OCTOBER 2018

Novorda

BREXIT SURVEY REPORT

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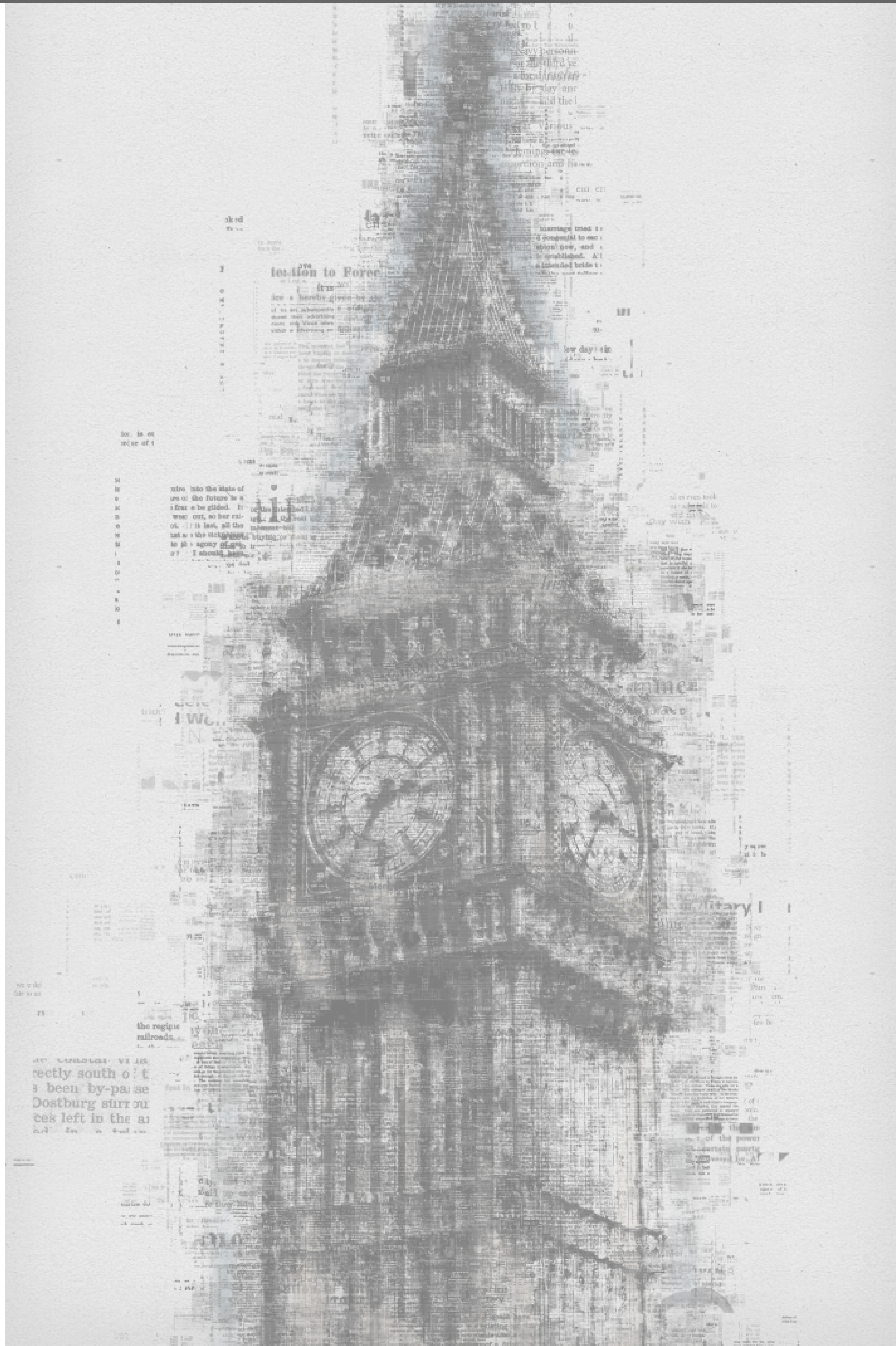


In 2016, the United Kingdom took the unprecendented step of voting to leave the European Union.

The UK political, social and economic situation has seen turmoil and doubt ever since, from debates on when to trigger Article 50, to the outcome of the snap election called nearly a year after the referendum.

This report is based on a survey carried out in October 2018, self-commissioned by Novorda and using a representative panel of 500 respondents. The survey was developed to gauge opinion on a range of themes related to the UK departure from the European Union ('Brexit'). These themes are:

- Calls for a second Brexit referendum
- Perception of UK Government handling of Brexit negotiations since the referendum
- Perception of EU handling of the Brexit negotitations since the referendum
- Differences in referendum voting history in 2016 and voting intention in a hypothetical second referendum
- Perceptions of the impact of Brexit on day to day life, prospects and experience
- Differences in attitudes along generational, gendered, geographical and socioeconomic lines
- Differences in attitudes along party political lines
- Differences in attitudes according to 2016 referendum voting history

Ultimately, this survey and report seeks to add to the debate around Brexit by contributing to the understanding of the processes and narratives which drive and are driven by it.

June 2017 saw the first round of negotiations proper between London and Brussels, when a phased negotiation to settle the terms of the departure was agreed in principle.

Additionally the UK Parliament began the process of debating and passing legislation which would detach UK law from EU regulations and statutes.

Other key points of the regular negotiation sessions have included citizens' rights, a financial settlement, practicalities of trade, and question of the Irish border.

In July 2017, the UK Prime Minister announced the free movement of people would terminate in March 2019, while vowing to uphold the rights of EU citizens as a priority; however the practical details of how to guarantee these, the question of future family members, and new workers from the EU (especially low-skilled ones that are crucial to supporting some sectors of the UK economy (such as agriculture and hospitality) were, and still are as at October 2018, yet to be settled.

Regarding the Irish border, the UK and the EU have agreed to preserving the Common Travel Area as well as the Good Friday Agreement.

The movement of goods across the border is only one of a number of factors and concerns in the complex Irish situation which is fast becoming a serious area of friction in the negotiations.

Of equally pressing, although perhaps not as evident or obvious, concern is the question of what becomes of regions, communities and industries in the UK which have a high ratio of EU subsidy and funding per capita.

The perception of the UK position in the EU, as evidenced by public statetments from Brussels, is that Westminster wants to have its cake and eat it - whether true position or perception, it is a cause of friction which does not help in negotiations.

It is also a source of friction that most of the UK "wish list" is partly or wholly against the founding principles of the EU.

UK Prime Minister Teresa May, in a speech intended to provide clarity, context and detail to the exit negotiation process in the hope of striking a chord of consensus and common ground, stated on September 22nd 2017 in Florence that

- The UK would like a transitional period of at least 2 years, up until 2021

- The UK was prepared to submit to EU rules, laws and budgetary requirements in the meantime

- The UK was committed to a common defence agreement

- The UK would accept no "physical infrastructure at the border" with Ireland

- The UK would enshrine the rights of UK based EU nationals in any treaty with the Union.

BACKGROUND

The UK referendum on the EU, and the resulting decision to leave, came at a time of sustained economic pressure upon the average household.

This has grown out of the local impact of the global financial crisis which arose from the collapse of the US subprime mortgage market last decade.

Since then, the UK has seen successive Conservative-led and dominated governments, elected on manifestos which have expressed balancing the national books as a priority.

This has translated into real policy impact on the UK economy, and has taken the form of a fiscal austerity programme. This has, among other effects, seen a drop in public spending, cuts to welfare budgets, and real-time slimming of departmental expenditure in all but a few key areas: education, aid and international development, and the UK National Health Service (NHS).

During the Referendum campaign, the NHS was a key battleground theme, with claim and counter-claim - that the NHS would benefit if the UK left, that it would suffer if the UK remained, that both of these claims were inaccurate.

Indeed, other than sovereignty and immigration, the perception of cost to the UK taxpayer of EU membership was a key campaigning point which the leave side repeatedly, in hindsight, won debates on.

In response, the position of the EU was and is as follows:

- The EU favours stablity, consistency and a swift resolution now that Article 50 has been invoked

- The EU is aware of other potential national 'leave' campaigns which exist and wishes to eliminate / minimise their potential

- The EU is resolute in upholding core values which are seen as non-negotiable

- The EU would like to ensure there is no element in practice of the UK being allowed to keep too much or being “rewarded” for Brexit

- The EU is not unanimous on the issue, with Germany and Poland in particular being more sympathetic to the UK than some other members.

The decision to leave, and the ensuing negotiations, are thus inextricably linked with the overall picture of the UK economy and its projected outlook.

When compared to the averages for the OECD and the EU as a whole, the UK has a recent history of poor performance against the latter.

Since 2011, the relative averaged annual inflation rates have shown the UK in a particularly poor light. The OECD average value of 2.5% compares favourably to the EU average of 1.5% with the UK closer to the former than the latter at 2.3%.

When the UK's economic performance is graded against OECD and EU averages for the period 2011-2016 in other key areas, the relative state is all the clearer - and it shows a nation which, on the eve of the Brexit vote was lagging behind in several crucial indicators and performing below average in a number of secondary indicators of underlying economic health.

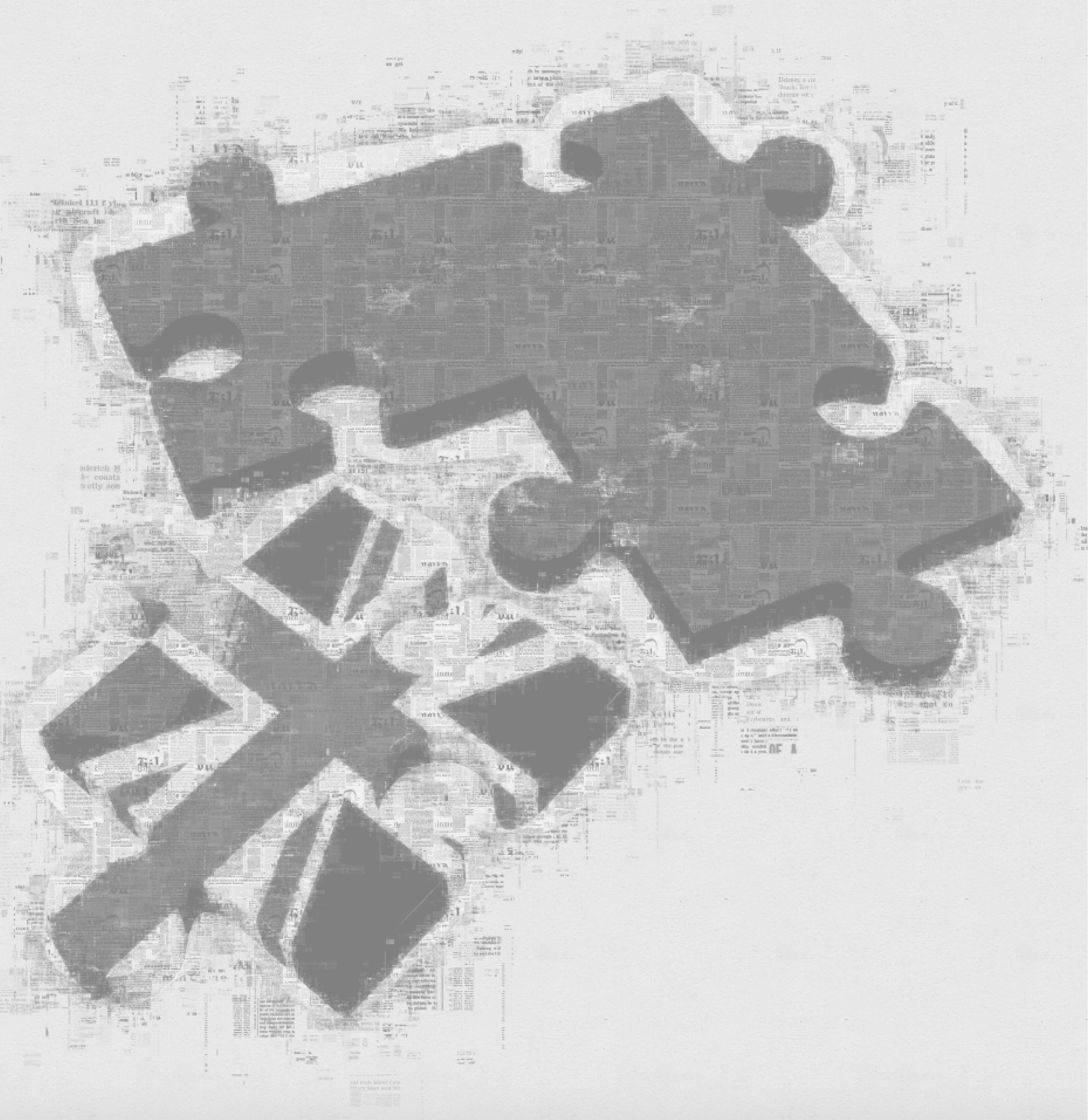
Calls for a second referendum, while at first muted, have been gaining traction and the prospect is now being openly discussed in the media and on the political stage.

The survey was designed by Novorda and delivered online using a third party provider between October 3rd 2018 to October 6th 2018.

A sub sample, of 100 respondents in all, were asked about party political affiliation.

The survey sample were selected by the third party provider and weightings applied to make the panel as representative as possible.

Only completed survey returns have been used. Detailed question by question data is appended to this report.



KEY FINDINGS

RERUN?

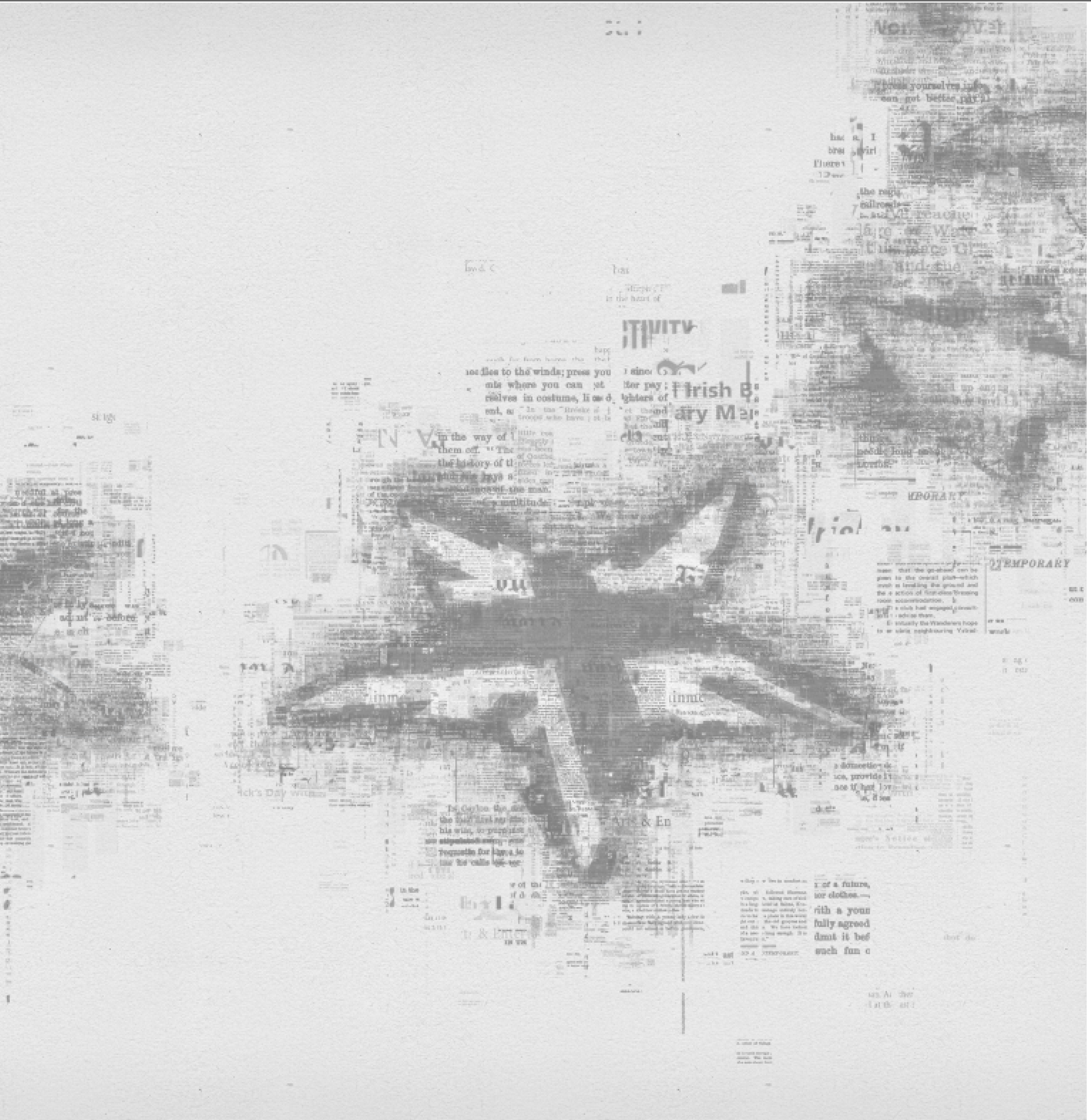
Our survey bears out the belief that support is growing for a second referendum on the UK exit from the EU, with a majority of those polled being in favour.

