



Openness = Opportunity



TOO HIGH A PRICE?

The cost of Brexit – what the public thinks

In Brief

New analysis lays bare the truth behind claims of a "Brexit dividend": every possible scenario – including a "bespoke deal" – will leave Britain poorer and cost taxpayers hundreds of millions of pounds per week.

Polling commissioned by Global Future shows that voters, including those who backed Brexit, fear that leaving the EU will come at "too high a price". When asked to choose one of four different Brexit options, even those who voted Leave in 2016 now support a deal that would most resemble being part of the EU, with continued membership of the Single Market and free movement of people.

Part One: The Analysis

We reveal the reduction in money available for public services of four Brexit scenarios. It is based on the Government's own comprehensive assessment of the impact of Brexit and includes both the direct and indirect costs and benefits of Brexit to the public finances (including savings against existing EU budget contributions).

The government's analysis does not give a costing of its preferred model. However, the Prime Minister's recent Mansion House speech – setting out more detail on her 'bespoke deal' – allows us to assess its likely net fiscal impact, based on the government's costing of other models and its breakdown of the component features of those models which set out the costs and benefits of each one.

Based on government estimates, in the long term the Brexit scenarios below would cut the amount of money available for spending on public services by the equivalent of the following:

- **EEA model:** £260m per week (equivalent to about 9% of what we currently spend on the NHS).
- **FTA model:** £875m per week (equivalent to about 31% of what we currently spend on the NHS).
- **WTO model:** £1.25bn per week (equivalent to about 44% of what we currently spend on the NHS).
- **Government preferred bespoke model:** £615 million per week (equivalent to about 22% of what we currently spend on the NHS).

Part Two: New Polling

Global Future, working with Populus, then asked the public how they felt about the four deals we analyse. In particular we asked whether they thought the overall cost of each deal represented 'too high a price' to leave the EU. In addition, we asked Leave voters whether each deal represented a deal that was as good or better than they had hoped for when casting their vote, or worse. In both cases the results were emphatic:

- **Leavers and the public at large reject every Brexit deal** modelled by government, and ministers' own preferred scenario (EEA, FTA, WTO, a bespoke deal), as Too High a Price to leave the EU by enormous majorities.
- **The vast majority of Leavers regard each deal as worse than they had hoped when voting to Leave the EU.**
- Finally, we asked voters, if forced to choose which deal they would like to leave the EU both **Leavers (narrowly), and the public at large (by a significant distance), chose the EEA model (the so-called Norway option) as their preferred deal of those on the table.**

PART ONE: THE ANALYSIS

Costs and benefits

Almost everyone agrees that leaving the EU has both costs and benefits for the UK. Different people weigh those costs and benefits in different ways. For some, the benefits of increased sovereignty, greater freedom to make trade deals with the rest of the world, fewer EU regulations and greater controls over immigration are more important than the costs of increased barriers to trade between the UK and EU and the impact on the economy of restricting immigration from the EU. For others, those costs are more important than the benefits. Others still do not see controlling immigration as a benefit at all, or reject the suggestion that EU regulations are harmful to the economy.

The Leave campaign claimed that leaving the EU would enable us to spend an additional £350 million a week on the NHS, because we would no longer have to contribute to the EU budget. This claim encouraged voters to think about the costs and benefits of EU membership.



Now, thanks to the government's analysis of the impact of Brexit, leaked to BuzzFeed in January¹ and later published by the Brexit Select Committee, we can quantify the costs and benefits of different Brexit scenarios more precisely. For the first time, we can ask the public to make an informed assessment of the different deals that may be available. Instead of asking them what they hope Brexit might involve, or presenting the possible benefits without the likely downsides – or the possible downsides without the likely benefits – we can present a balanced picture of different Brexit scenarios, look at the overall impact on the public finances and ask the simple question: is this a price worth paying, or too high a price?

