



Brexit: A year on

Seeking Londoners views a year later



July 2017 • Fiona Twycross AM

Contents

Foreword	3
Introduction	4
Views on the EU referendum	5
Referendum Result	5
National Opinion Polling	6
London Opinion Polling	6
Business Opinion Polling	8
What do Londoners want?	10
Appendix 1 – the survey	11
References	15

Foreword

It has been over a year since the referendum about whether the UK should remain or leave the European Union (EU) took place. While negotiations between the UK Government and the EU have now begun, London faces considerable uncertainty about the outcome of the negotiations. The 'London is Open' campaign sent a positive message in the aftermath of the referendum that despite the fact the UK is leaving the EU, London will continue to be an outward looking and cosmopolitan global city. However there is a great deal of uncertainty about the outcome of the negotiations and the future for London.



The decisions that are made in the next two years will affect our employment rights, the cost of everyday living and freedom to travel. It is imperative that any decisions made will not harm our economy, our diversity and our day to day lives.

I would like to hear from you on how you feel about Brexit a year on from the referendum. I would like to know where your priorities lie, whether you believe you have enough information about the current negotiations and whether your opinions have changed over the past year.

Later in the year, I will publish the results of the survey in a report that will provide an overview of what Londoner's want in relation to Brexit. This will include recommendations to key decision makers as the UK enters the next stage of the negotiations.

So far it seems the negotiations have centred on political posturing, but in the next stages of talks we need clearer detail on policy. Londoner's voices need to be heard.

A handwritten signature in black ink that reads "Fiona Twycross".

Fiona Twycross AM
Labour's London Assembly Economy Spokesperson

Introduction

The twenty-third of June 2016 will be a defining moment in UK history. The decision to leave the European Union (EU) will affect almost every aspect of British life. In London – a city where a majority of those the electorate voted remain – it also means a future direction for their country that Londoners, on the whole, did not choose and in which much remains unclear.

Referendum on the United Kingdom's membership of the European Union	
Vote only once by putting a cross  in the box next to your choice	
Should the United Kingdom remain a member of the European Union or leave the European Union?	
Remain a member of the European Union	<input type="checkbox"/>
Leave the European Union	<input type="checkbox"/>

A year on from the referendum, there is still a great deal of uncertainty around what Brexit means for London's economy and the people reliant on it. Negotiations have only just got underway and we are unlikely to understand the full impact of Brexit until after March 2019 when UK membership of the EU is due to come to an end.

While there is understandable scepticism about their reliability, opinion polls remain the best gauge of shifts in public opinion over time. This report takes a look at the opinion polls that have taken place and the differences between London and the rest of the UK. What opinion polls do not provide is

an understanding behind the views expressed.

The survey at the end of this report is being launched shortly after the anniversary of the EU referendum. It seeks the views of Londoners - including residents, workers and businesses - about Brexit a year on. I would like to hear from all Londoners about your thoughts on the future, whether you expect to feel an impact in your jobs or your pockets; and what your priorities are going forward.

Views on the EU referendum

Referendum Result

When the results came in last June, it was clear that London had bucked the national trend. Across the UK, 48.1% of the population (16.14 million people) opted to remain in the EU, but were outnumbered by the 51.9% (17.41 million people) who chose to leave. However, in London, a significant 59.9% (2.26 million people) voted to remain.¹ Nine months later Parliament passed the short, un-amended, Bill to trigger Article 50 to leave the EU. It received Royal Assent on 16 March 2017.

Analysis suggests that those Londoners who did vote to leave did so for very similar reasons to leave voters in other parts of the country. Such reasons include concerns over the impact of immigration and the promises made in the campaign for extra money for the NHS. The same fault lines exist to a greater or lesser degree in all our communities. Four in ten Londoners voted to leave and whilst there were high levels of support for remain particularly in inner London boroughs, there was support for

leaving the EU in some outer London boroughs.

The uncertainty looming in post-referendum Britain is particularly palpable in the capital. London is a diverse city and around a million Londoners originate from other EU countries. There are already signs that in some sectors workers from other EU countries are leaving in advance of the conclusion of the negotiations. For them, the lack of certainty over their rights is a very real issue and one that has yet to be resolved by the Government.

