population in the future. It is therefore essential that a new immigration system includes the voice of devolved administrations which sit within a different context to that of the rest of the UK.

Settled Status Scheme

Local authorities continue to promote the EU Settlement Scheme disseminating information both internally and to external providers / organisations in areas such as social care, hospitality and manufacturing. However, anecdotally we are aware of concerns from local authorities that not all EU nationals are aware of the scheme. Whilst the UK Government are intending to publicise the scheme more widely, as EU nationals will need to register for the scheme whether or not there is a Deal, more publicity should be forthcoming to ensure that EU nationals living in Wales continue to feel welcome and valued.

One simple issue that has been encountered is access to hard copy information leaflets. 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.

There has been some positive feedback on the new Immigration Advice Service on eusswales.com, however some of the experiences reported from digital assisted services at libraries (managed and triaged by We Are Digital, commissioned by Home Office) has been less so. There is a suggestion that there may be benefits in looking at how Welsh Government might be able to support with alternatives to be able help more people unable to access or use a computer/phone/tablet to apply.

Changes to freedom of movement after Brexit – implications for Wales

EAAL(5) FOM14
Evidence from Wales TUC

About the Wales TUC

The Wales Trades Union Congress is the voice of Wales at work, our aim is to make Wales a fair work nation. As the largest democratic membership based civic body in Wales, we speak for approximately 400,000 union members of our 49 affiliated unions.

Proudly part of the TUC and the wider international union movement, the Wales TUC is the devolved authority for unions in Wales.

Our biennial Welsh Congress of unions decides on Welsh policy and elects the Wales TUC General Council to oversee delivery through the Wales TUC General Secretary and his staff.

Below are our responses to the consultation questions. Please get in touch if there's anything you'd like us to expand on or if you'd like us to arrange further consultation with some or all of our member unions.

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

Migrant workers make a valuable contribution to our society and economy, whether it is leading trade union campaigns for dignity at work, working in key roles in the NHS or in manufacturing jobs where unions' collective agreements guarantee that all workers are paid the rate for the job.

Some workers worry about how migrant workers have been used to undercut other workers where there is no union agreement to guarantee decent pay and conditions, as well as lack of investment in local skills and pressures on public services caused by over a decade of public sector cuts. Rather than address these concerns, the UK government's plans for a post-Brexit immigration system would exacerbate them, 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. The Immigration and Social Security Coordination Bill would repeal EU laws on free movement and social security coordination. This would enable the government to introduce the system of time-limited permits for EU workers post-Brexit that was outlined in the white paper.

This proposed work permit scheme would fuel undercutting. As we've seen before when schemes like this are introduced, bad employers would be able to use EU

workers' fear of losing their legal status in the country to force them to stay in a job with abusive conditions and low pay. This would undermine conditions for all workers, particularly those who are already working in sectors such as hospitality and care, where precarious conditions are common. This is evidenced by parts of the world that have already introduced these policies. Trade unions in Canada and Australia (see text box below) have documented how their temporary visa schemes that restricted migrant workers' ability to change employer also led to abuse and undercutting.

Canada

In 2015, the Canadian government introduced significant restrictions to its temporary foreign worker programme including strict quotas and restricting the ability of workers on these visas to change employers. Trade unions in Canada raised concern that these visas increased exploitation of migrant workers, particularly in agriculture and care, as workers were too afraid of losing their legal status to leave abusive employers. The United Food and Commercial Workers (UFCW) union in Canada described that this visa scheme created an "atmosphere of fear" amongst migrant agricultural workers and that "our staff at the migrant worker support centres often report incidences of untreated illness and injury because of the fear associated with accessing medical benefits that could signal to their employer possible productivity losses, and trigger repatriation." As a result of public and union opposition, the temporary foreign worker programme was overturned and a less restrictive system that provided routes to permanent residency was introduced in 2017.

Australia

Workers under 31 years of age can work in Australia for a year on a Working Holiday visa. Holders of this visa can work in any job but cannot be employed on any job for more than six months. Trade unions in Australia have documented that the temporary nature of this visa has been used systematically by some employers to abuse workers. The ACTU union centre has highlighted cases of exploitation of workers on working holiday visas in the agricultural and hospitality sectors, with cases of underpayment, substandard accommodation and debt bondage. Evidence from the Australian Fair Work Ombudsman revealed that in 2016 that 28 per cent of workers on the working holiday visa did not receive payment for work undertaken and 35 per cent stated they were paid less than the minimum wage.

The UK government's immigration proposals also stand to increase discrimination across society. The Home Office's own research has found that BME groups are already disproportionately targeted in the document checks introduced or expanded by the Immigration Acts of 2014 and 2016.¹ As the proposals would require EU workers to demonstrate they had the correct visa to access employment, healthcare, banking and housing, the number of document checks is likely to increase. This, in turn, risks a significant increase in discrimination

¹ <https://www.gov.uk/government/publications/evaluation-of-the-right-to-rent-scheme>

against BME groups and place these groups at further risk of losing access to vital services.

