



House of Commons
Science and Technology
Committee

**An immigration system
that works for science
and innovation:
Government's Response
to the Committee's
Eighth Report**

**Ninth Special Report of Session
2017–19**

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Science and Technology Committee

The Science and Technology Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Government Office for Science and associated public bodies.

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The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/science and in print by Order of the House.

Evidence relating to this report is published on the relevant [inquiry page](#) of the Committee's website.

Committee staff

The current staff of the Committee are: Danielle Nash (Clerk), Zoë Grünwald (Second Clerk), Dr Harry Beeson (Committee Specialist), Dr Elizabeth Rough (Committee Specialist), Martin Smith (Committee Specialist), Sonia Draper (Senior Committee Assistant), Julie Storey (Committee Assistant), and Joe Williams (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Science and Technology Committee, House of Commons, London SW1A 0AA. The telephone number for general inquiries is: 020 7219 2793; the Committee's e-mail address is: scitechcom@parliament.uk.

Ninth Special Report

On 19 July 2018 the Committee published its Eighth Report of Session 2017–19, [An immigration system that works for science and innovation](#) [HC 1061]. The Government Response came in the form of a letter dated 10 October 2018 to the Chair of the Committee from Caroline Nokes MP, Minister of State for Immigration. We publish this letter as an Appendix to the Special Report.

Appendix: Government Response

The Government welcomes the Science and Technology Committee’s report ‘An immigration system that works for science and innovation’. We recognise that access to global talent after we leave the EU in the scientific, research and innovation fields remains a crucial issue for businesses working in our innovation industries here in the UK and those that we want to attract to the UK in the future.

Since January 2018, we have implemented an extensive and wide-ranging package of changes to the immigration rules, aimed at supporting science and innovation and geographical mobility. These changes included:

- providing for top global scientists (as well as technology, creative and arts leaders), to apply for settlement after three years, down from five years under the Tier 1 (exceptional talent) route;
- making it easier to employ international researchers by waiving the Resident Labour Market Test under Tier 2 for:
 - supernumerary research posts supported by awards and fellowships and
 - members of established research teams who are sponsored by UK Higher Education Institutions and the Research Councils.
- enabling faster switching between our Tier 4 study route and our highly skilled work route under Tier 2, demonstrating our commitment to support those in the early stages of their career,
- exempting scientists and researchers from the 180-day settlement rule, so that they are permitted to be outside of the UK for longer than this permitted period if they are assisting with a humanitarian or environmental crisis; and
- doubling the number of Tier 1 (Exceptional Talent) places to 2000 visas per year.

Further Immigration Rules changes implemented on 6 July 2018 also expanded the number of institutions who can sponsor international researchers to make it easier for Research Councils and similar organisations to bring researchers to the UK for two years under our temporary work route within the Tier 5 (Government Authorised Exchange) Scheme.

But we are not complacent and the Government continues to keep all of our immigration routes under review to ensure that they continue to work in the national interest. That is why on 6 July, we exempted all doctors and nurses from the annual Tier 2 (General) cap of

20,700. While this is a temporary measure which will be kept under review and not solely related to science and innovation, this exemption does create additional headroom within the cap for all other sectors including engineers, scientists and IT professionals among others accessing our main immigration work route. In August, there were sufficient places to grant all applications received by businesses which met the minimum criteria for the route.

We are committed to developing an immigration system in the future that works for all sectors of the economy and which will ensure that the UK remains open for business and can access the international skills and talent we need. But we have always been clear that such decisions should be based on evidence. Last July, the Government asked the Migration Advisory Committee (MAC), an independent Committee comprised of labour market economists, to gather evidence on patterns of EU migration and how our immigration system should be aligned to the modern industrial strategy. The MAC published their report on 18 September. We are currently considering their conclusions and recommendations before taking decisions on the final arrangements.

We note the Science and Technology Committee's concerns that we did not ask the MAC to bring forward its conclusions in respect of science and innovation. However, the complexity of the MAC's task, which took account of the whole UK economy and all of the sectors within it, and it was important that they were given sufficient time to get it right. We will take account of both the MAC's recommendations and those of the Science and Technology Committee as we continue to develop the arrangements for the future immigration system.

Recommendation 1

We recommend that the Government works with the 'Designated Competent Bodies' to revise, and clarify, the eligibility criteria further for the Tier 1 (Exceptional Talent) visa so that the pool of potential applicants is increased. The DCBs should be given the resources to ensure that this route is well-publicised and correctly pitched. The Government should also follow through on its plans to make it easier for members of established research teams to relocate to the UK, alongside their research leader.

