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**SMITH
STONE
WALTERS**

UK Immigration Practice

INSIGHT

UK IMMIGRATION NEWS & VIEWS
FROM SMITH STONE WALTERS
SUMMER 2019



Calling all
workers: the
UK economy
needs you

AS ONE DOOR CLOSES

The government's immigration policy after 2021 promises that it will be workers' skills that matter, not which country they come from. But there are fears that the expertise being prioritised won't meet all the demands of the UK economy

The Immigration White Paper, released in December, aims to 'drive business change and ensure that UK companies are at the forefront of innovation going forward'. Central to this will be encouraging workers all over the world to take up highly skilled roles – those with a salary of more than £30,000. However, with a declining pound and a feeling that those who weren't born in the UK aren't as welcome as before, this country has become a less attractive destination for foreign talent.

One 'problem' is the high employment rate. For the first time since 1975, the majority of eligible men and women (more than 70 per cent) are already in work. There are currently 852,000 vacancies but not enough local people to fill them. So employers have to resort to searching abroad for staff, rather than offering skills training and higher wages to the native population.

The minimum salary threshold of £30,000 which is a primary factor in determining whether a non-EU national gains visa approval in the UK. Key posts such as nurses, paramedics, teachers and social care roles cannot be fully filled from the existing labour market. So the government has made

exceptions to the threshold and classified some of these as 'occupations in shortage'. But this does not include other low-paid jobs that employers struggle to fill like carers, baristas and hotel staff. With the door closing on the pool of EU workers previously available to employers, where will they find the people to take up these roles?

We already have eight million people aged 16–64 who aren't 'economically active', and a growing population over 65. Billions of pounds has been invested into technology to mechanise repetitive work, but as yet no robot can replicate the human touch.

SHORT-TERM SOLUTIONS

To alleviate this, the government intends to issue temporary visas that last for 12 months maximum for those in 'low-risk' countries who want to work in these low-skilled (read low-paid) jobs.

People holding these visas will not be able to claim benefits nor bring dependants with them, and they won't stay long enough to make the overall immigration figures rise. Once their year is up they will not be able to return for 12 months. On the plus side for employers,

they will save on having to pay for a sponsor licence. But there is no incentive to invest in training if a migrant can't stay on, and the revolving-door approach to recruitment isn't a sustainable model. For a potential employee, there is no reason to put down roots, learn English or seek a promotion if you have to leave within a year.

A second temporary visa route, the Seasonal Workers pilot scheme, was introduced in March. It will lessen the burden on farmers who have in the past relied on temporary labour from EU citizens. Fruit and vegetable growers will be allowed to employ up to 2,500 non-EU migrant workers for up to six months.

SOME JOBS MORE SKILLED THAN OTHERS?

While the terms 'skills' or 'needs' are neutral, how they are applied is often not. An older people's charity recently accused the government of being biased towards fruit and veg production rather than the care sector, where there are 110,000 job vacancies in England alone.

Age UK's spokeswomen said that while care work is low-paid, it is not low-skilled, and that the chance to eat home-grown Granny

Smiths should not be more important than ensuring the right provision for Grannys and Grandpas.

The Home Secretary embarked on a programme of engagement earlier this year, travelling across the country to talk to HR experts in the private, public and voluntary sectors about their needs for the future. But he must get the balance right between controlling immigration and maintaining national productivity after Free Movement ends and his window of opportunity won't stay open for long.

SMITH STONE WALTERS

Also in this issue of Insight, we examine the latest migration figures from the Office of National Statistics; the new routes for foreign talent who want to start up a business in the UK; and how well the 'by appointment only' immigration service is operating.

IMMIGRATION IN NUMBERS

The latest Home Office statistics, issued in May, provide the most up-to-date estimates on people who are subject to UK immigration controls. Long-term immigration remains broadly stable, and is at its lowest since 2013.

Please note the figures presented here are estimates relating to the year ending December 2018, unless otherwise stated.



NET MIGRATION

Net migration is the difference between the number of people arriving and the number of those leaving. It totalled an estimated 258,000 this period. These figures are similar to those in 2012.

258,000

← ARRIVING 

602,000

LEAVING →

343,000

EU BREXODUS



While non-EU long-term immigration is gradually increasing, the number of EU citizens arriving in the UK has fallen since 2016, and is at its lowest level since 2013. 99,000 EU citizens came to the UK to work long-term in 2018.

99,000

EU NET MIGRATION



EU Net migration is at its lowest level since 2013. It is now estimated at 74,000.

74,000

SKILLED WORK



The total number of Tier 2 skilled work visas granted increased by 15% to 216,000. This was more than half of all work visas issued.

15%
UP

FAMILY



The number of people who moved to join or accompany another person has declined since 2017 to 51,000, the lowest level recorded.

