
NAVIGATING BREXIT:

THE MIGRATION MINEFIELD



In partnership with:

SQUIRE 
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SUMMARY

The Government's Industrial Strategy sets out its plans for 'Building a Britain fit for the future',¹ outlining key ambitions and challenges it faces. People and skills has, in our view, always been a fundamental pillar for industrial strategy, and clearly the UK Government shares this view.

Our sector faces major challenges in accessing the right talent, skills and labour. As the Industrial Strategy states, the manufacturing sector is one of those most likely to need people skilled in science, technology, engineering and maths.² While there are positive measures in place to acquire these skills, from reforms to technical education to a retraining scheme to ensuring the existing workforce has the skills it needs for the future, for business there are additional challenges that these reforms cannot solve in the short to medium term.

The first is a lack of people willing and able to work in manufacturing before we have even left the EU. From our research last year, we know this is the main reason for recruiting EU citizens – a lack of domestic applicants.³ However, as official migration figures continue to show a downward trend in the number of EU workers coming to the UK, and an increase in EU workers leaving these longer-term reforms will not deliver the skills, talent and labour that manufacturers need now.

Government policy remains focused on the increase in flow of people into industry – new recruits, young people. While these measures are well intentioned, we must remember that they will not always replace like for like. Although EU citizens fill some lower level roles, they also fill medium and highly skilled roles.⁴ The Government's Industrial Strategy also talks about global talent and inviting the "brightest and best", but what does this mean? As we found in our research last year, EU citizens work across manufacturing businesses, from low to mid to highly skilled roles. Manufacturers need workers to fill all these roles. The question remains, who will fill these roles if the downward trend in migration from the EU continues?

Our research finds that the initial impact from the referendum may have abated for now, with the number of EU citizens leaving UK manufacturing businesses and the reduction in job applications from EU citizens being less 'dramatic' now compared to our survey of manufacturers last year.⁵

“We want to continue to be an attractive destination for the world's most talented and innovative people and the UK ... will remain a home to the brightest and the best.”

Source: BEIS (2017) Building Our Industrial Strategy

¹ <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

² Ibid

³ EEF, Making migration work for manufacturers: Accessing skills in a post-Brexit world (2017)

⁴ Ibid

⁵ Ibid

The milestones of the Prime Minister's open letter committing to allow EU citizens currently living in the UK to stay and plans for a user-friendly low-cost process to gain settled status, are likely to have contributed to this. However, we cannot become complacent. A perception that the Home Office does not have the resources or capability to manage the settled status process for around 2 million EU citizens in the UK fairly or efficiently, could see these trends picking up with more EU citizens living in the UK voting with their feet.

For employers, there is an immediate need for the UK Government to give at least some indication for a post-Brexit transition EU migration system. UK manufacturers work in business cycles that stretch over five or ten years, and their investment and business plans require some certainty over the UK's future trading, regulatory and economic relationship with the EU.

Moreover, with the UK labour market systemically weak in technical subjects, in particular STEM (Science, Technology, Engineering and Maths), skilled EU workers will continue to be an important source of labour for many years to come. While the UK and EU have settled in outline on the immigration position for EU citizens to 31 December 2020, the practical aspects remain to be decided, and almost nothing is known of the arrangements for EU workers from January 2021. This great unknown will be a key factor behind the extent to which UK employers can continue to recruit EU workers at all skill levels after the transition period and their ability to plan accordingly.

While the current trend of fewer EU citizens seeking work in the UK may help the Government to meet its arbitrary net migration target of tens of thousands, it will do nothing to help manufacturers retain and grow the talent, skills and labour they so urgently need. Without these skills, the Government's ambition to build a Britain fit for the future, as set out in its Industrial Strategy, will become out of reach.

Manufacturers are not waiting idly for the right people with the right skills. They continue to be committed to investing in their current and future workforce. However, achieving this against the background of Brexit is not without its challenges. It is therefore critical to get domestic training and skills policy right, as well as a business-friendly migration system.

SUMMARY OF RECOMMENDATIONS

- 1) The UK Government must immediately produce a suite of tools and documents for employers, making clear what they should tell their EU workers, their families and dependents and what is needed from them as employers – the current guidance is not sufficiently clear or detailed. This should include guidance on how the criteria for settled status will be applied in practice – particularly for those EU citizens without a straightforward five years' continuous employment history in the UK. Employers should also be reassured that current right to work checks, as they apply to EU workers, will remain unchanged, and that EU workers should notice no difference in their experience of living, working and studying in the UK before the start of 2021.
- 2) Employers with EU workers must not face any further immigration-related administrative or legal burdens after December 2020.
- 3) The UK Government should indicate now that a light-touch immigration policy for EU citizens wanting to come to work in the UK after December 2020 will be introduced without the cost and bureaucracy of the current Points-based System for non-EU workers.
- 4) The UK Government should clarify that EU citizens arriving during the transition period and intending to stay in the UK for more than three months only need to apply for temporary residence without the need to go through a separate registration process.
- 5) The UK Government must begin discussions on the issue of posting workers and secure comparable terms for posted workers entering and leaving the UK for the EU post-2020, including treatment for tax and social security purposes .
- 6) UK nationals in the EU need a single portal (provided jointly by the UK and EU) through which they can determine the local requirements to secure the equivalent of settled status in each member state.
- 7) The UK Government should seek agreement from the EU that UK nationals resident in one EU member state before 2021 will retain the right to travel, work and reside in any other EU member state after the transition period.
- 8) The Government should immediately consult on the new National Retraining Scheme to understand what business sees as the founding principles for this new initiative. Manufacturers want to ensure that the Scheme does not duplicate current efforts and supports gaps in training where monies are currently not targeted.
- 9) On the Apprenticeship Levy, manufacturers want to see Government support them to create additionality from the Levy. This can be achieved by changing the way the Levy is financed from a departmental expenditure limit to an annually managed expenditure, as well as giving employers greater control by taking on the many recommendations organisations such as EEF have put forward.

TRACKING TRENDS: MORE EU NATIONALS LEAVING/FEWER ARRIVING

EEF's Executive Survey, published earlier this year, revealed that almost four in ten manufacturers saw EU citizens leaving their business as a potential threat for 2018. It went on to find that EU citizens leaving their businesses could affect the expected employment growth of manufacturers this year.⁶ Losing key talent would of course send alarm bells ringing through any manufacturing business. As a result, our survey begins to track the trends in both the number of EU citizens

leaving manufacturing businesses and the number of job applications manufacturers are receiving from EU citizens.

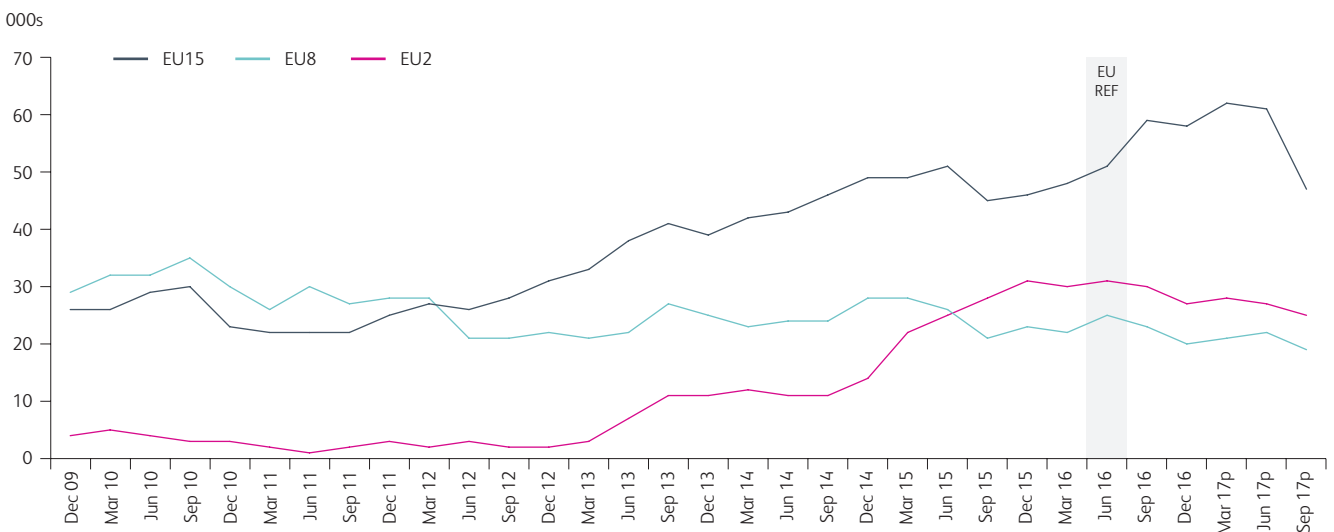
Are EU citizens leaving the UK? What about in manufacturing?