Excluding don't knows, our poll puts support for a second referendum at **51.54%**

CHAOS?

Our survey is not especially heartening news for the current UK Government, or indeed their counterparts in the EU when it comes to attitudes about the ongoing Brexit negotiations.

77% of those surveyed though the UK was handling Brexit badly. Nearly **68%** thought the EU was performing poorly too.



HITTING HOME

A majority of those polled, nearly **55%**, expect Brexit to have a negative impact on their day to day prospects.

Less than 1 in 5 people expect to do better as a result of the exit from the EU.

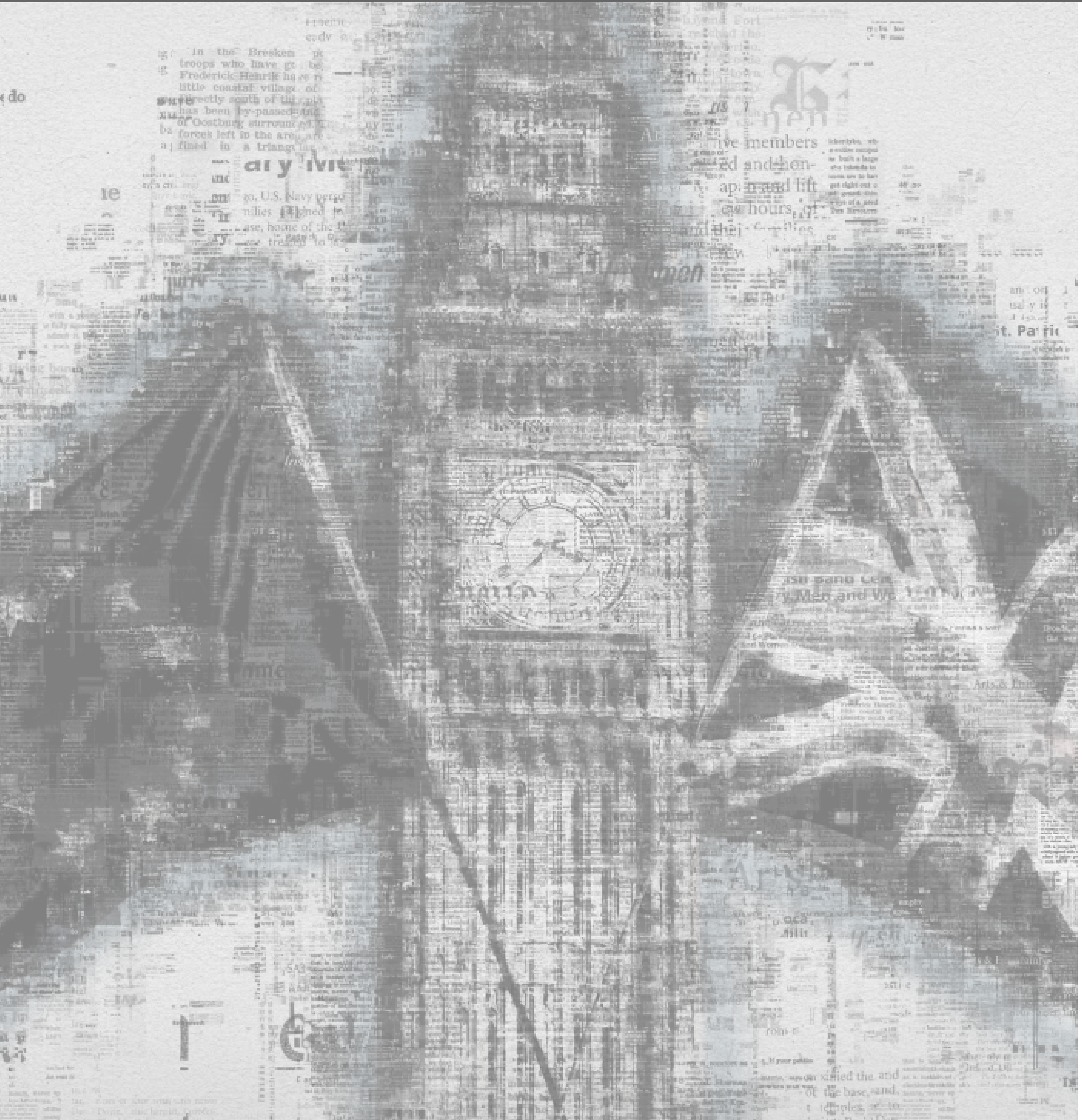
RETHINK?

Our survey suggests that the population at large, when it comes to the practicalities of Brexit, has lost confidence in politicians on both sides of the Channel to deliver a solution.

What is being delivered looks instead, to most people, like something that will make their lives worse rather than better.

There is now majority support for a second referendum on the issue.

Our survey suggests that the time for a rethink on Brexit is now.



A SECOND REFERENDUM?

The prospect of a second Brexit referendum is now being actively discussed at political front bench and media front page level.

As the negotiations around the UK's exit from the EU continue, with a consensus and a post-Brexit agreement still very much lacking, the focus on recent opinion polls has been on how any second referendum would pan out.

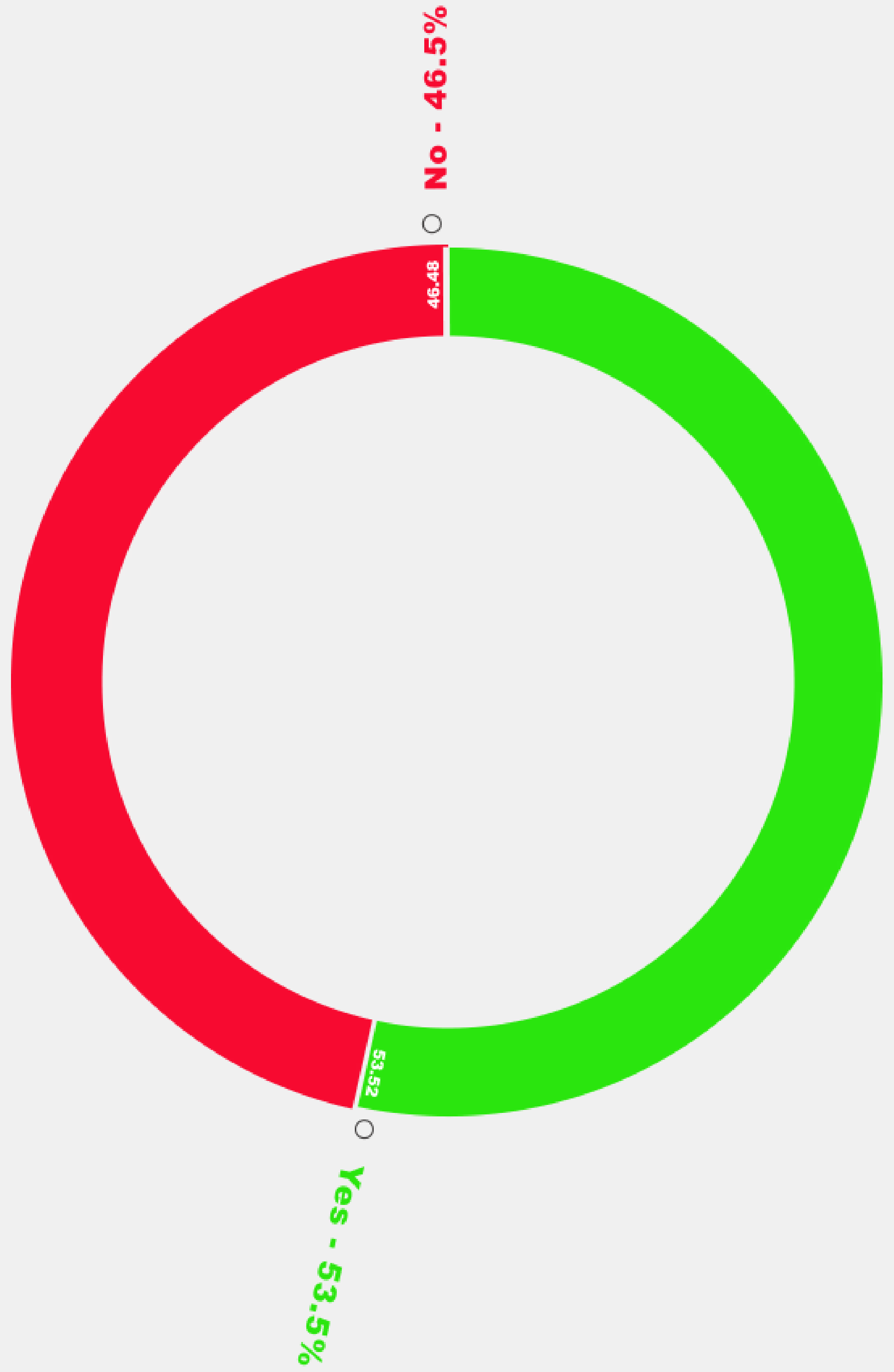
NatCen Social Research reports poll after poll gauging the level of intent in regards to hypothetical voting intentions, however we have decided to look at the appetite for a second vote on the issue in preference to intent as such.

At the same time, we have also structured our survey to look at voting intention change and to plot this against how respondents voted in 2016.

In this way, we hope - through close analysis - to add to the discussion around the original Brexit vote, the calls for a second referendum and the nuances of that debate.

SECOND REFERENDUM

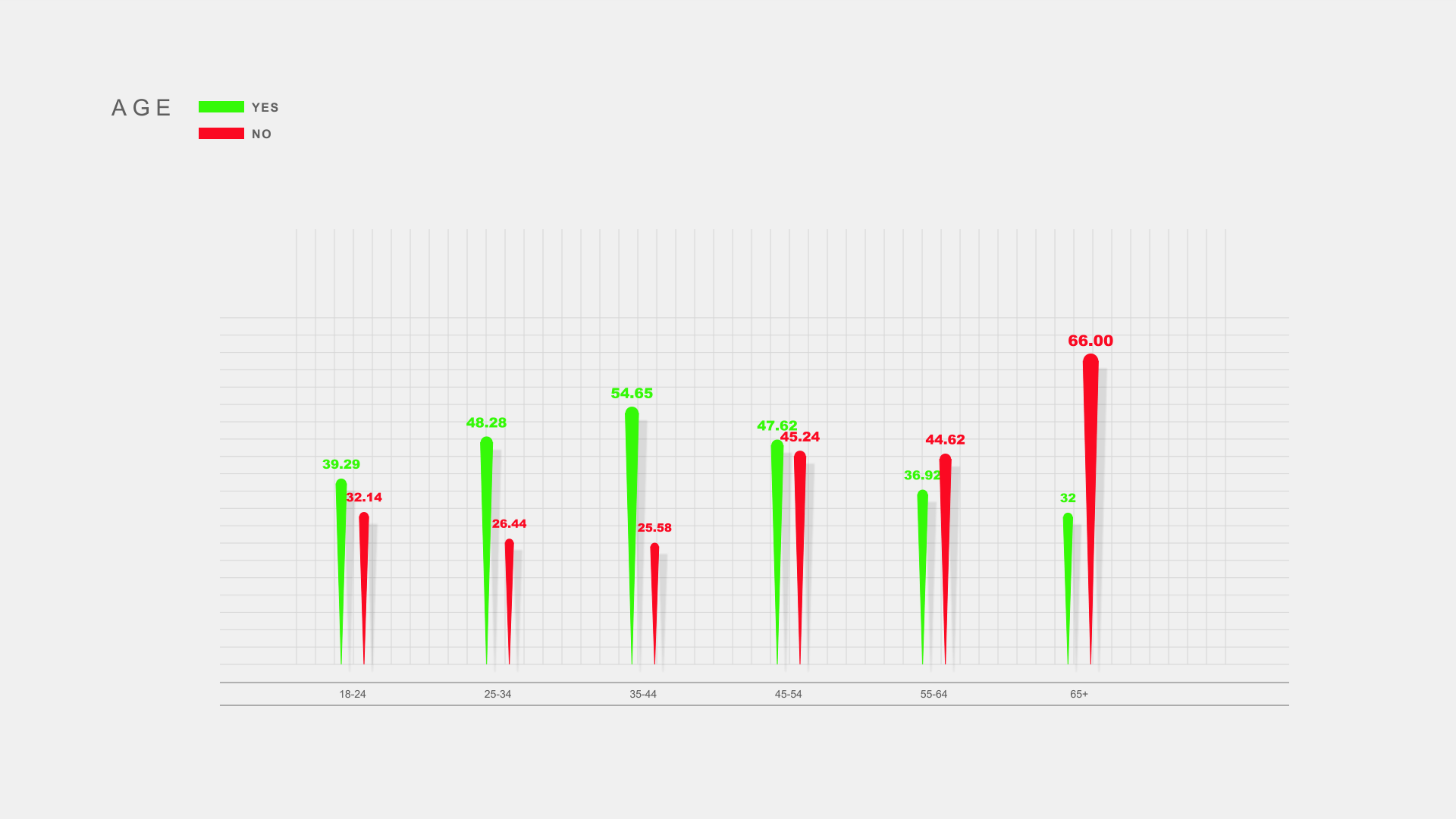
PERCENTAGE



MAJORITY

When don't knows are discounted, our survey shows a majority in favour of a second referendum.

This is the breakdown overall, taking no account of demographic splits or geography.



