

UK presentation: A more selective immigration system

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The UK has high levels of net migration:

- Peak of 260,000 in y/e June 2005 and 255,000 in y/e September 2010
- Immigration consistently ranks as one of the most important issues for the UK public
- Government aims to reduce net migration to sustainable levels (“tens of thousands”)

We still need skilled migration to promote economic growth:

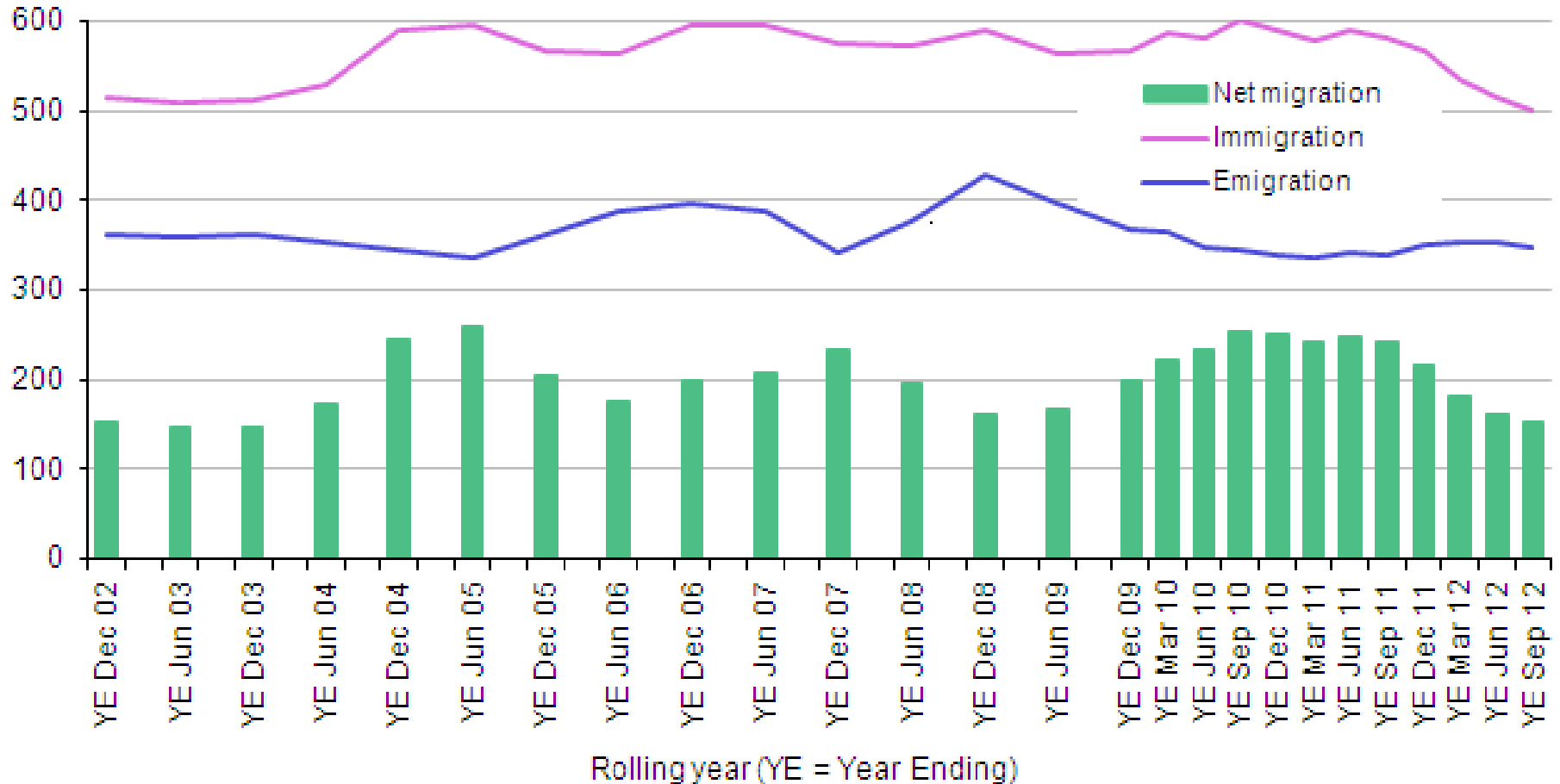
- The UK, like many other countries, has high unemployment (7.8% in Q1 2013) and low economic growth (0.3% in Q1 2013)

