



**RESPONSE BY THE COMMON FUTURES NETWORK
TO
THE CALL FOR EVIDENCE BY
THE MIGRATION ADVISORY COMMITTEE (MAC)**

The following information is provided by the Common Futures Network (**CFN**) in response to the call for evidence by the MAC

“to advise on the economic and social impacts of the UK’s exit from the European Union and also on how the UK’s immigration system should be aligned with a modern industrial strategy “

The **CFN** is a network of development experts from public, private and academic backgrounds who want to promote a better approach to our understanding of the spatial impacts of public policy – i.e. the differential impacts on communities - and to promote a more strategic approach to tackling the wide social and economic disparities that characterise the state of the nation.

The information in this response is drawn from the international symposium held in December 2016 and the resulting interim **Prospectus** which sets out a New Agenda for the UK and England (copy of which is attached separately). This sets out eight core propositions that are summarised in the Appendix.

The main questions that you ask which most directly relate to the concerns of the **CFN** are those about the patterns of migration and their social and economic impacts.

Scale & Patterns of Migration

It is impossible at this stage of the negotiations on BREXIT to have any real confidence on the likely scale and impacts of international migration to the UK, and in particular from the EEA. This would be difficult enough without BREXIT, as evidenced by the consistent chasm in recent years between the Government’s estimates of migration levels and what actually occurred.

This is because there is an essential interplay between cause and effect in understanding the patterns of migration. In effect, the very factors that determine the levels and patterns of migration will be reflected in the impacts that that arise. For example, the recent economic policies of the Government have required access to a ready international source of cheap labour. This was, in part, because our economic growth was inextricably linked to the following conditions:

- (i) low levels of industrial productivity therefore requiring cheap labour supply to remain competitive;
- (ii) the low skill levels limited the ability of those who were formally available from accessing job new opportunities. and
- (iii) the distorted housing markets inhibited the movement of labour from areas of high worklessness to areas of job opportunities.

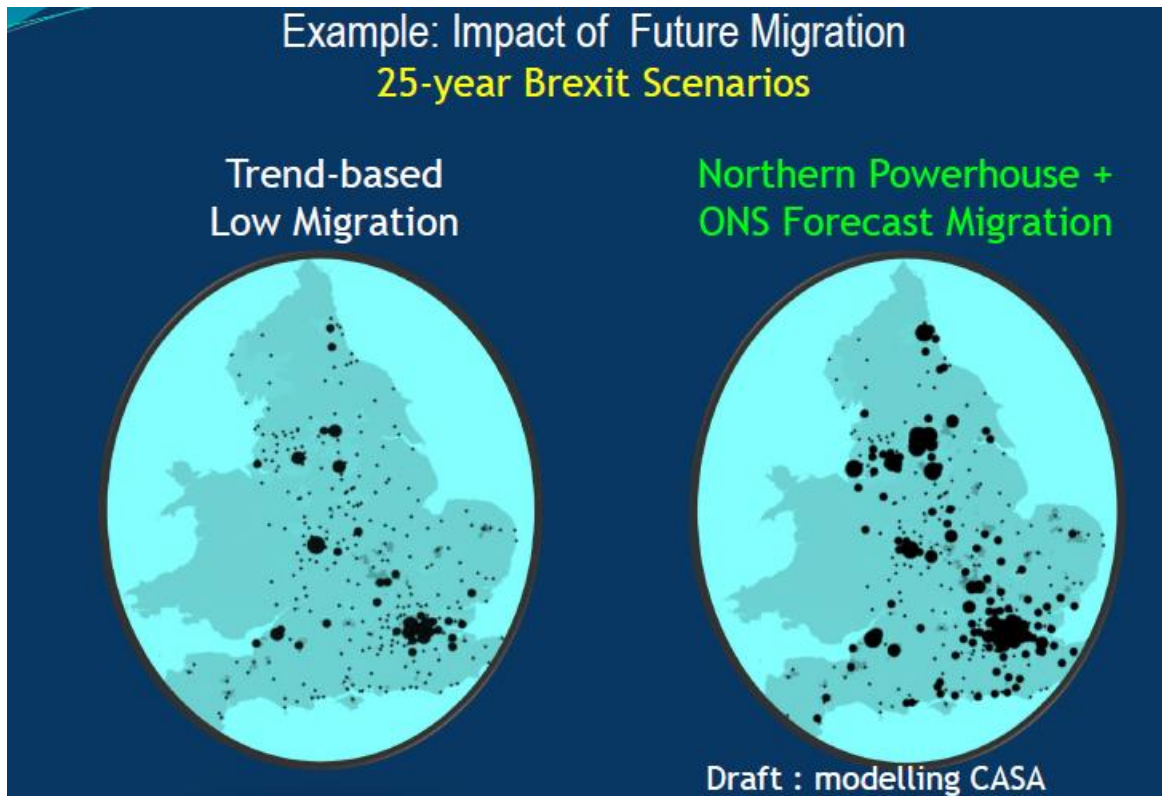
The **CFN** therefore considers that policy (across all parts of government) must be developed within a framework of the potential scenarios that face the country. Some illustrative working of such an approach was undertaken as background for the Symposium in December 2016. This is unpublished but we are happy to share this with you.