London has 27% of workers in construction² and 13% in social care from other EU countries, but it is not just those workers who are feeling the uncertainty.³ Fundamental questions have been raised about how the capital will function beyond Brexit without significant concessions from the Government concerning the approach to inward migration from the EU.

EU Referendum

Results by London Borough



While the capital had a strong showing for remain, pundits and opinion pollsters misread London and the vote for remain was lower than many had predicted. Some areas voted very strongly remain such as Lambeth where 79% voted remain, Hackney with 78% and Haringey with 76%. Yet some outer London Boroughs were strongly in favour of Brexit including Havering which had the highest leave vote with 70%, followed by Bexley with 63% and Barking and Dagenham with 62%.

National Opinion Polling

A national opinion poll conducted a week after the EU referendum, found that 4% of people would have changed the way in which they voted if the referendum was held again. Eighty-five per cent of remain voters said they were certain they would vote the same way, in comparison to 79% of leave voters.⁴ However, it is clear that most of those who voted for the UK to leave the EU have not had a change of heart. Moreover, analysis suggests that a reasonable proportion of those who voted to remain believe that the Government must now fulfil its duty to carry out the will of the people and leave the EU.

In May 2017, a YouGov poll identified three distinct post-referendum groups from among the electorate: the 'Hard Leavers', who still want to leave

the EU (45%); the 'Hard Remainers', who would still like to see a halt to Brexit (22%); and the 'Re-Leavers' (23%), who voted remain but feel the need of the UK Government to respect the democratic decision of its people and put the wheels in motion for Brexit.⁵ To reflect the views of the public, the focus should now be not on whether we go through with Brexit but the type of Brexit we want.

London Opinion Polling

Most opinion polling on the EU referendum has been conducted on a UK wide basis, with little comparative polling at a regional level. From the London polls, we can see that remain and leave votes were almost neck and neck when the decision was made to hold a referendum on EU membership in June 2013. While views fluctuated in the three years running up to the referendum, overall support for remain grew during this time with significant numbers of those who had originally been unsure switching to vote remain.

The lowest point of support for remain in the opinion polls in London appears to be shortly after former Prime Minister David Cameron announced in December 2015 that the vote would be held the following year. We can infer from this that as the debate continued, Londoners felt more strongly that the UK should remain a member of

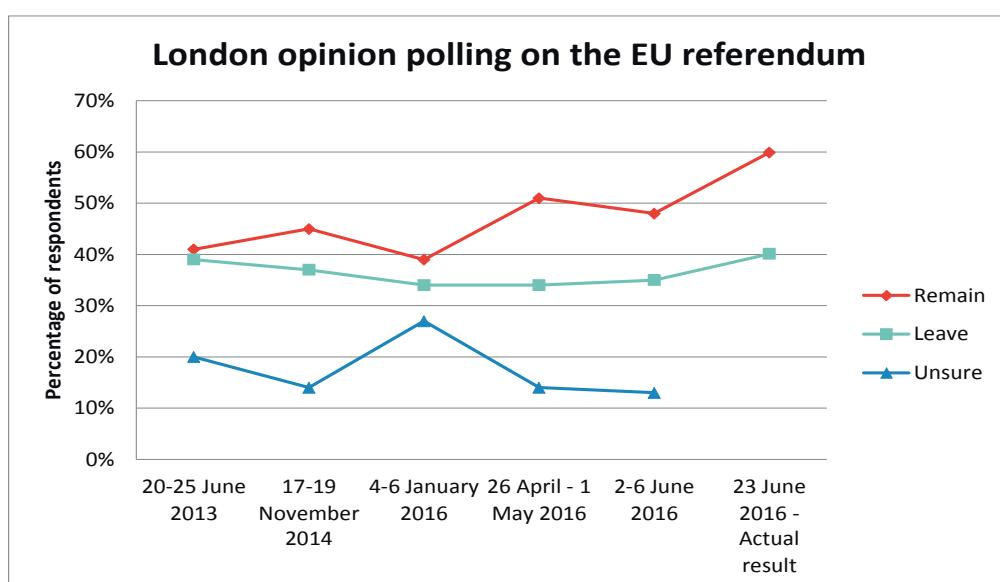


Diagram 2: Polls conducted before the EU referendum by YouGov and Opinium for the Evening Standard and LBC

the EU, arguably as more details emerged over the significance of remaining or leaving the Union. However, from the polling above, we cannot deduce what Londoner's concerns were and why they wanted to leave or remain.

