

What next after Brexit?

*Immigration and integration in
post-referendum Britain*

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August 2016*

British
Future...

Published August 2016 by:
British Future
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About British Future:

British Future is an independent, non-partisan thinktank engaging people's hopes and fears about integration and migration, opportunity and identity, so that we share a confident and welcoming Britain, inclusive and fair to all.

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Executive summary

On 23rd June 2016, Britain voted to leave the European Union. Many factors affected people's decisions at the ballot box: for some it was the economy or sovereignty, but for others it was a vote of no confidence in the Government's ability to manage migration.

Britain's current immigration system is broken and is not working for anybody. Employers face difficulties recruiting skilled migrants that the economy needs. The Government has missed its headline performance indicator, the net migration target, so often and by such margins that it has damaged public trust in its competence to manage immigration.

Leaving the EU will have a major impact on almost all aspects of immigration policy. While Brexit will present challenges for decision makers, it also offers an opportunity to get policy right in this area and to help secure public consent for the immigration that we have.

Securing the future of the 3.5 million EU nationals living in the UK is an immediate priority. A clear commitment to protect the status of EU nationals was made by the official Vote Leave campaign before the referendum, which should be honoured. There should be no change for EU citizens already lawfully resident in the UK, who should be granted permanent residence and be treated no less favourably than they are at present.

The future of freedom of movement will dominate the Brexit negotiations. These will be a balancing act, between the access to European markets that our economy needs and the demand for limits on freedom of movement signaled by the referendum decision. The results of the referendum make it likely that there will be at least some restrictions to freedom of movement: this, in turn, will impact on the direction of future immigration policy.

When the content of the Brexit settlement becomes clearer, it will offer the space for a comprehensive review of immigration policy. This must be undertaken at the highest level of politics and needs to look at top-level issues, not just micro-policy. A comprehensive immigration review should examine how migration might provide the economy with the skills that it needs, as well as hearing the case for reductions in other areas. It also needs to consider family migration and public support for increasing the number of international students.

There is political and public support for more highly-skilled migration to fill skills gaps in our industries, but low-skilled immigration flows will be a more contested area during Brexit negotiations. Employers in some sectors of the economy - food production and hospitality, for example - will still need a supply of low-skilled labour, but much of the public would prefer a reduction in their numbers.

Some concerns about low-skilled migration could be addressed by measures to manage the local impact of migration. The Government needs to ease the pressures that rapid population change can bring to communities – on housing, school places and health services – through a migration impacts fund that is well-resourced and is seen to make a difference to frontline services in the areas that need some help.

More attention also needs to be paid to integration policy as this, too, helps us manage local impacts of migration and enables people of different backgrounds to live well together. Reforms to central government policy on ESOL are needed to help boost English fluency, but integration needs local initiatives to bridge social divides. The new Community Sponsorship Scheme for refugees involves local communities in resettling refugees, bringing communities together. This must be made to work and rolled out across the country. We also recommend that local and regional mayors should give responsibility to a named individual, heading up an Office for Citizenship and integration, charged with making integration work in their area.

The process of Brexit – for example, sorting-out the status of 3.5 million EU nationals living in the UK - will place increased demands on the resources of the Home Office. This will mean more work for a department that has already been subject to cuts and is committed to make borders and immigration self-funding by 2019. We recommend that central government instead invests in a system that is fit for purpose.

The public must also be engaged in a comprehensive immigration review through a ‘National Conversation’ – similar to the one Canada has recently opened. The Government should engage with voters up and down the country, listening to their concerns and testing their views on the options available. Engaging the public’s concerns would be an important part of restoring trust in the system and securing consent for changes to the immigration system.

Recommendations

To the Government:

1. Secure the rights of EU nationals currently in the UK, as soon as possible. There is an economic as well as a humane imperative not to prolong uncertainty for this group of people.
2. Invest properly in the immigration system so that it can deliver. Postpone plans to make borders and immigration self-funding and task the Migration Advisory Committee with calculating how much revenue and capital funding is needed for the Home Office to fulfill its immigration functions efficiently and fairly. This should include an estimate of the additional administrative and resource needs of addressing Brexit.
3. Undertake a comprehensive immigration review once there is clarity on the Brexit settlement, looking at all aspects of immigration and integration.
4. Involve the public in the comprehensive immigration review through a national conversation on immigration.
5. Place a moratorium on major changes to immigration policy, once action has been taken to guarantee the status of EU nationals living in the UK, until the comprehensive immigration review is completed.
6. Implement its commitment for a fund to manage the local impacts of migration, coordinated by local authorities and with a guarantee that the majority of funding goes to schools, policing, healthcare and housing.

To all new regional and city mayors, including the Mayor of London:

7. Set up an Office for Citizenship and Integration to set in place coordinated plans of work and to mainstream integration into all areas of policy, with the focus and priorities of each Office reflecting the differing demographic, immigration and integration challenges and priorities in their area.

To advocates for the positive benefits of migration:

8. Seek a broad political consensus on workable limits and controls on free movement, rather than adopting an absolutist 'defend free movement' position.
9. Focus on developing workable alternatives to present immigration policy. Continued criticism of the Government's net migration target is unlikely to be effective as it is unlikely to be reformed until the details of Brexit become clearer.
10. An important way to both improve refugee outcomes, increase contact and sustain majority support for refugee protection will be to make sure that the Community Sponsorship Scheme for refugees is successful, and then that it is extended to a wide range of groups across the UK.

*Section I:
Where we are now*

I. Introduction: The post-Brexit balancing act

Britain's decision to leave the European Union will have a significant impact on our approach to immigration, and the kind of Brexit we get will have a decisive influence on what any new immigration policy will look like.

Those Brexit negotiations represent a balancing act – between the access to European markets that our economy needs, and the demand for limits on freedom of movement signaled by the referendum decision. This will also need to be balanced with the demands of European Union governments too – who may be willing to offer some room for manoeuvre to find a compromise, or could take a hard line on the indivisibility of the EU's 'four freedoms'.

This balancing act looks like a difficult feat, with the Government pulled in one direction by those who want maximum access to EU markets and labour, and pulled in the other by those who want maximum control over immigration. But it is not an impossible one.

The post-referendum settlement on Britain's relationship with the EU provides an opportunity for immigration reforms that could, if managed well, help to restore public trust on an issue that voters care about as much as the NHS and the economy.

Doing so is much needed and must be high up the To Do list of new Home Secretary Amber Rudd. Repeated failures to meet the Government's headline net migration target have only exacerbated feelings among voters that the Government has no grip on border control.

But while public trust in the immigration system is at a low ebb, a look beyond the most vocal extremes of opinion, to what the average voter thinks, tells a somewhat different story. Britons prefer reform to revolution. And while the loudest voices may still favour some revolt, among the more softly-spoken majority there is plenty of room for compromise.

While many people will want to maximize access to European markets for the sake of the economy, making EEA membership a plausible option, it is unlikely that the public would be happy with free movement in its full form: that option was on the ballot paper on 23 June and a majority of people voted against it. Yet it would also be wrong to suggest that the public will never be satisfied with anything but the toughest controls. People accept that we need immigration to fill skills gaps and keep our businesses thriving; that international students contribute to the global success of British universities; and that our tradition of protecting refugees is something of which we can be proud.

There will be changes to immigration policy after Brexit, and there must be greater efforts to secure public consent for those changes. This is not only desirable but perfectly possible: the public is moderate, not mad, on immigration. It has also, however, lost trust in governments' ability to manage immigration competently, effectively and fairly.

Immigration reform must start to restore that trust. Instead of promises that can't be kept or reactive crackdowns, it should engage with public concerns and respond with sensible, evidence-based policies that balance control and efforts to manage pressures, with openness to the immigration that is good for our economy and society.

This future immigration policy will need to balance the needs of labour markets and the economy with the demands of post-referendum politics. Most of the public would accept more highly-skilled migration to fill skills gaps in our industries, but low-skilled immigration will be a more contested area. Employers will still need a supply of labour but much of the public, who have different views about different categories of migration, would prefer a reduction in numbers.

The number of international students, who accounted for over a quarter (27%) of immigration flows to Britain last year¹, will be much less contested. There may be more political space for immigration measures that enable British universities to remain globally competitive in attracting students from overseas. Only a fifth of the public think of international students as immigrants and our research finds they would be happy for students to be taken out of the immigration figures altogether. This could help to alleviate some of the impact that leaving the EU will have on higher education, a key British export worth nearly £11 billion year from international students alone.

The process of Brexit – for example sorting-out the status of more than 3.5 million EU nationals living in the UK – will place increased demands on the resources of the Home Office. This will mean more work for a department that has already been subject to cuts and is committed to make borders and immigration self-funding. We recommend that central government instead invests in a system that is fit for purpose, given the increased strain that Brexit will place up on it. For an issue of such high public salience, and one where confidence in the system is so low, it is hard to see the taxpayer taking significant issue with an increase to the £28 per head we spend each year on border control, if the extra funding would deliver a system in which they could have confidence.

Britain will also need to look beyond what happens at its borders, to what is happening in our towns, cities, and villages across the country. Immigration will only work if integration works too, yet insufficient attention has been paid to how we can live well together. More effective measures are also needed to ease some of the pressures that rapid population change can bring to communities – on housing, school places and health services –

through a migration impacts fund that is well-resourced and is seen to make a difference to frontline services in the areas that need some help.

Changes to our immigration system will not happen overnight – and this may leave some impatient referendum voters disappointed. Just what a reformed immigration system looks like will be determined by the shape that Brexit takes, and those negotiations will take time even once Article 50 is triggered. While Brexit presents challenges on immigration, it also offers an opportunity – to look in detail at our immigration system and find a system that works for all of us, balancing the immigration we need with the public’s preference for lower numbers. This should be undertaken through a Comprehensive Immigration Review.

The review should explore the policy levers that are available and their likely impacts, both negative and positive. And it should consider evidence from all those who have a stake in creating an immigration system that works – so that means it must consult the public too.

A ‘National Conversation’ – similar to the one Canada has recently opened – should engage with voters up and down the country, listening to their concerns and testing their views on the options available. Some will fear that this will open Pandora’s Box and hand control of policy to the mob. But they should have a little more faith in their fellow citizens. What they should expect to hear back from most people will not be a clamour to close the borders; while people will reveal their anxieties about how we handle the pressures of immigration, most will also express a preference for a balanced system that works.

Engaging the public’s concerns would be an important part of restoring trust in the system and securing consent for changes to the immigration system. It would be a first step in the balancing act that the Government will need to perform after Brexit, one that will not be easy. But in reaching out to the public, they may be surprised to find not a shove in one direction or a pull in the other, but a steady hand.

2. Immigration after Brexit: What does the public think?

Public attitudes to immigration are more nuanced than many people think. Certainly more so than the binary characterisation of people's views as either 'open' or 'closed' – or, even more simplistically, that 48% like it and 52% don't. British Future's research has consistently found, when asking people to give a score out of ten rating whether they feel immigration has been good or bad for the UK, that around a quarter to a fifth give a high (positive) score; around a quarter give a low, or negative score; and about half of the public scores it somewhere in between – what we have termed the 'anxious middle'².

Within this, ICM's new post-referendum research for British Future finds yet further nuance when, rather than discussing all migrants together as a group, one asks about people's attitudes to different categories of migrant to Britain. Only 12% of people, for instance, would like to see a reduction in the numbers of skilled workers coming to Britain; nearly four times as many people (46%) would like to see more of it, with 42% saying that it should stay the same. Among people who voted Leave in the referendum these numbers remain broadly the same: 45% would like to see an increase, just 15% a reduction and 40% say that the numbers should stay as they are.

The same is true of international students coming to study at Britain's universities, who made up over a quarter of immigration flows to the UK last year³. Only a fifth of people (22%) would like these numbers to be reduced, less than the 24% who would be happy for them to go up. The majority (54%, including 50% of Leave voters) would rather the numbers stayed the same.

