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POLICY BRIEFING

PROPOSING A NEW IMMIGRATION SYSTEM

To support scrutiny of the immigration white paper and the development of a new immigration system, this briefing summarises the current non-EEA immigration system, reviews the Migration Advisory Committee's recommendations, sets out where the pressure points are for science and engineering and presents our proposals for a new system.

SUMMARY

Access to a workforce with the right skills and expertise is the cornerstone of a thriving environment for research and innovation. In order to meet the Government's target of investing 2.4% of GDP on R&D by 2027 we will need to increase the size of the research and innovation workforce. Alongside a gear change in domestic skills policy, immigration policy that supports the science and engineering will be crucial.

This message has been heard by policymakers and has public support, but we now need a system that will deliver for the UK.

"The UK will always be open to the brightest and the best researchers to come and make their valued contribution...Over half of the UK's resident researcher population were born overseas. When we leave the European Union, I will ensure that does not change."

Theresa May, Prime Minister

86% of the British public want to increase or maintain levels of immigration of scientists and engineers, and only 18% of leave-voters want migration of scientists and engineers to decrease.¹

SEIZE THE OPPORTUNITY FOR A FRESH START

Expanding the current non-EEA system will not meet the needs of science and engineering. For the Prime Minister's stated ambition to become a reality, the UK must create a streamlined immigration system that facilitates frictionless movement, has proportionate system rules, is founded on robust evidence and is fit for the future. The policy and process tweaks proposed by the Migration Advisory Committee (MAC) are not sufficient. We propose using the new digital platform developed for the EEA settlement scheme as the starting point for building a new system.

THE CURRENT NON-EEA SYSTEM IS TOO COMPLEX

Route	Primary recipients	Visa requirements	Visa length, cost & annual limit ^{2,3,4}
Tier 1 Exceptional Talent	Exceptional and emerging talent as judged by peer review	Identified as leaders by trusted National Institutions.	 5 yrs  2,126  2,000
Entrepreneur/ Graduate Entrepreneur	Those wanting to set up or run a business in the UK.	>£50k to invest in the UK with a valid business plan/ratified by an HE Institution or DIT	 3 yrs, 4 mths  1,977  2,000
Investor	For those investing in UK Government bonds or in UK companies	> £2m to invest	 3 yrs, 4 mths  1,623
Tier 2 General	Main route for organisations to recruit skilled workers if no suitable domestic candidates	>£30k salary, some exemptions	 5 yrs  7,419  20,700. Exempt if doctor or nurse or salary >£160k
Intra-company transfer	Internal transfer of non-EEA national employee to work in the UK branch	Salary >£41.5k for long-term staff or >£23k for graduate trainees	 9 yrs if salary >£120k otherwise 5 yrs 12 mths for graduate trainees  2,419
Tier 4 Student	To study at HEI with trusted sponsor status	Sufficient funds to support themselves	 Dependent on course length  873 (3 yrs)
Tier 5 Temporary Worker	Academics, researchers and engineers undertaking supernumerary work	£945 in savings	 2 yrs  655
Youth Mobility	18–30 year olds from certain countries to live and work	£1,890 in savings	 2 yrs  522



Visa length



Visa cost



Annual limit

The table is a simplified version of the system. There are as many workarounds for specific needs as there are rules. Building in additional rules for EEA-nationals would add further complexity. The MAC concluded that “criticisms of the administrative burdens the scheme imposes should be taken seriously if it is to be extended to EEA citizens.” This is a significant qualifying statement to the other recommendations from the MAC.⁵

EXPANDING THE CURRENT SYSTEM IS NOT A VIABLE SOLUTION

Our members are clear that expanding the current non-EEA system to cover all migration would introduce substantial barriers to research and innovation and would reduce the competitiveness of the UK environment for science and engineering.

Due to bureaucracy and cost

For employers

Employers must register as sponsors and currently only 2% of UK businesses are registered.⁶ Becoming a sponsor takes at least 2 months and significant business time, added to a recruitment process of at least 2 months, meaning that for small companies and fast-moving sectors it may be too long to wait to bring in critical skills or expertise, reducing the competitiveness of the UK environment. Furthermore, it costs £500-1500 annually for a sponsor licence, plus upfront costs per worker of £200 to apply for a certificate of sponsorship, up to £1000 immigration skills charge per year of visa and £200 per year for the NHS surcharge. This is compared to no additional costs for EEA nationals at present. 75% of UK businesses would either be unwilling to pay or unsure how much they would be prepared to pay in additional one-off costs to recruit EU nationals they need.⁷

Individuals

UK visas and additional costs for individuals are some of the highest globally.⁸ A family of four moving to the UK under a Tier 2 visa (with a spouse and two children), would have to pay at least £7,660 up front. Applicants must also relinquish their passport with no certainty for how long, affecting business and travel plans.

And the public

The current system is mostly self-funded through income from visa costs, which are internationally high. This suggests our system is expensive to run and a more efficient system could result in more competitive fees at no loss to the tax-payer. Expanding the system to cover EEA workers would also be costly for the public purse in other ways. Royal College of Physicians estimate that recruitment for the NHS alone, should the current system be copied across to include the EEA, would cost £490m a year.⁹

And barriers to research and innovation workforce

For eligible workers with job offers

In 2018, 14,260 Tier 2 applications were refused due to the annual cap of 20,700.¹⁰ This meant that skilled individuals, meeting all visa requirements, who had been offered a job by a company willing to sponsor them, were simply turned away. We agree with the MAC that no such numerical cap on skilled workers should exist in a new system. A cap on skilled migrants introduces uncertainty for employers, affects productivity and damages UK reputation. When reached, it deprives organisations of people and skills that they are unable to find domestically, turning away the 'brightest and best'.

