

UK Government's Announcement of the Limit to Non-EU Economic Migration

Purpose

1. This paper updates members of COSLA Strategic Migration Partnership on the announcement made by the Home Secretary Theresa May on 23 November 2010 on the arrangements for the limit to non-EU economic migration, which come into effect in April 2011 and the UK Government's further plans to reduce net migration.

The details of the limit on non-EU economic migration

2. In her statement to Parliament on 23 November 2010 the Home Secretary Theresa May repeated her Government's commitment to reduce net migration from the hundreds of thousands to the tens of thousands 'by the end of the current Parliament'.
3. Economic migration from outside the EU through tier 1 and tier 2 (excluding intra-company transfers) from will be reduced from 28,000 to 21,700, which is a reduction of more than a fifth compared with last year. The limit is significantly lower than the 37,400 to 43,700 level recommended by the Migration Advisory Committee, but that recommendation did include intra-company transfers which allow international companies to transfer foreign workers into their UK offices.
4. Skilled migrants with job offers coming through tier 2 will have priority over those admitted without a job offer through tier 1. The limit for tier 1 has therefore been set at 1,000 a reduction of more than 13,000 on last year's numbers.
5. A new route will be introduced within tier 1 for people of exceptional talent – scientists, academics and artists who have achieved international recognition, or are likely to do so.
6. The limit for tier 2 has been set at 20,700, which is an increase of nearly 7,000 on last year's numbers.
7. Intra-company transfers are not included in the limit for tier 2 and there will be no limit on these types of visa. However, a new salary threshold of £40,000 will be placed on any intra-company transfers of longer than 12 months.
8. Tier 2 will be restricted to graduate-level jobs only.
9. The Migration Advisory Committee will be asked to review the limit next year in order to set new arrangements for 2012-13.

The Student Immigration System Consultation

10. The Home Secretary admitted that it would be impossible to meet the Government's aim of reducing net migration to the tens of thousands without looking at other types of non-

EU migrants. Students currently account for two thirds of non-EU migration and the Home Secretary launched a public consultation on student visas December. This consulted on restricting entry to only those studying at degree level, but with some flexibility for highly trusted sponsors to offer courses at a lower level.

11. The Government also consulted on closing the post-study route, which last year allowed some 38,000 foreign graduates to remain in the UK and look for employment after graduation. This post-study route originated as the Fresh Talent visa for Scotland. The Scottish Government have objected to this in their response and have requested that the arrangement be retained for Scotland.

The next steps in reaching the ambition to reduce net migration

12. The Home Secretary has also announced her intention to further restrict family visas and to 'break the link between temporary routes and permanent settlement'.
13. From the beginning of December those applying for marriage visas will be required to demonstrate a minimum standard of English. The Government also plans on cracking down on 'sham marriages' and will consult on extending the probationary period of settlement for spouses beyond the current two years.
14. The Home Secretary also said that she would restrict permanent settlement of people coming to fill temporary skills gaps.

Our initial concerns

15. Limiting skilled and highly skilled migrants is likely to damage Scotland's economic recovery and future growth. Limiting students will have a negative impact on our colleges and university and may also negatively impact on our economy more widely.
16. The limit to migration does not take into account Scotland's demographic needs or the Scottish Government's population growth target, which is designed to promote economic growth and to ensure we have a sustainable working age population capable of supporting our very old, very young and vulnerable people.
17. The immigration cap will make it more difficult to fill skills shortage roles, which is particularly important to Scotland's rural communities.
18. The bias towards intra-company transfers will make it more difficult for public sector employers and small businesses to use the other routes in tier 2 to bring in migrant workers to fill skills shortage roles because of the reduced number of visas available.
19. The requirement that tier 2 migrants must be educated to degree level will prevent migrants with vocational skills from obtaining visas, and we presume this includes jobs that have been included on the skills shortage lists in recognition of the fact that they are difficult to fill from within the EU.
20. The £40,000 salary threshold for intra-company transfers of longer than a year is not a realistic reflection of salary levels outside of London and will disadvantage employers in areas like Scotland which have lower salaries (often reflecting a lower cost of living).