

<b>Committee</b> Public Relations and Economic Development Sub Committee	<b>Dated:</b> 17 November 2020
<b>Subject:</b> City of London Corporation and immigration/visas activities (October 2020)	<b>Public</b>
<b>Report of:</b> Damian Nussbaum, Director of Innovation & Growth	<b>For Information</b>
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### Summary

A new UK immigration system is due to come into effect in January 2021. The City of London Corporation has launched a new report in collaboration with EY. The report indicates how the system could be enhanced to attract financial and professional services (FPS) talent into the UK. It is intended to sit alongside the City Corporation's work on developing domestic talent in FPS.

The report is part of a City Corporation body of work on improving access to key markets for FPS. Specifically, on enhancing the UK's competitiveness as a global FPS centre. This document details the findings of the report and our engagement plan post-launch to optimise access to talent for FPS.

### Recommendation(s)

It is recommended that Members note the report.

### Main Report

#### Background

1. The UK is one of the world's major financial centres. Access to talent is a key factor in ensuring its continued success. The industry relies on being able to attract skilled, multinational and multilingual workers. 39% of financial workers in the City of London are international workers (19% in total in the UK). The City of London Corporation has been consistently vocal about needing a world-class visa system. We are also contributing to the dialogue through our work on developing domestic talent in FPS.
2. We have launched a report on the 2021 UK immigration system, 'Building an immigration system for the future of work'. This is a follow up to our award-winning 2018 visa report. The successful implementation of this new system is of vital importance to UK FPS. We have worked with EY to collate the views of FPS industry users on the new system and how it could be enhanced.
3. The report has been published to support a key outcome for IG: how the new immigration system can enable greater access to talent to ensure FPS is innovative and competitive. A KPI of the work will be our ability to engage with Government and relevant stakeholders to consider our recommendations.

## Current Position

4. Our initial 2018 report (accessible here: [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_uk/topics/brexit/people-immigration/streamlining-success-the-uk-visa-system.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/topics/brexit/people-immigration/streamlining-success-the-uk-visa-system.pdf)) identified opportunities for how the immigration process could be streamlined. We were pleased to see many of the recommendations taken forward by the Home Office. In the new 2020 report (accessible here: <https://www.cityoflondon.gov.uk/assets/Business/building-an-immigration-system.pdf>) , we recommend that the new system does the following:
  - **Attracting talent:** Prioritise a new, points-based, unsponsored Talent Route for the highly skilled. Additionally, the UK should leverage its soft power. It should implement new initiatives to attract students, international talent and employers to the UK.
  - **Diversity, inclusion and flexible working:** Allow sponsored, skilled workers to work part time. This is even if it reduces their salary below the absolute threshold. Remove the requirement for sponsored, skilled workers to register a change in role within an organisation. This will encourage better social mobility.
  - **Process:** Leverage data already submitted by employers via Realtime payroll. Implement technology to enable interface with large employers' HR systems. Sponsors should not need to report changes of address (retaining for inspection instead). The Home Office should support employers of all sizes in using the new system.
  - **Cost:** Employers should be able to pay the immigration charge more flexibly. Medium sized employers should pay the same fee as small employers. Higher fees should apply to large enterprises with >250 employees.
5. The report was launched at a virtual event on 6 October, chaired by Catherine McGuinness. It included a keynote address from the Minister for immigration, Kevin Foster, MP. There were 130 attendees from the UK and overseas.
6. Following the report launch, we have inter alia engaged with the following:
  - **HMG:** the report was shared with BEIS, DfE, DIT, DWP and other Ministers. Further engagement has been requested.
  - **Parliamentarians:** there was a third reading of the immigration bill on 12 October. Ahead of this we shared the report and key recommendations with a mix of Conservative, Labour and Liberal Democrats, plus Cross benchers. Also sent to front bench representatives.
  - **FPS stakeholders:** we have worked with industry throughout the production of the report. We are now exploring further joint activity with TheCityUK, who released a report on immigration in September ('International Trade Agreements and UK Immigration Policy: A Practical Blueprint for Evolution'). The report is complementary to the CoLC report released around the same time.
  - **Domestic skills stakeholders:** Work on immigration is continually complemented by the City Corporation's domestic skills projects. IG is actively supporting the review of skills in financial services as well as

socio-economic mobility including a Taskforce to boost Socio-Economic Diversity at senior levels in UK FPS which is due to be launched in November.

7. IG is currently building an engagement plan for immigration. The new report will be a key discussion point. We will engage with various relevant stakeholders over the coming months. In the new year we will monitor the implementation of the new system. Some activities currently being planned include:
  - **Roundtable discussions** (some with TCUK), with Home Office representatives, trade associations and think tanks.
  - Bilateral meetings with the **Visas Immigration Office** and others e.g. HM Passport Office & UK Visas and Immigration Office.
  - Virtual event with the **All Party Migration Group** for immigration. We are planning a discussion of the report with the Remembrancer's Office.
  - Leveraging the opportunities of **GlobalCity website**.

### **Corporate & Strategic Implications**

8. Strategic implications – recent work undertaken by IG in the immigration space is complementary to the Corporate Plan. Specifically, the recent report outlines how the UK can better 'access to the skills and talent we need'.
9. Equalities implications – our recent immigration report includes a recommendation on flexible working. Specifically, requesting the new system allows part time working.

### **Conclusion**

10. The new City of London Corporation & EY immigration report and its associated engagement activities contribute directly to the CoLC corporate and Innovation & Growth business plan. Specifically, to support the UK financial and professional services global competitiveness. The report complements activity by TheCityUK and the Financial Services Skills Commission. It will ensure that the sector can attract the necessary skills and talent to ensure its competitiveness.

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