Solution – a more selective immigration system which:

- Attracts the brightest and best to work and study in the UK
- Protects job opportunities for UK workers
- Identifies and tackles abuse of the system

UK net migration over time

Migration (thousands)



Who comes to the UK?

| Main reason for long-term migration to UK | Y/E Sept 2011 | Y/E Sept 2012 | Change |
|-------------------------------------------|----------------|----------------|-----------------|
| Formal study | 246,000 | 190,000 | - 56,000 |
| Definite job | 113,000 | 109,000 | - 4,000 |
| Looking for work | 70,000 | 66,000 | - 4,000 |
| Family (incl. dependants) | 80,000 | 62,000 | - 18,000 |
| Other | 38,000 | 43,000 | + 5,000 |
| Not stated | 34,000 | 30,000 | - 4,000 |
| Total | 581,000 | 500,000 | - 81,000 |

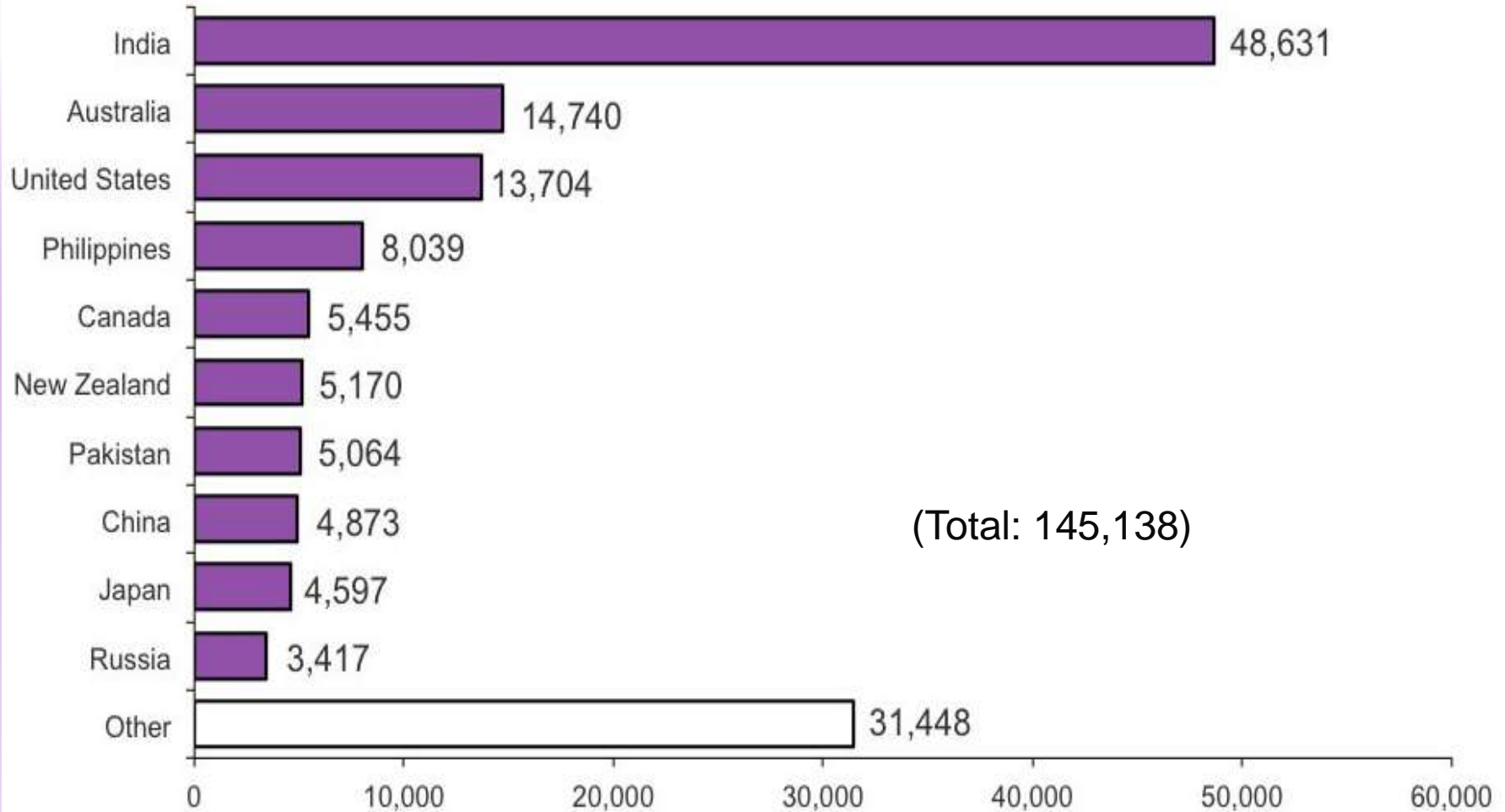


Breakdown of UK net migration 2011 - 2012



| Nationality | Y/E Sept 2011 | Y/E Sept 2012 | Change |
|--------------------|------------------|------------------|-----------------|
| British | - 60,000 | - 75,000 | - 15,000 |
| European Union | + 75,000 | + 66,000 | - 9,000 |
| • EU15 | + 32,000 | + 30,000 | - 2,000 |
| • EU8 | + 36,000 | + 28,000 | - 8,000 |
| Commonwealth | + 141,000 | + 78,000 | - 63,000 |
| • Old Commonwealth | + 9,000 | + 14,000 | + 5,000 |
| • New Commonwealth | + 132,000 | + 63,000 | - 69,000 |
| Other | + 87,000 | + 85,000 | - 2,000 |
| Total | + 242,000 | + 153,000 | - 89,000 |

Top 10 nationalities issued work visas, 2012



Reforms – high value individuals (Tier 1)

In 2011 we closed our Tier 1 General route for jobseekers (Points were awarded for qualifications, earnings, age and UK experience)

Tier 1 is now a more focussed, elite route with three main categories:

Investors



We have accelerated settlement for the largest investors and increased allowable absences from the UK.

Entrepreneurs



We have accelerated settlement for those who create the most jobs and have the highest turnover.

Exceptional Talent



Leading experts vouch for the most talented world leading people in science, engineering, humanities and the arts.

Reforms – sponsored skilled workers (Tier 2)

No limit on intra-company transfers (ICTs), but new rules on salaries and length of stay

Annual limit of 20,700 for Tier 2 General – places allocated monthly

Skill level raised to graduate jobs to reduce pressure on the limit – The limit is consistently ~50% under-subscribed

Settlement reserved for high earners (£35,000) and those in shortage occupations

New premium services for Sponsors, as well as five-day priority services for business visitors