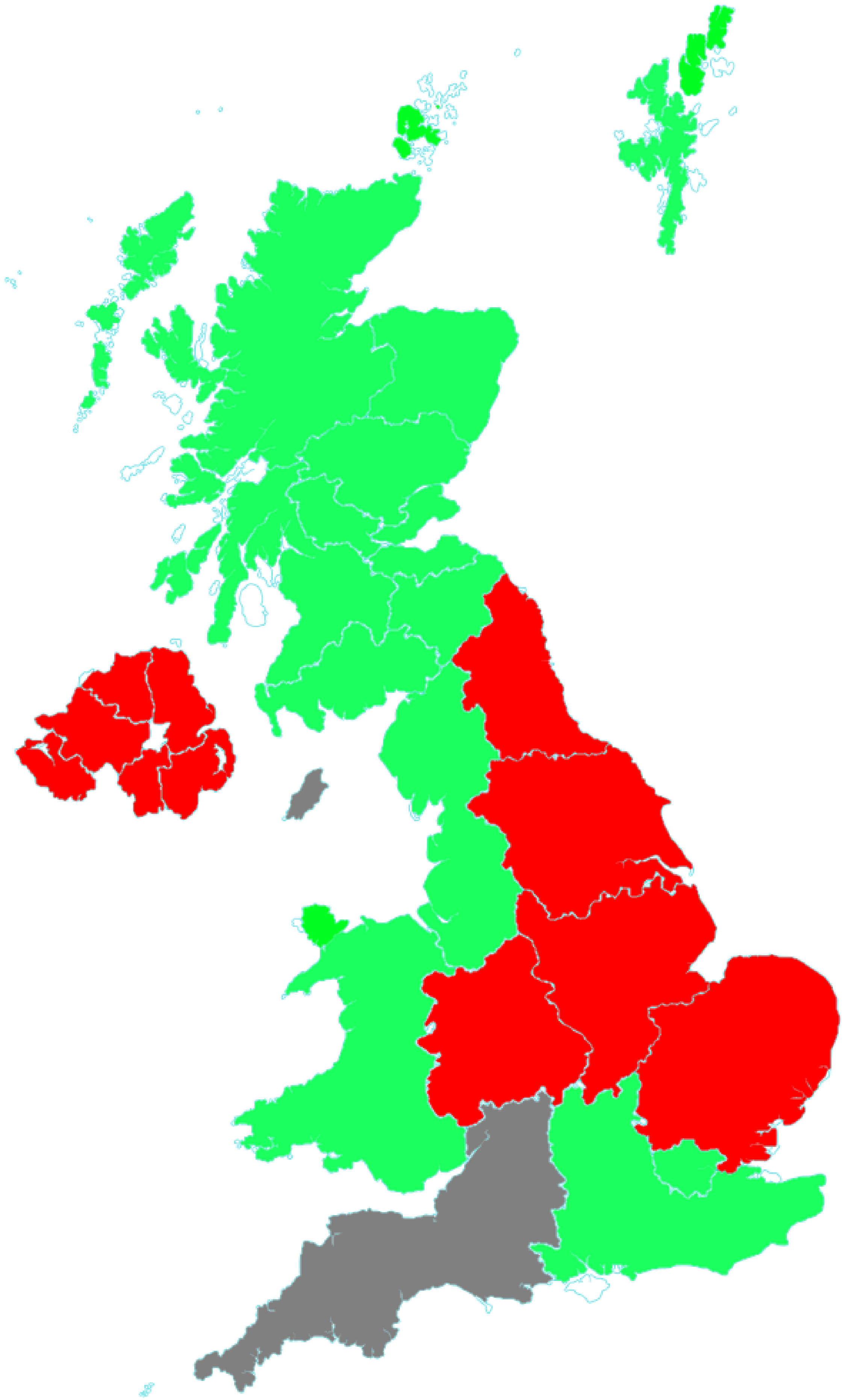
AGE

Support for a second referendum is a generational issue with clear divisions across age ranges.

There is an increase with time up until the mid 40s when support begins to move in the other direction.

By the time retirement age is reached, support for a second referendum drops markedly

The chart opposite charts the percentage of support for each age range, with "don't knows" visually omitted while still factored into the figures

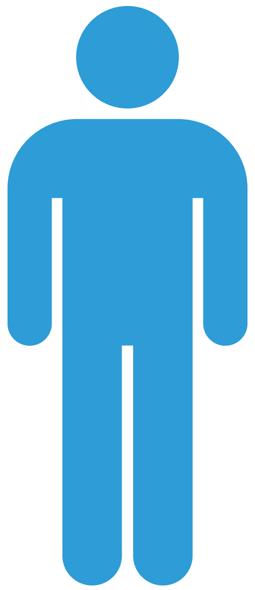


PLACE

Geographically, there is a clear division when the gap between support for a second referendum and objection to it are measured.

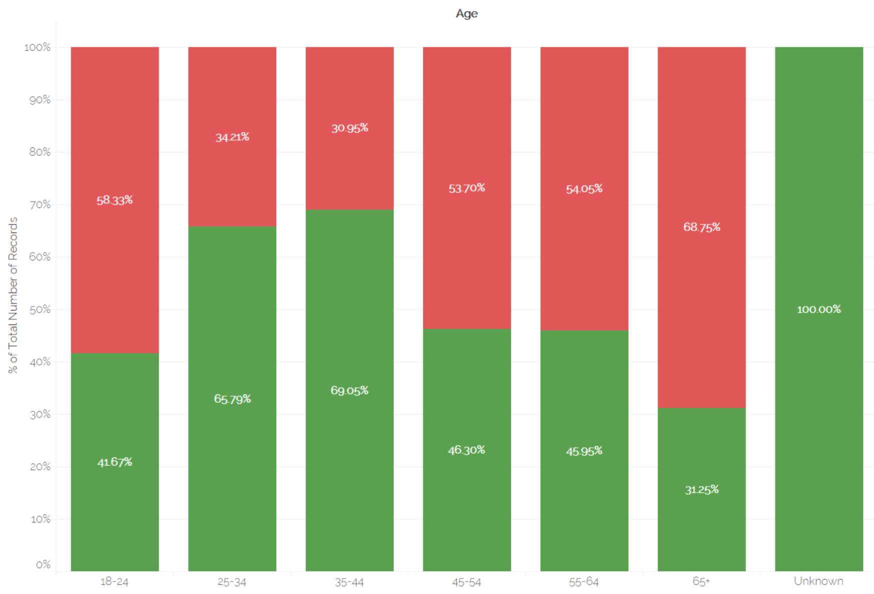
Red areas indicate where objection is greater than support, while in green areas support for a second vote is at its highest.

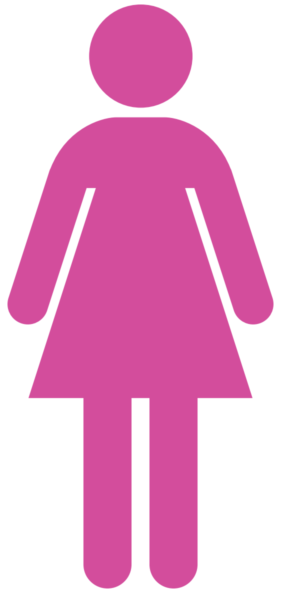
In some areas which voted leave in 2016, such as Wales, there are now signs that a reversal of opinion is underway.



✓ 51.85

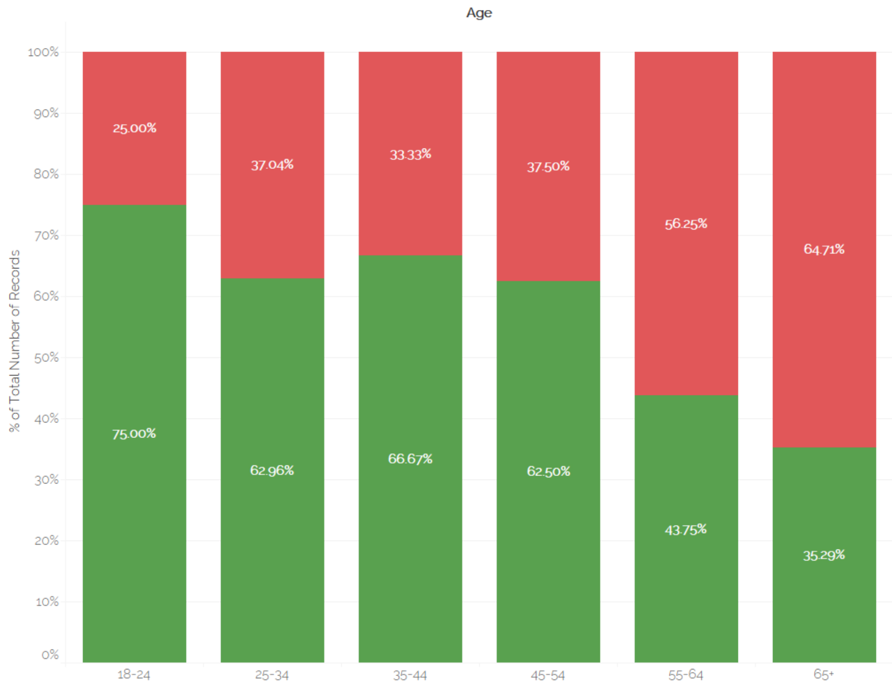
✕ 48.15





✓ 57.98

✕ 42.09



GENDER

Support for a second referendum is a majority in favour irrespective of whether the respondent is male or female.

However the gap is narrower for men than women.

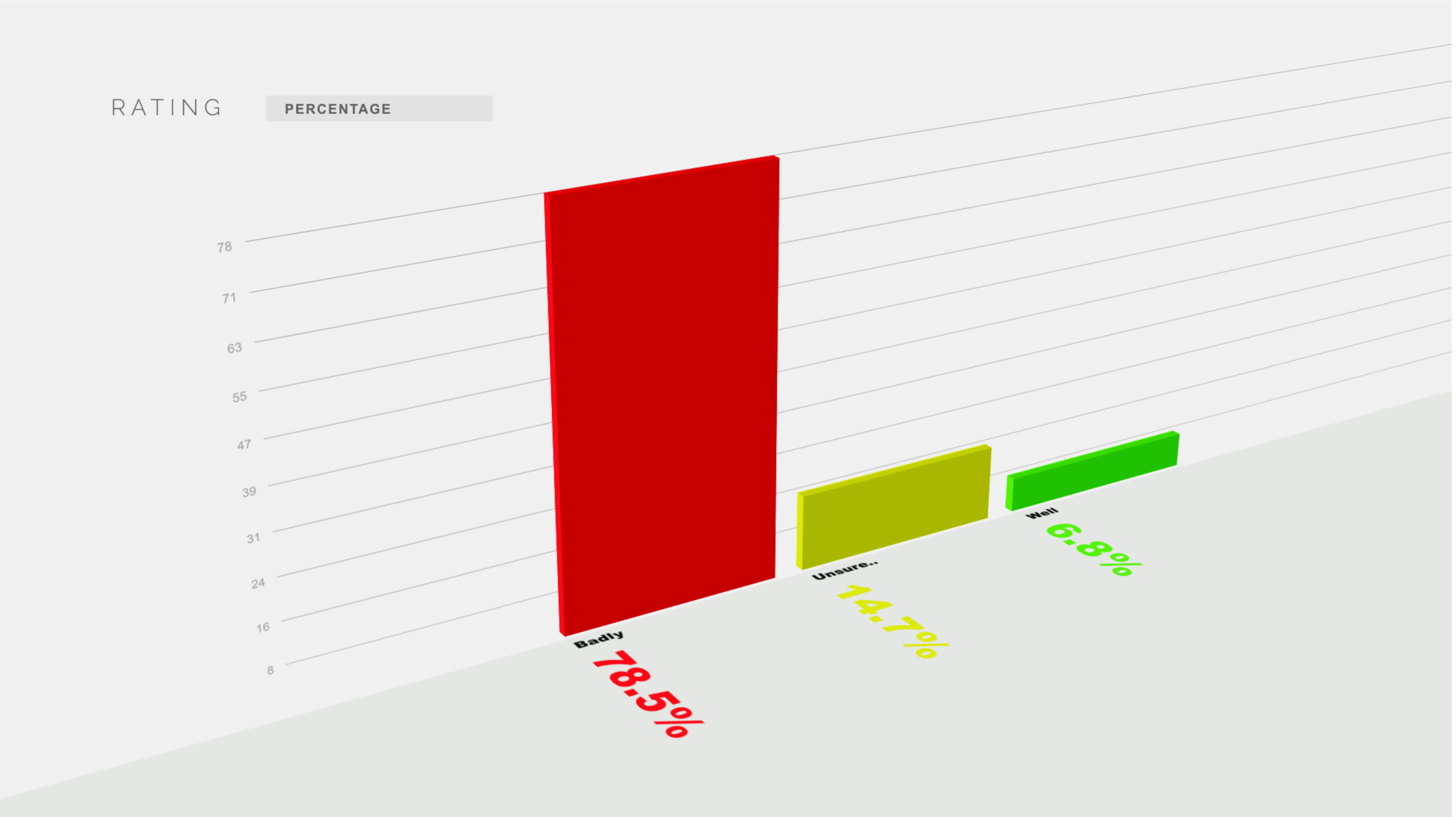
When age is taken into account as well, female support for a second referendum is stronger for longer and it is only in the oldest age range that objection to the idea takes hold.

The male trend follows the general overall trend more closely.

PERCEPTIONS OF THE NEGOTIATIONS

As the negotiations have continued, with talk of red lines and fall backs and no deal departures, the UK population has had a front row seat in real-time as the drama has unfolded around the whole process.

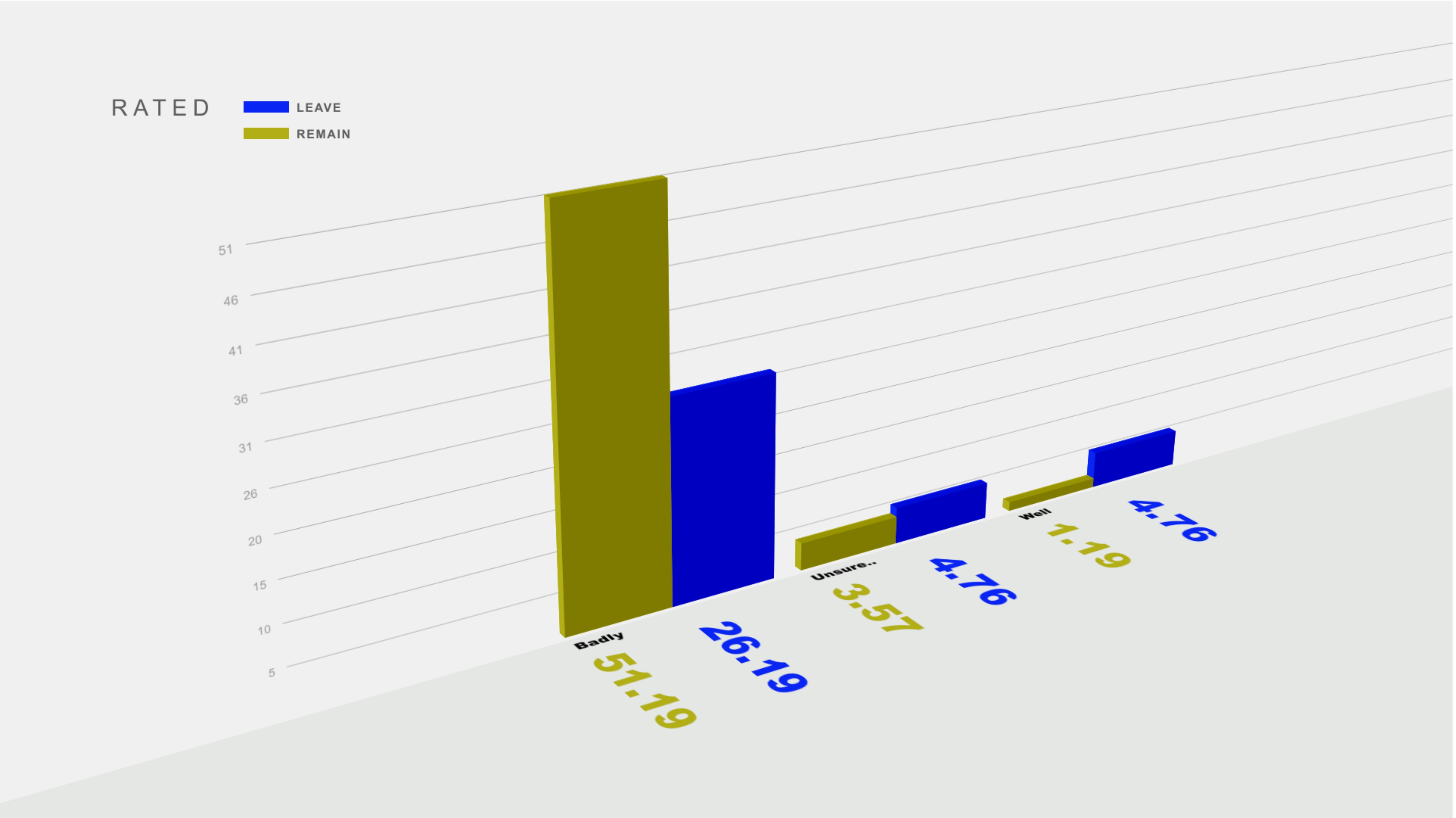
Headlines, ministerial resignations, confidence and supply with the DUP on one hand, and summits, briefings and policy statements on the other... we have taken the opportunity to use our survey as a means to gauge the relative attitudes towards how the UK Government has been seen to handle things, and how their opposite numbers in the EU have conducted themselves.