¹ https://www.buzzfeed.com/albertonardelli/the-governments-own-brexite-analysis-says-the-uk-will-be?utm_term=.lwwARAbLw#.mrdjojBNq

The different scenarios

The government's own estimate of the cost of different Brexit scenarios sets out the fiscal implications of each deal, estimating the annual change in borrowing relative to the status quo in 2033/34. It is important to note, that this analysis accounts for the reduction in contributions to the EU – the figure used as the basis for the Leave campaign's infamous £350m figure. In fact, the analysis shows a net loss, not saving in every case.

The government analysis uses a 15 year horizon in order to understand the full and lasting impact of each Brexit scenario on the UK. The short-term fiscal impact will of course depend on the detail and timeframe of various aspects of the final deal and is therefore harder to predict – similar to the distinction between climate and weather. However, under every likely scenario there remains little to no prospect of even a short-term Brexit dividend, due to the immediate costs such as the divorce bill, ongoing contributions, customs barriers and Non-Tariff Barriers.

The long-term analysis shows £17 billion additional annual borrowing under an EEA-type scenario (leaving the EU and the customs union but staying in the single market – a deal similar to the current relationship between Norway and the EU), £57 billion additional annual borrowing under an FTA-type scenario (a trade deal with the EU along the lines of Canada's), and £81 billion additional annual borrowing under a WTO-type scenario (a no-deal Brexit).

The chart below sets out the characteristics of each scenario, as given in the government's analysis.³

	STATUS QUO	EEA	Bespoke FTA (Government's preferred deal)	Average FTA	"SMOOTH" No deal (WTO)
Customs non-tariff barriers (EU)	None	High	None high ⁴	High	High
Behind border non-tariff barriers (EU)	None	Low	Some medium	Material	High
Tariffs (EU)	None	None	None-low	Low-Material for agri-food	High
Rest of the World Trade	Constrained	Material Potential	Seek maximum flexibility ⁵	Material Potential	Material Potential
Regulation divergence (UK choice)	Constrained	Limited Potential	Seek maximum flexibility ⁶	Material Potential	Material Potential
EU migration (UK choice)	Continued Labour mobility	Continued Labour mobility	Range of policy choices ⁷	Flexible Labour mobility	Strict Labour mobility
Government estimate of additional borrowing in 2033/34 compared with status quo	None	£17 Billion	No Estimate	£57 Billion	£81 Billion

2. EU Exit Analysis: Cross Whitehall Briefing, published by Exiting the EU Committee, 8 March 2018, p. 25, <https://www.parliament.uk/documents/commons-committees/Exiting-the-European-Union/17-19/Cross-Whitehall-briefing/EU-Exit-Analysis-Cross-Whitehall-Briefing.pdf>

3. EU Exit Analysis: Cross Whitehall Briefing, published by Exiting the EU Committee, 8 March 2018, p. 5 and p. 25, <https://www.parliament.uk/documents/commons-committees/Exiting-the-European-Union/17-19/Cross-Whitehall-briefing/EU-Exit-Analysis-Cross-Whitehall-Briefing.pdf>

The government's analysis does not give figures for the additional borrowing under the government's preferred option, a bespoke deal with fewer non-tariff barriers than the modelled FTA-type scenario.

However, since the publication of the Government analysis, the Prime Minister set out more detail of her preferred scenario in her Mansion House Speech.⁸

From the speech, we can see that the government (and the EU) want to avoid tariff barriers, but as we leave the EU customs union we will face additional costs. We can also see that the Government intends to end free movement but is prepared to consider a preferential regime for EU citizens, as under the FTA model – limiting but not eliminating the economic damage of lower EU migration.

In addition, the Prime Minister herself explicitly said, 'our access to each other's markets will be less than it is now', recognising that there will be new frictions to trade as a result of her intention that the UK should be able to diverge from the EU's regulatory regime.

We have costed this as a model which falls in between the modelled FTA-type scenario and the EEA-type scenario. There would be benefits from lower financial contributions and a new trade deal with the US, but costs arising from new customs controls (as in both these models) and from reduced migration, where we assume the government would apply a new, 'flexible' policy (as with an FTA), as the Prime Minister has said. For non-tariff barriers, we assume that the new barriers that arise from the Prime Minister's policy that the UK should be free to diverge from EU regulation over time would be half way in between the EEA- and FTA-type scenarios. This scenario would incur lower debt repayments than the FTA-type model, and a roughly equivalent increase in ongoing contributions and divorce payments. As such we have scored the combined impact of these effects as zero. This gives additional borrowing relative to the status quo of £40 billion in 2033/34.