To indicate what was considered we made two core assumptions:

- (a) about the range of possible scales of movement – the ONS assumptions were used as a high estimate (even these however assume a halving of current net levels of

- international migration) and using the baseline levels that operated pre-1989; and
(b) the potential impact of the range of government policies for economic and social rebalancing of the country (e.g. the cities' agenda in all its forms);

These were modelled with the help of [CASA](#). The following maps indicate the type of results generated in a visual form. As stated, these are only meant to be indicative but from this it was possible to demonstrate how the range of uncertainty can be considered and planned for. We would want such thinking to be hard-tested using a collective scenario building approach with governmental and other stakeholders. Again, we are happy to discuss this with you.



This work has not sought to differentiate EEA from non-EEA international migrants (although this would be possible in any future work). It did however allow for alternative assumptions about the patterns of inter-regional migration within the UK. It needs to be recognised that all components of migration interact and are dependent on similar drivers – economic opportunity, ability to access the housing market and regional differentials in economic performance between source & reception areas. There are, we recognise, specific sectoral or local issues which need to be considered but at the national level and dealing with the endemic social and economic disparities that the nation faces, then the approach we used is appropriate.

Impact of Migration

The impacts of migration will be fundamentally different depending on the other drivers of change within which they operate or policy goals against which they are to be measured. For example, a significant drop in the number of migrants from the EEA will, inter alia, obviously depend upon: the demand for labour. Past trends are not a guide to this. For example, there are three future scenarios that can be envisaged:

- (i) The trend-based scenario: A shortage of labour creating pressure on wages and competitiveness of British firms resulting in a slowing down in the overall level of growth and increased social disparities;
- (ii) An Place-based Industrial Scenario: The unlocking of the untapped labour supply in the underperforming regions of the UK resulting a more balanced economy and social conditions. . For example, if the Northern Powerhouse achieves its goals, worklessness rates in the three northern regions could be reduced to those experienced in the wider south east, resulting in a half million increase in the UK-sourced labour supply and a comparable drop-in international in-migration,
- (iii) A High Productivity Scenario: The reduction in the source of cheap labour from the EEA would put pressure on the UK to address the low levels of productivity which currently characterise it. This is already an issue that needs to be addressed and is given more urgency by of Brexit.

Therefore, the assessment of the impacts of migration must be set within the range of potential contexts that might exist – social economic, environmental and technological. The corollary is that the preferred scenario of the future for the UK in terms of its planning for and management of migration must be set within an integrated spatial framework of inter-related policy initiatives to tackle our deep-seated challenges on housing affordability, worklessness, regional imbalance and the rural economy. At present there is no such national framework which would achieve this to allow and integrated response to the potential changes in the space and pattern of migration to the UK. The **CFN** Prospectus, however, sets out the basis for developing such a national spatial development framework.

The Institutional Capacity to deliver Evidence-based Policies on Migration

It is significant that the government's request to the MAC to establish the facts about the potential impact of Brexit on migration at this stage in the negotiating process. The issue of migration was a matter at the heart of the referendum. The answers to your questions therefore should have been asked for and answered before and not after the event of the referendum.

The very call for evidence by the MAC is therefore demonstration of a clear gap in the institutional capacity and processes to inform policy debate. At present there is a major gap in our information systems to provide authoritative, timeous and independent advice on the differential spatial impacts of trends and policies within and across the country. At present policy is based on inconsistent horizons and forecasts and methodological limitations, including being trend base and short term. The **CFN** has therefore proposed that this requires a body to provide the institutional capacity to allow spatially evidenced policy analysis and debate, equivalent to the role of the OBR in its respective area of working. The **CFN** considers that this is essential if public policy is not to be driven by rhetorical debate, if policy is to be truly evidence based and if democratic processes are to be properly informed.