UK

It is difficult to process into words just how poor the perception of the UK Government's handling of the Brexit process is, if this survey is any guide.

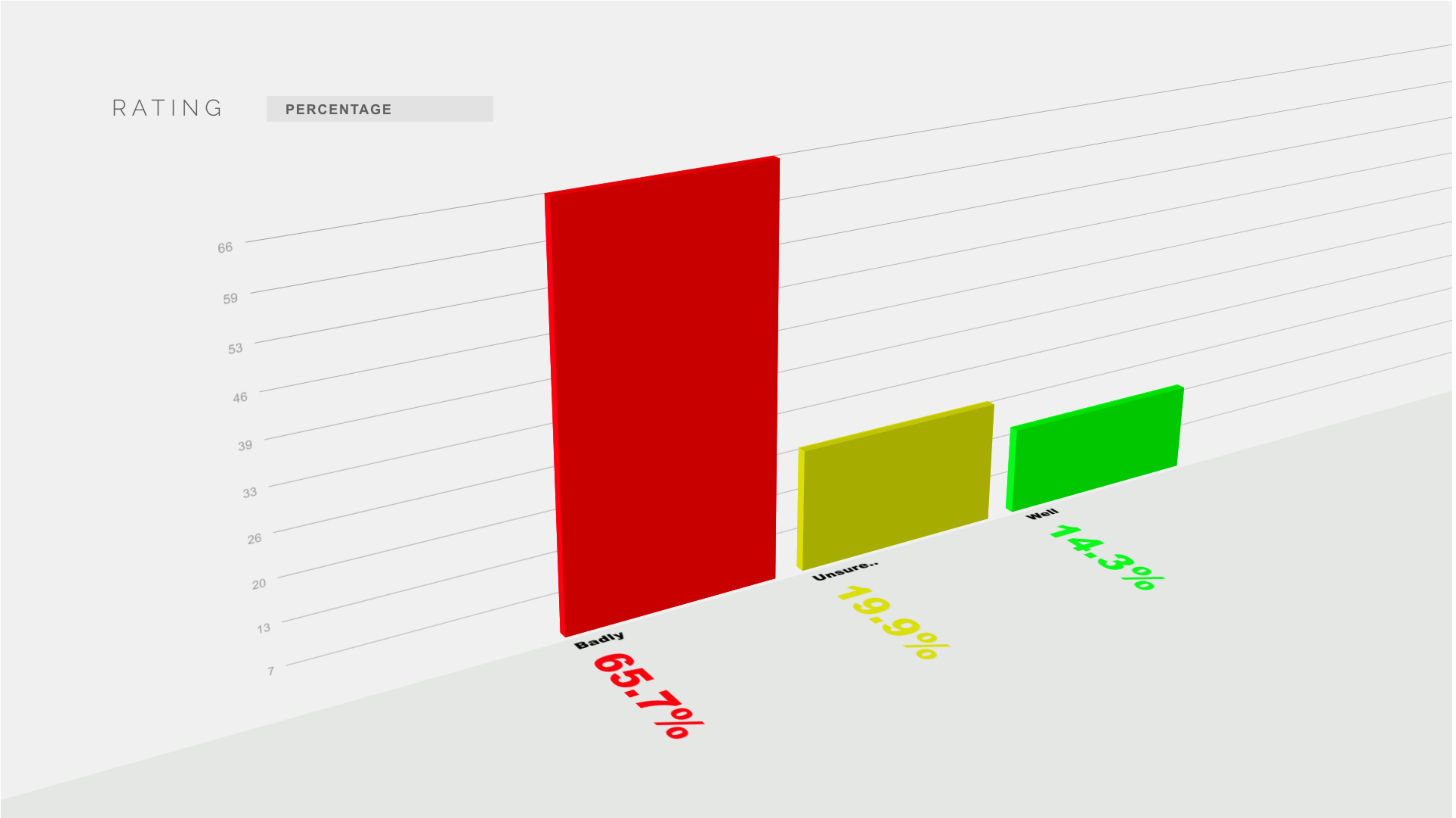
Almost 4 in every 5 people think the Government is handling the issue badly, with barely more than 1 in every 20 thinking the opposite.



UK

There are clear differences in the attitudes of respondents according to how they voted in the 2016 referendum.

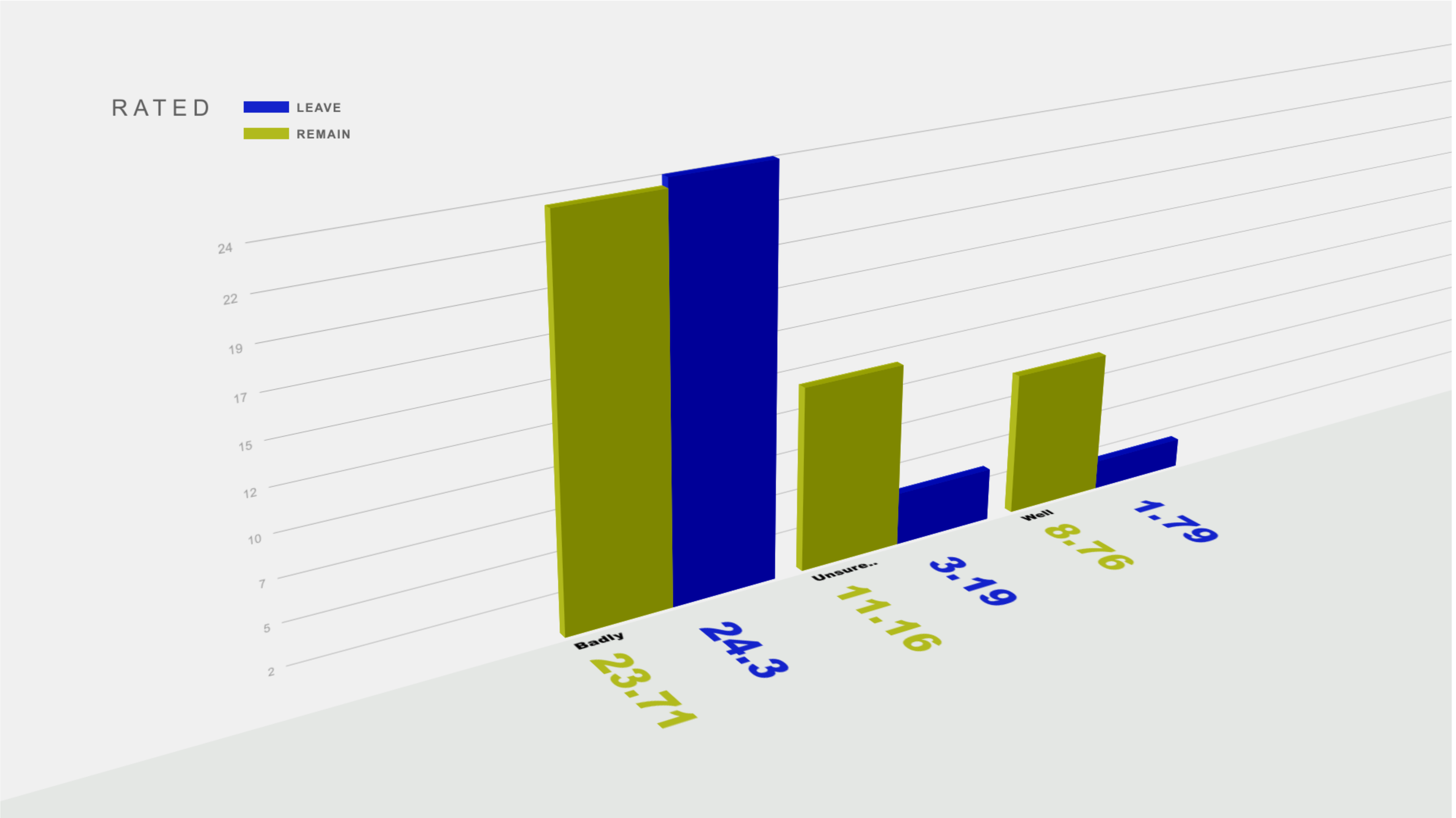
Remain voters are almost twice as likely as Leave voters to have a negative view of the UK's handling of matters.



EU

With nearly two thirds of those surveyed thinking they have handled things poorly, the EU side of the negotiations have barely covered themselves in glory.

The only redeeming feature is that they are not seen to be as bad as the UK Government at handling the negotiations.



EU

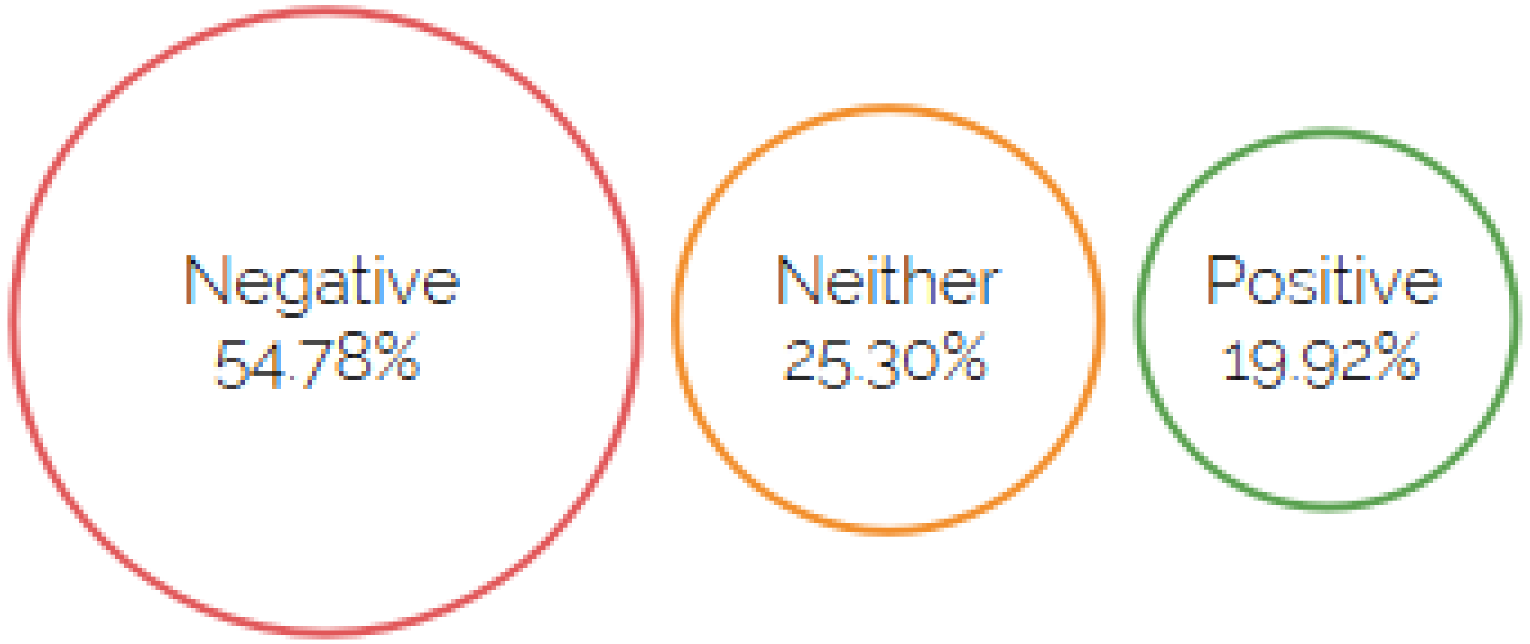
Although those who voted in 2016 agree in general on how the EU are currently handling matters, there are differences.

Remain voters are nearly 5 times more likely to think the EU are handling the negotiations well than Leave voters are.

EXPECTATIONS OF IMPACT

As the UK Government has published multiple discussion papers on its preparations for the "no deal" worst case scenario Brexit which is becoming alarmingly more likely, the population at large are facing the growing possibility of everything from price rises to shortages of medicines.

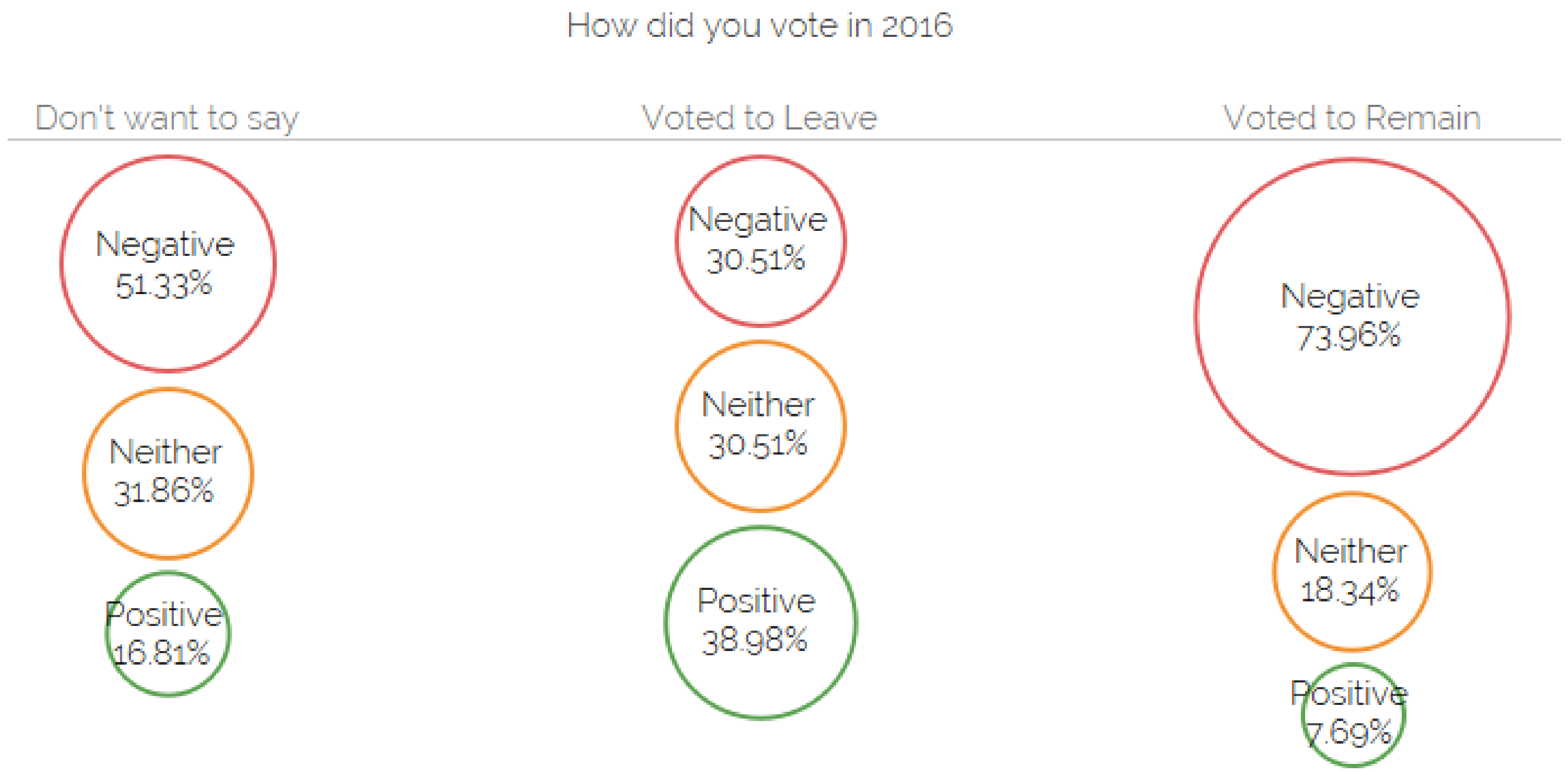
Our survey seeks to gauge the attitude of the public and to gain an insight into what their expectations are as individuals.



