

Committee(s)	Dated:
Public Relations & Economic Development Sub Committee – For Information	10 October 2019
Subject: City Corporation engagement on visas and immigration	Public
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Summary

The UK's financial and professional services sector is highly dependent on international talent. Flexible access to international talent is therefore critical to individual businesses' location decisions and maintaining London and the UK's competitiveness as a global financial centre. Impacts of Brexit on the UK's status as a global financial centre, as well as changing government immigration policy, could have a dampening effect on the City's ability to attract international talent. The City Corporation is carrying out a range of activities on visas and immigration.

This report informs Members about the work on visas and some of the City Corporation's other activities on visas/immigration.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. Political context

The UK Government in December 2018 published a White Paper outlining key aspects of its proposed future immigration system. Changes in Conservative Party leadership (Boris Johnson has a different approach to immigration than his predecessor) and the unsteady political environment may mean the prospects for alterations to the immigration system are uncertain. The white paper launched a 12 months period of engagement during which the Government will receive views from stakeholders (including the City Corporation). Some key points of White Paper are set out in the Annex.

2. In September 2019, the Government announced that it will be introducing a new two-year post-study work visa for students starting courses from 2020. It is understood that

this will be open to students completing undergraduate and higher courses in any subject area.

Corporation engagement on the immigration/visa process

3. The UK needs a world-class visa system which works reliably, efficiently and robustly, for employers as well as eligible employees. Regardless of the overall immigration policy the Government chooses to adopt, the process of applying to come to work in the UK should be as smooth and efficient as possible. The City Corporation produced detailed recommendations for the design of a future visa system in November 2018. Acting on these recommendations would deliver an effective 'best-in-class' visa system, enabling the access to global talent that businesses need and would reinforce the UK's global competitiveness. The research, produced in association with leading advisory service EY, highlights four recommendations namely, that a future system should:
 - reduce the administrative burden and uncertainty associated with visa applications. Outdated and redundant process steps such as Police Registration should be eliminated entirely
 - rely on an entirely digital immigration status so that applicants no longer need to surrender their passport or update physical status documents.
 - avoid duplicative processes associated with extending a visa inside the UK
 - use technology and guidance to provide tailored support to employers/sponsors of different sizes and in different sectors to encourage investment and growth in the UK.
4. There was strong interest from civil servants and politicians alike (Home Office, Mayor of London, Parliamentarians). During parliamentary recess and ensuing political uncertainty, follow up with the Home Office has proven to be difficult despite numerous approaches. In August 2019 CPR wrote a letter to the new Home Secretary reiterating the City Corporation's offer to work with the Home Office on the implementation of the Visa report recommendations. Officers continue to work with officials, parliamentarians and other stakeholders.

Additional engagement

5. On Visas and Immigration, the City Corporation has been carrying out numerous activities. On 26 February 2019, the Remembrancer's Office responded to the House of Commons Public Bill Committee's Immigration and Social Security Coordination (EU Withdrawal) Bill. Main conclusions from response are that it is timely to consider the practicalities of the current visa system and what changes could be made; that more should be done regarding concerns that highly skilled musicians, performers and productions specialists will be excluded by operation of the £30,000 skilled worker threshold; and that future arrangements for the Erasmus+ programme, or a replacement, should be clarified.

6. The City Corporation co-hosted a private roundtable discussion on Securing the Future of FinTech: Accessing a Global Talent Pool in May 2019 with the Home Office and FinTech companies.
7. In Q3 2019, Remembrancer's Office will produce the overall response to the White Paper on the UK's future skills-based immigration system. This will include working across with City Corporation, including GSMD, Barbican, City schools, and other stakeholders. Regulatory Affairs will draft the response to Visa-related policy recommendations.
8. Work on visas is complemented by the City Corporation's domestic skills projects. IG is actively supporting the review of skills in financial services, The Financial Services Skills Taskforce, which will be reporting later in the autumn.
9. IG is currently recruiting for a Regulatory and Business Environment Adviser who will provide strategic and policy advice and recommendations on issues that can have an impact on FPS competitiveness, including access to skills, in support of our overarching Corporate Objective – we have the world's best regulatory and legal framework.
10. In addition, the City Corporation has been active in assisting citizens with visas, citizenship and settled status applications. For some time, the Barbican and Community Libraries have assisted people with making online applications for UK visas and Citizenship via library computers and library staff and are assisting citizens with registering for Settled Status.
11. HR has created a poster campaign to bring settled status to the attention of employees. Information has been highlighted on the City Corporation's intranet and is regularly placed on the intranet front page. This includes referring staff to government information resources. Two staff seminars are planned which will provide guidance on settled status.