ONS data shows a clear post-referendum drop in EU citizens coming to the UK for work, especially those who are coming to the UK without a job offer. A reduction in the availability of job seekers would be concerning to manufacturers, who work

in an industry renowned for having hard-to-fill vacancies.⁷

Our 2017 research showed a similar trend emerging. Some 16% of manufacturers had seen an increase in EU citizens leaving their business and 26% had seen a reduction in job applications from EU citizens. Fast forward a year and we ask the same question again. This year, our research found that 13% of manufacturers reported an increase in EU citizens

Chart 1: EU citizens coming to the UK with a definite job

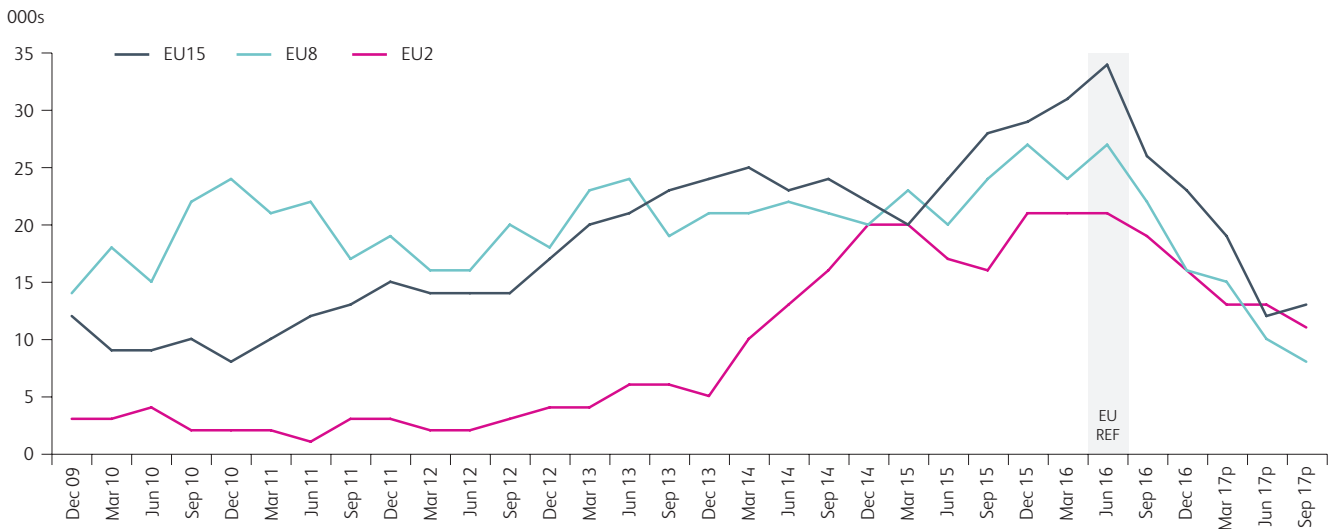


⁶EEF, Executive Survey (2018)

⁷UKCES, Employer Skills Survey (2015)

Source: ONS, Migration data release, Feb 2018

Chart 2: EU citizens coming to the UK looking for work

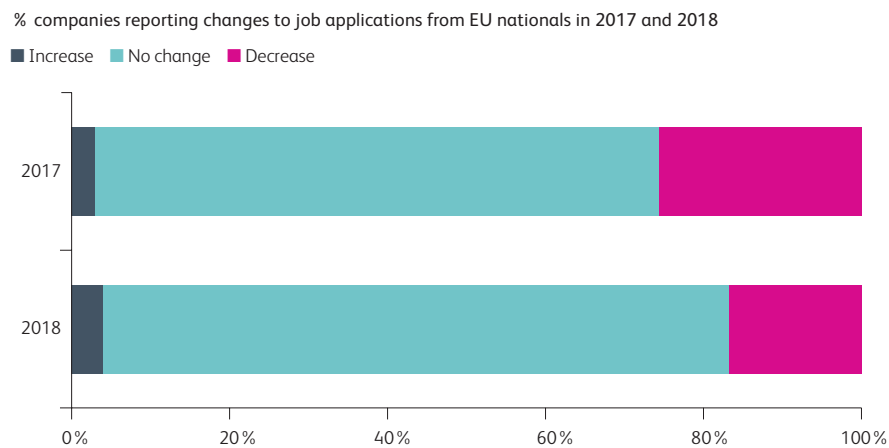


Source: ONS, Migration data release, Feb 2018

leaving their business and 17% a reduction in job applications.

On the surface, then, it appears that the initial referendum effect may have receded for now. The higher proportions of EU citizens leaving and the reduction in job applications last year was accompanied by a higher level of political uncertainty. There was no guarantee for the rights of EU citizens already in the UK, for example. Since then we've had some key milestones – the Prime Minister's letter sent out to all EU citizens already living in the UK and information that settled status won't cost an individual (or their employer) thousands of pounds but in the region of the cost of a passport: £75.

Chart 3: The referendum had an immediate knee-jerk effect on the number of job applications manufacturers received from EU citizens



Source: EEF/Squire Patton Boggs, Migration survey, 2018 and 2017

WHAT ABOUT...

Workers in the UK from other EEA (non-EU) member states and Switzerland?

The UK Government has said that it is in discussions with Iceland, Liechtenstein, Norway and Switzerland about securing the status of their citizens who are resident in the UK and UK citizens resident in those countries. We anticipate that similar arrangements to those for EU citizens as outlined below will apply, but there is currently no further guidance available.

UK citizens living in other EU countries?

As part of the draft Withdrawal Agreement, the EU and the UK Government have agreed that equivalent arrangements to those for EU citizens and their families in the UK will apply to UK citizens and their families living in the EU, including the unrestricted ability to move to and work in other EU countries, until 31 December 2020. Each of those other EU countries can and may put in place their own residence procedures similar to the UK's settled status process but, at present, we have no further guidance on what those might be.

Irish citizens?

The UK Government has indicated that the UK's departure from the EU is without prejudice to Common Travel Area arrangements between the UK and Ireland (and the Crown Dependencies) and the rights of British and Irish citizens in each other's countries rooted in the Ireland Act 1949. Irish citizens residing in the UK will not, therefore, need to apply for settled status to protect their entitlement to reside in the UK.

In addition, we have had the Article 50 Agreement and March Council Meetings, but much still remains to be agreed between the UK and EU. While the overall outcome is that EU citizens lawfully in the UK by the end of December 2020 will be able to stay in the UK, there is still a lack of clarity around the process for settled status as well as detail on how the technical rules will apply to EU citizens and their families.

The Government's rhetoric and track-record on immigration clearly has an impact on people, their jobs and their futures. For now, the message appears to provide some comfort to those already in the UK, hence we have seen a drop in EU citizens leaving within the manufacturing industry. The drop in job applications again is not as concerning as this time last year – possibly because EU citizens in the EU looking to come to the UK still feel there is both

opportunity to seek employment and potential to stay in the UK.

A slowing-down of a worrying trend is by no means a sign that we should become complacent. Certainty remains key. Any renewed sense of uncertainty during continuing negotiations could see these trends take a U-turn once more. This was echoed in the Bank of England inflation report that claimed net migration is likely to be affected further by any changes to institutional arrangements for the movement of labour, or uncertainty around those seeking work in the UK.

Uncertainty and weakness: The UK's starting position

We cannot forget, however, that the UK starts its conversation with EU citizens from a position of uncertainty and weakness. The UK is leaving the EU, and so it is inevitable that EU citizens will be concerned for their futures and those of

their families. Whatever the UK's offer, the comparable position in the EU is known and reliable, whereas the UK has still not articulated what the long-term arrangements will be between it and the EU.

While the offer of settlement for EU citizens resident in the UK before December 2020 is a positive step, much more will be needed if the UK is to be seen as a reliable destination. The UK's economic future with the EU is comparatively unknown, which is a key factor at a time when the EU and Eurozone economies are growing. For manufacturing, the skills needed by the UK are also in short supply elsewhere in the EU, giving workers a choice of working in the UK or the EU. The UK then must be able to compete internationally as a destination of choice if it is to attract the talent manufacturers need.

BANK OF ENGLAND – INFLATION REPORT 2018

The Bank of England (BoE) recent inflation report stated that there is a chance that net migration could fall more sharply than the gradual decline implied by the ONS projections. It found a positive relationship between migration flows to the UK and the economic conditions in the UK relative to migrants’ home countries. Therefore, given the Bank’s subdued outlook for UK GDP per capita and stronger growth in other EU countries, this would result in a reduction of net migration by more than what the ONS predicted in the next three years.

Furthermore, lower than expected net migration from the EU may have an impact on the labour supply within the labour market. Migrants from the EU tend to be younger and more likely to hold degrees. This could be associated with higher levels of productivity, which could potentially mean that a fall in net migration would impact UK productivity.

CASE STUDY

One of the Food and Drink Federation (FDF)’s members organises approximately ten secondments between its UK- and EU-based operations each year. There have been material economic benefits in both the UK and EU businesses as a result. One UK national, who went to the EU business for six months, introduced an idea to the EU business during this time which generated annual savings of some €300,000. The same employee then returned to the UK, where he brought back an idea for a process change which has saved the UK business some £200,000 each year. Our member believes that these benefits would not have arisen had this secondment not occurred.

The demographic of the average manufacturing workplace

What we have also seen in our research is that the average proportion of EU citizens working in manufacturing businesses has fallen from 11 % last year to 9 % this year. This has been accompanied by an increase in the proportion of UK nationals, from 87 % to 89 %, with non-EU nationals remaining at 2 %. This could be a reflection of the successive falls in applications and increases in EU citizens leaving, together with an increased focus on recruiting, and investing in, the domestic workforce (explored later in this report).