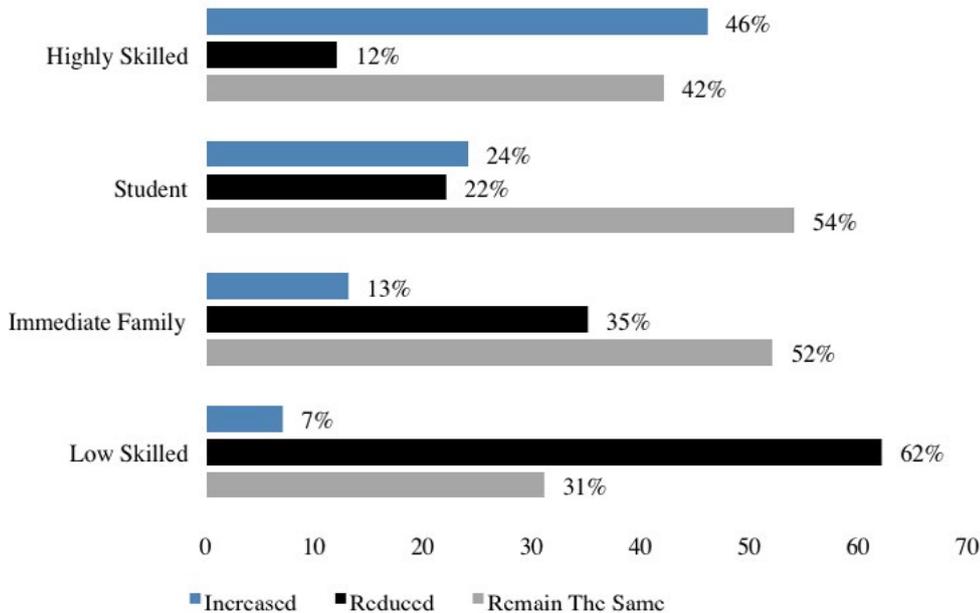
Indeed, most people (52%) would take international students out of the net migration target altogether and report those numbers separately, including 54% of Conservatives and 51% of people who voted Leave in the referendum. Only 33% agree with the current system, which includes international students in the overall immigration statistics. Previous research from British Future⁴ found that only one fifth (22%) of people actually think of international students as 'migrants' at all.

In the year ending December 2015, 73,000⁵ non-British people moved to the UK in order to join family members, accounting for about 12% of total immigration. Most people (52%) would be happy for the number of people moving to the UK to join immediate family to remain the same. 13% think it should be increased, while around a third of people (35%) would like to see a reduction.

Polling shows that people are somewhat less positive about low-skilled workers moving to the UK, however: while four in ten (38%) would be happy for numbers to stay the same (31%) or increase (7%), 62% would prefer the numbers to be reduced. And

while most people remain proud of Britain's tradition of offering a place of safety for refugees⁶, the public is split roughly down the middle between the 53% who think the number of refugees offered protection in Britain should be reduced and the 47% who think we should offer sanctuary to about the same number of refugees (33%), or more (14%), than we do now.

Fig. 1 Immigration attitudes by types of migrant



Views on different professions

When ICM asked people their views about migrants coming to the UK to do specific jobs, the picture of Britons as ‘moderate reducers’ becomes much clearer – in fact, for most of the professions we asked about, more people said they would prefer an increase to a decrease in numbers, with a strong showing for the moderate response that the numbers should stay the same.

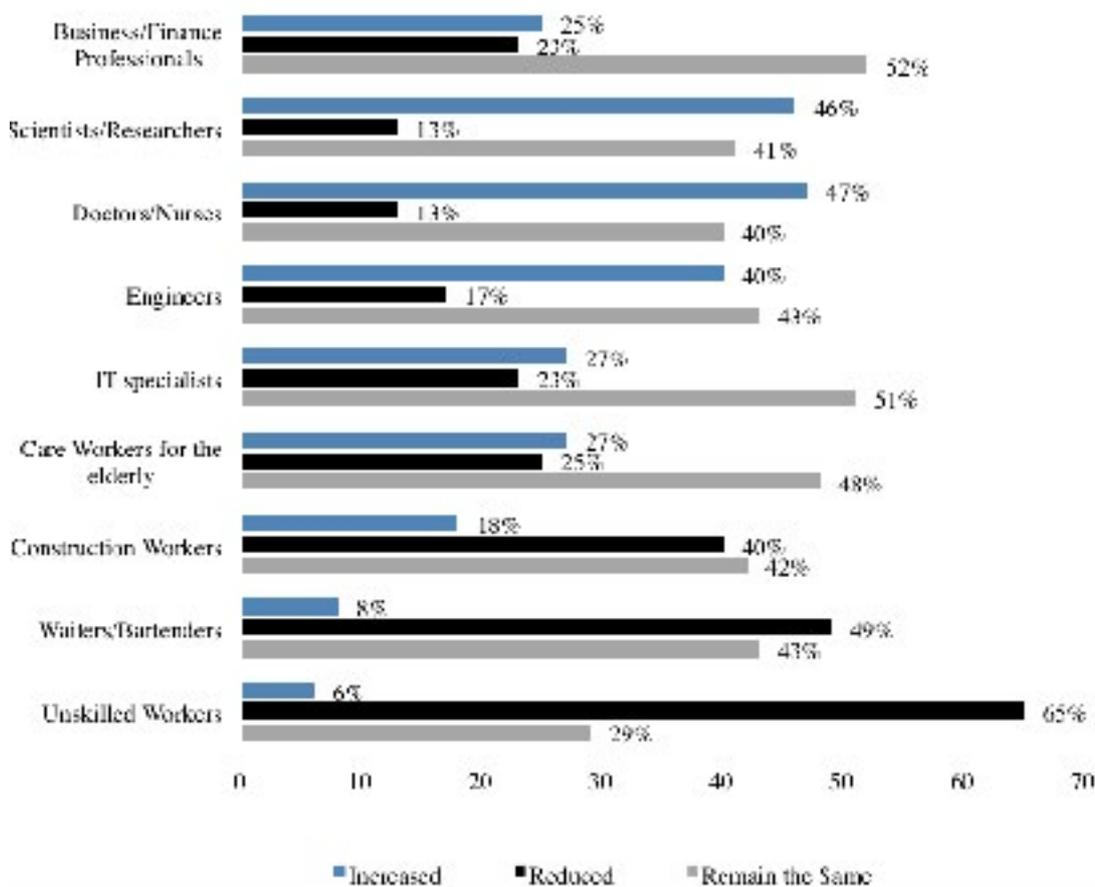
Only a quarter (25%) wanted fewer migrant care-workers, with 27% saying they would like more and 48% saying the number should stay the same. Four in ten people (40%) would welcome more migrant engineers, compared to just 17% who would like the numbers to go down, with 43% saying the numbers should stay about level. More people said they would like to see increased numbers of migrant IT professionals, doctors and nurses, businesspeople and scientists, than would prefer the numbers to be reduced.

The picture changes somewhat when one looks at some lower-skilled jobs, though there is still an instinct towards moderation. While 42% feel that the number of migrant construction workers should remain about the same, and 18% would like to see it increase, 40% would rather the number was

reduced. A similar picture emerges of views towards people who move to the UK to work in hospitality: 43% say the number should stay about the same and 8% want more, while 49% would prefer fewer waiters and bartenders to come from overseas.

Only when it comes to the generic category of ‘unskilled workers’ is there a consensus for lower numbers, with around 65% saying they would prefer reductions, compared to 35% who would like the numbers to increase (6%) or remain the same (29%). It is noticeable that this generic term ‘unskilled worker’ prompts a more sceptical response than when people are asked about specific, but still predominantly unskilled, workers like waiters, care workers and construction workers. As research has shown with other categories of migrants – such as refugees and asylum-seekers – once one paints a picture of an actual person rather than a generic figure, even if it is just by stating their job, people are more likely to give them a fair shot at joining our society.

Fig 2. Immigration attitudes by migrant profession



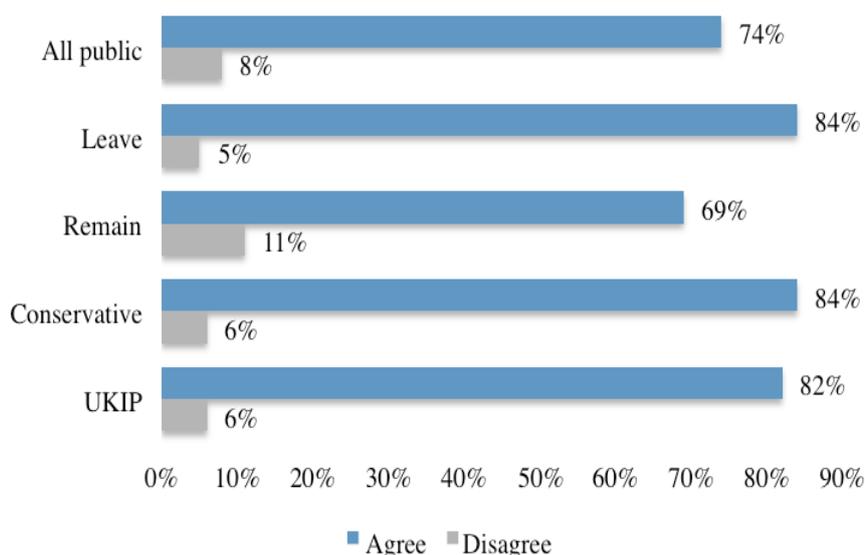
What these findings *do not* show, notably, is a strong public desire to reduce all immigration at all costs. This is also true among those who voted for Britain to leave the EU: just 15% of Leave voters want a reduction in highly skilled migration, for example, compared to 85% who would prefer it to be increased (45%) or stay the same (40%). The same is true when Leave voters were asked about migrant IT specialists, engineers, scientists,

doctors and nurses, businesspeople and indeed careworkers, with majorities preferring the numbers to stay the same or increase. Only when asked about unskilled workers, construction workers and hospitality staff would they prefer numbers to be reduced.

It is also striking that public anxiety about immigration numbers does not equate to hostility towards migrants who have already moved to Britain and settled here. Even straight after the Brexit vote, the culmination of a Leave campaign that focused extensively on immigration and freedom of movement, 84% of the public say that EU citizens already living in the UK should be able to stay, including majorities of Leave voters and UKIP supporters. We explore this in further detail in chapter three, *Here to stay: European nationals in Britain*.

Most people want an immigration system that works: one that offers reassurance that we have control over who can and can't enter the UK, but which keeps the immigration that is good for our economy & society. Three quarters (74%) of the public – as well as 84% of Leave voters and 69% of Remain voters, 84% of Conservatives and 82% of UKIP voters, agree with the statement that *“Immigration brings pressures as well as gains and our decision to Leave the EU gives us a chance to change the system. What we need now is a sensible policy to manage immigration so we control who comes here but still keep the immigration that’s good for our economy and society, and maintains our tradition of offering sanctuary to refugees who need our protection”*. Overall, only 8% of the public disagree.

Fig. 3 “How much do you agree or disagree with this statement? *‘Immigration brings pressures as well as gains and our decision to Leave the EU gives us a chance to change the system. What we need now is a sensible policy to manage immigration so we control who comes here but still keep the immigration that’s good for our economy and society, and maintains our tradition of offering sanctuary to refugees who need our protection’*”



It would be hard to argue that the current immigration system – featuring, at its heart, a Conservative manifesto commitment to reduce net migration to the ‘tens of thousands’ – is working, when annual net migration stands at more than three times that target and public concern about immigration remains very high. Public trust in the Government’s ability to manage immigration competently has been systematically undermined as the gap between target and reality has grown with successive quarterly net migration figures.

The decision to leave the EU does offer an opportunity for the Government to reduce net migration if freedom of movement either ends or is in some way limited under whatever Brexit deal is negotiated with the EU. Yet the public remains sceptical as to whether that will happen. Only around a third (37%) of people think that we are likely to meet the net migration target in the next five years, even after leaving the EU, compared to 44% who consider it unlikely. Even if net migration of EU citizens is reduced to zero, meeting the target will remain difficult when non-EU net migration currently stands at 188,000⁷.

3. Here to stay: European nationals in Britain

The public vote to leave the EU immediately created considerable anxiety for the 3.5 million EU citizens who have made their homes in the UK, and the 1.2 million British citizens living in other EU countries. The statement from outgoing Prime Minister David Cameron that there would be “no immediate changes” to their status was far from fully reassuring. His successor Theresa May was the only one of five Conservative leadership candidates not to support an immediate guarantee of the right to settle, while indicating that she does expect this to be agreed.

The referendum vote is likely to lead to changes to free movement. There is, however, a broad public and political consensus that future rule changes should apply to new arrivals, not to those already here in Britain - and that this is the only principled, practicable and legally defensible approach to the issue. There is also a commitment from the official Vote Leave campaign that there should be *“no change for EU citizens already lawfully resident in the UK. These EU citizens will automatically be granted indefinite leave to remain in the UK and will be treated no less favourably than they are at present”*.