Bureaucracy reduced for ICTs and for Sponsors carrying out the Resident Labour Market Test



Reforms – study (Tier 4)

New accreditation criteria and Highly Trusted Sponsor rules to ensure quality and eliminate abuse

Ensuring students are genuinely coming to the UK to study by:

- Increased use of interviewing
- Tighter English language requirements
- New rules requiring academic progression
- Restrictions on work and bringing dependants for students on lower-level courses

Access for university students protected – 5% increase in visa applications for the university sector in year ending March 2013

Old Post-Study Work route closed, given high graduate unemployment – Four new, more selective arrangements in place for graduates



Reforms – working in the UK after graduation

Switching into Tier 2 – For those with an offer of a graduate job paying at least £20,300 with a licensed Sponsor. Graduates are not subject to the limit or the Resident Labour Market Test. “New entrant” salary rules introduced in April 2013.

Graduate Entrepreneur – For those identified as having strong business skills or ideas by their education institutions. 1,000 places for MBA graduates added in April 2013, in addition to 1,000 places for other graduates.

Doctorate Extension Scheme – For those completing PhDs or other doctorate-level qualifications. Introduced April 2013. 12 month extension to find work with a Tier 2 employer, set up as an entrepreneur, or gain practical work experience.

Professional training (Tier 5) – For those undertaking professional training to supplement their qualification, before pursuing a career overseas. The normal Tier 2 salary rules do not apply but participants must leave the UK at the end of their training.



Further review of investor and entrepreneur routes to maximise their economic benefit to the UK

Period of policy stability in sponsored work routes as requested by business – The limit will not be reviewed again until at least 2015

Emphasis mainly on improving customer services:

- Priority (3-5 day) visa services rolled out everywhere commercially viable by end 2013
- Super-priority (24 hour) visa services in all key decision-making centres by end 2013
- Expansion of passport pass-back service, assisting those who want to make another application (e.g. Schengen) alongside their UK application
- In-country priority service piloted for Tier 2 applicants in April 2013 – will be evaluated with a view to extending it to other categories
- Business Helpdesk for sponsoring employers fully rolled out by end June 2013
- Business Network for key business clients overseas will be further developed in 2013

Any questions?