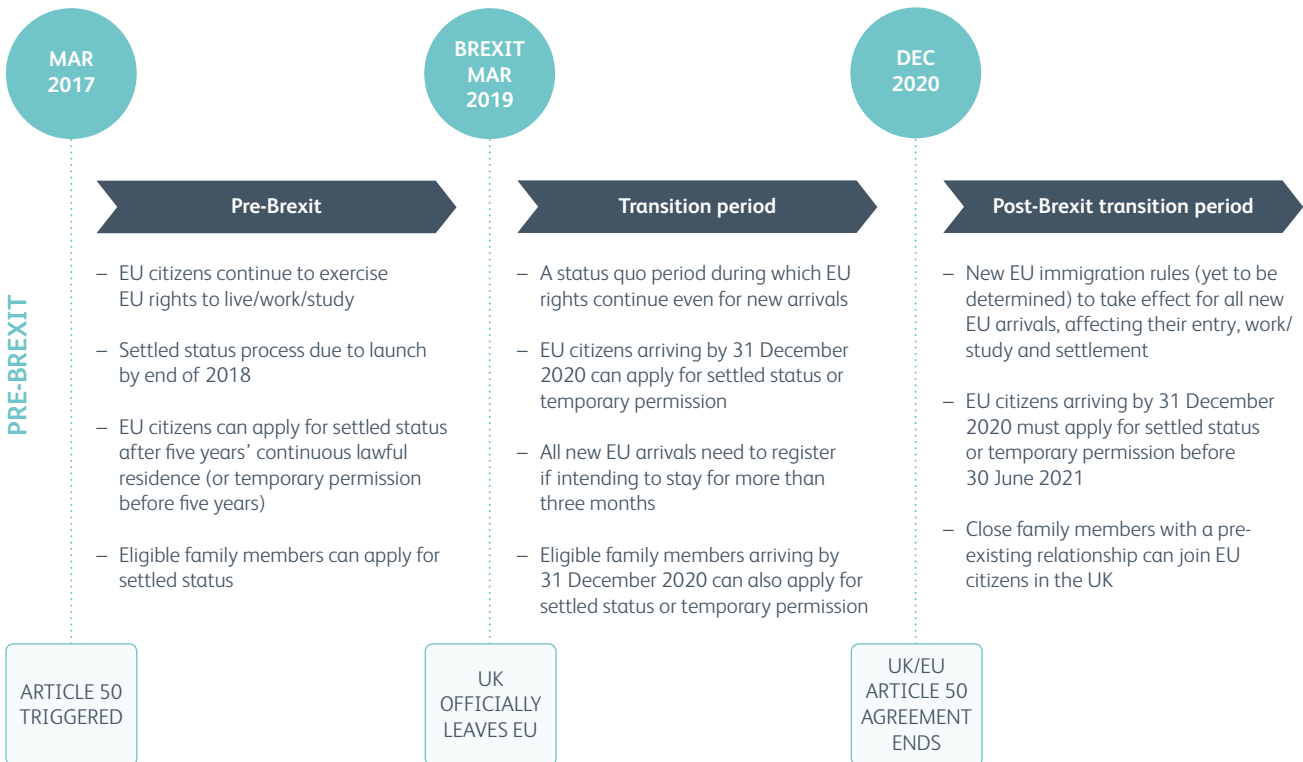
Make-up of an average manufacturing workforce



89% UK nationals
9% EU (exc UK) citizens
2% non-EU nationals

Source: EEF/Squire Patton Boggs Migration Survey 2018

A quick look: EU citizens in the UK before and after Brexit



QUICK EMPLOYER CHECKLIST: SUPPORTING EU CITIZENS IN YOUR WORKFORCE

What do you need to know?

- Name, nationality, date commenced UK residence

Identify your EU workers

- Review existing files or hold a 'Bring your passport to work day' for everyone (not just EU citizens)
- Be mindful of sensitivity around asking EU citizens to confirm their status – communication is key!

Review your EU workers' likely rights

- Settled status, temporary permission to stay, some may already have obtained a permanent residence document to be converted to settled status, or a UK passport

Consider support guidance and funding

- Paying application fee for settled status (c.£75)
- Providing written guidance/webinars/helpline/FAQs
- Continue to communicate support

That said, fewer than one in five (18%) have no EU citizens within their workforce. Most companies (56%) say around 1–10% of their workforce are EU citizens, with 27% saying they have a higher proportion. There is both regional and sectorial variation in these numbers, which we explore below.

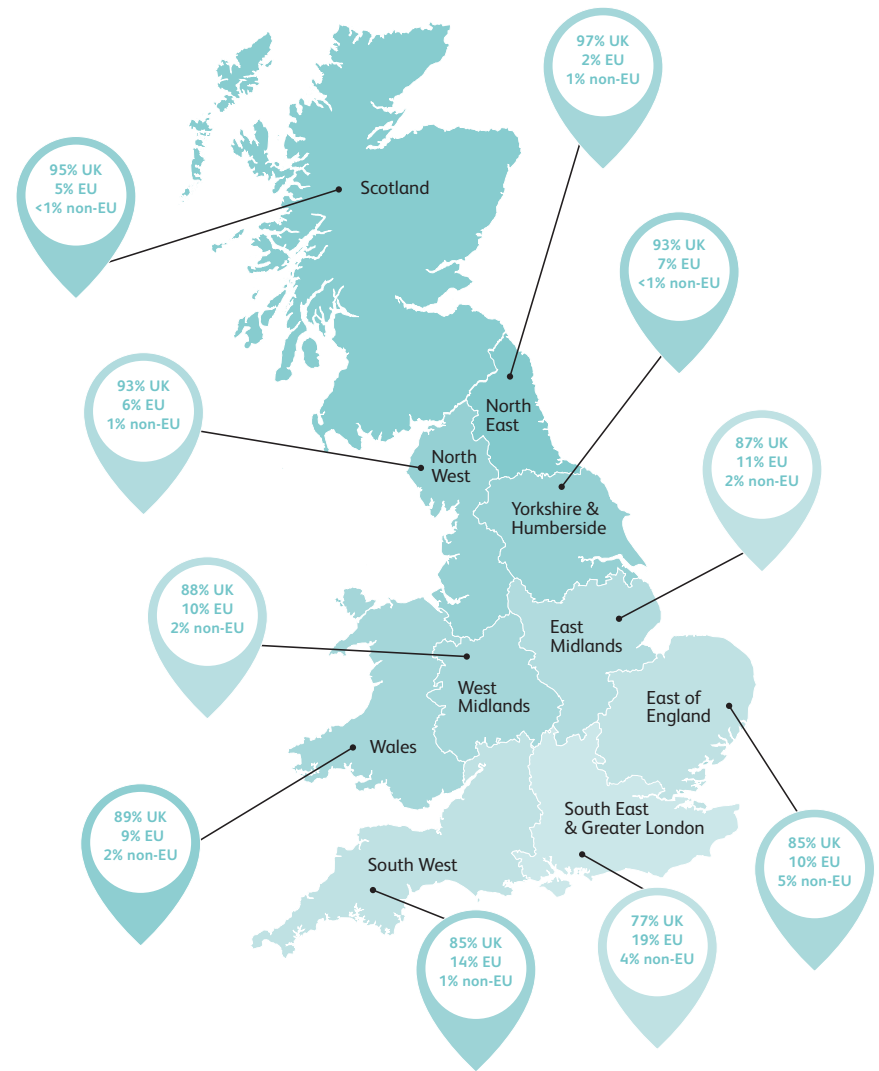
Where in the UK are EU citizens most likely to work?

As with our 2017 research, London and the South East continue to report higher proportions of EU nationals with companies within the region citing on average 19% EU citizens, 77% UK nationals and 5% non-EU nationals. As our 2017 report demonstrated, the higher proportions of EU citizens working in manufacturing businesses align with the demographic of those regions i.e. those with a higher proportion of EU citizens living there meant they were more likely to recruit them.

In which sectors are EU citizens most likely to work?






EU citizens made up a higher proportion of the workforce in certain sectors. They made up 20% of the workforce within Rubber, Plastic and Chemicals, the highest of all sectors within manufacturing. This can be attributed to the fact that these manufacturers were more likely to be larger in terms of headcount – 67% had more than 101 employees.

The demographic of the average manufacturing workforce across regions



Source: EEF Migration survey, 2018

Sector split: EU nationals make up a higher percentage of the workforce in certain sectors

-  **6% EU nationals**
Metals and metal products
-  **11% EU nationals**
Electronics and electrical equipment
-  **8% EU nationals**
Vehicles and transport
-  **5% EU nationals**
Mechanical equipment
-  **20% EU nationals**
Rubber & plastics and chemicals

Source: EEF Migration survey, 2018

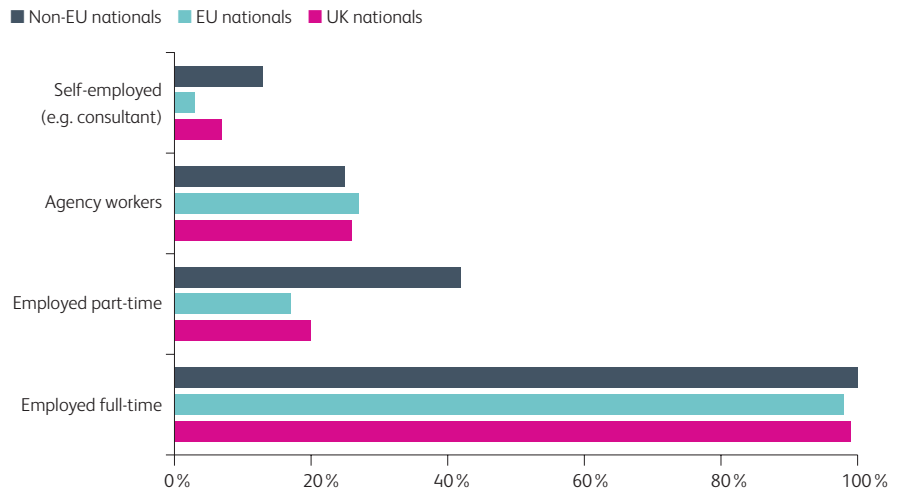
Are EU citizens all working temp-to-perm contracts?

A common theme we picked up from speaking to manufacturers last year was recruiting EU citizens from temporary to permanent positions. This year, we sought to dig into this and ask companies how EU citizens are employed within their businesses and to uncover whether the majority of EU citizens working in manufacturing are employed on a temp-to-perm basis.

What we find is that there is not much variation between EU citizens being employed as agency workers (27%), UK nationals employed as agency workers (25%) and non-EU nationals (26%). Manufacturers are more likely to say they have part-time UK nationals (42%) than EU citizens working part-time (17%). EU citizens are also far less likely to be self-employed (3%) compared to UK nationals (13%) or even non-EU nationals (7%).

Chart 4: EU nationals are employed on a similar basis to UK nationals

% of companies reporting under what basis UK, EU and non-EU nationals are employed



Source: EEF/Squire Patton Boggs, Migration Survey, 2018

CASE STUDY

A manufacturer in the optical sector talked to us about their difficulties in recruiting in their local area even when recruiting lower-skilled workers. The company uses agencies to source new recruits, a large number of whom are from the EU. These employees have stayed with the company and encouraged others to come to the UK and work for this employer. The company is an international company and often has EU nationals working in highly skilled roles, including senior management roles.

The company has already seen some of their lower-skilled EU workers leave the company. It has seen this particularly among Polish nationals. Other EU employees are also considering leaving the UK. The uncertainty about the Brexit negotiations is a significant factor.