The status of EU nationals in the UK, and UK nationals elsewhere in the EU, will be one of the first aspects of migration policy that the Government will need to review as a consequence of the decision to leave the European Union. This chapter maps this group of people and looks at the issues that decision makers will need to consider.

The scale and nature of EU migration in the UK

There is an assumption that recent EU migration to the UK is largely a movement of low skilled workers from eastern Europe. While significant numbers of people have moved to the UK from EU member states who joined the EU in 2004 and 2007⁸, the demographic and socio-economic characteristics of recent EU migrants are much more diverse. Nearly 42% of EU nationals from pre-2004 member states were working in professional or managerial occupations in 2015.

The most recently available data from the Labour Force Survey (quarter one, 2016) suggests that there were 3.55 million nationals from other EU countries living in the UK. Of these, 47% were from countries that were members of the EU prior to its expansion in 2004 (EU14), 42% were from the eight eastern European countries that joined the EU in 2004 (EU8), 10% were from Bulgaria and Romania and less than 1% were from other EU states. Nationals of Poland make up about 27% of EU nationals living in the UK with Ireland, Romania, Portugal, Italy, France and Lithuania the next-largest national groups.

The Leave campaign, as well as many civil society organisations and business leaders, has argued that EU nationals in the UK at the time of the referendum should be offered permanent residence. This immigration status is granted to EU nationals who have lived continually and lawfully in the UK for at least five years, giving them the same rights as indefinite leave to remain does for non-EU nationals and enabling them to apply for British citizenship after one year. Labour Force Survey data suggests that an estimated 64% of EU nationals in the UK have been here for more than five years and hence already qualify for permanent residency.

Guaranteeing the rights of EU nationals

Deciding how to grant settlement rights to EU nationals is one issue that will face the Home Office if EU nationals are allowed to stay in the UK. The Government, however, chose not to clarify this issue before the referendum, putting its campaign tactics, of saying that nobody could know anything about what would happen after Brexit, over the good governance responsibilities to prepare for both possible outcomes of its referendum.

The post-referendum silence over the future status of EU migrants reflects the fact that the UK government can unilaterally guarantee the rights of EU citizens in the UK, but will need to seek reciprocal arrangements from other EU governments to protect Britons in the EU. The government has denied that it wishes to treat EU nationals as ‘bargaining chips’ while also insisting that their status depends on these negotiations.

It is difficult to see how the reciprocity approach will work in practice, since the detailed protection of British nationals’ rights will need to be implemented at a national level in the different member states. But it would be entirely unworkable for the UK to treat, say, Poles and Spaniards differently, as a matter of practicality as well as principle. A more practical policy would be first to guarantee the rights of EU nationals in the UK, then to expect reciprocity in return. The Government could then use the courts should legal action be needed to secure the rights of UK citizens elsewhere in the EU.

If the Government does let EU citizens stay in the UK after Brexit, there will be a number of detailed policy issues it will need to resolve. It will need to consider cut-off dates for offering permanent residence, after which EU migrants may not be considered for residence. The Government also needs to think about how it will administer large numbers of applications for permanent residence and citizenship – David Goodhart of Policy Exchange has also proposed offering discounted citizenship to EU citizens who have lived in the UK for at least the five year qualifying period for permanent residence, in a “Brexit citizenship” offer.⁹

A coalition of support

The public is very clear that existing EU nationals must be allowed to stay and settle in Britain. Voters may have divided 17 million to 16 million over the referendum choice, but polling for British Future, conducted immediately after the referendum, shows that an overwhelming majority of both Leave and Remain voters take the same view on whether EU nationals should be allowed to remain. 84% of people (including 77% of Leave voters) want existing EU nationals to stay and any future changes to apply only to new migrants.

The status of EU nationals in the UK is also a vital concern for many British businesses and public services, who do not want retrospective disruption to their existing workforce at a time of economic uncertainty. A broad coalition of political, economic and civil society voices has been pushing the Government to guarantee the status of EU nationals as soon as possible.

A Sunday Telegraph letter on 3 July 2016 brought Leave and Remain, Migration Watch and migrants' rights groups together, calling for guaranteed rights for existing EU migrants. It is a position that unites UKIP and the SNP, the Greens and the Liberal Democrats; and on which Labour's pro- and anti-Corbyn factions can also agree. Boris Johnson was among those to both speak and vote for the Labour opposition's motion from the backbenches, just days before becoming Foreign Secretary, and he repeated his pledge, in public appearances once in government, to protect EU nationals.

Only the Government still stands outside of this consensus. Yet the delay is causing uncertainty: in school playgrounds, among people working in hotels and cafes, in care homes and on building sites, contributing to the NHS or working in financial services. Across Britain most people, on both sides of the referendum divide, want to join together to say with one voice to EU nationals - this is your home and you are welcome here. What sort of country would we be if we could not say that?

An inquiry into the status of EU nationals after the referendum

British Future is conducting an inquiry on the status of EU nationals in the UK after the referendum. This will make recommendations as to how the government can meet the practical challenges of implementing a guarantee that EU nationals can stay in the UK. Chaired by Gisela Stuart MP, who chaired the Vote Leave campaign, it brings together politicians from both sides of the referendum and across the party political spectrum with employer and trade union voices, legal and policy experts. The inquiry is seeking submissions by Wednesday 7th September.

4. Securing the foundations of decent debate: challenging hate crime effectively

Challenging hate crime is surely something just about everybody can agree on. Yet the post-referendum debate exemplified how this can often be a surprisingly contentious area of policy, politics and public debate. Governments, politicians and civic groups are rightly keen to send out an “against hate” message, but devising approaches that go beyond symbolism to find effective ways to counter hate crime, and the attitudes that underpin it, can be more challenging.

There were 3,219 incidents of hate crime reported to police in the fortnight from June 16th to June 30th, a 37% rise on the previous year. Foul graffiti on the Polish centre in West London came to symbolise this deeply worrying spike in hate crime in the immediate aftermath of the referendum.

Yet the post-referendum debate risked breaking up a broad coalition for tackling prejudice and making this not a shared post-referendum project but a continuation of the referendum argument. Toby Young, a commentator who had advocated for Brexit, wrote about this dynamic, noting his own initial reluctance to accept evidence, before the graffiti on the West London Polish Centre convinced him of the need to act.

“These reports of racist incidents struck me as just one more example of the Remainers gleefully holding up “proof” that all their apocalyptic doom-mongering had come true ... Given the increase in racist abuse since the referendum result, I think anyone who did back Leave, however hard we tried to make a positive, optimistic case for our departure from the EU, now has an obligation to condemn this behaviour ... If the genie is out of the bottle, then it’s up to us to put it back in again.”¹⁰

What Young’s account highlights is that there are responsibilities on both sides here. Remain advocates do a disservice to anti-prejudice campaigning if they posit that the core problem was the holding of a referendum and insist that all of those who campaigned for a Leave vote are complicit in acts of prejudice. If anti-prejudice campaigning is polarised along referendum lines it defines prejudice as a majority cause, instead of challenging those expressing prejudice as a toxic minority that has misunderstood the meaning of the referendum.

By the same token, those who voted Leave have a particular responsibility to marginalise and disown anybody who believes that the referendum was somehow a licence for hatred or xenophobia. The active campaign to protect EU nationals’ rights, which straddles both Leave and Remain support, has been one important way to delegitimise this minority.

What both sides share is a responsibility to depolarise the debate. That requires vigilance about all episodes, and a zero tolerance approach, while avoiding alarmism that could exaggerate the scale or persistence of the hate crime spike.

The government produced its new strategy, 'Action Against Hate' in late July¹¹. This proved effective as a vehicle for projecting a clear public message that hate crime would not be tolerated. The content of the action plan was mainly an overview of current initiatives, focusing on efforts to encourage victims to report incidents, with some incremental proposals to build on this around particular areas of concern.

Despite being published a month after the referendum, the government's new hate crime action plan did not contain any specific analysis of hate crimes against European nationals, nor make recommendations to address it, as this had not been a focus of government policy, policing or indeed civic society efforts prior to June 23rd. There are currently no specific initiatives to encourage reporting, nor has there been a rigorous effort to establish the scale or frequency of harassment of European nationals. Anecdotally, some East Europeans suggest that they would be less likely to report incidents such as verbal harassment, sometimes being unaware that it would be investigated or, more troublingly, just feeling that it goes with the territory of coming to work in another country.

Effective foundations for challenging prejudice

The post-referendum debate exemplifies one of the most important foundations for campaigning to uphold anti-prejudice norms in British society. We need these to be majority social norms, which successfully isolate and marginalise a toxic minority. It is imperative that these norms are upheld in a way that makes sense to broad public majorities.

At one level, there is a broader political and social consensus today on taking hate crime seriously. It is only a generation ago that there was a mainstream debate about whether racist chanting at sporting events should be considered "banter", and whether the only response to derogatory name-calling in the playground was to toughen up. There has been a significant shift in social norms in both cases. Yet this is not uncontested, as debate about the dangers of "political correctness" demonstrates.

The substantive issue here is not whether abusive terms like "Paki" or "poofah" should now be readmitted to public discourse. Rather it is whether greater civility risks going too far and closing down legitimate and necessary democratic debates about difficult issues. This danger is a real one: it can lead to substantive harm, as when the authorities were far too slow to act on and effectively police sexual exploitation in Rotherham. It will also break up the majority coalitions that are needed to tackle prejudice effectively.

One key to anti-prejudice messages having a broad majority appeal is to explicitly state that important debates – about, for example, immigration and integration – must remain open; before going on to draw a clear red line about the need to keep racism and prejudice out of those debates¹².

So the second key lesson is that consistency matters for anti-prejudice norms. Hate crime matters, whoever the victims or the perpetrators are. Those who are, rightly, concerned about prejudice against members of their own group should be expected to demonstrate an equitable concern for prejudice against other groups. A descent into ‘whataboutery’, when responses to examples of prejudice become primarily about whether there would be sufficient concern about a different victim, often fail this test.

There are good grounds for particular vigilance about anti-semitism and anti-Muslim prejudice in Britain at present, with evidence that both Jews and Muslims are increasingly anxious about this. There are different causes and dynamics, but an approach that recognises one set of concerns but dismisses the other as overblown is unconvincing – and throws away an important opportunity to broaden coalitions to tackle prejudice.

Take the curious period when keyboard warriors begin sparring on social media in response to incomplete early reports of a possible violent incident. It quickly becomes clear, before the identity or motive of the perpetrator is known, that some people instinctively respond in a very different way to terror attacks and hate crimes if they are apparently perpetrated by Islamists or by white far right extremists. While there are different dynamics to these different types of extremist violence, and long-term strategies should reflect this, there is no good reason for our public responses to differ sharply in the face of different types of extreme fascistic violence. The anti-fascism group HOPE Not Hate stepping up its scrutiny of violent Islamist extremism is an important step in this direction¹³.

Thirdly, anti-prejudice activities need to respond to how social media has changed the context for prejudice and hate speech in British society today. It would not be unusual for somebody who has not experienced racial prejudice face-to-face for many years to encounter racial abuse much more frequently on social media today. This does not in itself provide evidence of more prejudiced attitudes. Pre-existing prejudices find easier expression when it now takes substantially less time and effort to abuse somebody with a public profile. Yet such online abuse risks eroding anti-prejudice norms that were strengthened over recent decades and, more immediately, discouraging participation on equal terms in public conversations online if abusive, violent, racist and misogynistic language becomes commonplace and is not challenged.

Nobody could un-invent social media, and few would want to give up its many benefits for free expression even if we could. An entirely gloomy account of its impact would, in any event, be misleading. A detailed study by the Centre for the Analysis of Social Media at Demos¹⁴ showed a spike in prejudiced content

in the week around the referendum – and a considerably greater spike in pro-migrant content challenging the rise in prejudice. The researchers identified over 13,000 tweets containing derogatory language about migrants and three times as many expressing solidarity with migrants.

So it will be important to talk more about what we can do collectively to promote and entrench civic social norms in these spaces. Beyond policing the boundaries when people do express hatred and advocate violence, there is potential for greater use of social media to promote positive messages too. To make a difference, this should put a particular emphasis on messages and approaches that can reach and engage more challenging audiences, not only those keenest to play their part in sharing such content. This will be particularly important if there is an increase in the frequency of terrorist attacks in Europe, which risk having a deeply corrosive effect on public attitudes.