DAY TO DAY

The majority of respondents expect to have their lives negatively impacted by the UK's departure from the EU.

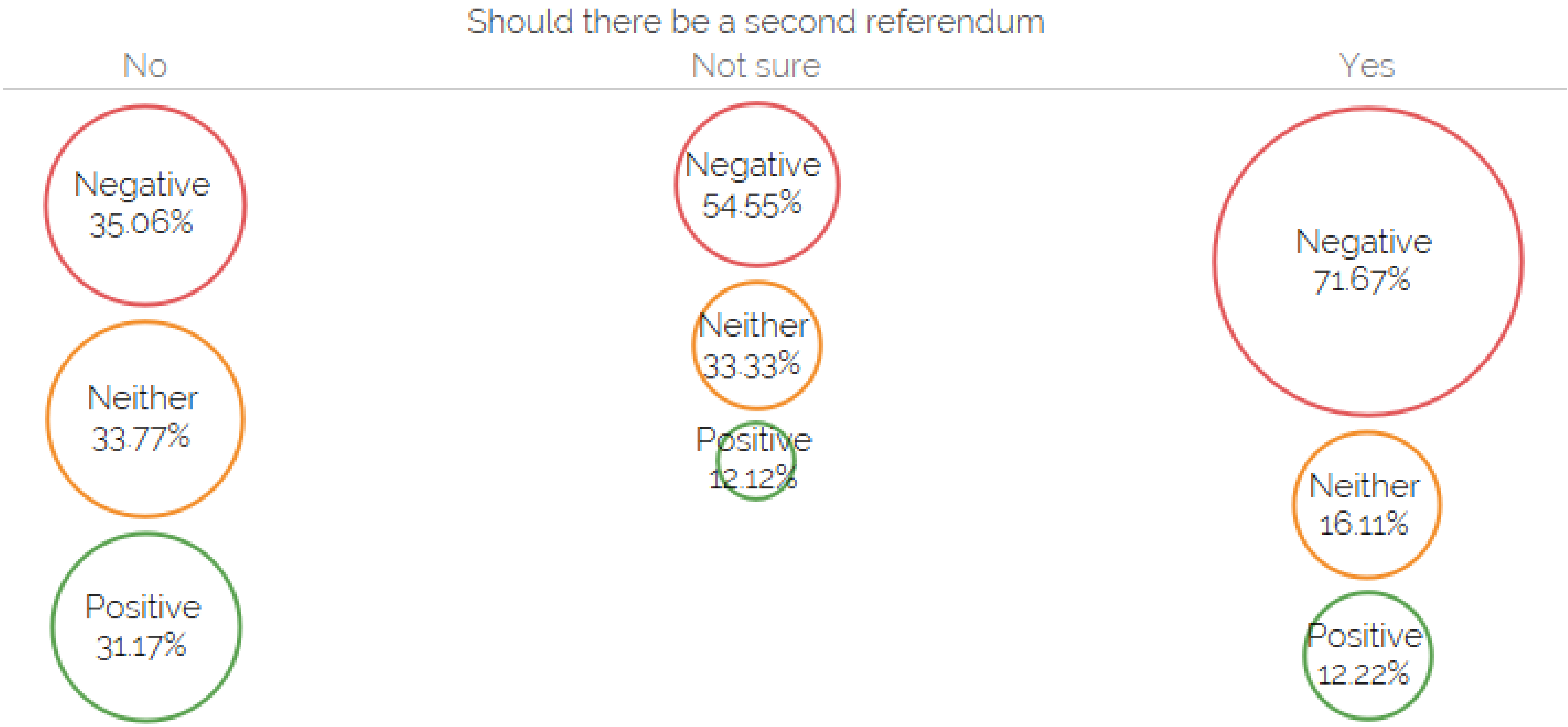
Less than 1 in 5 expect their lives to improve as a result of Brexit



LEAVE VS REMAIN

Although it may be no surprise that nearly 75% of Remain voters expect to be worse off as a result of Brexit, it is significant that nearly one third of Leave voters expect the same.

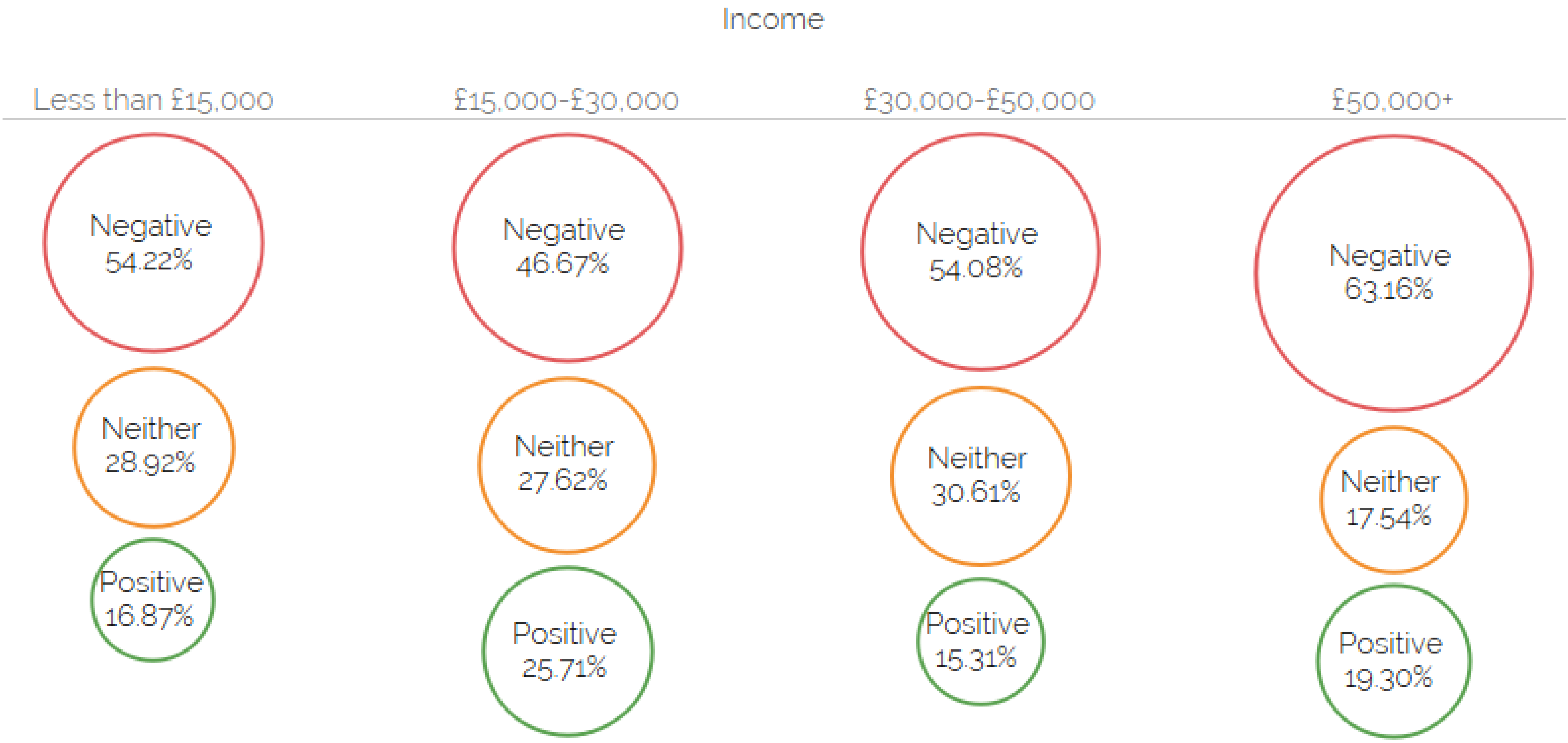
Less than 4 in 10 Leave voters expect to personally do well from Brexit despite having voted for it.



IMPACT AND SUPPORT FOR RERUN

Expected impact of Brexit is far worse among those who support a second referendum than those who oppose one.

Again, another key point is the high proportion (just over a third) of those opposed to a second vote who also expect to be worse off as a result of Brexit

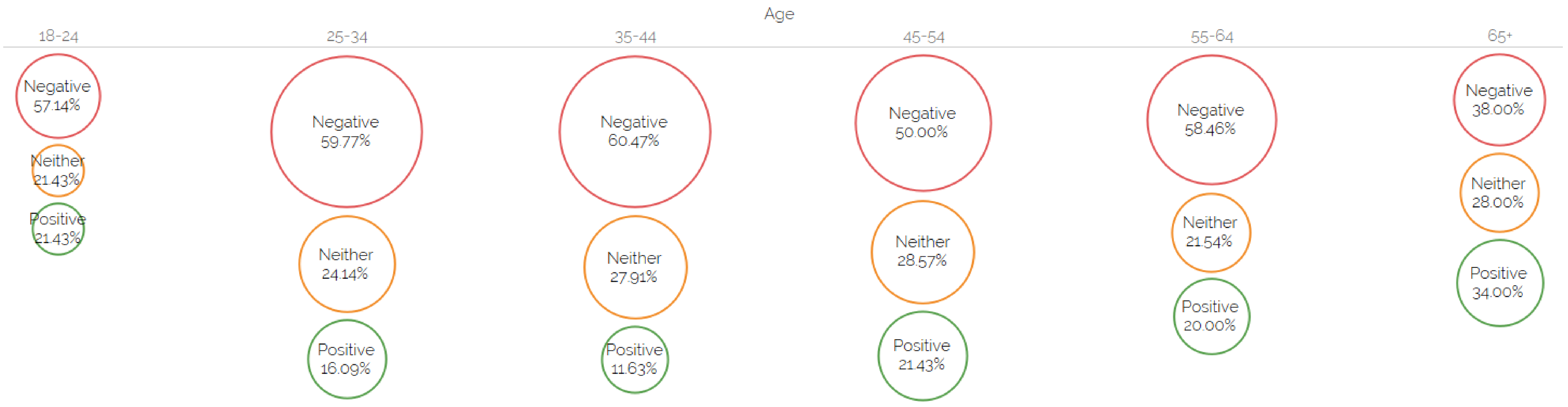


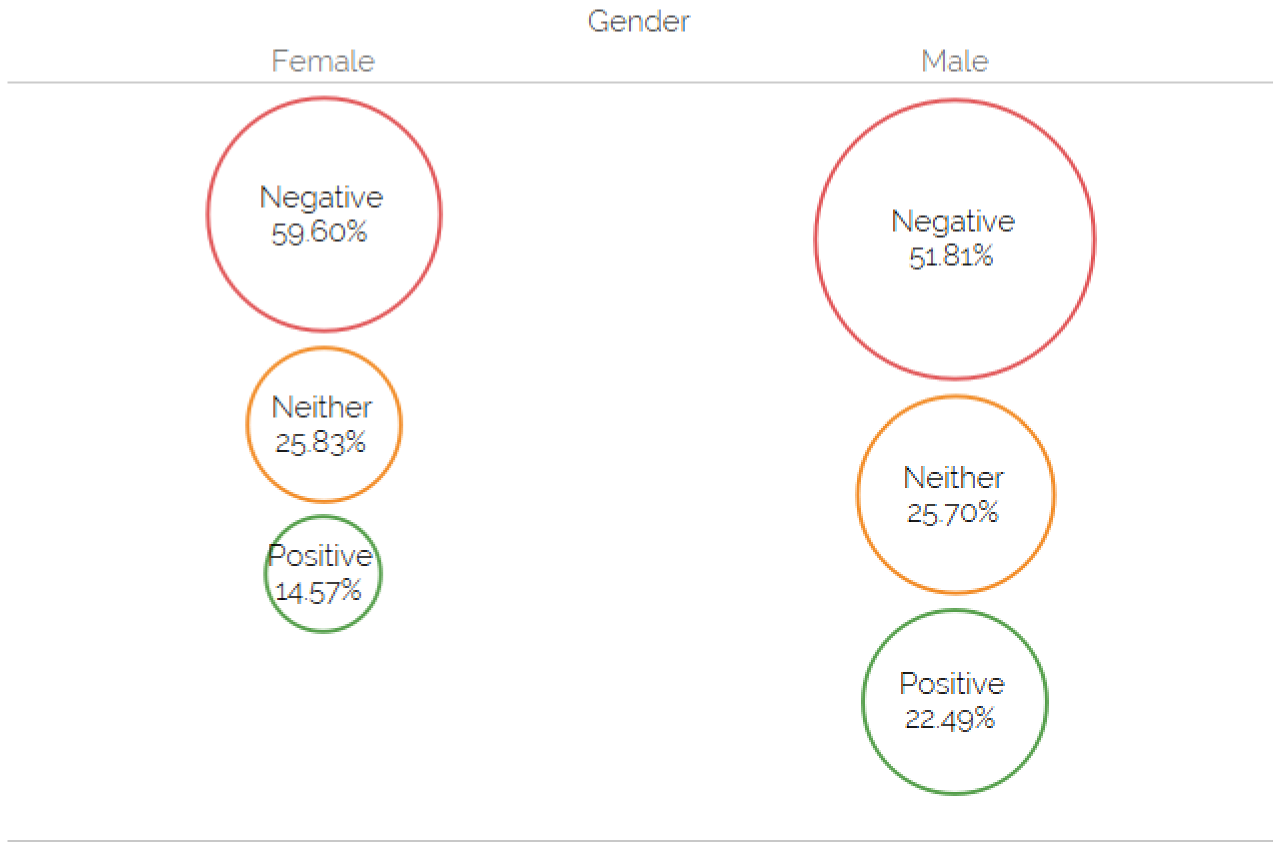
IMPACT VS INCOME

There is a connection between current annual income levels and expectations of the impact Brexit will have on that income and potential future earnings.

Most significantly, the range £15,001-£30,000 are less likely to expect the impact to be negative and are more likely to be optimistic about their personal circumstances post-Brexit.