In addition to EU nationals leaving, the company stated that the pool of candidates coming to the EU has “significantly shrunk”. The company is actively trying to source workers from the local labour market; however, there continues to be a reluctance to take up posts, particularly in lower-skilled roles even when candidates have the appropriate skill level.

ADDRESSING THE SKILLS THREAT IN A POST-BREXIT WORLD

Companies remain concerned about accessing skills after Brexit

Almost half (47%) of manufacturers are either somewhat concerned or very concerned about accessing the skills their business needs after the UK leaves the EU in March 2019. Unsurprisingly, manufacturers with a higher proportion of EU citizens working in their business are more likely to be concerned with accessing the skills they need post-Brexit. In fact, if we look only at those manufacturers that have at least one EU citizen working in their business, 57% of companies say they are either somewhat or very concerned.

If companies have been relying on EU labour to fill job roles and meet skills gaps now, a restrictive post-Brexit transition immigration policy for EU citizens is clearly going to be a concern.

We know from our 2017 research that manufacturers rely on EU citizens to fill job roles across the manufacturing business, from process, plant and machine operatives to technicians to professional engineering roles. They rely on them to fill the job roles that in many instances the domestic workforce won't or can't fill. With lower-skilled roles, our research found a lack of UK

candidates applying for those roles. For the mid- to highly skilled roles, domestic candidates having these skills-sets and/or qualifications is the problem.

Data from the Labour Force Survey (LFS) suggests that migrants from the EEA tend to be more likely to participate in the labour market compared to those from the domestic population. They are also more likely to hold degrees than people in the domestic population. You can see, then, why manufacturers report EU citizens as often being better equipped to fill the more skilled and technical roles.

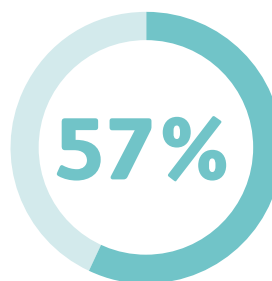
Table 1: Highest qualification received, by place of birth, 25–35-year-olds, 2015

Highest qualification	UK born	Non-EEA	EEA
Degree or equivalent	37%	53%	40%
Higher education	7%	7%	8%
A level or equivalent	24%	9%	11%
GCSE grades A*-C or equivalent	20%	6%	6%
Other qualifications	5%	17%	27%
No qualifications	5%	8%	8%

Source: Migration Observatory analysis of Labour Force Survey, 2015



of all manufacturers are either somewhat or very concerned about accessing the skills their business needs after Brexit



of manufactures who have at least one EU citizen within their business are either somewhat or very concerned about accessing the skills their businesses needs after Brexit

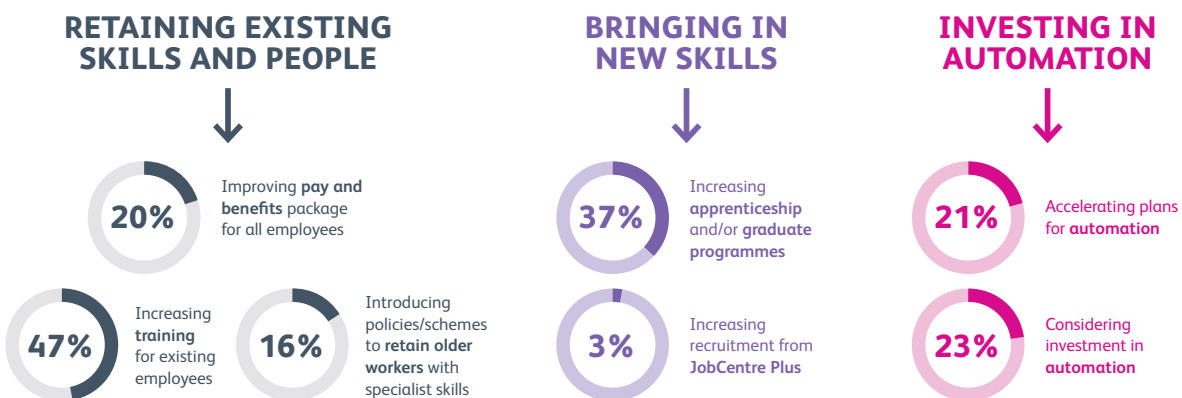
Manufacturers aren't sitting around twiddling their thumbs

With an already yawning skills gap, manufacturers are proactive. When

it comes to securing the skills their businesses need after the UK leaves the EU, it's all go, starting off with major training investment not just

in new recruits but also in existing staff. Manufacturers are retaining existing skills, bringing in new skills, and reviewing future investment decisions.

What are manufacturers doing to secure the skills they need post-Brexit?



CASE STUDY

A fashion and textile company we spoke to employs almost 60 sewing machinists mainly from Eastern European member states. Throughout the factory the company has 11 different nationalities. The company reported that stitching skills required by machinists do not exist in UK born and domiciled residents. Following the off-shoring of garment production in the 1980s onwards, many garment factories closed down, leading to job losses.

Since 2015 the garment-making industry has surged with increased demand for fast, quality fashion garments with lead times of just three to four weeks from garment concept to final delivery. The company says that off-shore and near-shore does not provide the retailer with the flexible supply chain required for today's buy-now-refuse-to-wait consumer.

Only the UK can provide this. However, the people and skills lost decades ago have not returned, and as such the company is relying on non-UK workers to fill these roles. The company says its ability to respond to market trends and dynamic weather conditions results in a short six-week order book and is reliant on the workforce producing quality demand-led styles. EU nationals dominate the machine floor; in particular the company recruits sewing machinists from Poland, Bulgaria and Romania.

The supply of European workers was constantly growing until the EU referendum result, which the company said stopped this supply "overnight".

The company is taking action, opening up its own fashion training academy whereby JCP claimants can learn stitching and pattern skills and be guaranteed a trial for a job in the factory. This will improve the skills gap but it will take time to generate a new generation of quality stitchers. The company needs the UK to reassure new potential migrants that London factories are well and truly open for skilled machinists.

1. BRINGING IN NEW SKILLS



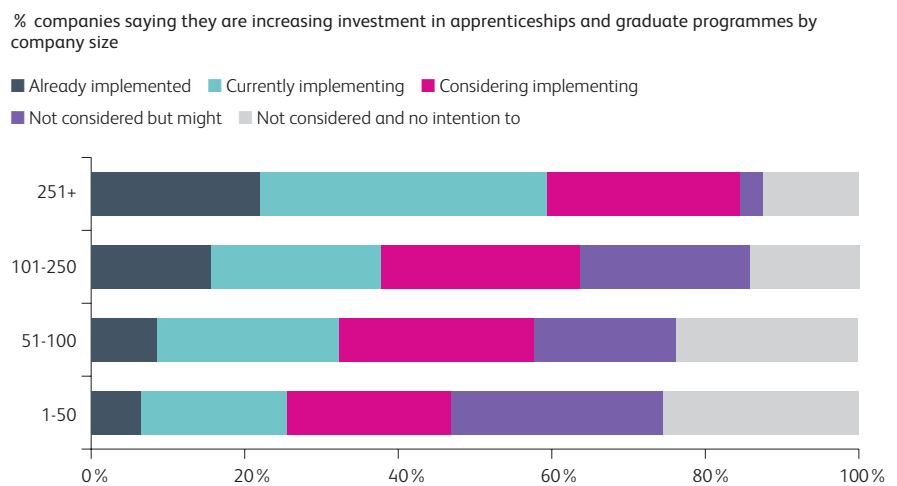
Increasing apprenticeship and graduate programmes

In readiness for the UK’s exit from the EU, 13% of manufacturers have already increased investment in apprenticeships, with a further 24% in the process of doing so and 25% considering doing so. This increases to 22%, 38% and 25% (respectively) for larger companies.

Previous EEF research has shown that larger companies are slightly more likely to offer apprenticeships and to offer apprenticeships in higher volumes. However, there is another factor that could be driving this behaviour from larger firms, and that is the Apprenticeship Levy. Larger companies are more likely to be Levy payers and therefore looking at ways to spend their Levy funds on apprenticeships. Nevertheless, some of this action remains in the “currently implementing or considering implementing” bracket. This may reflect the challenges that these companies have faced in accessing and spending their Levy funds.

The Apprenticeship Levy remains controversial among manufacturers. While there is widespread support for the Government’s aim to create a large number of new, high-quality apprenticeships, and an acceptance that the Levy is permanent, manufacturers remain frustrated by the Levy model and the hurdles they need to overcome before they are able

Chart 5: Manufacturers are increasing investment in the flow of talent entering the industry



Source: EEF/Squire Patton Boggs, Migration Survey, 2018

to access the funding. EEF has been vocal in its support for both high-quality apprenticeships and the need for a Levy.

It is not all about apprenticeships: manufacturers are also increasing graduate programmes – and in some cases a combination of these, with the creation of new degree apprenticeships. Recruitment of graduates remains a key channel to fill, particularly higher-level skill roles within manufacturing and

engineering. This is again an area of policy that manufacturers will want to keep a close eye on. The Government’s recently announced review of higher education, including exploring the fee structure, could have unintended consequences on the ability of higher education institutions to deliver high-quality and high-cost STEM provision. EEF has recently published a paper on this ahead of the post-18 education review.⁸

⁸EEF, Smart Skills Investment: Funding for Engineering in the HE Sector (2018)



Increasing recruitment via Jobcentre Plus is limited

The majority (58%) of manufacturers are not seeing increased recruitment from Jobcentre Plus as a means of securing skills for a post-Brexit workforce. In 2012, more than two in five (42%) of manufacturers said they had used JCP to access the skills their business needs, but will not be a focus of their efforts in the future. Many of the companies we spoke to shared fairly negative experiences of engaging with Jobcentre Plus, citing examples of prospective employees neither willing nor able to work in the manufacturing industry.

