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Dear Joan,

I wrote to you in October 2018 to make the Committee aware that I had established an Expert Advisory Group on Migration and Population, and that I had asked them to provide independent advice on the recommendations made by the Migration Advisory Committee (MAC) in their response to the UK Government about the impacts of migration on the UK labour market. The Group has now concluded their work on that first commission and earlier today, I published their report *UK Immigration Policy after Leaving the EU: Impacts on Scotland's Economy, Population and Society*.

In line with their commission, the Group has sought to identify the potential effects of these recommendations on immigration to Scotland. In December 2018, the UK Government released its long-delayed Immigration White Paper, which adopted the MAC's recommendations almost entirely as UK policy. The Group, in their initial report, thus consider both the MAC recommendations and UK Government policy proposals in relation to immigration and Scotland's devolved competence.

The report looks in turn at four broad categories: Scotland's labour market; fiscal impacts; demographic trends; and local communities. The impact of the UK Government's future immigration proposals are considered in the context of each of these categories.

The report models an overall reduction of 30% to 50% in net migration to Scotland over the next two decades as a consequence of the UK Government's post-Brexit immigration plans. This will have a very significant impact on Scotland's economy, public services and communities. It is especially worrying because of the particular impact on the size and composition of the working age population. A smaller, and older, working age population will make it much harder to manage the consequences of a society that is rapidly ageing overall.

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The proposed £30,000 salary threshold for workers who do come in future is similarly highlighted in the report as a cause for concern. In the immigration White Paper, the UK Government detail how they will adapt the current Tier 2 visa scheme for future operation once freedom of movement comes to an end. Whilst some modifications are welcome – in particular the widening of the skill-level requirement to include more roles below graduate level – the Group finds that 63% of workers in Scotland earn less than the level of salary threshold. In many important sectors, there are effectively no roles that would meet the proposed criteria, despite their positive contribution to Scotland's economy and the skill-intensive nature of the work in fields such as tourism and social care. These proposals would effectively create a skills shortage that cannot be met by domestic means only.

Furthermore, the report shows how a £30,000 salary threshold would have pronounced gendered and regional effects. Many occupations with a majority of female employees' do not appear to even meet a lower £25,000 salary threshold in most cases. Similarly, the concentration of higher paid jobs in certain geographical areas implies that, under the UK Government's proposed post-Brexit immigration rules, the mobility and settlement of EU migrants to more remote and rural parts of Scotland would be heavily restricted

There are many more striking observations the Group has made about the impacts in Scotland of the policy approach the UK Government is taking, and I am thankful to them for producing such a wide-ranging and comprehensive report. I will take time to consider and reflect on their conclusions, as I am sure the Committee will; and I will use this valuable evidence to influence change from the UK Government, as well as further develop the Scottish Government policy position that there should be a tailored approach to immigration within a UK framework, that recognises and addresses Scotland's needs.

I understand members of the Group will be giving evidence to the Committee next month, and I hope this, alongside their report, will be helpful to inform your inquiry into immigration.

*Bob regards,
Ben*

Ben Macpherson MSP
Minister for Europe, Migration and International Development

