

Migration Advisory Committee

David Metcalf
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1. Numbers
2. New system of immigration
3. Description of tier 2
4. Labour shortages
5. Unresolved issues

I am Chair of the MAC. I am speaking in a personal capacity, not as Chair.

1. Numbers

a. Flows 2005, thousands, > 1 year

	Gross inflow	Gross outflow	Net
Total	565	380	+185
British citizens	91*	198	-107
EU 25	145	56	+89
Commonwealth	189	64	+125
Other	140	62	+78

* of which 75 born in UK

- **Main reason for gross inflow**

total	565		
definite job	159	} = 244 or 43%	
looking for work	85		
accompany / join	86		in 2006
formal study	136		work permits 95
other e.g. asylum, working holiday	69		work permits + depend. 145
no reason	31		

b. Stock 2005, 2006

Foreign born in totals

	m.	%
• total population	6	10
• working age population	4	12
• working age econ active	3	11

re i	%
total popn.	100
A8	1
other EU 25	2
RoW	8

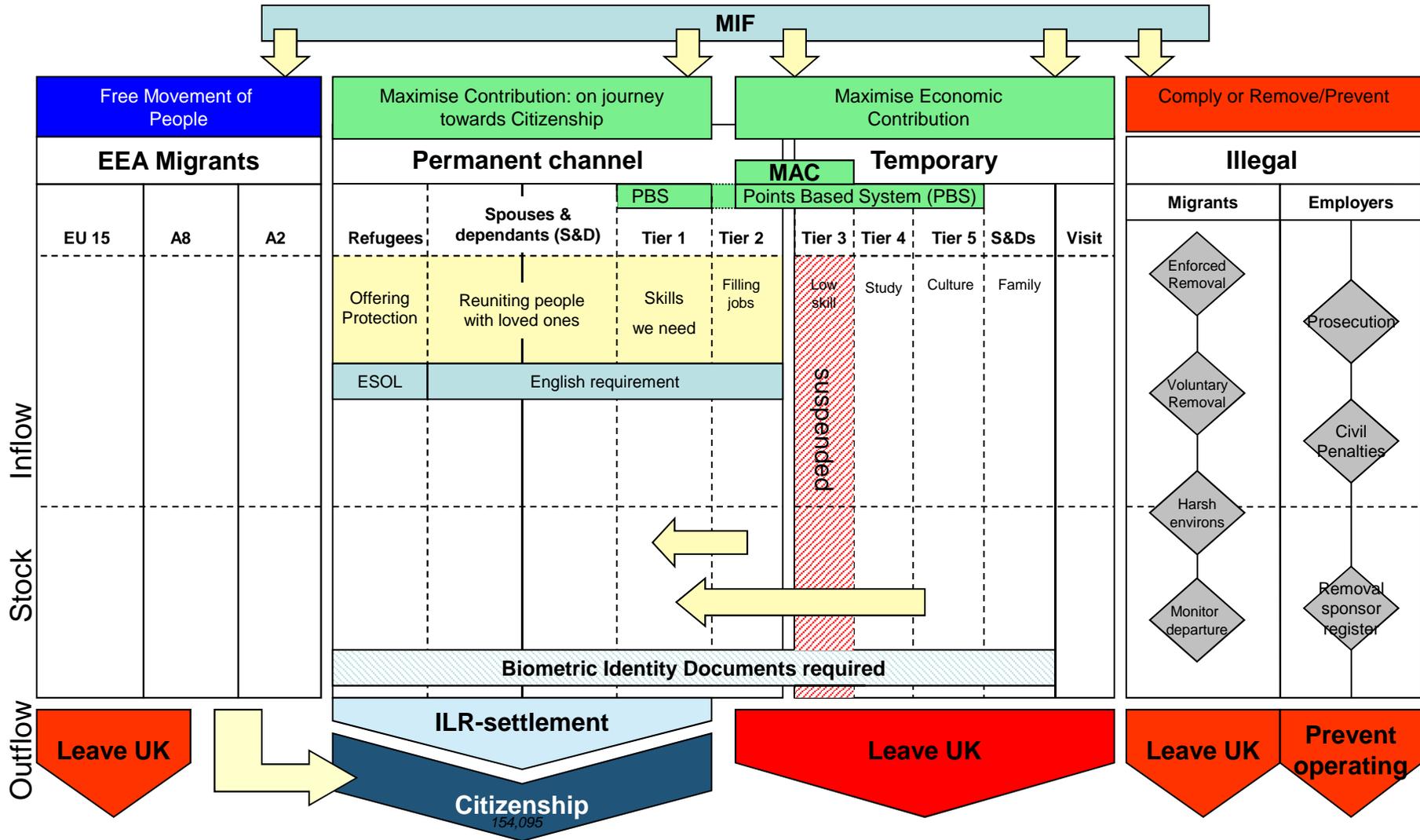
of the 10% foreign born only 5% are foreign

- many UK nationals born abroad returned
- foreign born become British citizens

re ii and iii

- immigrants more likely to be of working age
- immigrants less likely to work
 - students
 - spouses and dependents

2. New system of immigration



A broad overview

3. Description of possible Tier 2

Initial hurdles

- NVQ 3+
- must speak English
- need 50 points

	As defined by MAC	
	shortage occupn	non-shortage occupn
Need to advertise in UK (resident LM test)	No	Yes
Routes and points		
a. shortage occupn	50	-
b. Intra company transfer 6 months + ex with firm appropriate UK salary	-	50
c. Non-shortage		
- job offer passes RLM test		30
- NVQ3/BSc/MSc/PhD		5/10/10/15
- Pay (£k): 15-18/18-19.5/19.5-21/>21		5/10/15/20

4. Labour shortages

a. Possible sources of labour supply

- UK e.g. unemployed, upskilling, returners
- EU
- family reunion
- other immigration – influenced by MAC

b. Possible “top-down” shortage indicators (by occupation)

- prices (wages)
 - change W, private sector
 - returns to qualifications
- quantities (levels and/or changes) e.g.
 - vacancies
 - “skill gaps”
 - overtime hours
 - earlier promotions
 - outsourcing

c. “Bottom up” indicators

- Sector Skills Councils
25, till now 5 key in “shortage” decisions
- MAC visits
- Stakeholder Forum

5. Unresolved issues

A number of factors are still to be decided. These will influence migration levels under tier 2.

a. Shortage occupations, by June 2008

b. Fees

Work permit currently £390
approx 0.5% of 2-year labour costs

c. Initial hurdles

- administration of English language test
- validation of job level and qualifications

d. Points

- operation of Resident LM test
- pay threshold
e.g. EU blue card: 3 x NMW = £32,700