The government strategy had least to say on the most challenging area of all: how to make an effective contribution to a sustained erosion of the attitudes that underpin hate crimes. The strategy emphasises its commitment to engaging the academic community but current working groups have shied away from a sustained attempt at public communication, so have not had much impact on the media and political discussion about the dynamics of hate crime or theories of change about how to challenge it.

This longer-term strategic challenge is also one of securing the foundations of decent debate. Policing the boundaries, calling out those who step over the line and bring prejudice and hatred into our public discourse, remains essential. But it is crucial that in doing so we do not shut down these conversations altogether, or segregate them into polarised, separate discussions between people who are already in agreement, with no room for dissenting but civil views.

A ‘National conversation on immigration’ (see Chapter 10) would provide communities with a space in which to discuss and reach consensus on issues relating to immigration and integration. By agreeing what constitutes a decent debate and facilitating citizens being able to express their concerns in a civil way, it would help to counter hate crime and prejudice. We should, as a society, seek to marginalise those with hateful views of migrants and minorities: but that must not mean the closing-down of civil debates about sensitive issues like immigration and integration.

5. Brexit means Brexit - but which Brexit will we choose?

‘Brexit means Brexit – and we are going to make a success of it’. Prime Minister Theresa May has rarely made a public statement, on her extensive whistle-stop tour of national and European capitals, without employing that signature soundbite.

May – a somewhat reluctant Remainer as Home Secretary – was sending a clear signal that there would be no turning back from delivering the public mandate to leave. But ‘Brexit means Brexit’ also makes a narrow promise, redeemable by the United Kingdom ceasing to be a member of the European Union, which was the question on the referendum ballot paper. That leaves open the post-referendum question of the form that Brexit might take, and the future relationships that the UK may choose to have with other EU member states.

Immigration, along with economics, will be central to the politics of defining Brexit, because the trade-off between market access and migration control is its central public policy dilemma. Much energy will go into trying to square this circle, but the outcome is unlikely to become clear until 2017-18 and perhaps later. Since Britain is likely to want to negotiate its own bespoke deal, rather than taking any existing national model off-the-shelf, that will take time, making it probable that Brexit will be a process, potentially with a number of phases, rather than a one-off event. While the Brexit vote opens up immigration policy questions well beyond EU migration, it will not be possible to settle an overall framework for British immigration policy until the contours and content of Brexit itself become clearer.

The market and migration trade-off

The challenge of managing the trade-off between market access and immigration control is to devise an approach that is politically viable in Westminster, acceptable to the British public, and negotiable with other EU governments.

It would be possible to leave the European Union but with next to no changes in policy towards immigration from the EU, by giving top priority to achieving full access to the European single market and deciding that signing up to continued free movement was a price worth paying for this. This option, associated with states like Norway and Iceland which are not EU members but remain within the European Economic Area, is the preference of the financial sector. Few politicians, however, believe that a Brexit deal that kept free movement would be politically viable.

It would also be possible to insist on full control over immigration policy, with the intention of having identical UK policy regimes for immigration from within and outside the EU. Making this the top priority, though, would mean reduced market

access. If there was no trade agreement with the EU at all, the UK may have to fall back to trading under WTO rules. That has been UKIP party policy, enabling full migration control, but is viewed as a last resort by a broader range of both business and political opinion.

While public opinion is evenly divided about the market/migration trade-off, overall attitudes lean towards a preference for full market access, because a significant minority of Leave voters share the view of most Remainers. More likely, however, is a compromise between the two, since it would be politically difficult for a Brexit deal not to deliver something on the high priority issue for many Leave voters. The UK government appears likely to seek constraints on free movement, combined with as much market access as possible. Rupert Harrison, former chief of staff to George Osborne, has said *“it is pretty clear we are heading for an EEA Minus outcome — a bit more immigration control and a bit less single market”*. UK political opinion is likely to converge on versions of this as a first preference.

It remains to be seen if this can be negotiated with EU partners, or if the trade-off between market access and immigration control remains a starker and simpler one. One expert describes the EU view of this option as dismissive: *“EEA minus is a fiction. It does not exist. It is a British invention,”* with the continued insistence that the ‘four freedoms’ are indivisible. Chancellor Angela Merkel has warned that a Brexit deal will not be based on “cherry-picking”. If the UK domestic debate does not engage with broader European opinion too, then the outcome may be disappointing. But it is difficult for anybody to predict what position EU governments might take by the Spring of 2018, with major elections due to take place in France and Germany between then and now.

Will Britain Brexit?

Since the referendum, there has been a good deal of focus on how and when Article 50 will be triggered by the UK Government. The primary significance of this is that it starts a two-year clock ticking: an EU member state ceases to be a member after those two years, whether there is a deal or not, unless this period is extended by mutual agreement. With France electing a President in the Spring of 2017, and a German general election due in the Autumn, the two-year period could prove a rather short time in European diplomacy, given the complexity of the issues.

The question of how Article 50 can be triggered is contested, with legal challenges asking the Supreme Court to rule that this would require primary legislation. Most experts think the government’s view – that this falls within its Royal Prerogative powers – would be likely to prevail. Yet a Commons resolution may be considered to be politically sensible, even if no legislation is required. Some have suggested that the Government may struggle to command a majority for Article 50 in a Commons in which most MPs favoured a Remain vote. But there are unlikely to be many, if

any, Conservative MPs who would block Article 50 given the result of the public vote; and the number of pro-Brexit opposition MPs – from Labour, the DUP and UKIP – means the government has a de facto ‘Brexit majority’ of over 50.

Is Brexit an event or a process?

The more substantive issue is what post-Brexit arrangements the UK will seek to have with the European Union, and what impact this will have on immigration policy. Norway, Switzerland, Canada and even Albania featured in referendum campaign debates about the nature of Britain’s post-Brexit relationship with the European Union. As the Prime Minister has suggested, Britain will seek to negotiate its own deal, rather than replicating an existing national model, though the various real-world examples serve as a shorthand for the types of trade-offs and choices that may be encountered during the negotiations.

A bespoke deal will take time: the EU-Canada deal took seven years to complete. It is likely to be in the interests of both the UK and other EU states that Britain does leave the European Union significantly sooner than 2023.

It would not be difficult to identify the type of deal that UK government ministers might very much like to achieve: a broad free trade agreement like that between Canada and the EU, but also covering free trade in services, without entailing a commitment to free movement. This would be politically attractive in the UK, though whether such a deal is a daydream or a realistic possibility is a contested question. Even those who believe that such a deal is deliverable would not claim that it could be concluded within a couple of years.

There would be disadvantages for Britain and for its European Union partners for the UK to remain a full EU member for a more prolonged period. With a referendum having been held in June 2016, it would be odd if the UK had not left three and-a-half years later, as the 2020s begin, and as this parliament ends with a Spring 2020 General Election. Within the European Union, while the UK retains the rights and responsibilities of a member state until its departure, the legitimacy of continued British participation as a departing member state could be called into question on contested votes. The UK would also be able to begin to negotiate and implement its own trade deals once it does leave the EU.

The UK would be more likely to be able to leave the European Union by January 2019 if the departure was the first stage in a longer series of negotiations about the post-Brexit relationships.

The logic suggests that Brexit will be a process, rather than an event, with more than one stage. That was an idea pioneered by Richard North, a long-standing Eurosceptic, who devised the ‘Flexcit’ model of leaving the European Union via a period in the

EEA¹⁵. The Adam Smith Institute has set out the case for EEA membership as an interim option, as a proposal co-authored by Leave and Remain advocates¹⁶. The interim phase enables the UK to leave the EU itself, in a de-risked and stable way, which could help to address the concerns of Scotland, Northern Ireland and Gibraltar.

An alternative interim model has been proposed by Damian Chalmers and Anand Menon in an Open Europe paper¹⁷, but a bespoke interim agreement may prove more challenging within an initial two-year timeframe than one which draws on an existing model. In a separate briefing¹⁸, Open Europe has suggested that an EEA-style deal would be unlikely to meet the objectives of Leave advocates, but could be more viable as a transitional arrangement.

It would be more politically palatable if the interim phase did include some controls on free movement, potentially deploying the safeguard provisions of article 112 of the existing EEA Treaty. These have never been used by Norway or Iceland to limit immigration, but have been deployed by the smaller EEA state of Liechtenstein. Switzerland, which has a bespoke deal with the EU giving it access to free trade and free movement, has to date been unable to implement a 2014 referendum decision to impose an immigration quota for EU and EEA citizens while retaining full market access. More modest constraints on free movement could be more palatable domestically if it was understood that this was a time-limited phase of Brexit, rather than a final destination.

So a phased Brexit could be an answer to the ‘how do you leave the European Union?’ conundrum. But many complexities remain in negotiating such an agreement. Of course, the key challenge for a two-stage Brexit process is that it does not fully resolve the longer-term questions of the economy and migration trade-offs. If adopting this phased model it would be important, in domestic politics and in the negotiations, to set out a clearer vision of what the longer-term destination was. A phased Brexit, however, could achieve the initial goal of leaving the EU safely, while creating a context from which a long-term bespoke free trade negotiation could be conducted.

Fig. 4: Which Brexit? Potential models and outcomes of negotiations

Brexit outcome or model	Potential timing	How	Who supports this	Impact on EU migration	Prospects
Brexit is blocked in parliament	End of 2016 or Spring 2017	Courts insist legislation necessary to trigger Article 50; Parliament refuses govt request to trigger Article 50	Pro-EU lawyers; LibDems; some members of the House of Lords	No changes to free movement as an EU member	The legal and political routes suggested are not plausible. The government has prerogative powers, and would command a majority in an Article 50 vote
Brexit deal is rejected by the public	Around 2018-19	Content of exit deal fails to command parliamentary support and is rejected by the public in a future general election (or in a new referendum on the deal)	Some pro-Remain Labour and LibDem politicians (but much more rarely pro-Remain Conservatives)	No changes to free movement as an EU member	Very unlikely without transformation in public views of Brexit, and major shift in party election prospects
EEA (full)	By January 2019	Government prefers single market to immigration control; holds & wins General Election on this basis	City and financial sector; some ex-Remain pragmatists. May appeal as a compromise to Scotland and Northern Ireland	No changes to free movement under EEA rules	Unlikely to have sufficient political support, within Conservative or Labour party, due to lack of any change in immigration policy
“EEA minus”	By January 2019	‘A bit less single market and a bit more immigration control’ – Rupert Harrison	Attractive to pragmatists in government as practical way to achieve significant market access; potentially to Labour opposition voices, perhaps with differing views about the content of ‘minus’	Some changes to free movement rules, perhaps limited in scope, such as EEA ‘emergency brake’	Fair prospects for broad cross-party UK political support (though with some Conservative Leave and UKIP voices opposed). EU governments may well oppose as ‘cherry-picking’

EEA/EEA minus (temporary)	2017/18-2023, followed by bespoke free trade deal (such as Canadian model, or an alternative)	Mutual agreement to temporary (5 year) period in EEA as safe Brexit first stage, before full deal	Proposed by Adam Smith Institute, as having potential for Leave and Remain support. Broadly similar support to EEA minus. Temporary nature may broaden Leave/right support	Some changes to free movement rules, perhaps limited in scope, such as EEA 'emergency brake'. More change in longer term	A possible first stage outcome – but Leave voices may be suspicious that temporary becomes permanent. Difficult in UK (even as temporary stage) without some free movement controls, but this may be less attractive to EU governments
Hard Brexit (WTO rules)	January 2019	UK leaves EU without an exit deal and relies on WTO trading rules	UKIP party policy	National control of EU and non-EU immigration	Unpopular with business; could struggle for a Commons majority, if ex-Remain Conservatives prioritise market access
Hard Brexit (WTO) as transitional phase	2018 (for 3-5 years+)	Leave without a deal, but seek to do one later	Nobody's first preference	National control of EU and non-EU immigration	Could become a practical consequence of being unable to do a full deal in 2-3 years, if no alternative interim status is negotiated
Bespoke transitional deal	By January 2019		Chalmers and Menon ¹⁹	National control of EU and non-EU immigration choices, depending on nature of deal	Bespoke transitional deal could make exit timescale more challenging
Comprehensive Free Trade Agreement ('Canada' model, or 'Canada plus')	Unlikely by 2018: 2020? 2023-25?	Bespoke UK-EU free trade deal, but ideally going further to also cover services and financial services	First preference of significant Conservative Leave voices (such as Boris Johnson and Michael Gove)	National control of EU and non-EU immigration choices. Nature of EU policy could form part of negotiations	Difficult to negotiate within 2 years. Fair prospects of broad UK political and public support, if negotiable with EU. EU governments appear sceptical

*Section II:
Beyond Brexit - the new politics of
British immigration policy*

6. The immigration system we need

Leaving the EU will be the event that frames future immigration policy. Once Article 50 has been triggered, negotiations to leave the EU will begin. These will be lengthy and may take two or three years to conclude. As the Brexit deal takes shape, the political debate will focus on the future of free movement. But leaving the EU will have a much broader impact on almost all aspects immigration policy. A key choice for the Government will be whether to review its immigration policy.