That said, some companies have had more success:

Case study: Gone are the days of the old Job Centre, now the DWP and Jobcenter Plus are working

closely with businesses to advertise all types of work vacancies. After years in the doldrums they have emerged now listening to employer's needs. Yes, we have worked hard at this relationship but it has brought dividends. We now advertise all of our vacancies (at no cost both locally and nationally) at whatever level through them. We are now encouraging all other local businesses to use the Jobcentre Plus. Some have been very reluctant because of the stigma of the past, but most are surprised at the changes that have taken place. We are very fortunate in East Anglia that we have a dynamic DWP District Manager and also a direct link to our local Jobcentre Plus in Thetford, who both know our needs well. Nothing is too much trouble for them. Why do we get this service you might ask? Several years ago the DWP convinced me to give eight weeks of Work Experience to all levels of unemployed, whether

short or long term, NEETS and at any age. We cannot give jobs to everyone as we have had too many over the years. They leave us with more confidence and valuable work experience, which is something that they can add to their CV. We know many have left us and quickly gone on to find employment: to me that's fantastic.

There is clearly potential to build on some of these success stories. Indeed, more than a third (34%) of companies had not considered engaging with Jobcentre Plus but might in the future. This figure may increase further if employers are aware of two key factors. Firstly, that there are a number of jobseekers who have a manufacturing background and are looking to work in manufacturing. Secondly, the range of schemes and initiatives that are driven by either JCP or their supporting Department – DWP (Department for Work and Pensions).

2. RETAINING EXISTING SKILLS AND PEOPLE



A continued focus on training existing employees

Companies are not just relying on bringing new recruits into their workforce; they are also investing in their existing workforce. Indeed, one in ten manufacturers have already done this to secure skills in the post-Brexit world – more than a third (37%)

are currently implementing and more than a quarter (27%) are considering implementing increased training for their existing employees. The need to invest in existing employees is becoming more important as manufacturers continue to adopt new technologies and processes. Bringing their employees with them on this journey and ensuring they have the skill sets to be successful in new roles is fundamental to success. However,

as we explore below in response to increasing investment in automation, doing this is not without its challenges.

Moreover, with the Apprenticeship Levy now consuming a larger number of companies' training budgets, having sufficient funds to spend on upskilling and reskilling employees outside of apprenticeships is becoming increasingly difficult, as is the long-standing challenge of

finding local, relevant provision. The newly announced National Retraining Scheme has the potential to fill the current gaps in funding available to employers; however, as of yet there has been limited if any detail given to employers on this new initiative.

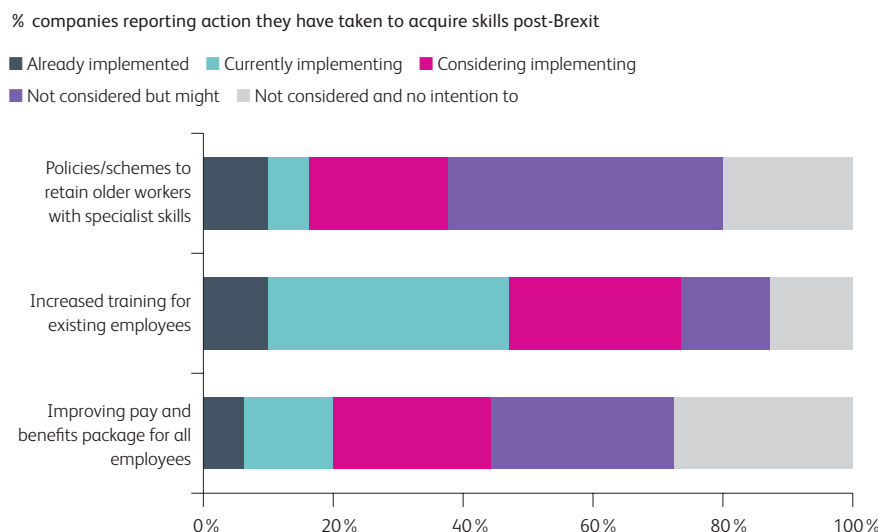


Manufacturers are looking to retain skills with pay rises

With manufacturers already experiencing skills shortages and a potential reduction in access to EU talent in the future, the question we pitched to manufacturers was – have you improved pay and benefits to your employees in order to retain the skills they need after Brexit? Almost half (44%) had either implemented this, planned to or were in the process of doing so. Almost one in three (28%) had not yet considered but might.

EEF’s 2018 Executive Survey also looked at the question of pay, with the survey finding that manufacturers are ramping up their employee engagement in response to potential upward pressures on pay settlements in the year. Any reduction in labour now and in the future is also likely to increase pay pressure, not just at the higher-skilled end as we have seen previously in our sector, but also at the lower-skilled levels. Manufacturers will be considering a number of factors in the year ahead – balancing the need to reward and retain employees (as we are seeing in this survey) together with affordability.

Chart 6: Manufacturers are looking to implement more initiatives aimed at retaining people and skills



Source: EEF/Squire Patton Boggs, Migration Survey, 2018



Holding on to older workers with specialist skills

Our 2016 Upskill Battle report found that one of the advantages of the default retirement age was having the ability to hold on to workers with specialist skills. When we asked if manufacturers are implementing policies and schemes to retain older workers with specialist skills in light of the UK’s exit from the EU and a potential reduction in available talent, we discovered that more than a third have implemented or are considering doing so. One in five have not considered and have no intention to, but almost half (42%) have not yet considered but might now.

Two-fifths of manufacturers say that more than 40% of their workforce is aged over 50. Holding on to workers who could potentially be looking to retire in the coming years is an avenue which manufacturers are considering. Holding on to older workers with specialist skills often involves adopting new ways of working for both the employer and the employee, and puts a greater focus on flexibility. Not just in terms of flexible working arrangements but also atypical contracts, such as those currently under review following the Government’s response to the Taylor Review.

3. INVESTMENT DECISIONS



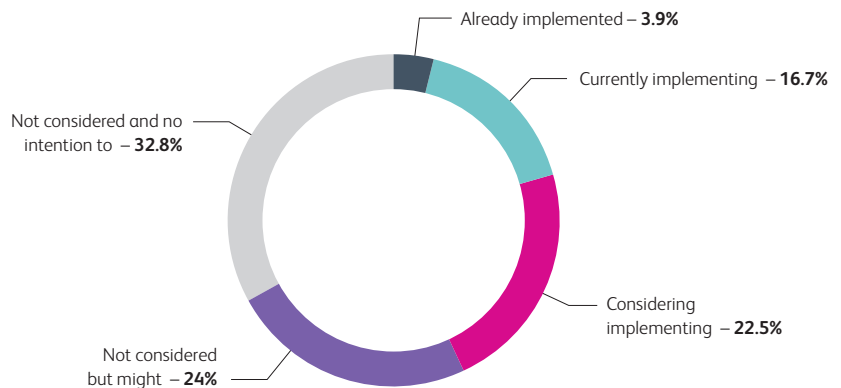
Manufacturers are starting to invest in automation in a bid to safeguard skills post-Brexit, but not at great speed

When it comes to investing in automation, manufacturers are a little more cautious, with just 4% saying they have done so to secure skills post-Brexit and 17% currently implementing. However, it is a consideration for some, with almost a quarter (23%) considering implementing and almost a quarter (24%) saying their businesses haven't yet considered it but might.

Investment in automation to prepare for a post-Brexit world is likely linked to some of the roles that EU citizens fill within their workforce. EEF's 2017 research found that EU citizens are most likely to fill process, plant and machine operative roles. Reliance on people to fill these occupations could be reduced with investment in automation, which reduces reliance on lower-skilled labour.

There is also a difference by company size, with the smallest of firms more likely to say they have no intention to

Chart 7: Manufacturers are looking to increase investment in automation to mitigate further skills shortages post-Brexit



invest in automation (46%) than large firms (20%).

Is it a case of chicken and egg when it comes to investing in automation?

However, as EEF's latest Investment Monitor found, when it comes to skills and automation, manufacturers face a chicken or egg situation. Here, two-thirds of companies are planning, considering or have already implemented plans to invest in automation to secure skills. But our Investment Monitor found that a lack of appropriate skills was a

barrier to investing in automation. So automation can replace labour, but investing in automation requires new skills. Investment in automation may lead to a reduction in lower-skilled labour but an increased need for higher-level skills. These are in short supply also. EU citizens are also likely to fill technician and associate professional and technical roles – roles that would be needed to secure effective investment in automation. But if the number of EU citizens available to manufacturers falls, where will these skills come from?

Manufacturing is staying in the UK for now, but for how long?

Having a solid skills base in the UK is fundamental to attracting companies to set up and stay in the UK. Of significant concern going forward would be companies relocating some or all of manufacturing outside the UK. For now, we appear to be on safe ground, with eight in ten (81%) of manufacturers not considering this as

an option and having no intention to. While this is a cause for celebration for now, we must not become complacent, and this still means that one in five (18%) might consider this, are considering this, or are implementing.

Our 2018 Executive Survey also found little evidence that large swathes of manufacturing will be relocating operations to another jurisdiction in the

next 12 months at least. In fact, it found that in terms of moving production, it is as likely for companies to be reshoring production as moving it out of the UK.

For now this is a positive story to tell. However, we cannot ignore the fact that some companies are still considering moving some parts of manufacturing outside the UK, and a small handful have already done so.