Data from the UK Office of National Statistics values the average full-time worker's salary at just over £25,500.



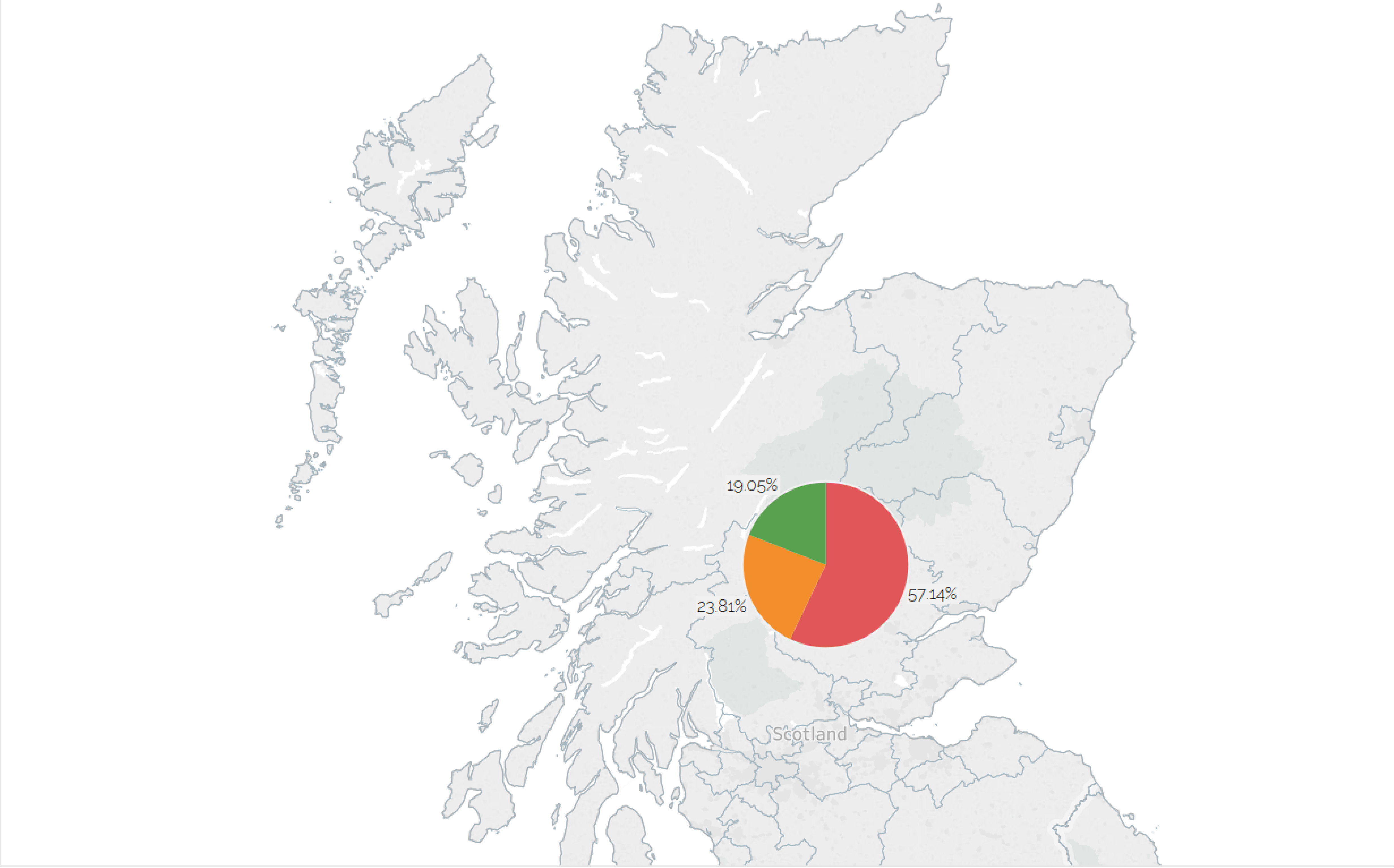


AGE & GENDER

As with attitudes towards the second referendum, again there is a clear age differential.

Older respondents had the highest rates of positive expectation.

There is also a gender difference, with womens expectations being more pessimistic than that of men.

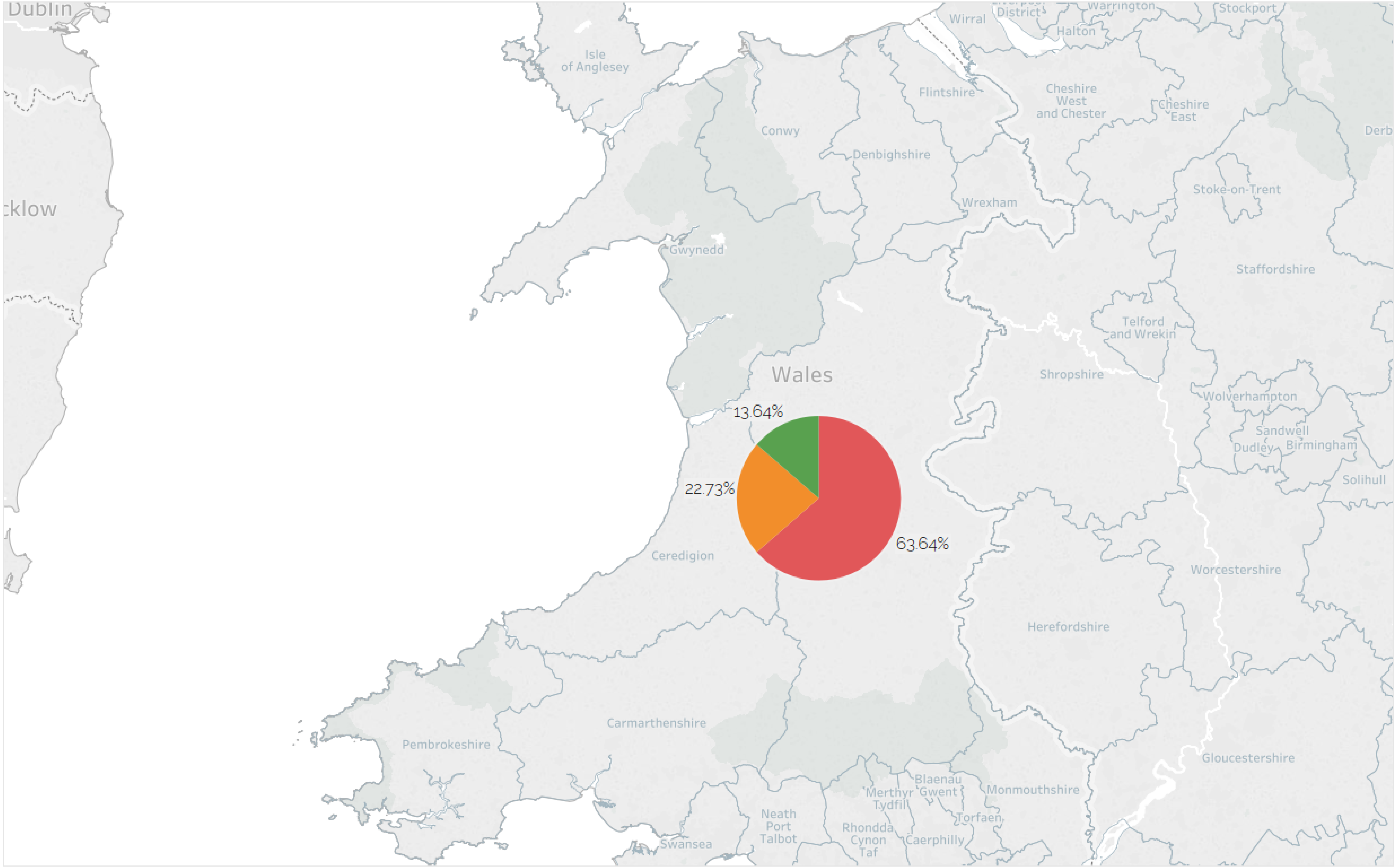


PLACE

Geography matters.

In Scotland, which voted Remain in 2016 by a substantial margin, the expectation is overall negative.

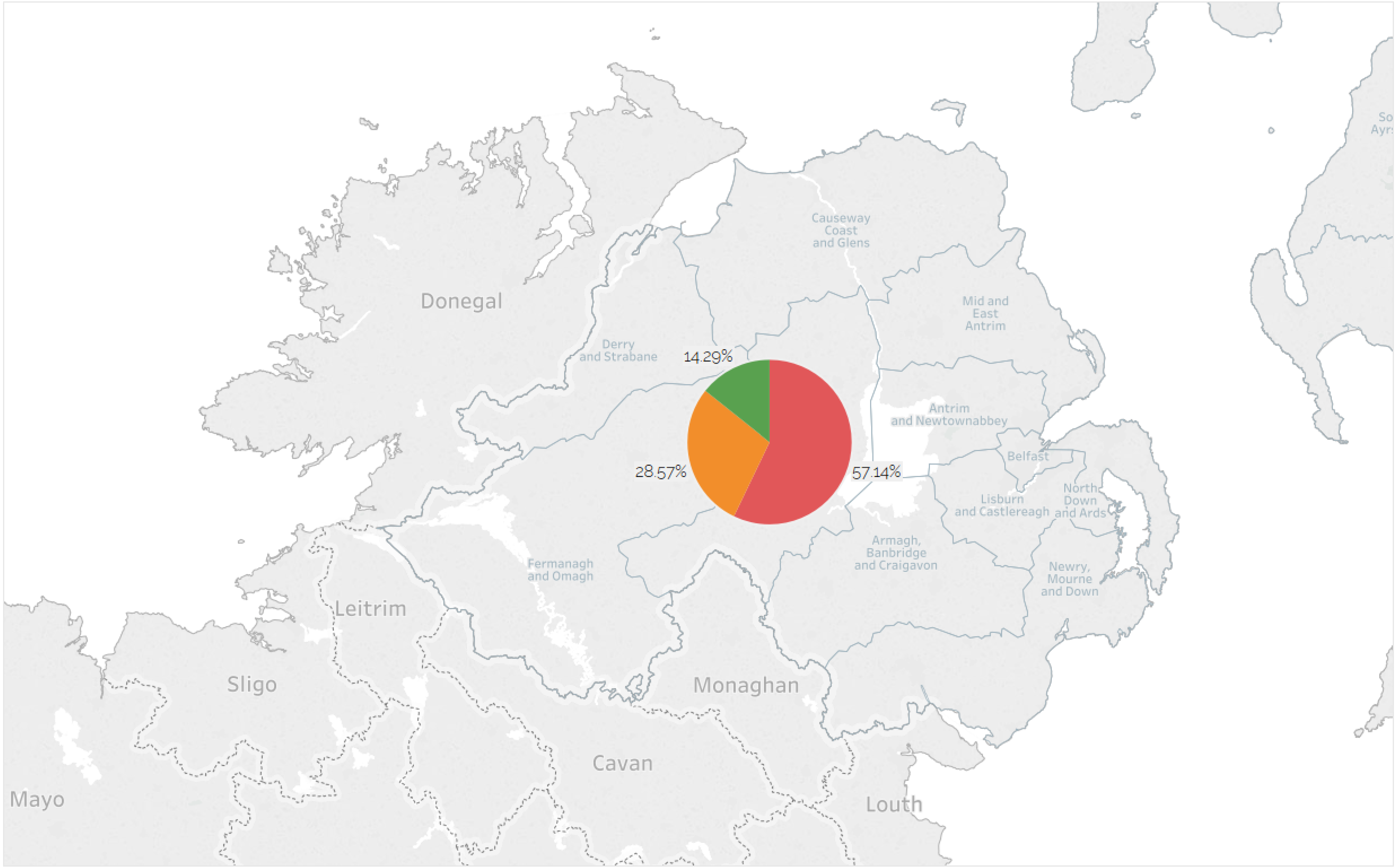
Fewer than 1 in 5 expect to benefit from Brexit



PLACE

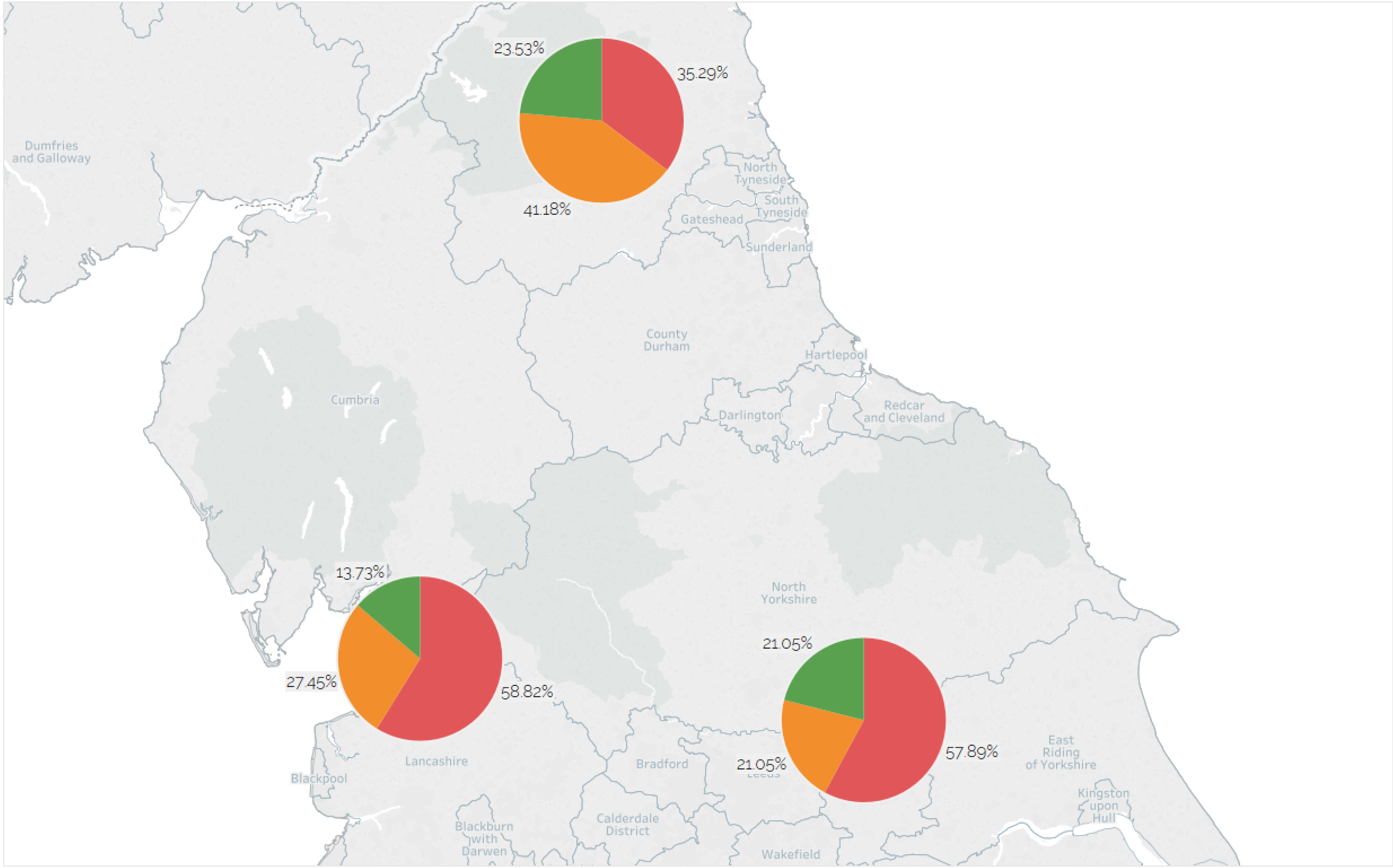
Wales was the only regional devolved administration to vote to Leave the EU by a majority.