⁴. The government has given the widest possible range here. We assume given the Prime Minister's recent statements that customs non-tariff barriers will be high, and have costed them as being the same as in the government's modelled FTA.

⁵. We have made the assumption, generously, that a bespoke deal would have material potential for trade deals with the rest of the world, and have included the economic benefits of this in our overall costing.

⁶. Again, we have generously made the assumption that there is material potential for regulatory divergence, and have included the economic benefits of this in our overall costing.

⁷. Officials are right that under the government's preferred deal there would be a range of options on EU migration: we assume, given the clear statements by the Prime Minister that she will seek greater control than exists at present, a 'flexible' approach to labour mobility, costed the same as in the government's modelled FTA.

⁸. Theresa May, speech on our future economic partnership with the European Union, 2 March 2018, <https://www.gov.uk/government/speeches/pm-speech-on-our-future-economic-partnership-with-the-european-union>

Government's modelled FTA-type deal versus bespoke deal	
Total additional borrowing compared to status quo for government's modelled FTA-type deal	£57 Billion
Changes	
Non-Tariff barriers	-£17 Billion
Debt	-£4 Billion
Divorce payments and ongoing contributions	+£4 Billion
Net effect of remaining impacting factors – migration, customs barriers, spending, debt, divorce payments, EU budget savings, US FTA etc	£0
Total additional borrowing compared to status quo for bespoke	£40 Billion

We can express the costs of each scenario as a weekly figure, following the example of the Leave campaign, and can contextualise this by comparing them to the amount we spend on the NHS.⁹ To reach the weekly figures for each scenario, translated into today's prices and to allow for a comparison with current NHS spending, we deflated the 2033/34 figure to account for 25% growth to the economy over the coming 15 years. (This is itself generous given the expected reduction in growth caused by each Brexit scenario.) Deflating the weekly figure like this means that our poll could ask people to assess each deal in terms of today's money, rather than asking them about a 2033/34 figure which could sound misleadingly high.

The costs of the four scenarios are set out below.

	Net additional borrowing in 2033/34	Cost per week in 2033/34	Cost per week in 2018 prices (2033/34 deflated to take account of 25% growth)	Cost per week in 2018 prices (2033/34 deflated to take account of 25% growth)
EEA	£17 billion	£327 million	£262 million	9%
FTA	£57 billion	£1.1 billion	£877 million	31%
WTO	£81 billion	£1.56 billion	£1.25 billion	44%
Bespoke deal	£40 billion	£769 million	£615 million	22%

⁹ All figures for 2018 take from https://www.ukpublicspending.co.uk/year_spending_2018UKbn_17bcin_10#ukgs302

This chart illustrates the total weekly cost, in 2018, of various significant items of public spending – along with the weekly cost in 2018 prices of the four Brexit scenarios discussed in this report.

ITEM	WEEKLY COST
Pensions	£3.1 Billion
Health	£2.82 Billion
Education	£1.65 Billion
No-deal WTO scenario	£1.25 Billion
FTA scenario	£875 Million
Defence	£873 Million
Bespoke deal scenario	£615 Million
Policing	£367 Million
EEA scenario	£260 Million

Putting A Price On Brexit



Professor Jonathan Portes
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How much more – or less – will Brexit let us spend on the NHS (or indeed on anything else)? It's rare that a single number can seep into the public consciousness, and influence the public debate, in the way that '£350 million a week' did during, and after, the referendum campaign.

Of course, that figure has long been discredited even on its own terms. But more importantly, a full accounting of the financial impact of Brexit on the UK government – and hence on public services, taxes and borrowing – requires us to look not just at how much we pay (and get back) directly from the EU, but also at the wider economic impacts of Brexit and what they mean for tax revenues and spending.