POSTING WORKERS – THE IMPORTANCE OF MOBILITY

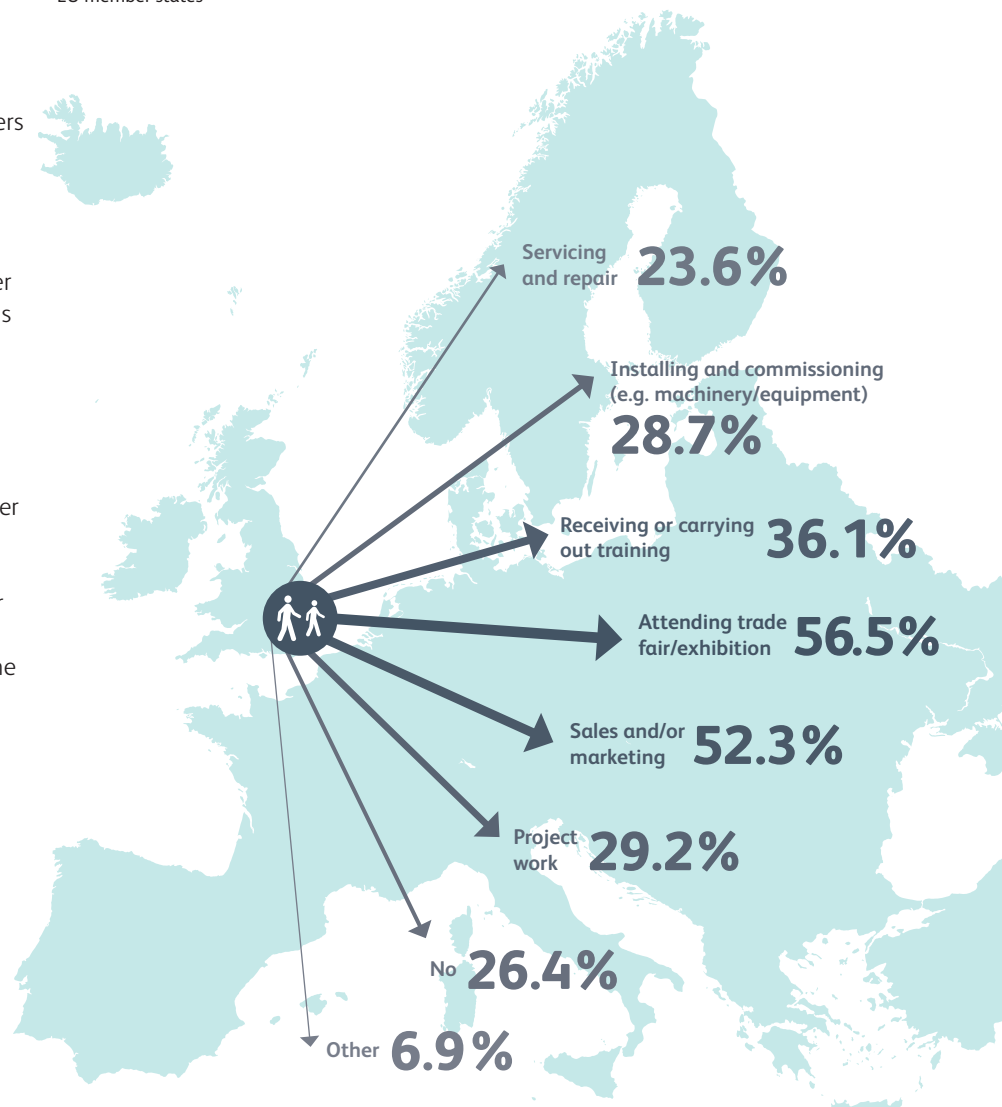
They may not know it yet, but almost three-quarters of manufacturers are posting workers.

Put simply, we mean that three-quarters of manufacturers are sending their UK employees to undertake activities in other EU member states. When undertaking these activities, the majority (84%) of companies consider these postings as their own company's employee servicing their customers. One in five (19%) consider them as a transfer within their company group.

Their main focus is on selling their goods and services in other EU member states, with 57% attending trade fairs/exhibitions and 52% sending employees to other member states for sales and marketing purposes. Some are undertaking activities as part of the service they offer, with 29% installing and commissioning, 24% for service and repair and 29% for project work. Sending employees to Europe is also done in order to receive or carry out training.

Manufacturers may not know it but they are posting workers all the time

% companies reporting activities undertaken by the business that involve sending employees to other EU member states



How many companies are posting... but don't know it yet?

Given our findings, we do not think that the current data held by the European Commission on posted workers is accurate. The European Commission records that in 2015 some 54,344 workers were posted to the UK and 44,332 workers were posted from the UK. However, from our evidence here as well as speaking to companies about the volumes of postings within their business, these figures seem extremely low. One company alone in our industry reported circa 20,000 postings in one given year.

But the big question is – do UK businesses know that that they are formally posting workers and, therefore, should be complying with the Posting of Workers Directive? In most cases, it seems that the answer is no, and that UK manufacturers regard the ability to send and receive workers between the UK and the EU as an inherent part of the UK's trading relationship with Europe. This low level of awareness will crystallise after BREXIT, as future posting will rest on the UK's future trading agreement with the EU, and so, as yet, nothing has been agreed. What we can say with certainty is that the ability to post workers is an important facility for UK manufacturers, and without it their ability in the future to compete with EU-based businesses will be dented.

Our survey illustrates just how dependent UK manufacturers are upon posted workers, and the lack of awareness of the regulatory platform and the complexities of the different national rules throughout the EU is a significant concern. UK businesses will at best need to prepare themselves to achieve a greater level of compliance

SPOTLIGHT ON THE POSTING OF WORKERS DIRECTIVE

A “posted worker” is an employee who is sent by his or her employer to carry out a service in another EU member state on a temporary basis, which could be for a period of up to four years. Posted workers are different from EU mobile workers in that they remain in the host member state temporarily and do not integrate in its labour market. Commonly, such workers are intra-company transferees, agency workers or sub-contractors.

At an EU level, there has over recent years been an intense debate over how such workers should be regulated. Existing EU laws dating back to 1996 have been revised and reinforced, and new measures are likely to be agreed in the near future. The Posting of Workers Directive defines a mandatory set of rules regarding the terms and conditions of employment that are applied to posted workers in order to guarantee that these rights and working conditions are protected throughout the EU and to avoid what is termed “social dumping”, where foreign service providers can undercut local service providers because their labour standards are lower.

The starting point for UK employers is often one of a low awareness of the existing rules, which usually require the UK “sending” employer to notify the receiving EU member state of the incoming worker and to comply with a suite of administrative procedures, with financial penalties for any failure to comply.

The rules are such that even though workers posted to other member states are still employed by the sending company and therefore subject to the law of that member state, they are entitled by law to a set of core rights in force in the host member state. These rights consist of:

- Minimum rates of pay
- Maximum work periods and minimum rest periods
- Minimum paid annual leave
- The conditions of hiring out workers through temporary work agencies
- Health, safety and hygiene at work
- Equal treatment between men and women

There is of course nothing to stop the employer applying working conditions that are more favourable to those of the host member state. Future rules are likely to substantially increase the bundle of core employment rights which a posted worker is entitled to receive, including a widening of pay to include all mandatory elements of remuneration and compliance with most locally applicable collective agreements, which are common in the manufacturing sector.

after the UK leaves the EU, which will in turn require resources, training and planning.

While, then, UK manufacturers are unlikely to see the rules for posted workers, the new stricter iteration of these rules or the likely future

administrative burdens as cause for celebration, the alternative is significantly less attractive, with the UK being treated as a third country and losing the ability to send and receive EU workers over the short term without visas. Our concern is that discussions around “posting workers”, which

companies perceive to be “business as usual” travel, are not yet entering into the UK’s discussions/negotiations with the EU, yet are fundamental to the majority of manufacturers who operate across the globe.

Recommendation: The UK Government must begin discussions on the issue of posting workers and secure comparable terms for posted workers entering and leaving the UK for the EU post-2020, including treatment for tax and social security purposes.

Recommendation: The UK Government should seek reassurance from the EU that UK nationals resident in one EU member state before 2021 will retain the right to reside and work in any other EU member state after the transition period.

EMPLOYER TO DO LIST: DO YOU HAVE GLOBALLY MOBILE EMPLOYEES?

- ✓ Consider which UK nationals are currently working in another EU member state.
- ✓ Assess where these employees are working and how long for.
- ✓ Find out where specific local rules apply and what you need to do to comply.
- ✓ Determine what their roles, skills and qualifications are.
- ✓ Consider contingency plans to ensure business resilience should they be required to return to the UK.
- ✓ Think about business travel and how important it is to your business.
- ✓ Think about the potential cost and admin burden to your business of continuing this in the future.
- ✓ Think about how you might mitigate these costs.

SUPPORTING MANUFACTURERS ON THE HR BREXIT MINEFIELD

Supporting manufacturers to navigate the migration minefield is difficult while they, and their employees, remain in limbo as to what the future holds. While the objectives are clear – the status-quo protection of EU workers in the UK before the end of 2020 – the detail remains to be seen.

The UK's communications to EU citizens in the UK remains inadequate, consisting of social media messaging, open letters from the Prime Minister and incomplete and confusing guidance on the .Gov website. From our work with members, the letters and guidance have been read by a very limited number of employers and workers. The reassuring messaging has been welcome, but it's not enough.

In addition, the UK Government has undermined its own case by failing to concede until the end of the first phase of negotiations that all EU citizens in the UK before March 2019 would be entitled to settled status. This approach was then repeated when the UK at first laid out a very limited offer for EU citizens arriving in the March 2019 – December 2020 transition period, but then conceded that all such EU citizens should be broadly be treated in a similar way as pre-March 2019 arrivals. The variation of messaging has not helped reassure either businesses or EU workers and has made the task of employers wanting to communicate with their

5 KEY QUESTIONS ON THE UK'S EXIT FROM THE EU AND WHAT IT MEANS FOR EU CITIZENS

1. When does the UK leave the EU?

On 29 March 2019 at 11pm UK time (midnight Brussels time).

2. What "transition" period has the UK agreed with the EU for the purposes of EU citizens' rights?

There will be an transition period between 29 March 2019 and 31 December 2020.

3. Has the UK reached an agreement with the EU on the rights of citizens already in the UK?

Yes. The UK Government has reached an agreement with the EU on citizens' rights as part of the negotiations on the UK's withdrawal from the EU although this is dependent on the remaining aspects of the Withdrawal Agreement being agreed including the protocol on Ireland/ Northern Ireland.

4. Will this agreement mean my EU employees who are already working in my business will be able to stay in the UK once the UK leaves the EU?