Britain's current immigration system is broken and is not working for anybody. Employers face difficulties recruiting skilled migrants that the economy needs. The Government has missed its headline performance indicator, the net migration target, so often and by such margins that it has damaged public trust in the Home Office's competence to manage immigration. What is missing is a constructive, real-world alternative with the economic, political and public support to make that change possible.

The timing of the Brexit negotiations in the UK's policy cycle gives the Government a window of opportunity to take a comprehensive and cross-cutting look at policy. There will be the political space to look at macro-level reform, setting in place the type of immigration system that we need, rather than tinkering with micro-level changes to policy. This chapter looks at what such a comprehensive immigration review needs to cover.

Labour market needs

The nature of the Brexit deal will have a major impact on the direction of future immigration policy. Through membership of the European Economic Area (EEA), it is possible for the UK to leave the EU and retain freedom of movement alongside access to the free market. While this would benefit business, such an outcome is politically unlikely given the referendum result and the Leave vote's core focus on immigration control.

Restrictions to freedom of movement, while they may not be introduced immediately - temporary EEA membership with free movement retained for a limited period is one possibility - are the most likely long-term consequence of the Brexit vote. This, in turn, raises questions about future labour migration flows.

If EU and non-EU migrants are competing for the same quota of work visas, for example the annual Tier Two quota of 20,700 places, there would be considerable pressure to increase this quota. In the run-up to Brexit, the policy community needs to review skilled and semi-skilled migration routes and to formulate policies that make political and economic sense. Crucially, as we argue in the next section, such policy reform cannot take place in isolation from wider employment and skills policy.

In the run-up to the final Brexit settlement, there is likely to be considerable lobbying to keep open immigration routes for low-skilled migrants, particularly by sectors such as farming, food and hospitality. It is migrants from the EU's 2004 and 2007 states who are most likely to move to the UK to undertake low skilled work. The most recent Labour Force Survey data show that 55%²⁰ of UK workers born in the EU's A8²¹ countries in eastern and central Europe were in low-skilled jobs. They have often been recruited to fill vacancies in horticulture, food packing and food processing, often in the east of England, where employers struggle to recruit local workers. However, there is public resistance to low skilled migration, which is often equated with EU migration in media commentary. British Future's most recent polling²², conducted in the days after the referendum, showed that 62% of respondents wanted the numbers of low skilled workers coming to the UK to be reduced, compared with 12% who wanted cuts to the number of highly-skilled migrants.

Public concerns about low-skilled migration tend to focus on three different issues. First, some towns and cities have seen large-scale migration in a comparatively short time period. Second, and related to rapid population change, are concerns about the impact of migration on housing and public services. Third, there are concerns that high levels of migration have forced down wages and undercut the employment conditions of low-skilled and low paid workers, although most people recognise that migrants themselves are not to blame for this.

Given the strength of public opinion on low-skilled migration – articulated in very large Leave votes in areas such as the east of England – post-Brexit policy on low-skilled migration is likely to be a highly contested area, with sharp conflicts between the needs of business and political imperatives. Highly visible measures to address the local impacts of migration are needed in order to gain public consent for low-skilled migration routes, an issue that we examine later.

The Government also needs to address illegal employment practices. HMRC and other bodies that enforce regulations need to be properly resourced to fulfil their remit. But enforcement alone will not address the rise in concern about low skilled migrants, which has coincided with major changes in the nature of work. Again, immigration policy reform cannot take place in isolation from wider debates about skills, decent work, career progression and the obligations of employers to their workers.

Students

Leaving the EU may require changes to student migration rules as well as student fee policy.

It is entirely possible that the final Brexit settlement could result in EU students being re-categorised as overseas students, for both fee and visa requirements, although this would undoubtedly end up with a reciprocal re-categorisation of UK students studying elsewhere in the EU.

Some 17% of students in UK higher education institutions were from outside the EU in the 2014-2015 academic year. Policy changes brought in after the adoption of the net migration target, however, have made it harder to recruit and retain non-EU students. These changes include limiting the opportunities for post-study leave and significant increases in the cost of a visa application.

International students generate an estimated £10.7 billion²³ in export earnings, with further benefits to regional economies through the jobs they create and the skills and knowledge they bring to all parts of the UK. The majority of the public recognises the benefits that international students bring to the UK, with polling for British Future showing that 60% of people believe that international students bring money into their local economy and only 12% think they are a net economic drain²⁴. As already noted, just 22% of people want reductions in the numbers of university and college students coming to the UK, with many people not seeing international students as ‘migrants’, rather as temporary visitors²⁵.

Despite public recognition of these benefits and support for international students, the UK risks losing its position as a world leader in higher education. China, Australia and Canada are emerging as major competitors to the UK as countries of destination for international students. A comprehensive immigration review would enable the UK to consider student migration, with a view to supporting universities’ efforts to attract international students.

Family migration and asylum

Post-Brexit immigration reform also presents the opportunity to review family migration. Since 2012, UK citizens and settled residents need an annual income of £18,600 before tax if they are to bring in a non-EEA spouse or partner, with a higher income threshold for those who also want to bring in children. This regulation has presented a barrier to some lower waged workers who want to bring in their immediate family, with many heartbreaking accounts of husbands separated from their wives and children from their parents²⁶. The desire to live with those you love most is a basic human condition with which most of us identify. For UK nationals who meet the criteria of a genuine relationship and adequate accommodation, there are strong moral arguments for a more flexible approach to the minimum income threshold.

The Leave vote was not a vote about refugee protection but it will be an aspect of Brexit negotiations. Continued large-scale migratory movements across Europe and a more assertive European Commission could force refugee protection and resettlement up the Brexit agenda. There is potential for significant fallout from these events in the UK, which we discuss later. In these circumstances, it is essential to show broad support for refugee protection.

Resourcing the Home Office

Clearly, leaving the EU will present the Home Office with many challenges and the post-Brexit settlement may result in greater numbers of people being subject to immigration control. The pace of globalisation and the year-on-year growth of international tourism are not going to slow, and we are likely to see a continued upward growth in visitors to the UK. In 2015, overseas residents made 36.1 million visits to the UK, 5.1% more than the previous year. Continued conflict in the Middle East also means that asylum applications are unlikely to decrease. These three issues will put greater pressure on Home Office resources. However, there has been a year-on-year cut in revenue spending on visas, border control and enforcement since 2011. Moreover, it is planned that borders and immigration will be a fully self-funded system by 2019-2020 by using income from fines, visas and other fees²⁷.

In the UK, we spent £28 per head on border control in the 2015-2016 financial year. Fig. 4 sets out planned Home Office expenditure and income in 2015-2016, showing that the Exchequer currently pays £503 million for immigration control. British Future feels that objective of making border control self-funding is now unrealistic, given that extra resources will need to be allocated to deal with new pressures. British Future recommends that plans to make borders and immigration self-funding are postponed, and that the Migration Advisory Committee is tasked with calculating how much revenue and capital funding is needed for the Home Office to fulfil its immigration control function efficiently and fairly.

Fig. 5: Planned revenue expenditure and income on immigration, 2015-16²⁸

	Revenue expenditure	Income
Immigration Enforcement	£461 million	£29 million
UK Visas and Immigration	£795 million	£1,243 million
International and Immigration Policy	£32 million	£0
Border control	£512 million	£25 million
Total	£1,800 million	£1,297 million

Source: Home Office Budget Main Estimates 2015-2016

Given limited resources and competing pressures on parliamentary time it would be sensible to restrict immigration policy changes in the run up to Brexit. But as we move towards the 2020 general election, the Government will need to consider its position on the net migration target. The Conservative election manifesto is unlikely to repeat a broken pledge for a third time, but abandoning this target will require a credible exit strategy that has political, business and public support.

The Brexit settlement will clarify policy towards the future treatment of migration flows from the EU. As the outcome of the negotiations becomes clearer, the Government will have a stronger evidence base to inform policy. We will know more about changes to freedom of movement and what immigration controls will be placed on EU nationals. As leaving the EU will impact on almost all areas of immigration policy, it is an ideal time to look at the system with a view to reform. Once the Brexit settlement becomes clearer, British Future urges the Government to undertake a comprehensive immigration review to set in place the policies that have business, political and public support.

The review must be undertaken at the highest level of politics, but be informed by the independent evidence of the Migration Advisory Committee. It needs to look at top-level issues, not just micro-policy. It should look at how migration might better drive regional growth and provide the economy with the skills that it needs, as well as hearing the case for reductions in other areas. The review should also consider how better to manage the local impacts of migration and support greater integration. It also needs to take into account the direction of broader policy, particularly around skills and employment. And, if it is to get public support for changes, the Government needs to involve citizens in the review through a national conversation on immigration (see Chapter 9).

British Future recommends that the Government:

- * Postpone plans to make borders and immigration self-funding. Task the Migration Advisory Committee (MAC) with calculating how much revenue and capital funding is needed for the Home Office to fulfil its immigration control function efficiently and fairly. This should include an estimate of the additional administrative and resource needs of addressing Brexit.
- * Place a moratorium on major changes to immigration policy, once action has been taken to guarantee the status of EU nationals living in the UK at the time of the EU referendum.
- * Undertake a comprehensive immigration review once there is clarity on the Brexit settlement. This should look at all aspects of immigration and integration and involve the public in debates through a national conversation on immigration.

7. Challenges for economic advocates of migration

The referendum outcome opens up the immigration policy debate, and is likely to lead to the most significant period of change in British immigration policy for a generation. This is a cause of anxiety for economic advocates in the public immigration debate, who have struggled to make an effective case to policy-makers, or to the public, for the economic benefits of immigration.

The immigration debate has been a frustrating one for economic advocates. It is a rarity among policy issues, one where economics are not trumps and the Treasury's views play second fiddle to those of another department, the Home Office. Efforts to persuade the public or politicians often seem to fall on deaf ears. The Leave vote will increase political pressure for restrictive approaches to immigration and continuing with previous approaches to advocacy will deliver diminishing returns in this new context. So the challenge of this period of change will be to protect the economic benefits of immigration more effectively, by building political and public consent for migration that benefits Britain's economy and society.

What do economic advocates need to do to respond effectively to this challenge?

I. Learn the lessons from the referendum

The referendum itself demonstrated why many of the ways in which economic advocates of migration try to talk about the topic don't work with public audiences. Many business voices sat the referendum out, unsure about the legitimacy of their public voice. Those who chose to engage in one of the campaigns found that the 'trust the experts' approach was rarely effective when it tried to engage those who were not already onside.

This exemplified the lessons of research, from British Future and others, about how not to talk about immigration with sceptical but engageable audiences. Research groups reported feeling more, not less, anxious about immigration when presented with a series of positive, statistically-based messages about its economic benefits. Statistical evidence about economic benefits is never going to persuade people who are anxious about immigration that they are wrong to worry about it, particularly when statistics about immigration are not trusted due to low public confidence in governments' management of the system. For those who are anxious about a fragile economy, hearing from business leaders that 'immigration is good for the economy' will often trigger the thought that 'it's obviously working better for you than it is for me.'

There are important lessons for economic advocates entering this new phase of the immigration debate. In order to be heard, economic advocates will have to reconsider how they talk about immigration, including which messages and messengers persuade and which don't. But it is time to drop the idea that those who are anxious about immigration can be given a killer fact which proves they are wrong to worry. It is time to start a different conversation instead – where economic advocates accept that there are both pressures and gains from immigration – and seek to find common ground on how we can manage the pressures better to secure those gains.

2. Accept that change is coming – and engage with it

Immigration will be an even higher salience issue after the referendum, so those who want to persuade political decision-makers in Westminster and Whitehall will need to show that the approach they propose will work with the public too.