There are no certainties here. Not only are long-term economic projections highly uncertain, but much depends on exactly what Brexit looks like. As the Institute for Fiscal Studies puts it, 'The impact of Brexit on the public finances is highly uncertain, and depends critically on the trading relationship between the UK and EU.'¹⁰

But that illustrates precisely why we need to make and debate such estimates: over the next few months, the UK's negotiations with the EU27 will shape that future relationship. Inevitably, there will be trade-offs and hard choices. An informed debate, both in public and in Parliament, requires us to have some idea of the consequences of those choices.

And fortunately, the government's own analysis, recently published by the Commons Committee on Exiting the EU, helps us frame those trade-offs in hard numbers.¹¹ It looks at three options. First, moving to something like the 'Norway model' of European Economic Area membership, where we'd leave the EU customs union, but stay in the Single Market, and continue to accept EU rules and regulations – including free movement of people. Second, simply trading with the EU as a normal third country, on World Trade Organisation terms, and treating EU citizens just like non-EU ones for immigration purposes. And third, negotiating a 'Canada-style' free trade agreement, that would mean few tariff barriers with the EU, but would still allow us to move away from EU regulations. For each of these, government economists, using the most detailed modelling done to date of individual sectors of the UK economy, have worked out their best estimates of the costs and benefits of Brexit to the Treasury.

10. Peter Levell and Thomas Pope, 'The public finances' in Article 50 one year on (The UK in a Changing Europe, March 2018) p. 47, <http://ukandeu.ac.uk/wp-content/uploads/2018/03/Article-50-one-year-on.pdf>

11. EU Exit Analysis: Cross Whitehall Briefing, published by Exiting the EU Committee, 8 March 2018, <https://www.parliament.uk/documents/commons-committees/Exiting-the-European-Union/17-19/Cross-Whitehall-briefing/EU-Exit-Analysis-Cross-Whitehall-Briefing.pdf>

On the plus side, we'd get our money back – not the full £350 million voters were falsely promised in the referendum campaign, but not a trivial amount either. And a trade deal with the US would boost the economy. But the downsides are bigger. Under any of these three options, there would be a cost resulting from new customs controls. Under the WTO option – but not the other two – there would be new tariffs, reducing trade, economic growth and hence tax revenue. Reduced immigration under either the WTO or Canada models would be an additional cost. And, most importantly, non-tariff barriers – the new barriers to trade that we would face once we stop automatically sharing rules and regulations with the EU – are a significant cost in any of the three options, but far higher if we are outside the Single Market.

So what does this add up to? As the IFS says, 'overall, Brexit will make the public finances worse; the question is by how much'. In today's money, the government's estimates imply a cost of about £260 million a week, or 9% of what we currently spend on the NHS, for the EEA option; £875m per week, or 30% of what we currently spend on the NHS, for the Canada option; and a whopping £1.25 billion a week, or about 44% of what we currently spend on the NHS, for the WTO option (in fact, the headline numbers shown in the government's published report are even larger than this, but since they're for 2033-34, I've presented numbers here that are comparable in terms of percentage of GDP).

But what about the government's 'bespoke deal'? As the government made clear when the impact assessments were published, the forecasts 'did not consider the outcome we are trying to negotiate'. This is entirely true. Any fair assessment must do what the government's modelling didn't do and model the 'bespoke deal'. And at the time that civil servants were preparing this analysis, that may not have been possible.

But fortunately, the Prime Minister's recent Mansion House speech – setting out in detail what the government means by a 'bespoke deal' – allows us to make a reasonable stab at doing exactly that. We can go through all the items, both costs and benefits, that go into this model. For example, we know the government (and the EU) want to avoid tariff barriers, so those costs won't apply, but it intends to leave the EU customs union, so the additional costs that implies will. We also know it intends to end free movement but is prepared to consider a preferential regime for EU citizens, as under the FTA model – limiting but not eliminating the economic damage of lower EU migration.

And most importantly, the Prime Minister herself explicitly said, 'our access to each other's markets will be less than it is now', recognising that there will be new frictions to trade as a result of her intention that the UK should be able to diverge from the EU's regulatory regime, but slowly and over time. This implies an increase in non-tariff barriers that is larger than would be the case with an EEA model but smaller than with a simple Canada-style FTA. Putting all this together, we can make a reasonable and credible estimate of what the government's own methodology yields for the government's bespoke deal – a cost of about £615 million a week, or 22% of what we spend on the NHS.