- EU citizens and their families who arrive in the UK by 31 December 2020 and who have been continuously and lawfully living in the UK for five years will be allowed to stay indefinitely by obtaining "settled status".
- EU citizens and their families who arrive by 31 December 2020 but have not been in the UK for five years will be able to apply for temporary permission to stay until they have been here for five years at which point they will be able to apply for settled status.

5. What about EU citizens arriving between 29 March 2019 and 31 December 2020?

The UK government has also indicated that EU citizens and their families arriving during the transition period will need to register if they choose to stay longer than three months. It's unclear if this registration will be necessary if they obtain temporary permission to stay.

EU workers harder. It has also called into question the extent to which the position taken by the UK Government at the start of a negotiation is likely to represent its final position.

While leaving the EU was never going to be straightforward, for employers, clarity, certainty and speed are all essential. They want to avoid having to deal with multiple cohorts of workers each having different rights and falling into different systems, but this it seems is where the UK is heading, with subtle but important variations indicated for EU citizens arriving before or after March 2019. Currently, there appear to be three EU cohorts – pre-March 2019 arrivals, those arriving in the transitional phase up to December 2020 and those arriving thereafter, with arrivals during the transition period having an

obligation to register if they intend to stay in the UK for more than three months.

Recommendation: The UK Government should clarify that EU citizens arriving during the transition period and intending to stay in the UK for more than three months only need to apply for temporary residence and do not need to go through a separate registration process.

The Government has rightly commissioned the Migration Advisory Committee (MAC) to undertake a substantial review and consultation on EEA workers in the UK labour market. Based on the evidence that

MAC receives and its own analysis, the MAC will then present its findings to the Government with some possible recommendations. However, the decision will remain with the UK Government. Waiting for any response from Government until 2019 at the earliest, after the Migration Advisory Committee reports, simply leaves insufficient time for businesses to adjust to any new post-2020 system.

Recommendation: The UK Government should indicate now a general and flexible approach for EU citizens wanting to come to work in the UK after December 2020, bearing in mind the EU is likely to reciprocate.

SPOTLIGHT ON SETTLED STATUS: WHAT WE KNOW SO FAR

What will settled status give EU citizens?

Obtaining this status will prove to both employers and public service providers that that person has a permanent right to continue to live and work in the UK in the future.

How much will it cost?

The application fee will be no more than the cost for a British citizen for a UK passport, so around £75.

What if someone already has a permanent residence document?

If an EU citizen already has a permanent resident document they will need to exchange this for a settled status document but will be able to do so free of charge.

Will the application be online or via hard copy?

Online and via an app. The intention is for it to be as streamlined and quick as possible.

What will be needed to submit the application?

An EU citizen applying would need to:

- Provide an identity document and a recent photograph to confirm their identity and nationality
- Declare any criminal offences

How will it know if an EU citizen has been resident in the UK for five years?

The system will use existing government data, such as HMRC employment records, to show UK work history

When will the system be open?

The planned go live date is in late 2018.

How long will the application process be open for?

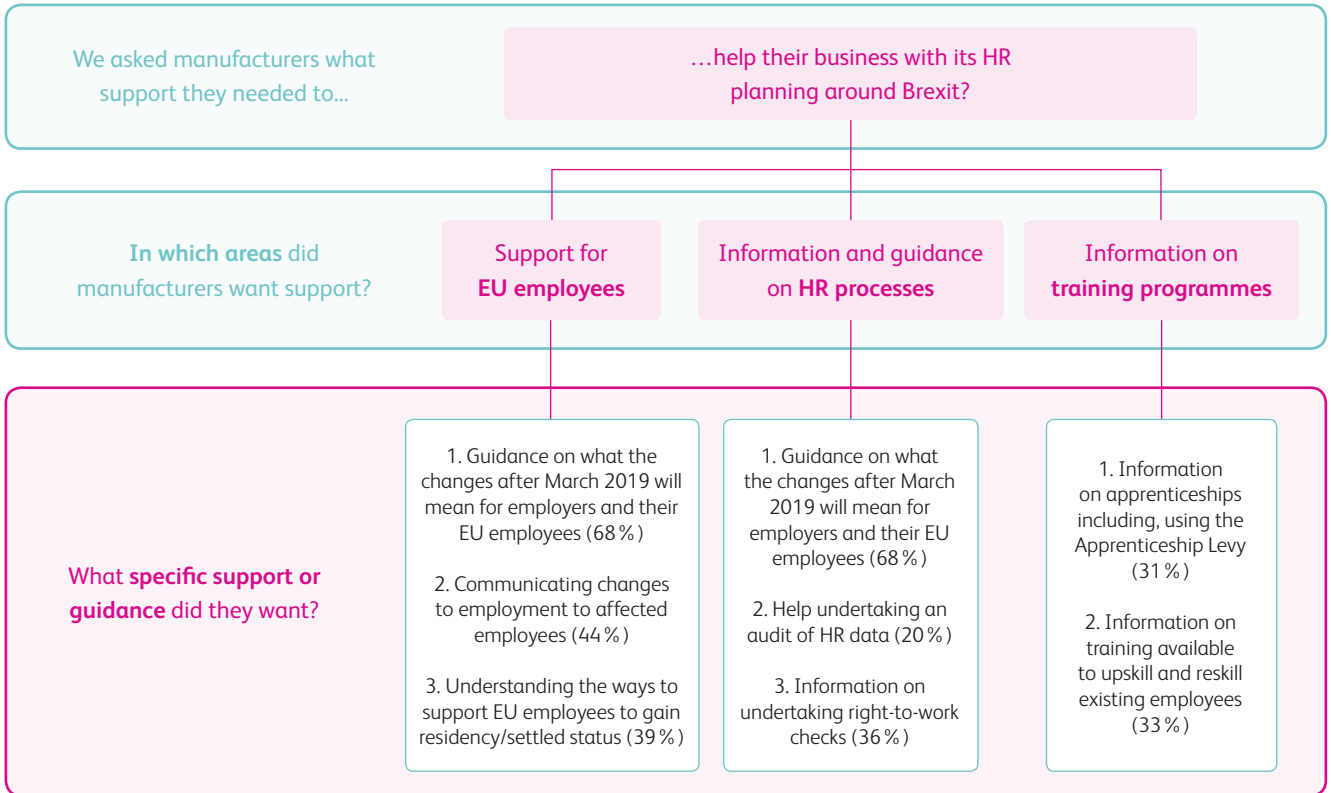
EU citizens who arrive in the UK by 31 December 2020 will have until June 2021 to apply.

What support do manufacturers need?

While one in five (21 %) of manufacturers say they don't need

any support to help their business with HR planning around Brexit, the majority of companies are looking for some advice and guidance. These

can largely be categorised as: support for EU employees, information and guidance on HR processes and information on training.



of manufacturers want help in understanding the ways to support their EU employees gain settled status



of manufacturers want guidance on what the changes after March 2019 will mean for employers and their EU employees

1. SUPPORT FOR EU EMPLOYEES

Much of this is around information, with more than two-thirds (68%) of companies wanting guidance on what the changes after March 2019 will mean for employers and their EU employees. Of course, as mentioned above, there is very little information and guidance that can be provided to business as the UK continues its negotiations with the EU.

If the UK can quickly set out clearly and in detail how all EU citizens in the UK before the end of 2020 will be able to obtain settled status or temporary permission to stay (including those who don't have a straightforward continuous five years' employment history), then employers can and will wish to communicate this to their EU workers. Currently, the extent to which employers can reassure their EU workers is limited, with around 11 months left before the UK leaves the EU. Employers need, now, the practicalities of the new UK settled status system to prepare their workers and their families for this and to reassure them that the system will be swift, fool-proof and reliable. To provide this, Government must be prepared to sacrifice attempts to portray settled status as a new UK system to manage inward EU migration and present it as simply a continuation of the current EU system enshrined in UK law.

Recommendation: Government must immediately produce a suite of tools and documents for employers,

making clear what they should tell their EU workers, their families and dependents and what is needed of them as employers – the current guidance is not sufficiently clear.

To simplify the process and provide reassurance for EU workers and their employers, the objective of Government must be to retain the current approach of employers with EU citizens until at least the end of 2020. In practical terms, this will mean that the current right-to-work checks, as they apply to EU workers, will remain unchanged, and that EU workers should notice no difference in their experience of living, working and studying before the start of 2021.

Recommendation: UK nationals in the EU need a single portal through which they can determine what the local requirements are to secure the equivalent of permanent residence in each member state.

Many EU workers will see their employer as their first, sometimes their only, port of call for advice and support, and may be reluctant to use official UK Government sources. They may not be familiar with the UK's tax and social security systems, or may unnecessarily be concerned that applying for settled status will involve a criminal records check. Others may be as concerned about their partners and children, both present and future, as they are

about themselves. Employers of all sizes need to be equipped to deal with the likely questions their EU workers will have – and the simpler and clearer the messaging from Government, the greater the likelihood that employers will be able to act as the interface.

But to do this, the model needs to be kept simple and administrative burdens on employers need to be no greater than those they currently face.

Almost two in five (39%) of manufacturers want help in understanding the ways to support EU employees to gain residency/settled status. Some companies are already supporting their EU employees, not just in understanding this process but also to the point of paying the costs of acquiring settled status. For some, the level of support will be relatively straightforward, but for others, where their EU citizens are frequently travelling outside the UK, or who are concerned about future family members, greater detail will be needed from Government. Government's advice then needs to be user-friendly, definitive and available quickly. For EU workers, particularly those with families, a decision to leave the UK will require some planning, and a point is likely to be reached where their plans become unstoppable. Having passed the point of providing early reassurance, Government must not delay further and cannot assume that either employers or EU workers will be content to wait until the clock ticks down to 29 March 2019 with the assurance from the UK that nothing will change immediately after this.

2. INFORMATION AND GUIDANCE ON HR PROCESSES

One in five want help in undertaking an audit of HR data – clearly in a bid to determine the extent to which some of their EU employees may be “at risk” of future arrangements. More than a third (36%) of companies want information on undertaking right-to-work checks, suggesting that many have not been reassured by the messaging from Government that nothing will change

in the immediate future. There is a concern that future right-to-work checks may be burdensome on employers, especially if there are different approaches to undertaking any right-to-work checks depending on at which point an EU citizen arrives in the UK.