Response

The Tier 1 (Exceptional Talent) route provides for a means by which internationally recognised leaders (and emerging leaders) in the digital technology, arts, science and creative fields, can come to the UK, following endorsement by one of five bodies in the UK. It is not designed to be a route for routine recruitment but rather is intended to supplement Tier 2, our main immigration work route for employed individuals with a skilled job offer with a UK-based business. As such, the nature of this Tier 1 route means that the number of successful applicants will always be small. However, we are not complacent and we continue to review the route to improve its uptake. In January 2018, we doubled the number of available Tier 1 (Exceptional Talent) places to 2000 visas per year—and we continue to monitor its operation. We also work closely with the Designated Competent Bodies, who we meet regularly, to review changes to each individual endorsing

body's criteria to encourage further take up of the route. We will continue to discuss these routes with Designated Competent Bodies and consider whether any further publicity is required.

We have already implemented changes in January this year to make it easier for members of established research teams to relocate to the UK, alongside their team leader, by waiving the Resident Labour Market Test for members of such teams under Tier 2.

Recommendation 2

We recommend that the Government re-instates the Tier 1 (post-study work) visa route for graduates with a recognised degree from a UK higher education institution.

Response

The Government recognises that access to global talent after we leave the EU in the scientific, research and innovative fields will remain crucial for businesses working in the UK and those that we want to attract to the UK. The changes announced by the Government in January included changes to make it faster for switching between Tier 4 (student) and Tier 2 (highly skilled) visas. We are considering the MAC's recommendations in this area, contained in their report on International students.

The UK has a strong post-study work offer for graduates seeking to undertake skilled work in the UK after their studies, which includes:

- Students studying courses lasting 12 months or more are given 4 months leave at the end of their course to look for a job—extended to 6 months for Masters students at 27 universities taking part in the Tier 4 pilot scheme—although they can of course start looking before then.
- Those with an offer of a graduate-level job, paying an appropriate salary, may take up jobs with any of the over 27,000 employers licensed under Tier 2. Many of the normal requirements for a Tier 2 skilled work visa are relaxed or waived entirely for those applying to switch from the Tier 4 student route within the UK:
 - They are exempt from the Tier 2 annual cap.
 - Their employers do not need to carry out the Resident Labour Market Test, even if the job is not in a shortage occupation.
 - Their employers do not need to pay the Immigration Skills Charge.
 - They only need to satisfy lower, “new entrant” salary rules, with a lower salary threshold of £20,800, compared with £30,000 for experienced workers.
 - As long as they apply before their Tier 4 permission expires, they can start work as soon as they make their Tier 2 application, rather than having to wait until it has been decided.

- From January this year, students are now able to apply and start work as soon as they have completed their courses, rather than waiting until they have received their results.
- Our Tier 1 route for graduate entrepreneurs was the first of its kind in the world, allowing students identified by their higher education institution or the Department for International Trade (formerly UK Trade and Investment) to stay on for up to two years to develop their businesses in the UK before switching into Tier 2 or the main entrepreneur route. On 13 June, the Home Secretary announced plans to build on the success of this route by expanding the Graduate Entrepreneur route into a broader Start-up visa, from Spring 2019.
- Graduates wishing to undertake a period of professional training or a corporate internship related to their qualifications, before pursuing a career overseas, may do so under our Tier 5 (Government Authorised Exchange) route.
- PhD students can stay in the UK for an extra year, under the Tier 4 Doctorate Extension Scheme, to look for work or start their own business.

The previous post-study work route was not closed solely due to concerns about competition with a high proportion of UK graduates looking for work, but because the enticement of being able to work in the UK without a sponsor or any other form of oversight was a magnet for abuse. It was attracting too many fraudulent applications through the student route from people who had no intention of studying.

Any successor arrangements need to protect against this behaviour while continuing to offer excellent opportunities to genuine students who wish to take up skilled work in the UK after their studies. The above arrangements have been designed to strike this balance, but we keep all our immigration routes under review. We take careful note of recommendations by other interested parties on the issue of post-study work schemes, in light of the issues described above, and will continue to consider the evidence carefully.

Recommendation 3

We recommend that the Government removes the cap on Tier 2 (General) visas, reduces the cost of applying for a visa and reviews the operation of the shortage occupation list.

Response

We are committed to ensuring that our immigration system supports the national interest by ensuring that UK-based businesses can access the talent they need from overseas when the skills they require cannot be found within the domestic labour market. But we are also committed to reducing net migration to sustainable levels and have been clear that it is important that employers look first to the domestic labour market before recruiting from overseas.