Rather than policies which scapegoat migrants and fuel discrimination, we need a new approach built on strong rights at work so that everyone is treated decently and paid fairly. As recommended by the Fair Work Commission, there must be support for trade unions to collectively bargain with employers, so that workers can claim their rights and stop undercutting. We've welcomed the Welsh Government's commitment to reverse the decline in collective bargaining coverage and call on the UK Government to echo this commitment. We need proper investment in public services and skills so that everyone can progress at work, and for workers to continue to be protected by EU levels of rights post-Brexit. We fear that the proposals undermine this final point by introducing a restrictive immigration system which would appear to be incompatible with Single Market membership which, along with membership of a customs union, is probably the best way to ensure UK workers continue to be protected by the same level of rights as workers in the EU, protect jobs and protect peace between Northern Ireland and the Republic of Ireland.

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

We have not made a thorough assessment of this as we would have to weigh up the opportunity for devolved nations to create a fairer immigration system that minimises opportunities for exploitation with the potential impact this could have on the free movement of labour between the devolved nations. 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.

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

We note the Migration Advisory Committee recommendation² to introduce a Wales specific SOL and agree that this may be necessary, particularly if freedom of movement for EU citizens is abandoned. Wales experiences unique shortages, it has a devolved public sector, a distinct economy and divergent industrial strategy (e.g. the bigger role played by manufacturing), as well as differences in the existing skills base.

While we know from the Scottish experience that there may not be substantial differences, the Scotland-specific SOL has allowed for the inclusion of specialist medical roles that were critical to the delivery of vital public services.² However,

² <https://www.gov.scot/publications/shortage-occupations-list-2018-9-call-evidence-scottish-governmentresponse-health-social-care/pages/3/>

we are conscious that this could be viewed as a medium- or long-term solution to shortages, rather than addressing what has caused them, including through improving terms and conditions and better workforce planning.

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 are concerned about any policy changes which introduce additional restrictions on workers, rather than promotes the rights of workers. This proposal would apply significant restrictions to EU nationals who are currently able to benefit from the freedom of movement policy. We are especially concerned about the impact this will have on marginalised groups in the labour market, such as women, who will be unfairly disadvantaged by the criteria for Tier 2 immigration such as the salary threshold. In our response to the Immigration and Social Security Coordination Bill we set out how this and other proposals will be bad for *all* workers as it risks increasing exploitation, discrimination, increasing pressures on public services and exacerbating skills shortages.³

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

Unions are very concerned about the salary threshold requirement for Tier 2 migrants as it does not reflect longstanding issues with low pay in our labour market. The cap has been in place for seven years, and we have not observed it have a positive impact on pay generally (as the MAC has suggested it could). Given that only around one in five EU nationals working in the UK earns £30,000 or more, we have very serious concerns about how this would impact on these workers and their workplaces. The proposal appears to fail to recognise the role played by EU nationals working in the UK.

The threshold will also make it harder to recruit workers for roles facing shortages that have been subject to public sector pay restraint. We have called for this threshold to be removed in order to address short term shortages, however, we have made clear that in the medium and long term this must be addressed by raising public sector pay. It is also worth noting that the median annual salary in Wales in 2018 was approximately £21,630– significantly lower than the suggested threshold.

We welcome further consideration of the threshold by the Migration Advisory Committee as it may be too high for parts of the country with lower average pay rates, such as Wales, and would therefore fail to address short term shortages.

We are concerned that the MAC's recommendation (and UK government proposals) that the UK should have an immigration system that is more restrictive for 'low skill' migration and extends temporary visa schemes will increase the

³ https://www.tuc.org.uk/sites/default/files/Buildingsolidarityreport.docx_.pdf

chances of workers becoming undocumented and subject to exploitation. Previous experiences of 'tied' visa schemes, such as the Seasonal Agricultural Workers scheme that was run for A2 workers between 2007 – 2011, has shown that restricting the legal means by which migrant workers are employed increases the chance of exploitation and the risk that workers become undocumented. This is due to the fact workers on 'seasonal' temporary visas are likely to lose their immigration status if they leave abusive employers. As workers without legal status in the UK have no legal right to protections at work, they are extremely vulnerable and at risk of some of the worst forms of labour exploitation, including modern slavery.

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?

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.

Despite our serious concerns about the EU Settlement Scheme,⁴ including around the evidence requirements and the fact that this may disadvantage vulnerable workers, we have worked to support Welsh Government in this area by raising awareness of the scheme amongst trade unions officers and reps. However, this work is at a relatively early stage, so we are not yet able to assess how well it is going.

We do not believe that there is much more that Welsh Government could be doing now to increase registration figures. Rather, there is more that the Home Office could be doing – such as the accessibility of document scanning centres throughout Wales – to ensure that all those eligible can register.

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

We would highlight our response to the Immigration and Social Security Bill which provides more detail on many of these answers, which is available here: https://www.tuc.org.uk/sites/default/files/Buildingsolidarityreport.docx_.pdf

We would also like to restate our endorsement for the position set out in the Welsh Government's Brexit and Fair Movement of People policy paper, which states that exploitation is the fault of unscrupulous employers – not immigration

⁴ <https://www.tuc.org.uk/blogs/brexit-and-eu-citizens-why-ministers-are-playing-poker-peoples-lives>

policy – and that tackling exploitation will benefit the whole workforce. This can be achieved by stronger enforcement by public agencies, the extension of collective bargaining coverage and greater access to trade unions.⁵

⁵ <https://gov.wales/sites/default/files/publications/2018-10/brexit-and-fair-movement-of-people.pdf>