51,000

STUDY



Non-EU student immigration has risen to its highest level since 2011. 211,000 people arrived in the UK long-term to study. Half of all the Tier 4 student visas issued went to Chinese and Indian nationals. There was a 10% increase in the number of migrants studying at higher education institutions.

211,000

HEALTH & SOCIAL WORK



Tier 2 (skilled) work visa grants in the human health and social work sector rose by 62% in the year ending March 2019. This increase coincides with the removal of highly skilled doctors and nurses from the Tier 2 visa cap.

62%
UP

IS THE SETTLEMENT SCHEME ON TRACK?

The Home Office has announced that processing times for the EU Settlement Scheme are only between one to four days. But we advise customers to be aware that in practice it may be longer to receive confirmation, as they have a precise definition of processing time.

The clock starts ticking only once you submit your online application; or once UKVI receives your identity document in the post.

If you need to submit fingerprint biometrics, then processing time begins once UKVI has received your scans.

The Home Office also confirmed that it will retain documents for an average of three days before they are returned. But this time does not take into account how long documents may be in the postal system.

Whether an applicant is granted settled or pre-settled status, registration is

only confirmed online, with no physical required documents as proof of settled status.

Registration is only confirmed online, with no physical documents required as proof of settled status

There are an estimated 3.7 million EEA and Swiss nationals living in the UK who will need to register their status before June 2021. The Home Office says they've done 600,000 so far. Only three million to go...



OUR EU TRACKER CAN HELP

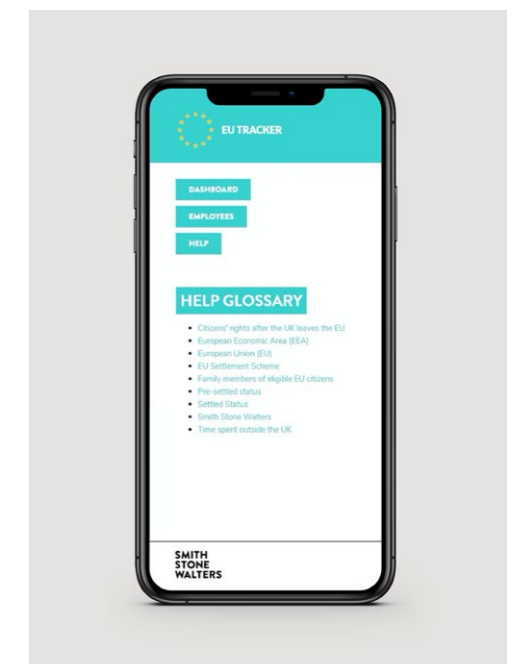


As part of our dedicated Brexit Immigration Service, Smith Stone Walters has developed an online tracker to aid clients.

Bespoke to each business, our system manages, tracks and supports EU workers in filing for settled status and shows employers, at a glance, how many of their employees have fulfilled their obligations to date.

It also provides employers with the confidence that no EU national is left behind.

Please contact us if you need further information.



RETURN TO THE MAC

Sajid Javid has gone back to the Migration Advisory Committee (MAC) to ask it to reconsider the minimum salary threshold for migrant workers after Brexit.

In September last year, the MAC made a recommendation that the minimum requirement to employ overseas workers should be set at £30,000.

But it has been reported that the Home Secretary has asked the MAC to look again

at how best to fill vacancies in lower-paid industries like hospitality, healthcare and construction. Javid would like the MAC to examine whether those companies should pay 'the going rate' after Brexit. It is expected that the MAC's new report will be ready by the end of the year.



PAYING A PREMIUM



Following a Freedom of Information request, Smith Stone Walters has discovered how well the new digitised immigration service is operating for customers applying for visas in-country.

All customers are first required to attend a service point or a core centre to submit their a. At the free-to-book Croydon core centre, an average of 500 applications were processed every working day for the first four months of 2019.

But the service is not as efficient outside of the big cities. We looked at statistics for Bournemouth, a large town and a thriving hub for a number of industries including the creative, financial and

tourism sectors. It also has a university with many overseas students.

Its service point, situated in the town centre library and run by library staff, has only managed three appointments per day – leaving the large migrant population no choice but to travel for miles to the next nearest service point or pay a premium to ensure they are seen.

At the premium lounge in London, we have discovered that between January

and April 2019 more than 8,000 applicants have chosen to pay up to £260 to secure an appointment. The Home Office's commercial partner, Sopra Steria has therefore collected £1.6million in fees at this location alone.

For more information on our Freedom of Information request, please go to:

https://www.whatdotheyknow.com/request/ukvcas_appointments_bournemouth#incoming-1366730



UK LAUNCHES 'PLATINUM' SERVICES FOR VISA APPLICANTS IN SPAIN

UKVI has opened two premium services centres in Barcelona and Madrid which aim to be even better than gold standard. Customers applying for UK visas from Spain are invited to relax in a comfortable lounge while UKVI staff process their applications.