For technical roles

Workers earning below £30,000 or in roles below degree-level (level 6) are ineligible for a visa. Half of EU research technicians in universities would not meet the salary threshold.¹¹ This is also a major concern for accessing crucial technical skills across science and engineering industry, especially in manufacturing, something the Industrial Strategy is looking to grow. The MAC's recommendations would reduce requirements to level 3 (A-level) but maintain the salary threshold.

For start-ups and atypical workers

There is no route for freelance or self-employed individuals. Rather than being able to come to the UK, build a network and start-up a business, individuals either need a job offer from a sponsor organisation, significant investment funds or approval from the Department for International Trade to obtain a visa. Only 983 Tier 1 Entrepreneur visas were granted in 2017, along with 225 Graduate Entrepreneur visas.¹²

For students and recruitment of in-demand skills

Since the removal of the Tier 1 post-study work visa in 2012, graduates have four months to find a Tier 2 graduate job, or on completion of a Masters¹³ or PhD¹⁴ they have six months (currently a pilot scheme) and 12 months (requires an additional application) respectively. This affects student recruitment and limits UK economic and societal returns of these students and graduates. The UK's market share of international students has dropped from 14% in 2013 to 12% in 2016.¹⁵ These students make many courses in demand areas such as data science, AI and machine learning viable for domestic students. The 2015/16 cohort of international students and their visitors are worth £22.6bn to the UK¹⁶ economy, equivalent to the value of UK food and drink exports in 2017.¹⁷

FEATURES AND PROPOSALS FOR A NEW SYSTEM

MAC recommendations do not meet the needs of science & engineering

The MAC recommendations are given in the context that the UK does not pursue an agreement on mobility with the EU. The MAC's evidence showed that EU migrants have not prevented UK nationals from getting jobs, have not lowered wages and have, on average, contributed more to public services than they receive, especially higher skill migrants. However, their recommendations are not proportionate to the evidence they collected on the effects of migration in the UK. Rather, they propose minor tweaks, some of which are welcome, to the current tiered system.

As changes to the existing system, we welcome recommendations of abolishing the numerical cap on skilled workers through Tier 2, removing the Resident Labour Market Test as other features of the system better protect undercutting (and MAC found no evidence of undercutting in Tier 2, rather a migrant premium), and highlighting the need to reduce bureaucracy. However, we assess recommendations against the types of people, types of movement and principles of a system needed to support a thriving science and engineering environment post-Brexit and conclude expanding the current system, even with the MAC recommendations, would not result in a new system that meets the needs of science and engineering.

Do the MAC recommendations meet the following needs?  Yes  Some  No

People who lead, undertake and support research and innovation

-  Highly-skilled people such as researchers, engineers, academics and business founders
-  Specialist technicians - e.g. data analysts, cell culture specialists, AI experts
-  Students - including undergraduate, postgraduate taught and PhD students
-  Dependants of these individuals

Movement for excellence, skills, education and collaboration

Long-term migration

-  Recruitment to advertised posts initiated by employers
-  Relocation of talent initiated by the individual e.g. named holders of research grants or recognised fellows, investors, business founders, those with skills in short supply

Short term migration

-  Short term visits of 6 months or less e.g. visit a collaborator, give a lecture, sit on an interview panel
-  Temporary work up to 2 years e.g. secondments, placements, training, staff exchange
-  Intracompany transfers
-  Formal study in approved education establishments with options to stay in the UK

Principles of an immigration system that works for science and engineering

-  Facilitate frictionless movement of science and engineering professionals
-  Ensure system rules are proportionate to risk, benefit and labour market demands
-  Be founded on robust evidence
-  Fit for the future

SEIZE THE OPPORTUNITY FOR A FRESH START

Consensus on immigration policy is difficult to find. However from the outset there has been wide agreement that expanding the current non-EEA system would be the worst outcome. Instead, we propose building a new system using the new, digital platform developed for the EEA settlement scheme as a starting point, rather than building on the current complex, costly and bureaucratic tiered system,

We must seize this unique opportunity to develop and introduce a new system that is fit for the future as a no-risk pilot. A new, forward looking, streamlined system that capitalises on capabilities afforded by new technology would increase control and security compared to our current state of free movement. It could be applied to EEA nationals first, and then expanded to improve the immigration system for all. The potential gains of such an approach could result in a system that costs the public purse less to run in the long-term, improves control of our borders, contributes to UK international competitiveness, and restores confidence in the UK as an outward looking nation.

For further details on an immigration system that supports research and innovation see our 2018 immigration briefing:

www.sciencecampaign.org.uk/resource/immigration2018.html

About CaSE

The Campaign for Science and Engineering (CaSE) is the UK's leading independent advocate for science and engineering. Our mission is to ensure that the UK has the skills, funding and policies to enable science and engineering thrive. We represent over 115 scientific organisations including businesses, universities, professional bodies, and research charities as well as individual scientists and engineers. Collectively our members employ over 341,000 people in the UK, and our industry and charity members invest around £29bn a year globally in R&D. We are funded entirely by our members and receive no funding from government.

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To view the above reports go to:

www.sciencecampaign.org.uk/engaging-with-policy/evidence-base/evidence-base-immigration.html

To view an online version of this briefing please go to:

www.sciencecampaign.org.uk/resource/immigrationfreshstart.html

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