APPENDIX 1

SUMMARY PROPOSITIONS OF COMMON FUTURES NETWORK

Towards a Common Future

The Prime Minister has set out the “*need for vision, determination and a plan to drive growth up and down the country - from rural areas to our great cities.*”

The Prime Minister’s ambitions require an integrated framework of action, which gives confidence to those who want to invest in the future of the country. The empowerment of local communities through the devolution and localism agenda needs to be strengthened, by providing a clearer context for local decision-making. Business development needs confidence in the longer-term future for investment.

There exist the foundations of such an integrated approach for Scotland, Wales and Northern Ireland, as set out in their respective national development frameworks - but there is no equivalent for England. The Government’s initiatives for a National Industrial Strategy and a National Infrastructure Assessment are welcome but these are not sufficient to be successful in delivering this agenda in full.

The Common Futures Network (CFN) has therefore come together to respond to the interlinked challenges of inequality, low productivity, economic imbalance, and social and political cohesion. It seeks to transform rhetoric into action through a consensual, forward-looking and independent *Agenda* for shaping the future of England over the next 50 years.

Opportunities for Change

The following opportunities to rebuild the nation need a national framework of action:

- A better national balance of investment, research, culture, people and jobs, both urban and rural
- An economic strategy that harnesses the UK’s full potential as a global mega-region
- An urban policy which sets out the roles of the major cities and their regions
- Securing the global role and functioning of the Capital Region of London
- Enhanced relationships between devolved administrations
- An infrastructure framework that underpins these, including movement and energy.

These challenges are overlain by the impacts of climate change and the potential implications of BREXIT. They are also hampered by fragmented administrative areas, and short-term outlooks. We need to change the way we do things!

A New Agenda for England and the UK

We need to build on the existing initiatives by harnessing fully the potential opportunities created by England’s position as a *global economic region*. A fresh national agenda will help unite the nations of the UK by expressing their separate but interlinked identities, needs and ambitions. A new agenda is needed to translate government objectives into their spatial implications throughout England. Conversely, we need to consider geographical implications much more explicitly than at present when national policy decisions are taken, including those related to mainstream funding.

The immediate actions to tackle the short-term and longer-term national development priorities are therefore set out in the following eight Propositions. These could be informed by an independent body (comparable to the Office of Budget Responsibility).

The Propositions

Proposition 1: Creating a New Agenda for England to promote a portfolio of actions recognising geography based on:

- The global role of the London mega-region within the UK
- A new devolved development programme building on sub-national strengths
- An urban agenda to support the networked systems of cities
- A new rural agenda as a basis for connecting the rural hinterland of England
- Securing the natural capital of England
- An integrated infrastructure strategy rebalancing opportunities within England as part of the UK.

Proposition 2: Introducing a Place-based Industrial Strategy to harness the agglomerative capacity of the UK, and England in particular, as a global mega-region, and a refreshed regional development programme reducing peripherality, identifying areas of industrial specialisation, linking research and development, and setting priorities and goals for underperforming parts of the country.

Proposition 3: Integrating Infrastructure to move the agenda beyond re-engineering the nation to rebalancing opportunities within England; also, opening up new development areas required to meet the additional 9m population by 2040.

Proposition 4: Building Networked Systems of Cities: Understanding and maximising functional linkages between cities, building upon, but not confined to, the three existing trans-regional priorities (Northern Powerhouse, Midlands Engine, and the Cambridge-Milton Keynes-Oxford Corridor), and other nationally significant opportunities (e.g. Heathrow-Swindon-Bristol), as well as the HS corridors.

Proposition 5: Securing the Global Role of London: Ensuring action throughout the London Capital Region supports the commercial, labour and housing markets upon which the future of London as a global city depends, through a high level non-statutory public – private forum, and also strengthening London's relationships with other major UK cities.

Proposition 6: Facilitating Devolution: Reinforcing the potential created by the emerging framework of Combined Authorities through a more structured and incentivised basis for collaborative action, whilst retaining a safety net for vulnerable towns.

Proposition 7: Identifying the Components of a Framework: Based on these propositions identifying the key issues that must be decided at a national level for England in terms of the *National Economic Hubs, Corridors and Networks* in support of the *National Flagship Projects* and the *National Priorities for Collaborative Action*.

Proposition 8 : Linking Devolved National Frameworks through the British Irish Council's Working Group to provide a common context for cross-border cooperation, creating synergies and identifying cross-boundary and external relationships and nation-wide approaches to increasing self-sufficiency in food, raw materials and energy

The Next Steps

These Propositions have been taken forward (and amplified) in a Prospectus for 'A New Agenda for England and the UK'. The form of follow-up will be responsive to and in liaison with partners, and be seeking cross party support