That is unlikely to work if economic advocates appear to be saying 'we do respect the public's referendum choice to Leave – and our idea is to respond by trying to make sure that next to nothing should change'. This risks exacerbating reputational damage after the referendum, entrenching the reputation of business voices as an out-of-touch elite group who 'still don't get it'. Concerns about the importance of market access and trade will have public salience, but defending the status quo on free movement is unlikely to help rebuild public confidence in the economic benefits of managed migration.

A more effective strategy would understand that the Leave vote is likely to lead to changes in how we manage immigration in Britain; to accept that it was in large part a vote of no confidence in how governments have managed immigration, while also challenging (rather than endorsing or reinforcing) the caricature that this was a majority anti-migrant or xenophobic vote. Most of those who voted for Leave and for Remain did not reject the potential benefits of managed migration, but lack confidence in migration being managed fairly. The task is not to defend the status quo, but to contribute to workable solutions that can change it for the better.

3. Engage with the big picture, not just the micro detail

While the Government was failing to meet its headline target, it has engaged in a hyperactive round of policy-making across the range of immigration flows. As a result, economic advocates were often engaged primarily in reactive and defensive 'limit the damage' submissions on micro-policy consultations, conducted by the Migration Advisory Committee. Responses on the economic impacts and practical challenges of adapting

to new requirements could have an impact in mitigating how policy decisions were implemented. But economic advocates risked being kept so busy on the hamster wheel of micro-policy engagement that they had little capacity to engage effectively in the broader strategic debate about the overall direction and drivers of immigration politics. At that level, evidence-based submissions about the economic benefits of immigration had limited scope for impact if they did not address the veto points for political and public consent.

Brexit opens up immigration politics and policy in a way that will require economic advocates to raise their sights and to engage with the macro picture as well as the micro. Advocacy for a Comprehensive Immigration Review would be an effective way to advance this, though it also presents the challenge of coming up with solutions that make economic, political and public sense.

4. Pick battles strategically

Economic advocates need to think strategically about how to engage with a post-Brexit immigration debate that will have several phases. EU nationals currently living in the UK are anxious about their status now; there will be a significant period of negotiation before the contours of what Brexit means take shape; and choices about the mix of EU and non-EU immigration may then come to the fore towards the end of the Parliament.

In the short-term, it would make very little sense to focus on the government's net migration target. This may still be a symbolic totem for some at both poles of the immigration debate but, after the referendum, the debate about the future of the headline target will have little practical impact until the contours of future UK immigration policy become clearer. Nobody in government or outside of it could possibly be in a position to make a sensible long-term judgement about future immigration targets, without knowing more about the Brexit deal itself, about prevailing conditions in the UK economy and their impact on inward and outward flows. Focusing on this totemic issue serves only to distance economic advocates from the public and political mainstream.

By contrast, advocating clearly to protect the status of European nationals in the UK is a very good first priority for economic advocates. It is an immediate, tangible issue for existing workers, with important business impacts; there are broad political and public coalitions of support to protect EU nationals; and employers may be able to propose constructive, practical ways to assist with the significant administrative challenges of regularising the status of existing employees. That immediate priority could also provide a practical bridge into issues of workforce planning and future recruitment, beyond the status of existing workers.

5. Explore the potential for common ground

Immigration policy has been a source of frustration for many people, but economic advocates will remain marginalised in debates if politicians and the public see them as mainly offering a voice of complaint and critique in immigration debates, rather than contributing practical solutions to manage migration effectively. What has been missing is a constructive, real-world agenda that makes sense as economics and as politics too.

Economic stakeholders have a shared interest, with government, in rebuilding low public confidence and trust in how immigration is managed. They, too, will need to demonstrate to the public that they are playing a part in addressing the challenges and pressures of immigration, as well as benefiting from the gains.

It will primarily be government's responsibility to make sure local public services keep pace with population changes. We explore this challenge in more detail later. Some aspects of managing local migration pressures and promoting integration may, however, be seen as the business of business too, and key to securing the public and political consent for migration that employers need. Facilitating the English language learning of their workforce, in partnership with local further education colleges, is one such example: there is a strong consensus on the value of universal English fluency for both migrants and local communities. What role should employers play in promoting that outcome?

Broadening and reframing the debate about skills will be central. As the attitudes evidence in this report shows, the public is supportive of migration that brings in skills that are needed, from high-tech industries to the NHS and care homes. Business voices face a reputational challenge if the public believe that industries and companies are not just using migration to plug the skills gaps, but are overly-dependent on immigration to the neglect of investing in skills and opportunities for progression.

British Future recommends that advocates for the economic benefits of migration:

Seek a broad political consensus on workable limits and controls on free movement, rather than adopting an absolutist 'defend free movement' position.

Focus on developing workable alternatives to present immigration policy. Continued criticism of the Government's net migration target is unlikely to be effective as it is unlikely to be reformed until the details of Brexit become clearer.

8. Uncertain times ahead: The refugee debate and Brexit

The EU referendum campaign took place against a backdrop of worsening violence in Iraq and Syria and the flight of refugees across Europe. Although migration was centre-stage in the referendum campaign, the Leave vote was not an endorsement to slam the door shut on refugees: in the run-up to 23 June, no mainstream politician spoke out against the UK's commitments to refugee protection.

Most of the UK's legal framework that governs refugee protection is not an outcome of its EU membership and it is assumed that refugee protection will not form a large part of the UK's Brexit negotiations. But the supposition that refugee protection and resettlement will be unaffected by Brexit may be unfounded. Negotiations to leave the EU will take place at the same time as major pressure to reform EU asylum processes. Continued large scale migratory movements across Europe and a more assertive European Commission could force refugee protection and resettlement higher up the political agenda, risking a hardening and polarisation of attitudes towards refugees in the UK.

This chapter looks at future refugee protection and resettlement scenarios. Events in Europe, set alongside Prime Minister Theresa May's desire for asylum reform, all add up to an uncertain future for refugees.

EU asylum policy and the UK's position

Most UK asylum legislation is not connected to its membership of the EU. The 1951 UN Convention Relating to the Status of Refugees and its 1967 Protocol pre-date the UK's accession to the EU and both are incorporated into the UK's domestic legislation. It is these international humanitarian instruments rather than directives from Brussels that underpin the principle of offering asylum to those who have a "well-founded fear of persecution". Over the last 17 years, since the Treaty of Amsterdam gave the EU competence over asylum, almost all refugee protection legislation in the UK has been driven by domestic circumstances, rather than EU legislation. Juxtaposed border controls between the UK and France are an outcome of a bilateral agreement rather than EU law.

The UK, along with Ireland, has a flexible opt-out of EU freedom, security and justice policy, which covers migration and asylum. It is not part of the Schengen travel area²⁹ and can opt-in or opt-out of other freedom, security and justice policy on a case-by-case basis³⁰. The UK chose to opt into the first phase of the

Common European Asylum System (CEAS) and signed up to the Temporary Protection Directive (2000), the Reception Conditions Directive (2003), the Qualifications Directive (2004) and the Asylum Procedures Directive (2004). When these directives were transposed into UK law, they had very little impact on the way that asylum-seekers and those with temporary protection were treated in this country. They were largely uncontroversial and uncontested measures and leaving the EU is unlikely to cause substantial changes to policy to these areas.

The UK, although it is party to the Dublin III regulation, decided to opt out of the second phase of CEAS. Participation in the Dublin system means that refugee protection will be an aspect of the UK's Brexit negotiations. The Dublin III regulation sets out which EU state is responsible for hearing an asylum application. It deals with situations where an asylum-seeker has made a claim in one EU member state, but has previously made an application in, or has been present in, another member state. In such cases, the asylum-seeker can be removed back to the first EU state, which the Dublin regulation deems to be responsible for determining his or her asylum application. In other circumstances, asylum-seekers in one member state can use the Dublin regulation to join immediate family elsewhere in the EU.

The UK has been a strong supporter of the existing Dublin system as it has the potential to limit the number of asylum applications being lodged with the Home Office. The UK's geographical location means that it is not usually the first point of arrival for asylum-seekers entering the EU. However, the numbers of asylum-seekers removed from the UK under the Dublin III regulation is relatively small – just 252 in 2013³¹.

Iceland, Lichtenstein, Norway and Switzerland have adopted the provisions of the Dublin regulation so it is possible that the UK could remain part of Dublin system when it leaves the EU. There is, however, major pressure to reform the Dublin system as it places disproportionate pressures on certain countries. Germany temporarily suspended Dublin processes in August 2015 and, alongside Italy and Greece, has called for major reform to the EU's asylum and immigration system.

In July 2016, the European Commission responded to these pressures, announcing plans to take forward the CEAS,³² which proposes to replace the Asylum Procedures Directive and the Qualifications Directive with regulations. EU regulations are immediately enforceable as EU law, whereas EU directives have to be transposed into national law, allowing member states leeway in their interpretation. This announcement represents a more assertive European Commission that may find itself in conflict with member states who do not support aspects of asylum reform. The UK's negotiations to leave the EU will take place in this context of changing policy and the potential for conflict.

Refugee resettlement

Further increases in the numbers of refugees entering and crossing Europe could also force refugee protection and resettlement further up the political agenda. In two separate agreements in May 2015 the EU agreed to transfer 160,000 refugees from Greece and Italy and resettle them elsewhere in Europe, although by July 2016 just 3,056 had been relocated. The UK declined to take part in this scheme, instead committing itself to take 20,000 vulnerable Syrian refugees by 2020, resettling them from camps in Jordan, Lebanon and Turkey, rather than from southern Europe³³. Although not an EU scheme, it was pressure from Chancellor Merkel, alongside public support for refugees in the UK, that drove the UK's pledges.

Arrivals by sea into Greece have significantly decreased since March 2016, although nearly 23,000 migrants crossed the Mediterranean to Italy in June 2016, a similar number to June 2015. Further increases in the number of refugees fleeing Iraq and Syria, and stand-offs at European borders, could reignite pressures for the UK to take more refugees through resettlement programmes.

Although the Leave vote was not driven by concerns about refugees, it is a barrier to calls for the UK to expand current refugee resettlement programmes. While there is broad support for the principle of refugee protection, public opinion about refugee numbers remains polarised. The drowning of Aylan Kurdi in September 2015 led to an outpouring of support, with 500,000 people signing a petition for the UK to do more, backed by an unusually broad coalition of political leaders. There has also been a huge growth in small local refugee charities, many of them set up by new and younger supporters.

A large number of these organisations have shown interest in the Home Office's new Community Sponsorship Scheme, which allows small charities or groups of local people to 'sponsor' resettled Syrian refugees, helping them find work and to integrate into their local community. Interest in this scheme has been much broader than refugee organisations and includes faith and community groups.

At the same time, however, sympathy for the plight of refugees has not translated into significant increases in public support for the UK to expand refugee resettlement. A poll undertaken in November 2015 suggested just 30% per cent of Britons think the UK should accept more refugees³⁴.

An uncertain future

In the months before the EU referendum, the UK Government indicated that it wanted to proceed with its own asylum reform. In a speech to Conservative Party conference in October 2015, the then Home Secretary Theresa May proposed

an annual asylum strategy which would bring significant changes, including differentiating between refugees admitted through resettlement schemes and people who seek asylum once already in the UK.

The Government has yet to publish an asylum strategy for 2016. Brexit and dealing with the status of EU migrants will place competing priorities on the Home Office and asylum policy reform may take a back seat. There is little resource or political space to address some of the unfairness and inefficiency within the UK's asylum system – backlogs and poor quality initial decision-making on asylum cases, for example³⁵. What is also clear is that the Leave vote, set along Theresa May's proposals, make it difficult for civil society organisations to argue for increases to resettlement quotas.

Refugee protection may well form a minor and uncontested part of the Brexit negotiations, with the UK agreeing to participate in Dublin. However, increases in the numbers of refugees crossing Europe could result in further pressures for radical reform to the Dublin system, as well as obligatory resettlement programmes. These could be thrown into the Brexit pot by a more assertive European Commission or countries that feel that the UK should take more refugees. This risks making protection and resettlement an area of conflict between the UK and the EU, as well as polarising and politicising the treatment of refugees.