Next steps

12. In the future, the City Corporation will continue to have a strong role, working closely with partners across London and the UK. This work will focus on policy, as well as process, amplifying the messages being advocated across the industry in reports from London First, TCUK, CBI and others.
13. Areas we will be looking at include:
 - lowering the salary threshold of £30,000 proposed in the White Paper to support lower-skilled workers who are important for hospitality and retail in the City.
 - extending the temporary work route for overseas workers from one year to two years. This would allow companies to bring in overseas workers for a temporary period of up to two years, with a reciprocal cooling-off period. It should also be considered whether workers should be allowed to switch from this route to other routes, such as a skilled visa, while they are in the UK

- reforming the sponsorship model – reducing the costs and bureaucracy of the current system, making it easier for SMEs to use (partly covered in CoLC’s Visa report)
- Increasing mobility of talent – by reinstating the two-year post-study visa for international students (increasing from the current time limit of just six months), extending the current youth mobility scheme to include EU citizens, and creating an improved 90-day business visitor visa — so that companies can move staff across offices to work on projects.

The City Corporation will continue to work with industry bodies to align views where possible.

Conclusion

14. The City of London’s work and engagement on visas and access to talent is continuing despite the political uncertainty. The City Corporation can continue to play a strong role in this critical area for the future of the industry.

Appendix

- HMG White Paper on Future Immigration System
- City of London report on “Streamlining success: Building a world-class visa system for the UK”

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ANNEX 1

White Paper on Future Immigration System

Key features: the white paper adopts a core proposition of the MAC's review published in September 2018, namely that once free movement has ended, newly arrived EU citizens should not receive preferential treatment over non-EU citizens. Instead, long-term employer sponsored visas will only be available for skilled roles, and temporary 12-month visas will be available to citizens of specified low risk countries filling roles at all skill levels. The white paper also comments on students and other categories of migration.

Skilled workers: this category is most relevant for FPS and will closely resemble the existing Tier 2 scheme. It will be open to citizens of all countries. Key changes from the current Tier 2 system include:

- Removal of the annual limit ('the cap') of 20,700 Tier 2 (General) visas
- Removal of the requirement to conduct a Resident Labour Market Test
- Applicants from specified low risk countries will be able enter the UK to look for work and switch to a skilled worker visa from within the UK.

The Government is also considering a range of other policies, including

- Whether the salary threshold for experienced workers should remain at £30,000 or be lowered. The Government envisages that a lower salary threshold for graduates and those aged 25 and under (currently £20,800) would be retained
- Whether alternative remuneration policies can be brought within the immigration rules, including the practice of start-ups offering equity stakes in their business
- How the sponsorship system can be streamlined to support SMEs and frequent users of the system, including a possible 'tiered' approach for different sized sponsors

Temporary short-term workers: the white paper proposes that 12 months temporary visas will be available to citizens of specified low risk countries on a transitional basis, likely until at least 2025. Key characteristics of this scheme include:

- The visa will enable the holder to work for any employer, in any industry, at any skill level, although it anticipated that it will primarily be used for low skilled work
- Visas will be issued for twelve months and cannot be extended
- A twelve month 'cooling off' period will apply, in most cases requiring the holder to leave the UK for a year before applying for a new visa

Other proposals: The Government has also made a range of proposals that would streamline the visa application process and reduce the administrative burden associated with applying for and maintaining a visa for both employers and applicants. These include:

- The introduction of a digital immigration status which can be used throughout an individual's journey through the UK's immigration system, including entry to the UK, demonstrating right to work and access to services. This will end a reliance on physical status documents such as visa vignettes and Biometric Residence Permits

- Better use of data already held by other Government departments including HMRC, to reduce the need for applicants to repeatedly submit the same information
- Adopting the design and values of the EU settlement scheme, which have been generally well received, in developing the UK's new immigration system from 2021.