Within the polling and the subsequent assessments that have been made of the referendum results, disparities between public attitudes towards the EU can be identified. The final London opinion poll before the referendum shows that in the capital young people, those in professional occupations and those who support left-wing parties were more likely vote to remain. On the other hand, people aged over 50, from manual occupations and supportive of right-wing political parties preferred, on the whole, to leave the EU.⁶ This corresponds to polling carried out by Centre for London after the vote which indicates that 68 per cent of 18-24 year olds feel negatively about the impact of Brexit in contrast to 35 per cent of those aged 55 to 64.⁷

A series of YouGov/The Times polls carried out between August 2016 and January 2017 suggests that support for remaining in the EU in London has continued to be at a higher level than the national average. Whilst the number of people that believe the UK was wrong to leave the EU has fluctuated in London, we can see that it always remains higher than the rest of the UK on the whole.⁸ We must, however, take into account that there are of course areas in the UK which, like London, also voted to

remain which are not illustrated in the above graph.

The polls that have been carried out ask a wide range of questions but there is a continual focus on questions about Brexit's impact on the economy, unemployment levels, and the cost of living. Perhaps most significantly there always appears a question on whether the Government's priority should be access to the single market or controlling immigration levels.

Over the past year, Brexit has already been cited as a reason for economic trends. For example, the day after the negotiations began, the Governor of the Bank of England, Mark Carney, made a direct link between weaker real income growth and Brexit.⁹ With experts continuing to express concern about the economic impact, this is an understandable focus.

However, Brexit has not yet happened. We have almost two years to wait until we know for certain what the outcome of the negotiations will be. Opinion polls are likely to continue to be in a state of flux as details of the negotiations come to light and a clearer understanding of the changes that will occur begins to form. The level of support for the eventual outcome is likely to depend to a large degree on how people believe Brexit will impact on them and their families. It will also depend on the extent to which the Prime Minister can come up with a deal that satisfies sufficient numbers of

London respondents to YouGov/The Times poll series who believe Britain was wrong to vote to leave the EU

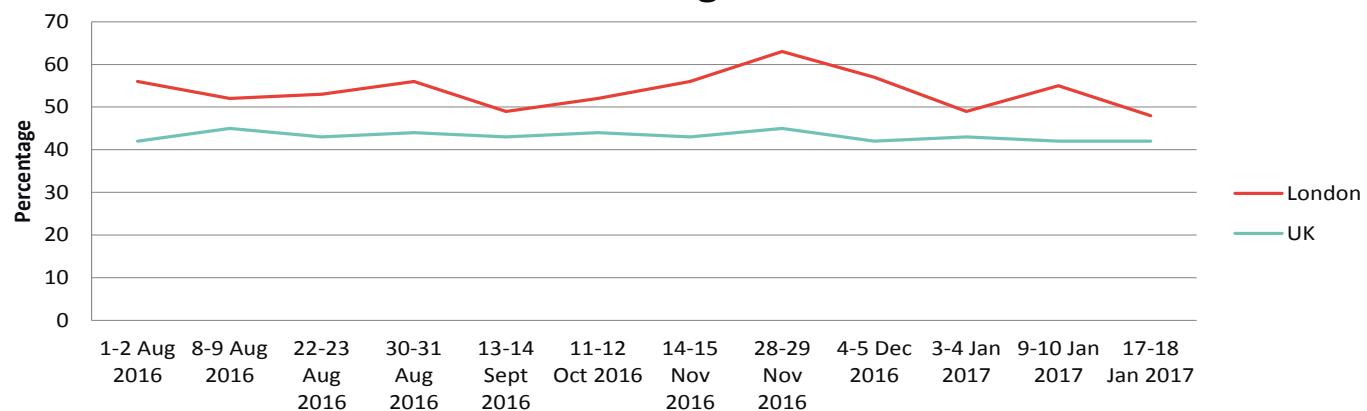


Diagram 3: YouGov poll broken down by region

those who voted both for and against remaining in the EU. The performance of the economy during this period will also play a key role in shaping public opinion.