The Government recently exempted doctors and nurses from the general cap of 20,700. This is a temporary measure which will be kept under review to ensure that the immigration system continues to work in the national interest and frees up hundreds of places within the cap for other sectors of the UK economy. Within the cap, however, we already give

additional priority to PhD-level occupations, such as scientists and researchers, recognising their positive contribution to the economy and no such jobs—or those which have been deemed to be in national shortage by the Migration Advisory Committee—have ever been denied a place when the cap has been oversubscribed.

In July, we also commissioned the MAC to review the full composition of the Shortage Occupation List to reassess the occupations should be given priority within the cap. We have asked the MAC to report on the Shortage Occupation List in Spring 2019. It is right that we await the outcome of that review and its findings.

The UK's visa fees remain internationally competitive. Income from visa fees helps provide the resources necessary to operate the immigration system. To ensure that the system is fair and equitable, the Government believes it is right that those who use and benefit directly from the UK immigration system make an appropriate contribution towards meeting the costs, thereby reducing the cost to the UK taxpayer. The Government already offers reduced fees for smaller employers and for jobs in shortage occupations.

The lower fee offered to EU nationals under the EU Settlement Scheme reflects their unique circumstances in relation to the UK's decision to leave the European Union, and that they would not have been expecting to make such an application before the referendum. The level it has been set at would not be sustainable across all visa routes without significant extra costs to the taxpayer.

The Immigration Skills Charge is a separate charge. Its purpose is to incentivise employers to invest in training and upskilling the resident workforce, which is vital to achieving our ambitions to increase UK productivity. Data show that, on average, employers in the UK under-invest in training compared to other countries. There are many examples of good practice but, at an economy-wide level, employer investment in training has been declining for 20 years. The UK is forecast to fall from 24th to 28th out of 33 Organisation for Economic Co-operation and Development (OECD) countries for intermediate skills by 2020. Money raised from the charge helps to fund training for UK residents. We recognise, however, the international nature of the research sector, and have exempted PhD-level occupations from the Immigration Skills Charge.

Recommendation 4

We recommend that the flexibility shown by the Government to the continuous residency requirements for settled status is also applied to those aiming to apply for indefinite leave to remain. Furthermore, a “research activity” exemption should be established for those who have needed to spend more than 180 days in any 12 months overseas for research purposes.

Response

The Government believes that those applying to settle permanently in the UK should demonstrate a strong connection and commitment to the UK. We nevertheless relaxed the settlement rules in 2012 to allow applicants to spend up to 180 days every year outside the UK. Allowing individuals to spend nearly half their time overseas without jeopardising their applications for settlement is a very generous provision, and should cater for most circumstances. In January this year, we widened an exemption from the

180-day settlement rule to include anyone who has been outside of the UK for more than the permitted period if they are assisting with a national or international humanitarian or environmental crisis—which was aimed specifically at the science and research sector.

The further waivers offered to EU nationals under the EU Settlement Scheme reflect their unique circumstances in relation to the UK's decision to leave the European Union, and that they would not have been expecting to make such an application before the referendum. We keep our rules under review and are not opposed to making further changes to the settlement rules for other applicants where there is a case to do so. However, it is questionable whether rules which would allow someone to settle permanently in the UK despite only having lived here for a cumulative 2 years over the 5-year qualifying period really demonstrate sufficient ties and commitment to the UK.

Recommendation 5

We recommend that the Government uses our immigration proposal as the basis for further, detailed work with the science and innovation community to 'co-create' an immigration policy; one that facilitates the global movement of talent into the UK and helps to ensure the UK maintains its world-class status in innovation, research and development.

Response

The Government welcomes the work that the Science and Technology has undertaken. We have already started work to develop options for the future immigration system but before decisions can be taken, we are keen to ensure that we have the appropriate evidence base.

We will carefully consider the conclusions of the Migration Advisory Committee as well as the evidence, conclusions and recommendations which have been made by the Science and Technology Committee. This will help us to design an immigration system which ensures we are able to attract the necessary skills and expertise needed in the UK whilst training UK residents to fill more highly skilled jobs.