Of course, in deciding which of these options is preferable, the public finances aren't the only consideration by any means. What they mean for immigration policy, for environmental and labour market regulations, for the Irish border – all these issues are important too, both economically and politically. But if we are to decide what sort of Brexit we want, the least we need is a menu, with prices. The government has published its current best estimates. It's up to us to decide which of these prices is worth paying.

PART TWO: NEW POLLING

Polling the costs and benefits

Putting together a robust estimate of the impact on the economy of different models of Brexit, as well as the features that might make them more or less attractive, enables us to ask the public whether they think any of them would represent a good deal, how they compare to their hopes when casting their vote in the referendum, and which they prefer.

Global Future’s poll of 2,068 people, carried out by Populus between 6-8 April 2018, set out the four Brexit scenarios, as described in the government’s impact assessment, and their cost to the public finances, as discussed above. We expressed these costs – following the example of the Leave campaign – as a weekly sum, in today’s prices, and compared them to the amount we spend on the NHS. (The government’s figures, which we follow, are net of costs and benefits including the benefit of no longer paying into the EU budget.)

This table sets out the four scenarios, and the way we described them in our poll:

EEA-type deal (Norway-style)	FTA-type deal (Canada-style)
<p>The government’s analysis describes this option as having the following characteristics: high customs non-tariff barriers with the EU; low behind-border non-tariff barriers with the EU; no tariffs on UK-EU trade; material potential for trade deals with the rest of the world; limited potential for regulatory divergence from the EU; continued labour mobility between the UK and EU.</p> <p>It estimates the net fiscal impact, taking into account both the benefits and costs of such a deal, at £17 billion per year in additional borrowing by 2033/34.</p> <p>In the poll, we set this out as follows:</p> <p><i>The UK would face some new barriers to trading with the EU, could seek to make new trade deals with the rest of the world and would still be bound by most EU regulations. There would be no new limits to EU immigration.</i></p> <p><i>Based on government estimates, in the long term this would cut the amount of money available for spending on public services by the equivalent of about £260m per week (equivalent to about 9% of what we currently spend on the NHS).</i></p>	<p>The government’s analysis describes this option as having the following characteristics: high customs non-tariff barriers with the EU; material behind-border non-tariff barriers with the EU; low-material tariffs on UK-EU trade in the agri-food sectors; material potential for trade deals with the rest of the world; material potential for regulatory divergence from the EU; ‘flexible’ labour mobility between the UK and EU.</p> <p>It estimates the net fiscal impact, taking into account both the benefits and costs of such a deal, at £57 billion per year in additional borrowing by 2033/34.</p> <p>In the poll, we set this out as follows:</p> <p><i>The UK would face some new tariffs and other barriers to trading with the EU, could seek to make new trade deals with the rest of the world and could opt out of some EU regulations. It could introduce some new limits on EU immigration.</i></p> <p><i>Based on government estimates, in the long term this would cut the amount of money available for spending on public services by the equivalent of £875m per week (equivalent to about 31% of what we currently spend on the NHS).</i></p>