Appointments will be available at the premium centres at a fixed cost (undisclosed at time of writing), in addition to the visa application fee.



SMITH STONE WALTERS

In numbers

Helping people move to the UK is our business. Smith Stone Walters understands, manages and supports corporate immigration strategies, advising our clients on all aspects of nationality and UK work permit law.

NEW YORK



Our regional office for the Americas celebrated its 10th anniversary in 2019. Based in New York, our staff have vast experience of UK immigration.

2009

FEEDBACK



We aim to make the process of moving to a different country as smooth as possible for both migrant and employer. We are proud to say that our consistently high level of customer feedback delivers that intention.

100%

OUR MISSION STATEMENT



'To provide our clients with outstanding UK immigration services. Through a commitment to client satisfaction we build relationships that last and ensure our clients' UK immigration aims are fully met.'

LANGUAGES



Namaskaram, Sat Sri Akaal, Namaste Namaskar, Goeie dag, Ni hao, Bonjour, Guten Tag, Halo Dzień, Dobry Salut, Konnichiwa. We are proud of the fact that our team of highly experienced, multi-lingual, multi-cultural specialists are fluent in 16 different languages, and proficient in many more.

16

HONG KONG



In 2011, we opened a Hong Kong office to support and expand our Asian market. We deal with clients on a global scale who appreciate our knowledge of how UK visa requirements often differ from those in other countries.

2011

LONDON



In addition to our HQ in south-east London, we have had a presence at the heart of the UK's capital city since 2014.

2014

FOUNDED



Gary Smith, David Hugkulstone and James Walters co-founded the company in 2001. Together since then for the past 18 years they have overseen the growth and development of SSW's UK immigration practice in this country and around the world.

2001

TIER 2 COS



Amount of Tier 2 CoS that SSW successfully issued on behalf of clients in 2018.

2,516

INDIA



Our office in Mumbai has been the home of both specialised regional expertise and a hub for global clients since 2012.

2012

CORPORATE SOCIAL RESPONSIBILITY



We passionately believe in giving back. Since 2013, SSW has raised more than £26,000 for the exceptional Rainbow Trust. Children's Charity.

£26,000

FOCUS



The government has introduced two new visa categories, Start-up and Innovator, for non-EEA nationals who wish to set up a business in the UK. In the latest Focus, we examine the new routes in more detail.

The current immigration system is centred on admitting only highly skilled workers from outside the EU, and workers of all skill levels from the EU. It imposes controls through minimum skills and salary levels, a cap on numbers and the need to test the availability of local workers before recruiting abroad.

Why have these new visa routes been introduced?

As long ago as 2015, the Migration Advisory Committee recommended that the old Tier 1 (Graduate Entrepreneur) and Tier 1 (Entrepreneur) routes were in need of substantial reform. These new categories, which came into effect at the beginning of April, will replace them.

What is the main difference?

Both routes will see endorsing bodies (EBs) and business experts – rather than the Home Office – examining and qualifying applicants' business ideas. This protects against fraud and ensures that any investments are of greater benefit to the UK economy.

Who or what is an Endorsing Body?

EBs include incubators, accelerators, government agencies and business development organisations. They have a proven track record of supporting UK entrepreneurs, including resident workers. They may have been invited

to become an EB or approached the Home Office directly. Most EBs for the Start-up category are universities; for the Innovator route they are mostly tech firms. The EB must be reasonably satisfied that the applicant will spend the majority of working time in the UK on developing business ventures.

For further information see:

<https://www.gov.uk/government/publications/endorsing-bodies-start-up>

<https://www.gov.uk/government/publications/endorsing-bodies-innovator>

Who is eligible for a Start-up visa?

This category is for people seeking to establish a business in the UK for the first time. Applicants will need an innovative, viable and scalable business idea which is supported by an EB. This category offers leave to remain for two years and does not lead directly to settlement in the UK, but applicants may progress into the Innovator category below.

Who is eligible for an Innovator visa?

This category is for more experienced businesspeople seeking to establish a business in the UK. Again, applicants will need an innovative, viable and scalable business idea which is supported by an EB. With some exceptions,

applicants will have funding to invest in their business. This category may lead to settlement in the UK.

How does a business secure an endorsement?

For both categories to secure an endorsement, the business venture must meet all of the following requirements:

- The applicant has a genuine, original business plan that meets new or existing market needs and/or creates a competitive advantage
- The applicant has the necessary skills, knowledge, experience and market awareness to successfully run the business; and
- There is evidence of structured planning and of potential for job creation and growth into national (and international*) markets.

*for the innovator category.

Room for improvement

While we welcome the changes from the old categories, there are already hurdles for overseas entrepreneurs to overcome that are not replicated in any other countries around the world.

Smith Stone Walters is concerned that any obstacles will deter those seeking permission under these application routes and make the UK a less attractive destination for new business growth.



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