It now expects the result to be negative for them by one of the highest proportions in the UK



PLACE

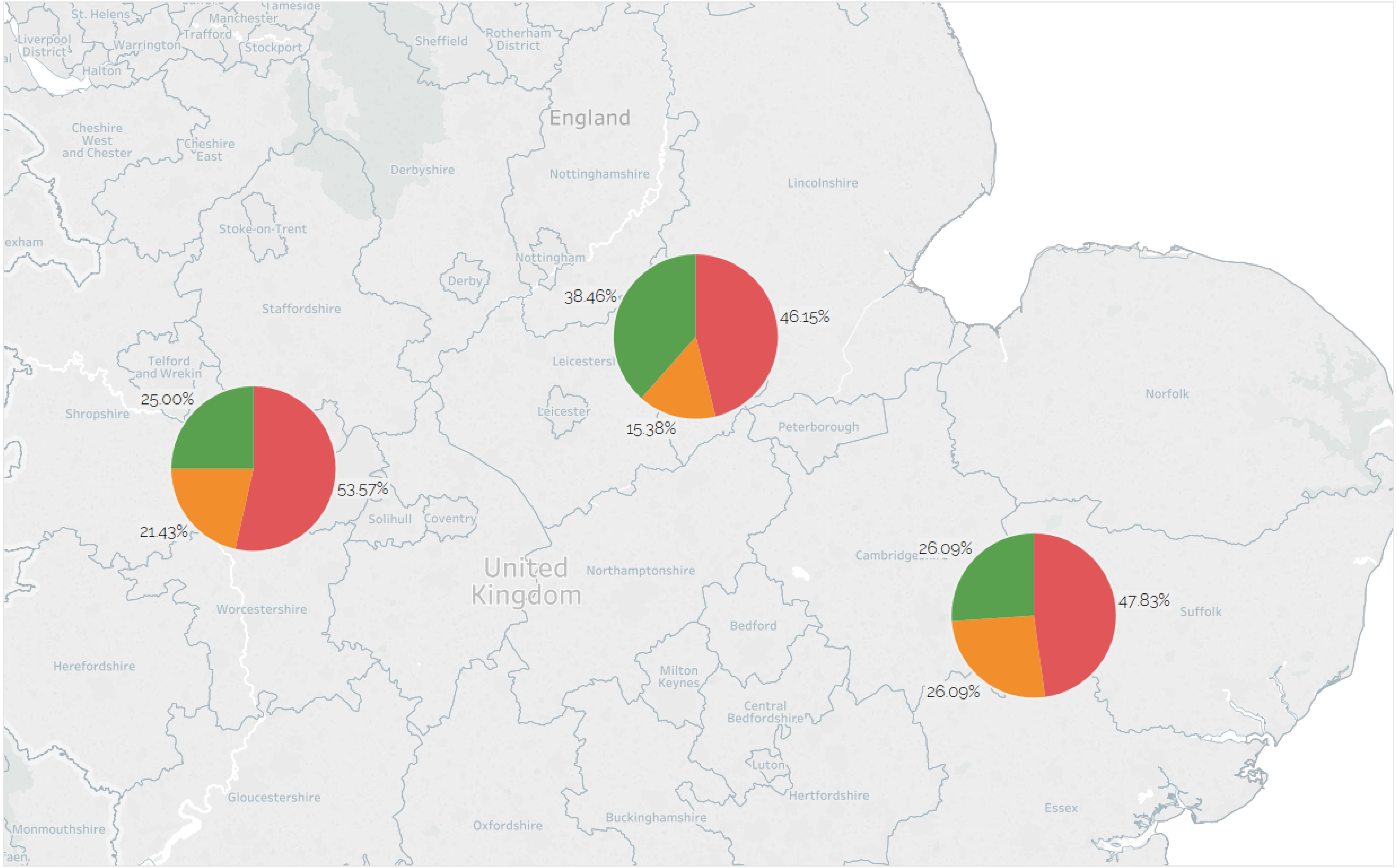
Northern Ireland, which voted to Remain in 2016, likewise expects to be less well off overall as a result of Brexit



PLACE

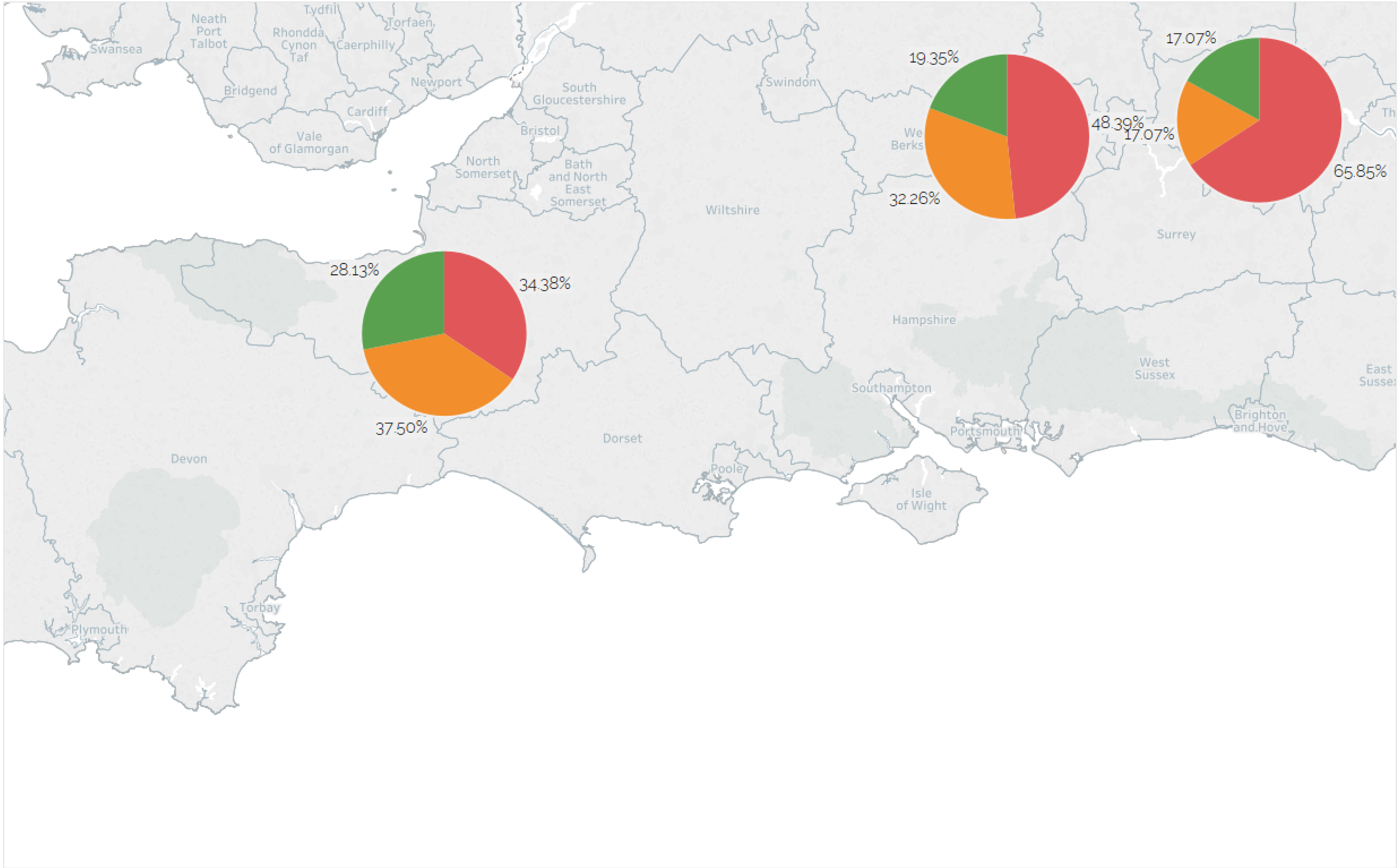
Northern England in general expects to do badly in the wake of Brexit.

It nevertheless is home to one of the only regions in the UK - the North East - which expects to do comparatively well from the outcome.



PLACE

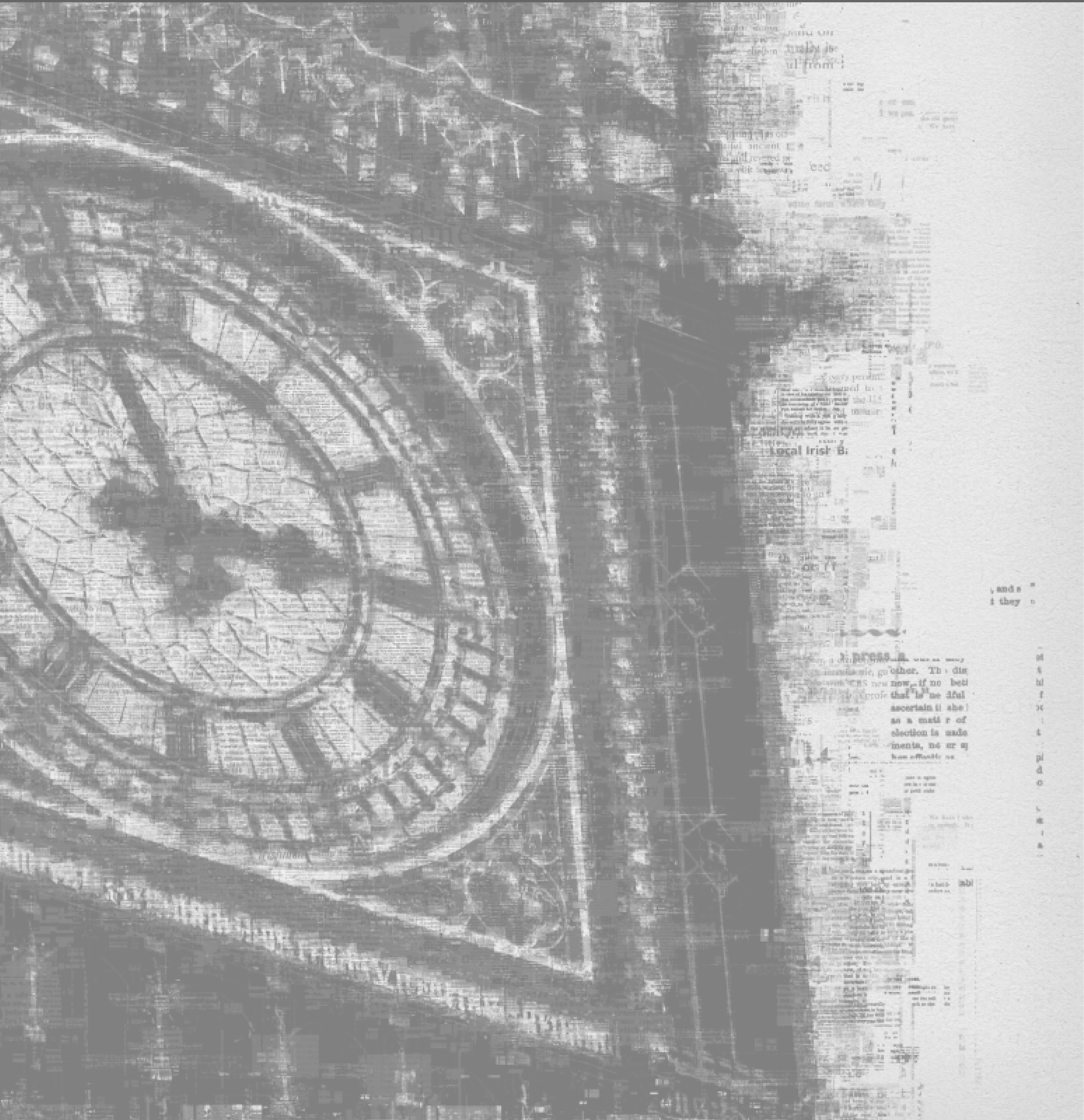
Mid and South Eastern England have low levels of pessimism overall, although this has as much to do with the underlying relative prosperity of those regions as an embrace of Brexit.



PLACE

South and West England is a region of extremes, with London scoring among the highest areas for pessimism while the Westcountry is one of the most optimistic areas about Brexit.

Both of these regions are following similar tendencies to those which saw London itself see a strong Remain showing while the Westcountry tended to opt for Leave.



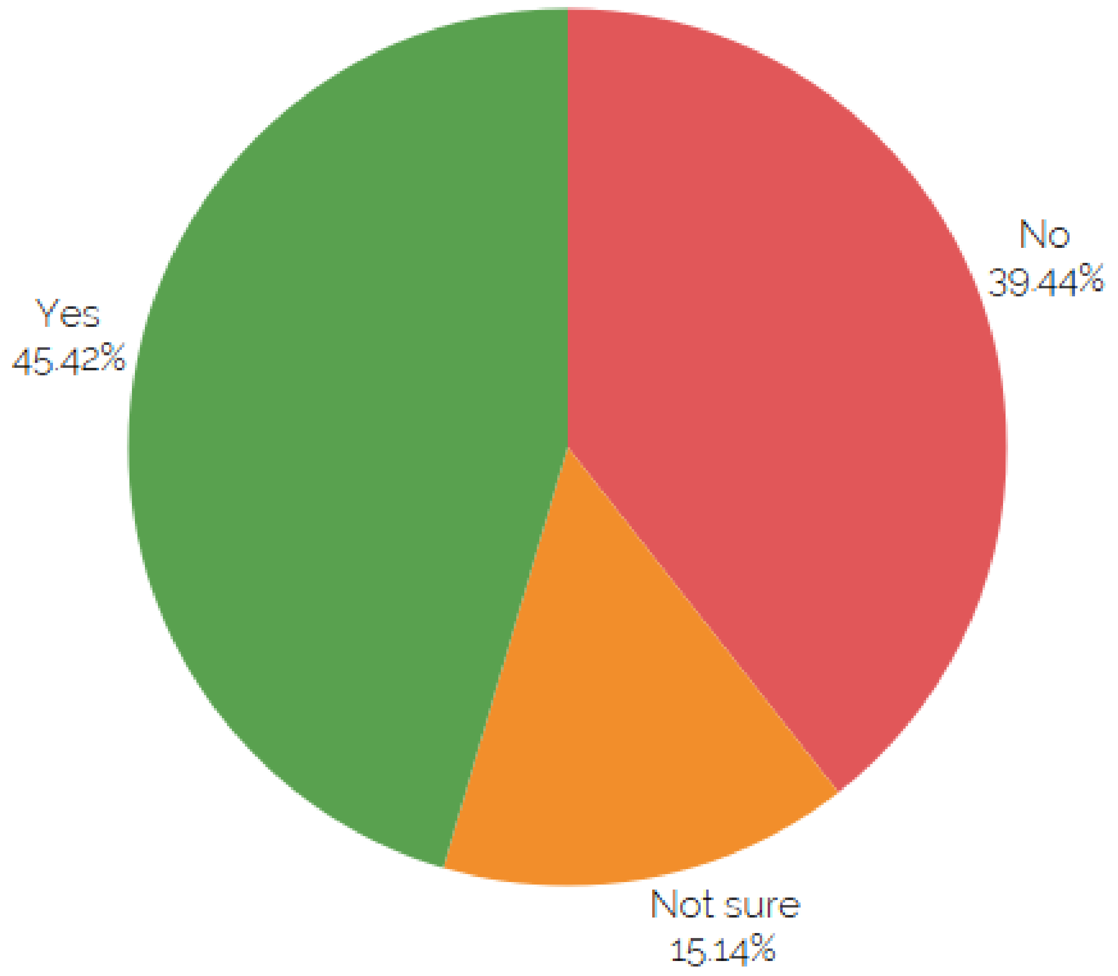
CONCLUSIONS

1. Second Referendum

Our survey corroborates other recent opinion polls which show that support is growing for a second Brexit referendum

Our values for responses are given here for reference, including and exxcluding "Don't Know" answers

Support is stronger than opposition and when "don't know" responses are excluded, there is majority support in favour.