Business Opinion Polling

London's economy is vital to the economic wellbeing of the UK as a whole. It is an ideal location for many businesses due to the time zone, language and legal system, and it has the advantages of its close proximity to the European mainland. London's output in terms of gross value added (GVA) was £364 billion in 2014, which accounts for 22.5% of the UK total. Within this, small and medium enterprises (SME) account for about 48.1% of all business turnover in London, which equates to £175 billion.

London contains the European headquarters for a significant number of companies. Of the top 250 companies, 40% have their global or regional headquarters in London; in contrast Paris has 8%. Additionally, London is viewed as one of the world's top three technology hubs alongside New York and San Francisco, but there are emerging rival tech hubs such as Berlin. In this growing sector, nearly one-fifth (40,000) of the UK's tech businesses have headquarters in inner London.

Polling of business opinion on Brexit has been undertaken by organisations such as the Federation of Small Businesses (FSB), London Chamber of Commerce and Industry (LCCI) and the Confederation of British Industry (CBI) before and after the referendum for their respective members, in addition to market-research organisations such as YouGov.

YouGov differentiated their results by size of business ahead of the referendum.¹⁰ This showed that, on the whole, larger businesses preferred

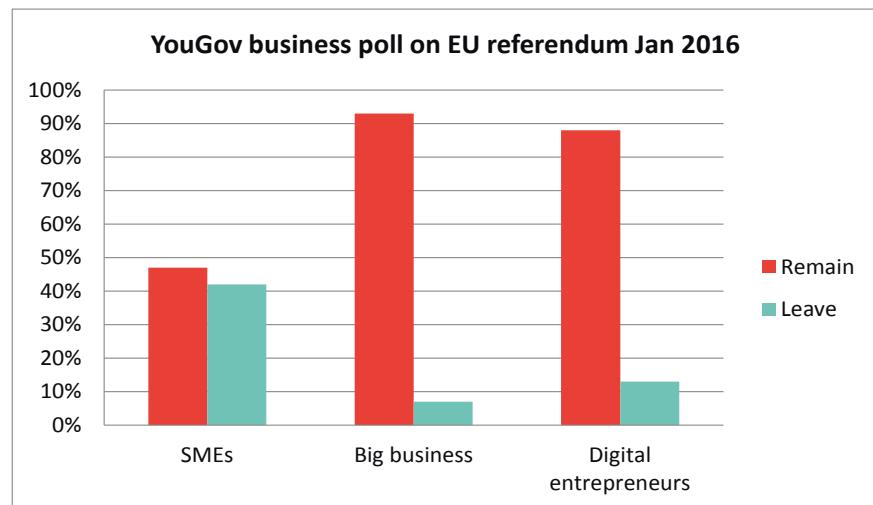


Diagram 4: YouGov poll broken down by type of business

to remain a member of the EU. Large businesses have raised concerns with the London Assembly Economy Committee that leaving the EU could impact on London's competitiveness; for example, the financial sector has raised concerns about the potential loss of passporting rights which are only available within the European Economic Area (EEA). Losing this access has the potential for London to appear a less attractive location for businesses who might be tempted to relocate their headquarters into an existing member of the EU.

Passporting rights allow businesses to offer financial services to the rest of the EEA (28 EU members plus Norway, Iceland and Lichtenstein) while only having to follow one set of regulations.