Building public support for refugee protection

Faced with this uncertain future it is now more important than ever to show that there is broad public support for refugees. Civil society organisations need to broaden their support and make refugee protection more than just a “progressive” concern of 30% of the population. Refugee organisations will need to evolve their arguments and messages to appeal to more of the ‘anxious middle’ - people who identify with ‘fairness’ and support the principle of refugee protection but perhaps have concerns about integration or numbers.

Human stories change attitudes to refugees and so does meaningful social contact between refugees and Britons. The Community Sponsorship Scheme offers the opportunity to involve ordinary citizens in the resettlement of refugees, breaking down barriers between “them” and “us” and building bridges. This scheme is an opportunity to show that resettlement works, to involve more people in refugee resettlement and, through this, broaden support for refugees. Advocates for refugee protection must work to make sure that the Community Sponsorship Scheme is successful, and then for it to be extended to a wide range of groups across the UK.

There is room for much improvement in the UK's asylum system, particularly in relation to initial decision making and the treatment of asylum-seekers during the determination process. Many organisations have offered constructive alternatives to current policies – policies that are realistic and recognise that asylum-seekers who have exhausted the legal process have to be removed from the UK, with the Early Legal Advice Pilot one such example³⁶. But these reforms can only now come about if there is broader public support for refugee protection and the priority now is to build it.

British Future recommendation to advocates for refugee protection:

An important way to both improve refugee outcomes, increase contact and sustain majority support for refugee protection will be to make sure that the Community Sponsorship Scheme for refugees is successful, and then that it is extended to a wide range of groups across the UK.

9. Living well together and managing local pressures

Although international migration has always been a feature of life in modern Britain, immigration into this country grew in the early 1990s. The proportion of the UK's population born overseas stood at 6.7% at the time of the 1991 census, but grew to 8.3% in 2001 and 13.4% in 2011. In the 1980s and early 1990s new migrants and refugees largely settled in urban areas in London and the South East. Since the late 1990s, however, the distribution of migrants across the UK has changed. Asylum-seekers requiring accommodation are now usually housed by the Home Office in the Midlands, northern England and Scotland.

Many rural areas, market towns and cities outside London and the South East have also seen increased international migration as a consequence of the arrival of EU migrants after 2004. Areas where the local population is predominately of white British ethnicity have sometimes experienced a rapid increase in migration in a comparatively short period of time (Fig.5). This latter aspect of population change has sometimes raised public concerns: about the scale and pace of change; about the impact of increased migration on jobs; and about cultural differences and a lack of social mixing between newcomers and the longer-settled local population. The pressures that immigration places on housing and public services has also emerged as an issue of concern, recently as a contributing factor to the Leave vote in some areas.

The Government has a number of policy tools to address these concerns and manage the local impact of migration. It needs immigration controls that are effective, fair and that are responsive to the needs of the labour market. Alongside fair and effective immigration control to determine who is admitted to the UK, there are in-country mechanisms open to the Government to deal with local impacts. It can make sure that immigration does not place undue pressure on housing and public services; it can also set in place integration policy to enable ethnically diverse communities to live well together. This chapter examines the UK's record in managing the local impacts of migration and looks at what needs to change if policy is to be effective.

A new migration impacts fund

As a consequence of increased EU migration after 2004, some local authorities voiced concerns about the impact of migration on demand for their services³⁷. Additionally, three-year budget settlements had just been introduced for local authorities, replacing an annual allocation from the Government. While this offered greater funding stability, it could not cope with rapid population change in the period between budget allocations. Local authorities also believed that migrants were under-counted in ONS mid-year population estimates that are used as a basis for setting their budgets.

In response to these issues, the Government set up two funds to help local public services deal with the impacts of migration. The Exceptional Circumstances Grant, administered by the Department for Education, provided local authorities with extra funding where their overall school pupil numbers or the numbers of pupils with English as an additional language increased by more than 2.5 per cent between the January and Autumn school census dates. While this fund remained in place until April 2011, the level of population change required to trigger its payment was set very high. In its final year of operation just four local authorities in England qualified for payments.

The Migration Impacts Fund was a larger grant, financed out of a £50 levy on visa fees and presented as additional funding for local services that incurred no extra cost to the UK taxpayer. It was launched in 2009 with a £35 million annual allocation. Some 99 county and unitary local authorities received funding in 2009 for a wide range of services, including support teachers for migrant children, advice services, housing regulation and policing.

There were many criticisms of the fund, which was felt to be too small to relieve pressures on public services. Crucially, from the perspective of public opinion, there were few visible outcomes from the Migration Impacts Fund so it did little to address local concerns. While district councils are responsible for housing where there is two-tier local government, just nine of them received funding in 2009. This meant that in areas such as the Fens some district councils were unable to use the Migration Impacts Fund to deal with rogue landlords, housing overcrowding and poor quality and badly maintained private rental accommodation – all issues that undermine public support for migration. The Migration Impacts Fund was also restricted to revenue funding, but addressing some of the impact of immigration – school place shortages, for example – requires capital funding.

The Coalition Government closed the Fund in October 2010 as a cost-saving measure, but later introduced a new ‘Immigration Health Surcharge’, which now stands at £200 per person per year and is payable by most categories of temporary non-EU migrant when they apply for their visa³⁸³⁹. Soon after, the Conservative Party committed to a ‘Controlling Migration Fund’ in its 2015 General Election manifesto, though the Government has not yet published details of how it envisages the Fund will operate. Labour has indicated its support for the Fund, which it says should be introduced as a matter of urgency. A number of thinktanks put forward proposals about how this new fund should operate, including suggestions about how it might be financed, which include:

- A levy on applications for citizenship and settlement;
- A larger levy on visas, with the income that is generated being available to all public services;
- Specific taxes on migrants living in the UK, for example, a new class of Immigration National Insurance Contribution, levied on non-EU migrants in their first years in the UK⁴⁰.

It is likely that there would be opposition to higher visa levies, for example, from sectors that rely on tourism or migrant workers. Naturalisation is already costly, at £1,236 for an adult excluding any legal fees: further increases to citizenship and settlement fees risk discouraging the acquisition of British citizenship and hence integration. Tax levies on new migrants to the UK seem a better option, as it does not involve a large up-front payment.

However it is financed, the proposed Fund has to fulfil certain criteria in order to meet its aims. First, it has to channel money to housing and to the frontline services that are affected by rapid population change, including those that are outside the remit of local authorities. Second, it should cover revenue and capital expenditure. Third, there must be a low numerical threshold to trigger funding, which also takes into account short-term international migrants⁴¹. Fourth, its work needs to be visible and publicised, to ensure transparency and accountability and to address local concerns about immigration.

Fig.6: Local authority areas experiencing the greatest percentage increase in the overseas-born population between 2001 and 2011

Local authority	Region/nation	Percentage of population born overseas, 2001	Percentage of population born overseas, 2011	Percentage change 2001-2011	Numerical increase in overseas born population 2001-2011
Boston	East Midlands	3.1%	15.2%	390.3%	8,083
Merthyr Tydfil	Wales	1.4%	4.5%	221.4%	1,834
Hull	Yorkshire and Humberside	3.0%	8.5%	183.3%	14,433
South Holland	East Midlands	3.4%	9.6%	182.4%	5,840
Fenland	Eastern	3.1%	8.6%	177.4%	15,568
Barking and Dagenham	London	11.4%	31%	171.9%	38,616
Aberdeen	Scotland	6.3%	15.9%	167.2%	22,172
Wrexham	Wales	2.4%	6.3%	162.5%	5,308
Corby	East Midlands	5.3%	13.2%	149.1%	5,260
Thurrock	Eastern	5.0%	11.9%	138.0%	11,665
UK		8.3%	13.4%	61.4%	2,502,482

Sources: Census 2001 and Census 2011

Shared ground

Integration is another tool that enables neighbourhoods – and wider society – to manage migration. Although there is no official definition, there is a consensus that integration is a two-way process of mutual accommodation enabling diverse societies to live well together. It is both a social and structural relationship involving conditions such as trust, reciprocity, shared values and a sense of belonging to a community and nation. Integration also involves participation in social, civic and economic activities, as well as economic opportunities that are shared across society – so that everyone has equal life chances and no-one is left behind.

Despite its importance, the UK has a mixed record in facilitating integration. Of course, many migrants find work, make new friends and contribute to their new communities without any state interventions. But there are some groups at risk of social segregation or social exclusion. Census 2011 data suggests that nearly 900,000 people could not speak English well or at all, limiting their ability to find work and participate in shared social activities. Poor language skills, unemployment and residential, educational and labour market segregation all act as major structural and economic barriers to integration.

We are also a nation that is segregated by age, social class, ethnicity, religion and country-of-birth. When excluding family interactions, a survey undertaken in 2014 showed the average Briton has 48 per cent fewer social interactions with people of different ethnicities than would be expected if ethnicity was irrelevant in determining how we meet and mix⁴². Yet meaningful social contact between people of different backgrounds is needed if we are to break down stereotypes, bridge social divides and develop shared ground and the mutual accommodation of each other.

Since 2005, the Department for Communities and Local Government has led on integration policy, although it requires the involvement of a large number of government departments, agencies and services. Inter-departmental coordination and multi-agency work has, however, always been weak in the UK, at both central and local government level. Changes to regional government structures now offer opportunities for improving coordination on integration, with the election of new regional and city mayors. They will have budgets and new powers over areas such as housing, planning, policing, skills and welfare-to-work. British Future believes that all regional city mayors, including the Mayor of London, should set up an Office for Citizenship and Integration to set in place coordinated plans of work and to mainstream integration into all areas of policy, with the focus and priorities of each Office reflecting the differing demographic, immigration and integration challenges and priorities in their area.

Public policy interventions between 2005 and 2010 mostly focused on the structural and economic aspects of integration, such as delivering welfare-to-work programmes or English language teaching. After 2010, specific initiatives such as the Refugee Integration and Employment Service and the Connecting

Communities Fund were cut, due to reductions in public spending. Prevalent attitudes towards migrants made it particularly difficult for decision makers to stand up for publicly funded interventions targeted at migrants, such as subsidies for English for Speakers of Other Languages (ESOL), while spending was being cut in all areas. At the same time, civil society advocates of integration failed to build alliances and address political veto points.

Successive governments have also struggled with social and cultural integration, which is more difficult to evidence and translate into public policy interventions. Unwillingness by decision makers to consider controversial issues, such as what we should expect of migrants, hindered integration policy, as did a fear of being seen as a “big brother” state. Yet we know that local communities tend to understand integration as a social and cultural process, through the adoption of ‘British’ social norms and traditions.

Later in 2016, the Government will publish the Casey Review on Integration, England’s⁴³ first comprehensive review since the 2007 Independent Commission on Integration and Social Cohesion. The Casey Review has the support of Prime Minister Theresa May, and is likely to set out some proposed areas of action. It offers both government and civil society organisations the opportunity to re-energise the integration debate, and get policy right in key areas. Fluency in English is central to integration, but central government policy on ESOL has largely been absent. In England, regulations about ESOL provision for adults change almost every year, with new schemes set up then later abolished. There is very little provision in rural areas or for low-skilled workers who are employed for long hours and find it difficult to get to college. Much could be learned from innovation outside the UK, for example the use of freeview TV channels to provide English language teaching. Decision makers also need to think about employers’ responsibilities for supporting English language development and how to build a social environment that supports English language learning.

Clearly, the UK needs to make policy changes to improve ESOL provision and encourage the development of migrants’ English language skills. But root and branch reform is needed to integration policy, not just micro-policy changes affecting specific services. Integration policy needs to respond to all types of migration, including short-term EU and student migration. Work to support integration needs to be mainstreamed into all policy areas. Above all, there needs to be much greater focus on social integration and on areas of work that bring diverse groups of people together.

British Future recommends:

The Government implements its commitment for a fund to manage the local impacts of migration, financed through a tax levy on new migrants, coordinated by local authorities and with a guarantee that the majority of funding goes to schools, policing, healthcare and housing.

All new regional and city mayors, including the Mayor of London, set up an Office for Citizenship and Integration to set in place coordinated plans of work and to mainstream integration into all areas of policy, with the focus and priorities of each Office reflecting the differing demographic, immigration and integration challenges and priorities in their area.

10. Left behind or left out? How to involve the public in the future of immigration policy

At the start of this report we looked at public attitudes to immigration. Our research finds that public opinion on this issue is nuanced, rather than polarised. As with earlier research it indicates that most people do not want to shut the door to migrants and refugees; but nor do they view immigration to the UK in an overwhelmingly positive light. Rather, most people fall into a group we term “the anxious middle”, representing about half the population. They may worry about the scale of immigration and its impact on jobs and public services but, at the same time, they recognise the contribution of migrants to life in the UK and feel pride in this country’s tradition of protecting refugees.