Inclusive
of
"Don't Know"

Exclusive
of
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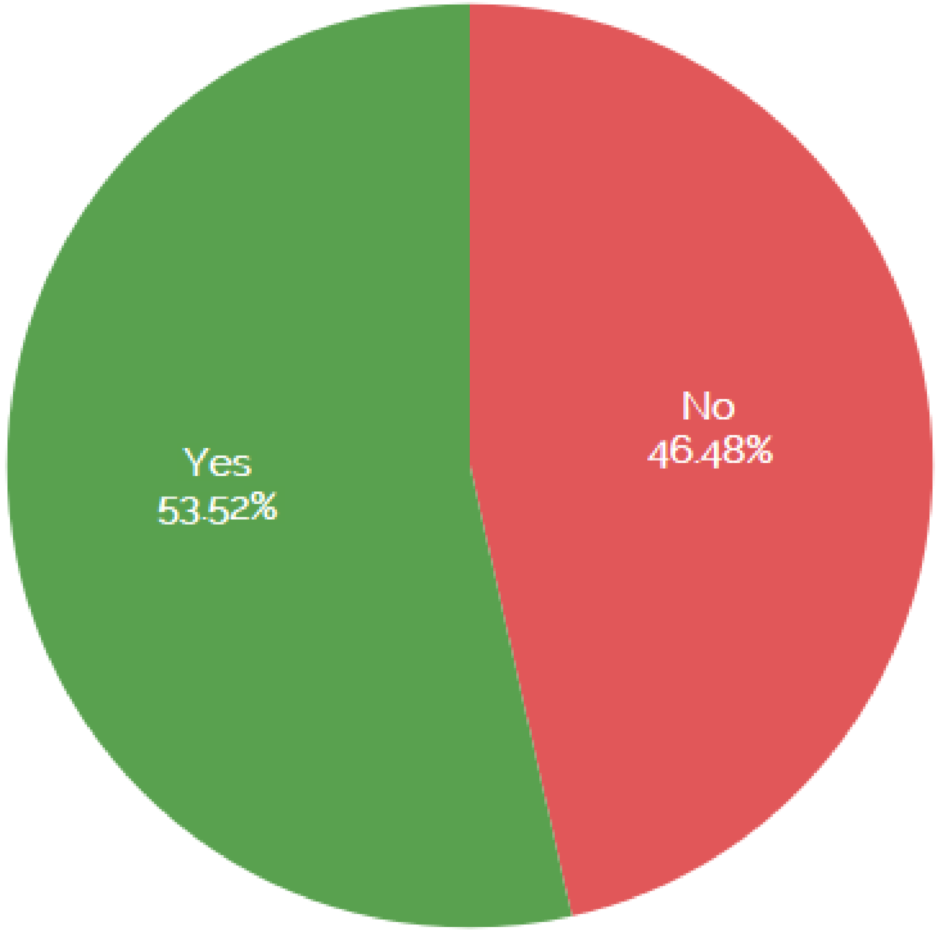


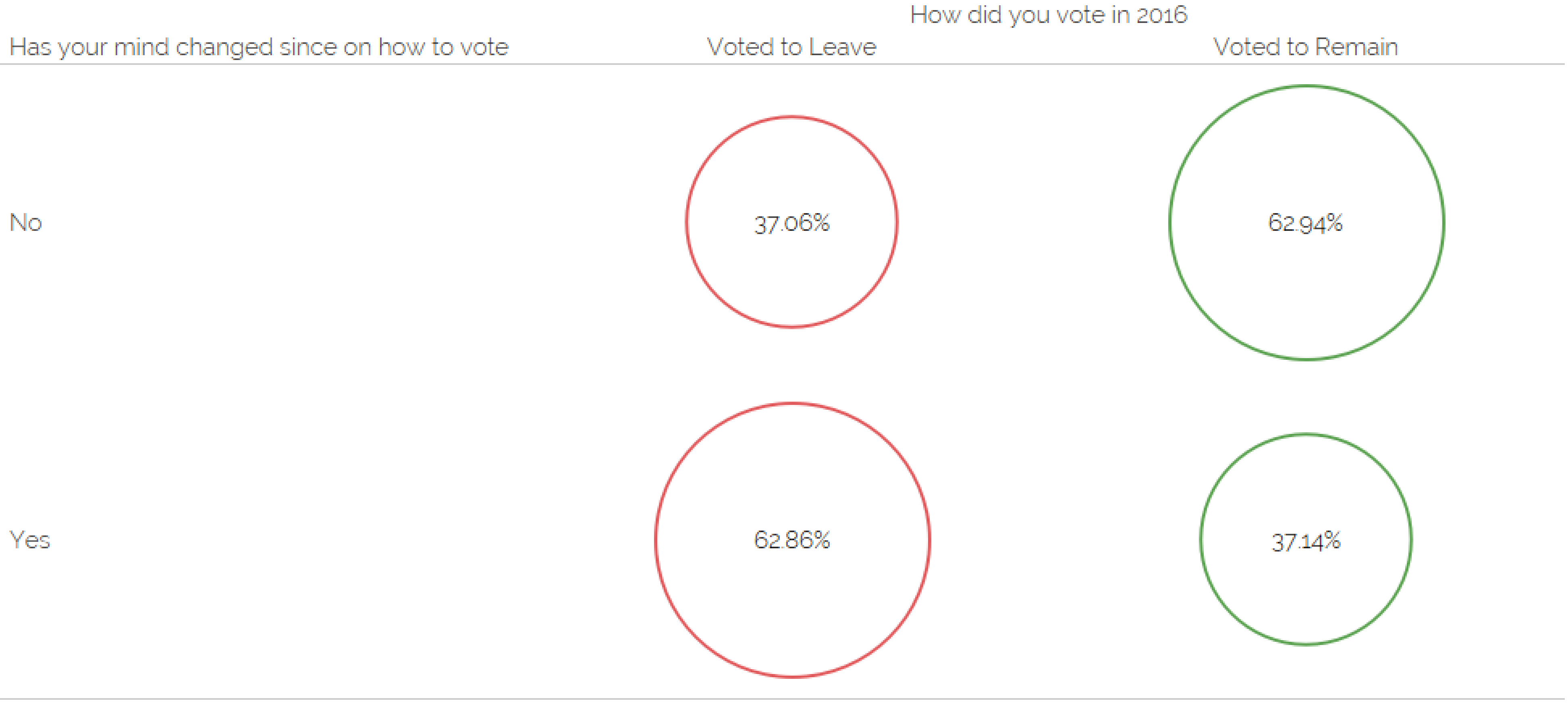
2. Different Outcome?

Our survey allows, through cross referencing of responses, an estimated value to be placed on the potential outcome of a hypothetical referendum.

Our survey notes that just under 63% of Leave voters have changed their minds and we also note that just over 37% of Remain voters have done so.

We therefore present our forecast for the outcome of a second referendum opposite.

We have not taken attitude towards holding a second referendum into account.

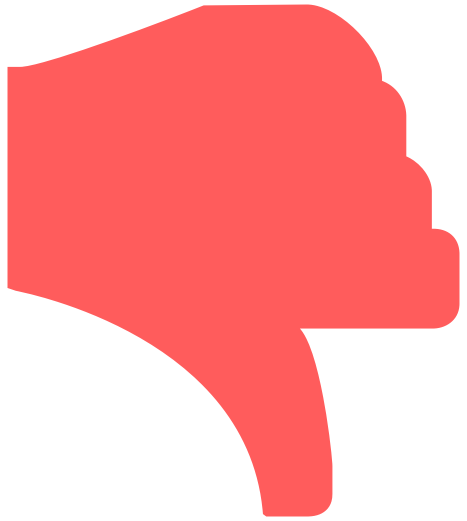


Forecast Result of Hypothetical Second Brexit Referendum (Based on our Survey)	**REMAIN** 63%	21,103,689 Votes
	LEAVE 37%	12,447,277 Votes

3. The PR Campaign

Our survey shows quite clearly that neither the UK Government nor their EU counterparts have won the confidence of the British public in the Brexit negotiations,

ITEM	RATING
Perceived Handling of Brexit Negotiations UK & EU (Remain Voters)	Poor



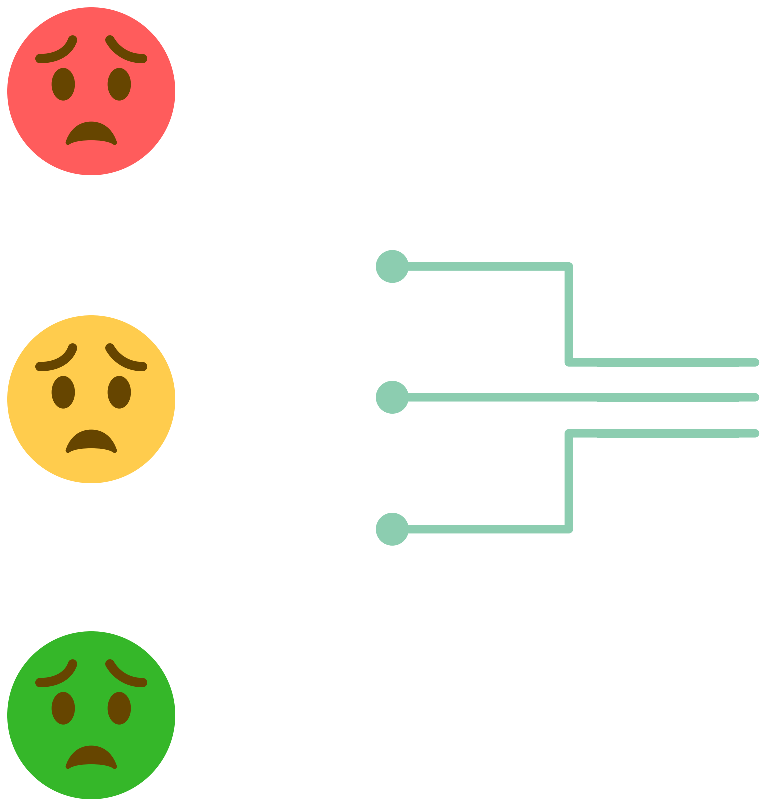
ITEM	RATING
Perceived Handling of Brexit Negotiations UK & EU (Leave Voters)	Poor

3. Real Worries

Our survey reveals real concerns on the part of individuals up and down the UK about Brexit.

The impact is anticipated to be negative by nearly every element of the panel.

A significant proportion of Leave voters even feel that their day to day prospects and circumstances will be harmed by the UK's exit from the European Union



FEAR
UNEASE
UNCERTAINTY

Our Recommendation

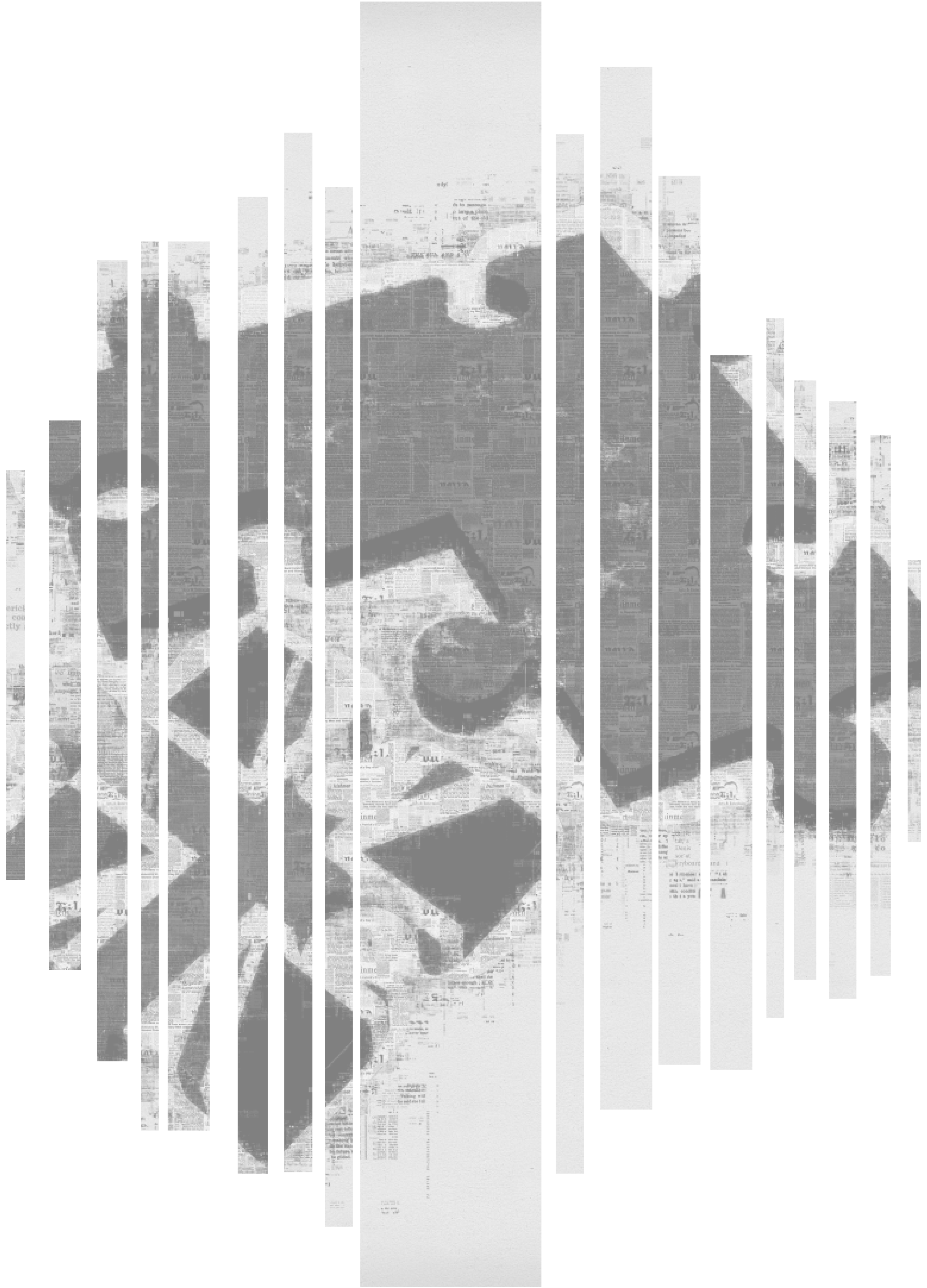
We do not believe that the result of a second referendum on the UK exit from the EU would be a foregone conclusion.

Nevertheless, we would draw the Government's attention to the level of support for such a second vote and the level of popular unease at how the outcome is going to impact the day to day lives of everyone in this country.

We therefore recommend that the Government hold a second referendum. We believe this to be in the UK's national interest and we believe that the outcome, whatever that might be, would strengthen the UK position in the ongoing negotiations.

This is in opposition to the current conduct of the Brexit process, which is undeniably poor, haphazard, feels arbitrary and cannot continue

The people deserve better.



NOTE

A full appendix to this report, which contains the raw data tables, methodology notes and other ephemera, is available on request from

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