Londoners share concerns over the future of the economy and investment in the city. A poll of Londoners, conducted in November 2016, showed that 54% of respondents believed that there would be a negative impact on the investment from foreign businesses and individuals into London businesses. This is less than the percentage of Londoners that voted remain and could indicate a shift in opinions on Brexit six months after the result.¹¹ During a London Assembly Economy Committee meeting, both the LCCI, and the FSB raised the same concerns at losing access to the single market and the increased costs and

bureaucracy that it could bring.¹² Furthermore, businesses have concerns about access to skills, particularly in areas such as the NHS, hospitality and construction where one in four workers is from the EU.¹³

Business types and Polling

In London, there are around 970,000 small and medium enterprises (SMEs) and they account for the vast majority of private sector business, making up a substantial proportion of private sector employment and turnover. Many SMEs are part of EU-wide supply chains and will continue to be directly affected by EU legislation. Currently, SMEs have access to rights accrued by EU directives, such as the late payment directive – important for day-to-day financing – whilst the European Investment Bank also operates financing programmes for SMEs.

A national poll by YouGov in January 2016 showed that there was a comparatively small margin between support for leave and remain – with remain ahead by 5%. However, following the referendum result, sector representative groups have expressed concern about the implications for SMEs.

The London Assembly's Economy Committee heard from the Federation of Small Businesses (FSB) that some SMEs have struggled with the drop in sterling over the past year and in some instances they are selling goods for less than cost price.

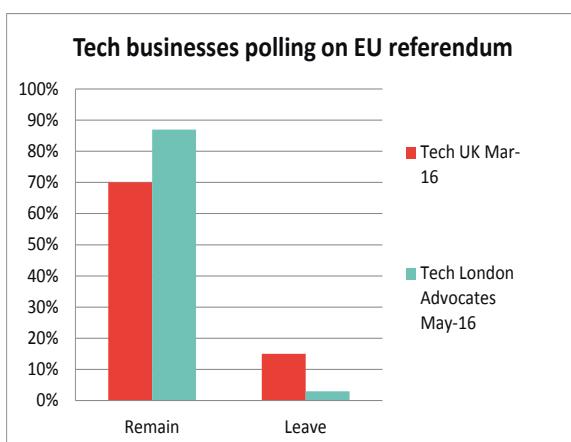


Diagram 5: Polls undertaken by Tech UK and Tech London Advocates

The FSB has been clear in articulating the urgent need for a Brexit deal that works for businesses. This includes the simplest possible access to the single market to avoid increased tariff costs and increased bureaucracy. To paraphrase the FSB, what the majority of businesses want is a balanced approach, for some red tape to stay and for some to be reviewed, and what they don't want is to have to complete 33 different Value Added Tax (VAT) returns if a functioning trade deal is not established with the EU.¹⁴

YouGov polling in January 2016 indicated that digital entrepreneurs had a strong preference for remain ahead of the referendum. Further polling undertaken by Tech UK and Tech London Advocates highlighted the strength of support for remain within the tech sector. Tech London Advocates calculated that one in five people setting up tech companies in London come from other EU countries. They have stated that the loss of freedom of movement would have a huge impact on the tech sector because of the need for digital skills.¹⁵ London First have confirmed this view saying that "continued access to the people our economy needs is the number one concern for business."¹⁶ The House of Commons Science and Technology Committee found that the UK's digital skills gap is costing the UK economy an estimated £63 billion a year in lost additional GDP, demonstrating the significance of access to skills from the EU.¹⁷

The London Chamber of Commerce and Industry (LCCI) undertook monthly polling in the lead-up to

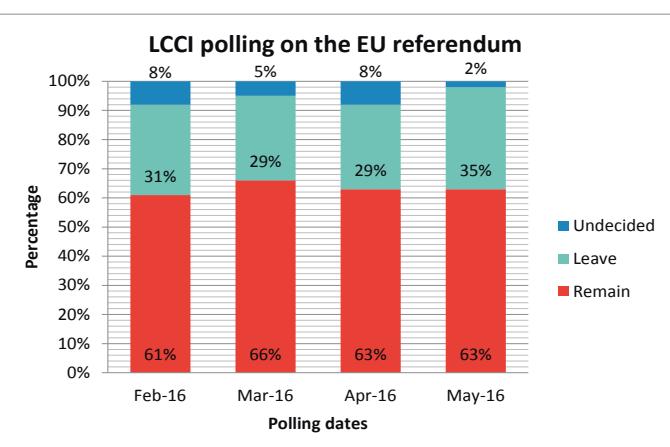


Diagram 6: Polls undertaken by London Chamber of Commerce and Industry

the EU Referendum to understand members' voting intentions. Their polling provides another snapshot of business views in the capital. LCCI found that the majority of those who responded to their survey supported remaining in the EU.¹⁸ As with the FSB, the LCCI have expressed the need for stability and easy access to the single market and talent in order for businesses to succeed.