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WTO terms (No-deal Brexit)	Bespoke deal (Government's preferred deal)
<p>The government's analysis describes this option as having the following characteristics: high customs non-tariff barriers with the EU; high behind-border non-tariff barriers with the EU; high tariffs on UK-EU trade; material potential for trade deals with the rest of the world; material potential for regulatory divergence from the EU; 'strict' controls on labour mobility between the UK and EU.</p> <p>It estimates the net fiscal impact, taking into account both the benefits and costs of such a deal, at £81 billion per year in additional borrowing by 2033/34.</p> <p>In the poll, we set this out as follows:</p> <p><i>The UK would face significant new tariffs and other barriers to trading with the EU, could seek to make new trade deals with the rest of the world and could opt out of some EU regulations. It could control EU immigration in the same way that it controls immigration from the rest of the world.</i></p> <p><i>Based on government estimates, in the long term this would cut the amount of money available for spending on public services by the equivalent of £1.25bn per week (equivalent to about 44% of what we currently spend on the NHS).</i></p>	<p>The government's analysis describes this option as having the following characteristics: none-high customs non-tariff barriers with the EU; some behind-border non-tariff barriers with the EU; no or low tariffs on UK-EU trade; maximum flexibility to make trade deals with the rest of the world; maximum flexibility on regulatory divergence from the EU; a range of policy choices over labour mobility between the UK and EU (we have assumed, based on the Prime Minister's strong indications of her preferences, that the government would seek significantly stricter controls over immigration from the EU than currently exists).</p> <p>The government's analysis does not give a costing of this model, but we have estimated its net fiscal impact, based on the government's costing of other models and its breakdown of the component features of those models which set out the costs and benefits of each one, at £40 billion a year in additional borrowing by 2033/34.</p> <p>In the poll, we set this out as follows:</p> <p><i>The UK would face some new barriers to trading with the EU, could seek to make trade deals with the rest of the world and would opt out of as many EU regulations as possible. It would introduce some new limits on EU immigration. The government has not published an estimated cost of this scenario, but on the basis of its own figures it has been estimated that in the long term this would cut the amount of money available for spending on public services by the equivalent of £615m per week (equivalent to about 22% of what we currently spend on the NHS).</i></p>

For each of these four Brexit scenarios, we asked whether the stated cost per week would be a price worth paying for this deal, or too high a price for this deal.

In addition, we asked those who identified themselves as Leave voters – a representative proportion of the sample, or 1,062 people – whether each scenario represented ‘a deal that is as good or better than I had hoped for when casting my vote’, or ‘a deal that is worse than I had hoped for when casting my vote’.

Finally, we asked the people we polled which of the four possible Brexit deals they would prefer, if they had to pick one.

Poll results

Those polled overwhelmingly thought that all four possible deals were bad. Even the government's preferred option of a bespoke Free Trade Agreement was considered worth the estimated weekly cost of £615 million per week by just 23% of those polled – dwarfed by the 77% who felt it represented too high a price.

This table sets out the four scenarios, and the way we described them in our poll:

(All voters)	EEA (£260m per week)	FTA (£875m per week)	WTO (£1.25bn per week)	Bespoke deal (£615m per week)
The stated cost would be a price worth paying for this deal	17%	13%	13%	23%
The stated cost would be too high a price for this deal	83%	87%	87%	77%

The options fared little better among Leave voters, who were only slightly more likely than the sample as a whole to think that the cost of any of the options was a price worth paying.

(Leave voters only)	EEA (£260m per week)	FTA (£875m per week)	WTO (£1.25bn per week)	Bespoke deal (£615m per week)
The stated cost would be a price worth paying for this deal	17%	17%	17%	28%
The stated cost would be too high a price for this deal	83%	83%	83%	72%

Leave voters overwhelmingly said that all of the options represented a worse deal than they had hoped for when casting their vote.

(Leave voters only)	EEA (£260m per week)	FTA (£875m per week)	WTO (£1.25bn per week)	Bespoke deal (£615m per week)
This represents a deal which is as good or better than I had hoped for when casting my vote	14%	14%	15%	22%
This represents a deal which is worse than I had hoped for when casting my vote	86%	86%	85%	78%

When forced to choose between the four scenarios described, more than half of those polled chose the EEA-type deal – the one with the smallest impact on the public finances according to the government’s modelling, and also the one with the least disruption to existing trade between the UK and EU, and the one which allows the fewest additional controls on immigration from the EU. Leave voters also preferred the EEA option, but by a smaller margin over the government’s preferred option.

Which one of these possible Brexit deals would you prefer, if you had to pick one?		
	ALL VOTERS	LEAVE VOTERS
EEA (£260m per week)	51%	37%
FTA (£875m per week)	9%	11%
WTO (£1.25bn per week)	12%	16%
Bespoke deal (£615m per week)	28%	36%

The Public Must Be Trusted With The Facts



Gurnek Bains, CEO of Global Future

The more information we have, the better our decisions are. We might think we want to buy something – until we find out what it costs. Or we might be attracted by the low price of an item – until we find out that it's cheap because it's poor quality, and not worth having. One thing is certain: keeping the costs secret and trumpeting the benefits is a recipe for poor decision-making.