Over the last four years, British Future has built a unique understanding of public attitudes to immigration. We have found the majority of people can and will engage constructively with this issue, but that they seldom get a chance to discuss their views openly and to talk to decision makers about migration. Many people are also wary about expressing their opinions, for fear of being dismissed as racist or bigoted. The disastrous encounter between Gordon Brown and Gillian Duffy in the 2010 general election campaign reinforced such anxieties.

Today, many people hold the view that politicians want to shut down the debate about migration, with the London-based elite unwilling to hear and address public concerns. In the recent EU referendum, the Remain campaign never really engaged on this issue because its strategy was to change the subject back to the economy as quickly as possible. In turn, the Leave vote was a vote of no confidence in the Remain campaign’s inability to address immigration.

Why a national conversation is needed

Brexit now offers a window of opportunity for comprehensive immigration reform. It has the potential to create the political space for the Government to set in place the immigration system that the UK needs. But given the salience of immigration as an issue of public concern, there is no way that reforms can be won without getting public support for them. Some policy changes – for example, on pensions or infrastructure – can be won by an elite consensus and legislative change can take place without getting broader public consent. This is not possible with such a high profile issue as immigration. Comprehensive immigration reform will only take place if politicians perceive

that there is public support for changes. A national conversation on immigration would enable decision makers to hear the public's opinion and involve them in key choices about immigration policy after Brexit.

It would also build resilience to prejudice. While immigration remains a high profile issue, we are not good at talking about it. This means we do not have the opportunity to put forward our views and hear the opinions of others. Contested narratives are not articulated and renegotiated; communities are not offered a space in which to come to a consensus about immigration and integration. Talking about immigration and how we live together, and agreeing on what constitutes a decent debate, also helps communities to challenge hate crime and prejudice.

What would a national conversation look like?

A national conversation on immigration does not invest participants with the power to make decisions. Rather, it is a two-way process of dialogue between the Government and ordinary citizens, enabling members of the public to influence policy.

There are many examples of public engagement in policy decisions, most of them focusing on local issues: plans to change school place allocation, parking regulations or hospital services, for instance, usually involve public consultations. There are many examples of policy being overturned as a consequence of public consultation. Alternatively, public engagement can give policymakers the mandate to carry out changes: in 2007, the NHS in London set out to improve stroke services in the capital, where patients were often receiving substandard care in 34 different hospitals. Instead, policymakers wanted to provide acute care in eight specialist stroke units. However, there was considerable resistance to the changes from clinicians, patient groups and the public. After presenting the medical profession with the evidence to support the proposed changes, policymakers then organised an extensive public consultation. This process included 37 road shows, an advertising campaign in underground stations, the media and social networking sites, and the distribution of consultation documents. The consultation site attracted 20,000 website visits and received 5,000 responses, over two thirds of which supported the creation of specialist stroke centres in London. The outcome of this exercise gave policymakers a mandate to carry out their changes and also helped shift public attitudes about the reconfiguration of hospital services.

While it is common for local public services to consult the public about policy changes, national governments do so less frequently, both in the UK and elsewhere. But there are some successful examples of national governments engaging the public in policy reform. In 1998 and 1999, the US federal government engaged 50,000 Americans, in 50 states, in face-to-face discussions about social security reform. An evaluation of this exercise argued

that it “*demonstrated the intense public interest in the future of Social Security reform and showed that Americans had more of a ‘middle ground’ approach than special interests or lawmakers had believed*”⁴⁴. There are also examples of governments engaging the public in debates about immigration, integration and identity. In 2009, there was a three-month national conversation in France, exploring what it means to be French, led by the Minister for Immigration. Critics of this activity felt the exercise needed to be longer and involve more face-to-face discussion.

More recently, the Canadian government has embarked on its own national conversation on immigration. Launched in July 2016, it seeks the opinions of its citizens on who to admit to Canada and in what numbers, as well as how to make immigration work for the economy. Canada’s national conversation is taking place using face-to-face discussions across the country, an online survey, opinion polling and interviews with local government, business and civil society organisations. British Future recommends that the Government draws on the experiences of the Canadian government. It should conduct its own national conversation on immigration, with the aim of engaging the British public in key choices about immigration policy after Brexit.

There are many different ways that a national conversation on immigration could be organised in the UK. The mixed methodology approach used in Canada – face-to-face citizens’ panels, opinion polling and online surveys – would work in the UK. A truly national conversation needs to take place in all parts of the UK, at least in every local authority. A range of different organisations, as well as members of the public, need to be involved in framing the questions, so the exercise is seen as fair and neutral. Crucially, decision makers need to listen to public views and be informed by them in their policy making.

There will be some, on either side of the immigration debate, who will cry foul at the first mention of such an idea. From one side may come accusations that the process is a whitewash, before the first question has been asked, perhaps accompanied by claims of a ‘stitch-up’ between the Government and the BBC to water-down or ignore the views of ‘ordinary people’. To this group there is little succour one can offer; it seems they may never be happy. Their chief complaint – that ‘we never get a say on immigration’ – will, however, carry less weight with the rest of the public if they are offered an opportunity to take part in a national conversation on the issue.

Some pro-migration liberals may voice fears about handing immigration policy to the mob, citing the referendum debate as an example of what happens when you give the masses a say on public policy – that such a conversation will give undue weight to those with prejudiced views against migrants, as they will shout the loudest. Yet that is precisely the debate we have at the moment, a

shouting match from two polarised sides of a debate that fails to reflect the more balanced views held by the majority of the public. The anti-extremism organization HOPE not Hate has, helpfully, also called recently for a national conversation on immigration⁴⁵. Giving the unheard majority a chance to have their say on an issue of the highest public salience, on which they currently feel ignored, will not only ease public frustrations and help restore trust in the system - it will also restore people's faith in the moderation of their fellow citizens.

British Future recommends that the Government:

Undertakes a national conversation on immigration, in order to engage the public in key choices about immigration policy after Brexit.

11. What next after Brexit?

Ten recommendations for immigration and integration in post-referendum Britain

While Brexit will present challenges for immigration policy, it also offers an opportunity to get things right.

That should start with the sending of a clear statement about the kind of country Britain wants to be after Brexit, by securing the status of the 3 million EU citizens already living here. But it should also prompt a more wide-ranging review of future immigration policy – one that dispenses with micro-level changes to individual policies in favour of a comprehensive review of the system.

While that review should consult experts and stakeholders, it must also involve the public too. They should be consulted as part of a process to secure public consent for changes to the immigration system and rebuild trust in the Government's ability to manage immigration competently. We are firmly of the view that such a consultation will reveal a more balanced set of opinions among the majority of voters than are currently voiced in our polarised public debate.

Advocates for the benefits of immigration will also want to be part of the debate that shapes our immigration system for years to come. Business voices, for instance, will be looking to ensure that they have the staff and the access to European markets that they need to thrive. They and other migration advocates will have greater success by engaging constructively in the debate about the future of the immigration system and seeking to shape those reforms, rather than taking an entrenched approach that defends free movement at all costs, or seeks changes to the net migration target before we have a clear idea of what shape Brexit will take and what that is likely to mean for immigration.

Currently, levels of public concern about immigration and integration are not reflected in government spending priorities, and further investment is needed. If we want an immigration system that is fit for purpose, we will need to fund it accordingly and there would be public support for proper investment in the Home Office. Central funding should also be directed locally to those areas that have seen the most rapid population growth and where pressures have resulted on public services. Crucially, local people will need to see that this funding is going to the frontline services that need it – so they feel that their concerns are being heard and responded to.

But helping us live well together at a local level is not just about money. More attention needs to be paid to integration policy, to facilitate more contact between people from different backgrounds. Reforms to central government policy on ESOL are needed to help boost English fluency, but local level policies to bring people together and mainstream integration across all policy areas should also be coordinated at local level. We suggest that local and regional mayors should give responsibility to a named individual, heading up an Office for Citizenship and integration, charged with making integration work in their area.

Recommendations

To the Government:

1. Secure the rights of EU nationals currently in the UK, as soon as possible. There is an economic as well as a humane imperative not to prolong uncertainty for this group of people.
2. Invest properly in the immigration system so that it can deliver. Postpone plans to make borders and immigration self-funding and task the Migration Advisory Committee with calculating how much revenue and capital funding is needed for the Home Office to fulfill its immigration functions efficiently and fairly. This should include an estimate of the additional administrative and resource needs of addressing Brexit.
3. Undertake a comprehensive immigration review once there is clarity on the Brexit settlement, looking at all aspects of immigration and integration.
4. Involve the public in the comprehensive immigration review through a national conversation on immigration.
5. Place a moratorium on major changes to immigration policy, once action has been taken to guarantee the status of EU nationals living in the UK, until the comprehensive immigration review is completed.
6. Implement its commitment for a fund to manage the local impacts of migration, coordinated by local authorities and with a guarantee that the majority of funding goes to schools, policing, healthcare and housing.

To all new regional and city mayors, including the Mayor of London:

7. Set up an Office for Citizenship and Integration to set in place coordinated plans of work and to mainstream integration into all areas of policy, with the focus and priorities of each Office reflecting the differing demographic, immigration and integration challenges and priorities in their area.

To advocates for the positive benefits of migration:

8. Seek a broad political consensus on workable limits and controls on free movement, rather than adopting an absolutist 'defend free movement' position.
9. Focus on developing workable alternatives to present immigration policy. Continued criticism of the Government's net migration target is unlikely to be effective as it is unlikely to be reformed until the details of Brexit become clearer.
10. An important way to both improve refugee outcomes, increase contact and sustain majority support for refugee protection will be to make sure that the Community Sponsorship Scheme for refugees is successful, and then that it is extended to a wide range of groups across the UK.

Tables

ICM surveyed 2,418 GB adults online between 24-26 June 2016 for this report. ICM is a member of the British Polling Council and abides by its rules.

Fig. 1: Immigration attitudes by types of migrant

“For each of the following groups [of migrants], please tell us whether you would prefer the number of people coming to live in Britain to be increased, reduced, or remain about the same”

Type of Migrant	Increased	Reduced	Remain the Same
Highly skilled	46	12	42
Student	24	22	54
Immediate Family	13	35	52
Low skilled	7	62	31

Fig. 2: Immigration attitudes by migrant profession

“For each of the following groups of migrant workers, please tell us whether you would prefer the number of people coming to live in Britain to be increased, reduced, or remain about the same?”

	Increased	Reduced	Remain the Same
Business/Finance Professionals	25	23	52
Scientists/Researchers	46	13	41
Doctors/Nurses	47	13	40
Engineers	40	17	43
IT Specialists	27	23	51
Care workers for the elderly	27	25	48
Construction Workers	18	40	42
Waiters/Bartenders	8	49	43
Unskilled Workers	6	65	29

Fig. 3: How much do you agree or disagree with this statement?

'Immigration brings pressures as well as gains and our decision to leave the EU gives us a chance to change the system. What we need now is a sensible policy to manage immigration so we control who comes here but still keep the immigration that's good for our economy and society, and maintains our tradition of offering sanctuary to refugees who need our protection'

	Agree	Disagree
All GB public	74%	8%
Leave voters	84%	5%
Remain voters	69%	11%
Conservative voters	84%	6%
UKIP voters	82%	6%

Notes and references

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 21. Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia.
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About British Future

British Future is an independent, non-partisan thinktank engaging people's hopes and fears about integration and migration, opportunity and identity, so that we share a confident and welcoming Britain, inclusive and fair to all.

The organisation did not take a position on which way people should vote in the EU referendum but published research on the challenges facing both sides of the debate on immigration and identity issues.

Since British Future's founding in 2012 we have conducted research on public attitudes to these issues in the UK, projecting our findings publicly to inform national debate.

Our attitudinal research has contributed to national discussions on issues including how attitudes to immigration affected the 2015 General Election; ethnic minority voting behaviour; immigration from the European Union; attitudes to international students in the UK; Englishness and what it means to the English; the hopes and fears of first-time voters; and racism, discrimination and national identity in modern Britain.

Further publications from British Future, available online, include:

Disbanding the tribes: what the referendum told us about Britain (and what it didn't), July 2016

How (not) to talk about Europe, January 2016

How to talk about immigration, November 2014

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British Future...

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