Given the importance of London's economy, both in supporting the livelihoods of Londoners and in the overall prosperity of the country, it is vital that the Government listens to what businesses need in order to thrive in a post-Brexit context.

What do Londoners want?

Opinion polls can only ever give a snapshot of what people think.

The survey over the following pages aims to establish additional information about what Londoners want one year on from the referendum and how they feel about the current negotiations. This takes a different approach to opinion polls in that it asks for commentary on the responses to provide a qualitative as well as a quantitative approach to the questions.

The information from survey responses will be used to write a more extensive report later in the year making clear recommendations to decision makers, about what Londoners want.

If you would like to take part in the survey, you can do so online by visiting my Assembly Member page on www.london.gov.uk/people/assembly/fiona-twycross. Alternatively the survey can be found at www.surveygizmo.eu/s3/90041208/Brexit

Please do get in contact using the contact details at the end of this report if you require a hard copy of the survey.

Appendix 1 – the survey

1. How did you vote in the EU referendum on the 23rd June 2016?

- Remain in the EU
- Leave the EU
- Did not vote
- Could not vote

2. If the EU referendum was held again tomorrow, how would you vote?

- Remain in the EU
- Leave the EU

Comments _____

3. Do you feel you are being kept well informed about the Brexit negotiations and the Prime Minister's priorities?

- Yes
- No
- Don't know

Comments _____

4. (If answered no or don't know) Why do you not feel well informed?

- I am not interested
- I do not understand the complexities of Brexit
- There is not enough information available
- Other - Write In (Required) Please enter an 'other' value for this selection.

Comments _____

5. From what you know so far, are you happy with the way the negotiations are proceeding?

- Yes
- No

- Don't know

Comments _____

6. What type of Brexit would you prefer to see?

- Hard Brexit (no access to the single market, restrictions on freedom of movement)
- Soft Brexit (flexibility in access to the single market and freedom of movement)
- Don't know

Comments _____

What has been the impact in each of these areas over the past year since the referendum result?

	Better	Worse	No impact	Don't know
Counter-terrorism	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Air quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Policing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Education	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wage growth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transport	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workers' Rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Level of employment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Holidays in Europe	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Austerity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social integration/sense of community	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Performance of the economy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to culture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NHS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Level of immigration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments _____

7. What do you consider the top 3 priorities that the Government should focus on in the negotiations?

- Access to the required skills and talent
- Access to the single market
- Air quality
- Freedom of movement
- Level of immigration
- Right to remain for EU residents

- Workers' rights
- None of the above
- Other Please enter an 'other' value for this selection.

Comments _____

8. Besides Brexit, what do you believe are the top 3 priorities that the Government should focus on?

- Air quality
- Cost of Living
- Counter-terrorism
- Culture
- Education
- Electoral reform
- Employment
- Housing
- Level of immigration
- NHS
- Performance of the economy
- Policing
- Social integration
- Transport
- Workers' Rights
- None of the above
- Other Please enter an 'other' value for this selection.

Comments _____

9. Do you agree with the Prime Minister that leaving the EU without a trade deal in place is better than agreeing to a bad deal with the EU?

- Yes
- No
- Don't know

Comments _____

10. Do you think that there should be a second referendum on Brexit?

- Yes
- No
- Don't know

Comments _____

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Your name: _____

What is your age?

- Under 18
- 18-24
- 25-54
- 55+

What London Borough do you live in?: _____

What is your nationality: _____

What industry do you work in? Please provide your job role too: _____

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