



THE ADECCO GROUP

The facts about Brexit

— April 2018 —

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Problems mount up for the UK Government

April 2018 saw MPs return to the House of Commons with a lot of work still to do. When they returned on Monday 16th April 2018 there were only 80 days that parliament will sit before a vote on the final deal is conducted, currently scheduled for October.

At the end of April, the UK government had not passed a single piece of Brexit related legislation and more than half that is intended has not even been introduced.

During the month the government lost eight separate votes in the House of Lords on the EU Withdrawal Bill with the peers accepting a further two government amendments. There were still eight more amendments that the government would have to contest at this point, including a brand new one following the recent Windrush scandal. The government won one vote where it was not required to account for animal welfare.



Outcome of lost votes:

- European Communities Act 1972 should not be repealed until government has explained to Parliament the steps it will take to negotiate the UK's participation in the customs union.
- Legislation used to amend retained EU law (including employment and equality rights, consumer and environmental standards as well as health and safety) would be subject to enhanced scrutiny.
- The Charter of Fundamental Rights should be transferred into UK law.
- UK law can be challenged if it fails to comply with the general principles of EU law.
- Ministers will not be allowed to use regulation to establish when individuals can challenge the validity of EU law after Brexit.
- Ministers can only amend retained EU law where 'necessary' rather than where they think is 'appropriate'.
- Parliament should not be able to block or delay any final deal on Brexit.
- Government should seek parliamentary approval to proceed with negotiations on the future trading relationship.

Accepted amendments:

- Removed ability to establish new public bodies using delegated powers and preventing delegated powers from being used to amend the Scotland and Wales Acts.
- Removed ability to use secondary legislation to amend UK law so that the UK would continue to comply with international obligations after it leaves the EU.

“ These losses are not necessarily permanent, they can still be overturned in the House of Commons where the government and Prime Minister Theresa May hold a small majority. ”

No movement on the Irish Border

Although nothing has factually changed during April regarding the Irish Border it is that exact point that indicates a growing problem for the UK government.

The EU has proposed a border along the Irish sea that would allow for the Republic of Ireland and Northern Ireland to remain border free but would separate Northern Ireland from the rest of the UK. This is an idea that Theresa May has already promised the Democratic Unionist Party she would oppose.

Theresa May has proposed a hybrid plan of a 'customs partnership' where the UK remains in the customs area whilst operating an independent trade policy. Essentially the UK would concurrently run two tariff regimes - one for goods destined for the EU and one for goods bound for Britain.

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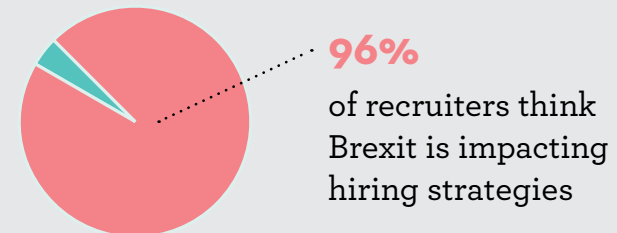
Skills gap are getting bigger

As the UK labour market continues to grow there are suggestions that labour supply is unable to keep up as the UK breached its limit on Tier 2 visas for the sixth consecutive month. This had led directly to visas being refused for 100 non-EU doctors due to be recruited into a scheme that supplies junior doctors to 30 NHS trusts in the North West.

Human Health and Social work is certainly a key area with skills gaps, it is one of five sectors that account for 87% of all visa applications. The most prominent of these is Information and Communication where more than 41% of all visa applications comes from.

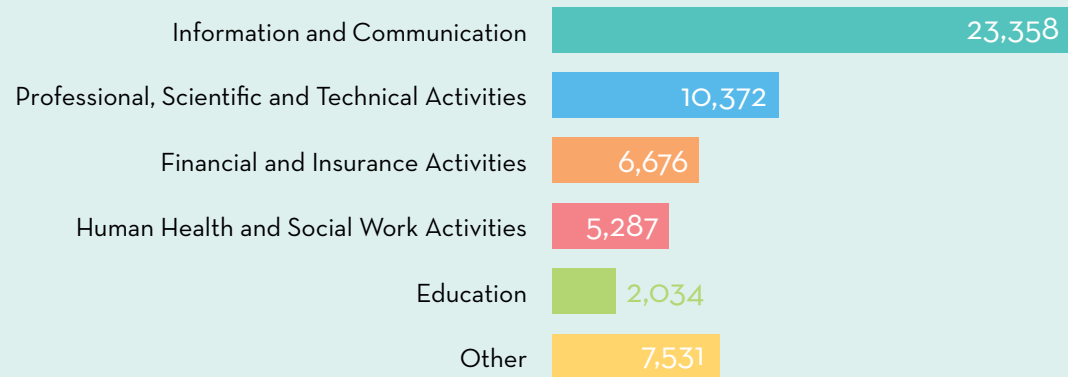
To add to this issue LinkedIn reported in April that they saw more professionals move to the EU27 than the UK. Although only the sixth version of their Workforce Report it was the first time they had seen this. LinkedIn say that it is migration from Ireland that has declined more than any other country, with the share of Irish professionals moving to the UK falling 37% over the last year.

LinkedIn Recruiter Sentiment Survey - April 2018



These figures suggest that the UK may not be able to meet its current labour requirements let alone future ones and seem to be increasingly looking outside of the EU for skilled workers. This also comes at a time when the International Monetary Fund (IMF) has said, in its latest World Economic Outlook report, should encourage migrant workers to move. The IMF says the number of working age adults will need to double in the next few decades to deal with the ageing populations of countries like the United Kingdom.

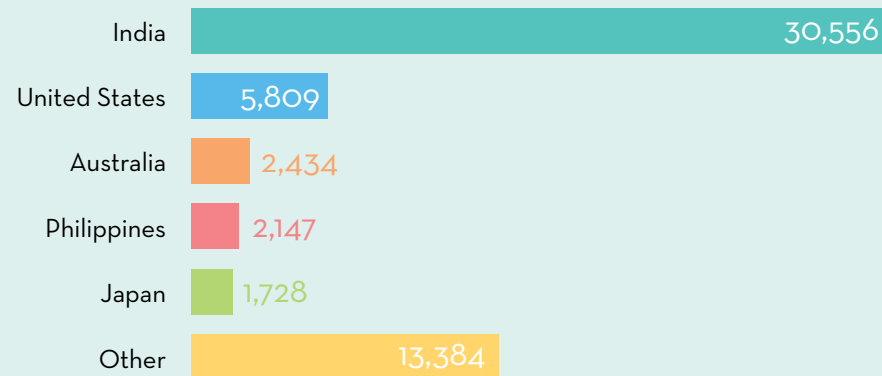
Sponsored visa applications by industry sector, 2016



Top 5 sectors accounted for the majority (87%) of sponsored skilled visa applications

Sponsored Skilled work visa applications, by nationality, 2016

Indian nationals account for over half of the sponsored skilled work visa applications and the top 5 nationalities together account for more than three-quarters.



Source: Immigration Statistics, October to December 2016, Home Office