Recommendation 6

The Prime Minister has called for a "far-reaching science and innovation pact with the EU, facilitating the exchange of ideas and researchers". We have recommended previously that agreeing such a pact should be an early priority for the Government in the Brexit negotiations. More recently, the Brexit White Paper described a science and innovation "accord". Our proposals for an immigration system, after further development with the community, should be integrated into this wider accord on science and innovation, which should also cover:

- *Funding: with a commitment on both sides for the UK to participate fully in the Horizon Europe programme, agreement on how much the UK should pay to participate and its influence in terms of membership of relevant committees.*
- *Regulation: with a commitment to continued cooperation on research regulation, including in relation to the EU's harmonised clinical trials system and its supporting infrastructure.*

- *Collaboration: with commitments to continued reciprocal access to EU research facilities in the UK and in other countries for research purposes, with the future of facilities hosted in the UK assured. There is a need to negotiate agreements in relation to associate membership of, or participation in a large number of bodies.*

Response

Science and research are vital to our country's prosperity, security and wellbeing, and they are at the heart of our industrial strategy. As the Prime Minister has said, the UK must remain among the best places in the world for science and innovation, and we hugely value the contribution that EU and international staff and students make to this. Mobility is intrinsically linked to the UK's ability to remain at the forefront of science and research.

The Government has been consistently clear that the UK is, and will continue to be, a place that welcomes talented scientists and researchers from across the globe to work or study here. Immigration reforms since 2010 have explicitly taken account of the needs of the academic and research sectors, even whilst restricting migration in other spheres. The Government has consistently protected and enhanced the treatment of these sectors in the immigration system. We value the strong collaborative partnerships that we have across the EU in the areas of science, research and innovation and recognise the important contribution they make to the UK.

As the UK leaves the EU, one of our core objectives is to continue to collaborate with European partners on major science, research, and technology initiatives. The White Paper, published by the Department for Exiting the European Union on 12 July 2018, sets out in detail how we see our future relationship working and notes the areas of cooperation that are of importance to the UK and the EU, including establishing mutually-beneficial cooperative accords for science and innovation, culture and education.

As set out in the White Paper, the UK is committed to establishing a far-reaching science and innovation accord with the EU, facilitating the exchange of ideas and researchers, as well as UK participation in key programmes alongside our EU partners. This will ensure that the UK and the EU could build on existing activity or develop new forms of cooperation, taking advantage of emerging opportunities and responding to global challenges, where it is in both parties' mutual interest.

The White Paper also sets out that the UK would like to discuss possible options for participation in programmes, including but not limited to Horizon Europe, Euratom R&T, and that the UK should continue to participate in other EU networks and infrastructures, explicitly mentioning European Reference Networks and European Research Infrastructure Consortia in this regard. As part of any association agreement, the UK has also stated its wish to continue to host European Research Infrastructures.

With regard to regulation, the Government is working to ensure that we continue cooperation with the EU after we leave. The Prime Minister has been clear that this involves us wanting to make sure our regulators continue to work together, as they already do with regulators internationally. On clinical trials in particular, the UK is committed to continuing to align as closely as possible to the EU on clinical trials regulations whilst it remains a member state, as well as ensuring streamlined application processes for clinical trials in the UK.

The Government's priority remains ensuring the draft Withdrawal Agreement is finalised and concluded, with the intention that UK entities' right to participate in Horizon 2020 would be unaffected by the UK's withdrawal from the EU for the lifetime of projects.

However, as a responsible Government, we are planning for every eventuality to ensure cross-border collaboration in science and innovation can continue after EU exit in all scenarios

On 24 August, we published a technical notice on Horizon 2020, detailing our plans in a 'no deal' scenario. They include underwriting payments of Horizon 2020 funding for UK beneficiaries through the underwrite guarantee and the post EU Exit extension to the guarantee. This would ensure cross-border collaboration in science and innovation could continue after EU exit in this unlikely scenario.

The Committee notes that negotiations on the immigration system might be inextricably tied up in a settled trade, legal and security relationship. While there are benefits to be gained from such an approach in terms of reciprocal arrangements for UK nationals working in the EU, one message from the referendum is that the public expects the UK to take more control of our borders and immigration. Our approach to the negotiations has to strike a careful balance between these issues. We agree with the Committee that our system for continuing to attract highly skilled people with the talent we need should not be constrained by what the EU is willing to offer in return.

Regardless of the outcome of the negotiations, the Government will ensure that after the end of the Implementation Period, our national legislation will protect the rights, safety, dignity and well-being of research participants in the UK to the same degree as research participants in other EU Member States. Our national legislation will reflect globally acceptable standards of good clinical practice and will help us to collaborate with regulators across the world to share information about patient safety. The Government will also continue to support patients and stakeholders with their planning.