This process could be greatly simplified if the UK were to adopt a one-off

approach of treating all EU arrivals before the end of 2020 in exactly the same way, including the current approach to right-to-work checks.

Recommendation: Employers with EU workers must not face any further administrative or legal burdens after December 2020.

3. ADVICE ON TRAINING SCHEMES AVAILABLE TO MANUFACTURERS

As our report has found that manufacturers are seeking to mitigate the impact of a potential reduction in EU labour by investing in the domestic workforce, through apprenticeships, graduate programmes and investing in existing employees. It is unsurprising then that a third (33%) of companies would like information on the training available to upskill and reskill existing employees.

One potential channel through which such information could become more available is through the newly announced National Retraining Scheme. However, as mentioned previously, there is little if no detail on the Scheme. Moreover, the Government has yet to state the key objective of the Scheme, what success looks like or how it could be measured.

Similarly, three in ten (31%) of manufacturers want more information on apprenticeships, including using the Apprenticeship Levy. As previous EEF research has found, the Levy has proved extremely challenging to manufacturers. Communicating the funding rules and the mechanisms of the Levy was something EEF undertook in the two years leading up to the Levy. But the rules and restrictions have in some cases restricted companies’ ability to spend their Levy funds. While companies are keen to have more information, our fear is that the information they would receive in terms of complying with the rules may not support them in their aims to increase apprenticeships within their business.

Recommendation: The Government should immediately consult on the new National Retraining Scheme to understand what business sees as the founding principles for this new initiative. Manufacturers want to ensure that the Scheme does not duplicate current efforts and supports gaps in training where monies are currently not targeted.

On the Apprenticeship Levy, manufacturers want to see Government support them to create additionality from the Levy. This can be achieved by changing the way the Levy is financed from a departmental expenditure limit to an annually managed expenditure, as well as giving employers greater control by taking on the many recommendations organisations such as EEF have put forward.

NAVIGATING THROUGH BREXIT: TIMELINE

July 2016: Brexit Survey

42% of companies were reviewing their UK recruitment plans as a result of the EU vote, with:

29% ... expecting a loss of EU skilled workers and
27% ... expecting increased difficulty in attracting EU workers.

As a result, 59% of manufacturers were taking no actions to mitigate the effects of EU nationals leaving, but were considering their options.

However, an overwhelming 77% of manufacturers said they had seen no change in the number of EU nationals leaving their business.

May 2017: Outlook Q2

34% of manufacturers said continued unrestricted access to the EU labour market will not be an important issue for them.

Manufacturers were looking to increase investment for existing employees (74%), and in apprenticeship and graduate programmes (62%), to ensure access to skills.

45% ... were not concerned about their access to skills post March 2019, compared to 42% who were somewhat concerned.

Nov 2016: Outlook Q4

If the Government were to restrict the free movement of people from the EU, 45% of manufacturers said it would have no impact on their ability to recruit new EU workers – only 14% said it would have an impact.

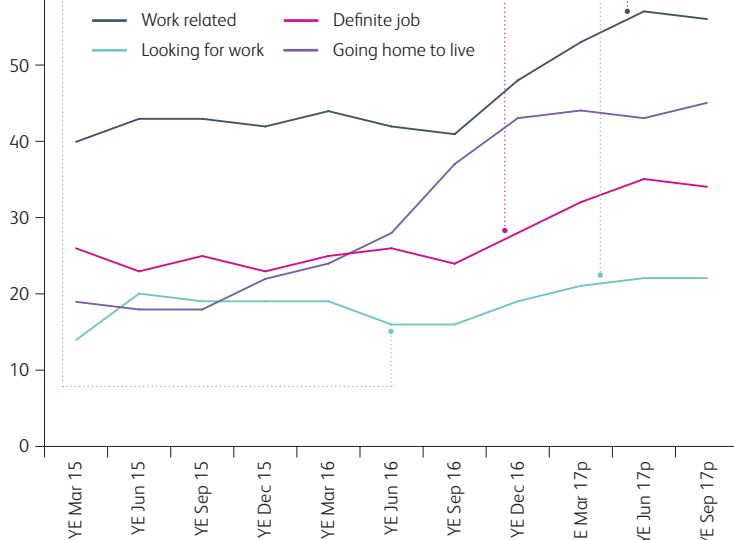
Apr 2017: Brexit survey

23% ... of manufacturers surveyed said they had seen a decrease in job applications from EU nationals.

Jan 2018: Migration survey

68% of manufacturers reported no change to the number of EU nationals leaving their business since the EU referendum in June 2016.

EU citizens leaving the UK, by reason



European Union Referendum Act received Royal Assent

UK holds referendum on its membership of the EU

(July 2016) Theresa May becomes Prime Minister

Article 50 triggered. Great Repeal Bill White Paper published

General Election. First round of EU negotiations begin

Government introduced European Union Withdrawal Bill. Second round of negotiations begin

(Early 2018) Parliament passes EU Withdrawal Bill

(Late 2018) Parliament Deal or No Deal vote. EU Parliament votes on Brexit agreement

UK leaves the EU

UK is expected to leave the EU

(Dec 2020 or Mar 2021) Two-year Grace Period ends

VIEWPOINT:

ANNABEL MACE, PARTNER, SQUIRE PATTON BOGGS

The latest Brexit negotiations indicating continued EU free movement during a transition period until 31 December 2020 provide a welcome breathing space for EU citizens in manufacturing and their employers.

However, continuing uncertainty over future immigration policy for new EU arrivals from January 2021 is a legitimate concern for UK manufacturers, particularly those who are dependent on lower-skilled EU workers. Faced with a skills gap, common sense would suggest a simple registration scheme with qualifying criteria limited to, for example, the EU national having a genuine work offer in the UK and the means to support themselves financially until they receive their first month's wages.

At this stage, though, we cannot rule out the possibility that the Home Office's current Points-based System (PBS) for non-EEA nationals will be adapted for new EU arrivals from January 2021, not least because the systems are already in place. Unfortunately, the PBS is widely regarded to be cumbersome, expensive and time-consuming. Tier 2 of the PBS is unsuitable for medium- and lower-skilled workers – it only applies to those in roles skilled to graduate level or above and has strict minimum salary thresholds of £30,000 (or higher depending on the

role in question or the type of visa being applied for). Tier 3 of the PBS was originally intended for lower-skilled workers but has never been implemented – it is not clear what criteria or process would apply if it were to be resurrected.

Even if an entirely new system were to be created for medium- and lower-skilled EU workers, the concern is that it would not be sufficiently user-friendly, cost-effective or quick to enable UK manufacturers to hire the workers they need in realistic timeframes. The new settled status process for EU citizens currently in the UK, which is due to be launched towards the end of 2018, is likely to provide an insight into the Home Office's ability to create a suitable system for post-Brexit transition EU immigration.

Regardless of the detail of any new policy, with less than two years to go before the end of the transition period and the possibility that a new immigration system may take at least another year to be decided on, let alone implemented, it is difficult for manufacturers who are dependent on lower-skilled EU migration to make any meaningful contingency plans. As a minimum, of course, they should acknowledge that future EU migration will be restricted in some way and, with that in mind, consider:

- assessing the scale, skill and salary level of their current EU workforce in the UK to understand the impact of future more restrictive rules from 2021 if that workforce leaves and cannot be replaced with UK nationals;
- adapting their recruitment strategies to tap into alternative workforces with a focus on students, working families, pensioners and those seeking to return to work;
- making use of the Apprenticeship Levy (for those who are not already doing so) to develop the skills needed for the future, consider longer-term recruitment drives and skills development for apprenticeships and school leavers; and
- the likelihood of increased costs both in terms of wages (as a result of increased competition for workers) and recruitment (particularly if the future immigration system is employer-led in the same way as Tier 2 of the PBS).

Finally, for those manufacturers who are most concerned about future EU immigration policy, the importance of voicing those concerns (whether via EEF or other means) cannot be underestimated. The Home Office is expected to launch a public consultation on a new Immigration Bill once the Migration Advisory Committee has published its recommendations later this year – this will be a key opportunity for affected businesses to speak up.

SQUIRE

PATTON BOGGS

Through our long-standing relationship with EEF, we are pleased to work once again in partnership on this key industry report.

For more than 100 years, manufacturing, engineering and distribution companies have looked to Squire Patton Boggs for creative solutions to their commercial challenges. Our specialist lawyers are familiar with our clients' diverse products, technologies and business models and can provide them with the comprehensive services they need to succeed in the global market.

Immediately after the "leave" vote in June 2016, we brought together our immigration, EU, trade, tax, contract and policy specialists in the UK and across Europe to provide a coordinated advisory service to help our clients understand the implications of Brexit. With more than 1,500 lawyers and an industry-leading public policy team, we have decades of experience in supporting businesses through this legal and political uncertainty. We are now working closely with EEF to help its members with a variety of legal and regulatory issues as they prepare for the UK's exit from the EU.

With one of the strongest integrated global platforms, we can help manage your industry concerns in the UK and overseas as you navigate the challenges and opportunities following the Brexit vote. So whether your interests are in the EU, established or emerging markets, we have a proven track record in supporting our clients as they do business around the world.

www.squirepattonboggs.com

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EEF is dedicated to the future of manufacturing. Everything we do, from business support to championing manufacturing and engineering, is designed to help our industry thrive, innovate and compete locally and globally. In an increasingly uncertain business environment, where the UK is now on a path to leave the European Union, we recognise that manufacturers face significant challenges and opportunities. We will work with you throughout this period of uncertainty to ensure that you are on top of any legislative changes and their implications for your business.

Furthermore, as the collective voice of UK manufacturing, we will work tirelessly to ensure that our members' voices are heard during the forthcoming negotiations and will give unique insight into the way changing legislation will affect their business.

Our policy, employment law, health, safety and sustainability and productivity experts are on hand to steer you through Brexit with rational, practical advice to help your business succeed.

www.eef.org.uk

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