That's why the release of the government's own assessment of the impact of Brexit was so important. For the first time, it allowed us to see the cost to the British economy of different types of deal. And it gave us enough information to work out the cost of Theresa May's preferred Brexit deal, too.

No wonder the government didn't want to release it. Because its own verdict is clear: at least in economic terms, the costs of every version of Brexit hugely outweigh the benefits.

The reasons for that are pretty obvious: leaving the EU means putting up new barriers to trade between ourselves and our neighbours, imposing new costs at the border. In some possible Brexit outcomes, it means putting new restrictions on migration to and from the EU, making it harder for British firms and British public services to recruit the staff they need, and potentially stopping British people from pursuing professional and personal opportunities in Europe too. In short, it means closing ourselves off from the world, not opening ourselves up to it.

Of course Brexit has economic benefits too. We can pursue trade deals with the rest of the world independently. And we will no longer have to pay EU membership fees. These were two of the big promises of Leave campaigners: especially the one about the cost of EU membership, with the figure of £350 million a week plastered on the side of a bus. We already knew that wasn't true. But the government's analysis shows just how untrue it was. It takes into account the economic benefit of possible new trade deals, and of stopping payments to the EU – and it demonstrates that these are overwhelmingly outweighed by the cost, to the tune of hundreds of millions of pounds a week.

Now that we know all this, we can ask the public what they think. And that is what Global Future, the think tank of which I am CEO, has done, with a poll of over 2,000 people. We put the broad dimensions of various possible deals – a Norway-style EEA deal, a Canada-style FTA deal, a no-deal Brexit on WTO terms and the government's preferred outcome, a bespoke deal – to the public, along with the best assessment of the cost to the public finances of each one. And we asked them if each one came at too high a price.

The public's verdict was clear: they hated all of them, by overwhelming margins. Theresa May's preferred deal was the least unpopular – hardly surprising, given that it includes significant benefits which we do not yet know whether the government will even be able to secure in its negotiations – but even on that one, the £615 million per week price tag was judged to be too high by 77% of those polled, including 72% of Leave voters. In fact, Leave voters were almost as likely as Remain voters to think that the deals are not worth the cost.

We asked over 1,000 Leave voters whether they thought the four possible Brexit deals, as described, were as good as or better than they had hoped for when casting their vote for Leave, or worse than they had hoped for. Again, the result was overwhelming: more than eight out of ten Leave voters thought that the Norway-style, Canada-style and no-deal options were worse than they had hoped for, and well over seven out of ten thought that Theresa May's preferred option was worse than they had hoped for too.

Finally, we asked which of the four deals the public would prefer, if forced to pick one of them. More than half (51%) opted for the Norway-style EEA option – the one with the lowest impact on the public finances. Only just over a quarter chose the bespoke deal the government is aiming to achieve. And by a smaller margin, Leave voters preferred the Norway-style deal too. They chose it even though they knew, based on our description, that it would leave Britain still bound by most EU regulations and with no new limits to EU immigration.

This should not surprise us too much. The government's own figures show that this option – which they, as well as the Labour Party, have already firmly ruled out – is the one with the smallest impact on the public finances. All forms of Brexit will cost us, but this one will cost us least. And when considering the costs and the benefits, it turns out that the public chooses the option with the fewest barriers to trade with the EU, the greatest freedom of movement and the lowest cost. When shown the alternatives, the public chooses staying in the single market.

Politics is always about trade-offs. All decisions have both positive and negative consequences. And this is as true of Brexit, the biggest public policy challenge Britain has faced in a generation, as it is of anything else. But we all have a responsibility to consider both costs and benefits in a clear-sighted way, and to be open with the public about the need to make difficult choices rather than pretending that we can have our cake and eat it. That is why Theresa May should put the EEA option back on the table. And it is why she should trust the public with enough information about the choices they face. If she doesn't, she – and we – will still have to suffer the consequences of bad decisions.