

Regional Visas

A unique immigration solution?



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Foreword

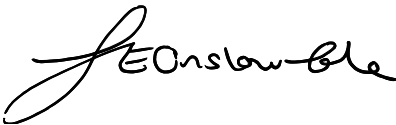
The UK's referendum on EU membership has further heightened the debate around immigration and it is explicitly clear that immigration is a key priority for the UK population.

This report by PwC, commissioned by the City of London Corporation, explores the possibility of creating a 'regional visa' for non UK nationals. Our objective is to spark public debate on the possibility of allowing regional decision makers to assess and address local immigration needs, as part of a wider consideration of the UK's future education and skills requirements. As the challenges and opportunities of Brexit are worked through, such an approach could boost the economy overall and increase the integration of migrants in their local community.



Mark Boleat

Chairman of the Policy and Resources Committee
City of London Corporation



Julia Onslow-Cole

Partner, Legal Markets Leader and Head of Global Immigration
PwC

Executive Summary

This report by PwC has been commissioned by the City of London Corporation to explore the possibility of creating a 'regional visa' for non UK nationals. Our objective is to spark public debate on the possibility of allowing regional decision makers to assess and address the immigration needs of their region in a post Brexit world. This approach could boost the economy overall and increase the integration of migrants within their local community.

Businesses have identified that there is a skills deficit especially in relation to low skilled labour from within the UK workforce. The impending Apprenticeship Levy due to be implemented in April 2017, aims to create 3 million apprenticeships as a way to address skills shortages and support a broader set of career paths. This figure was identified prior to the Brexit vote. If the UK has restricted access to EU skills to help fill shortages, this number will increase. Before the UK leaves the EU it is important for the UK to understand what skills shortages will arise. The regional visa could provide an evidence based approach and kick-start the much needed research and dialogue between business and government to truly understand the UK's skills shortages and immigration needs.

Further, by allowing the regions to control immigration this will recognise the fact that the needs of London and Yorkshire will differ dramatically. Whilst all regions will have to adhere to the same overall requirement criteria set by the Home Office they will be allowed to control the numbers of migrants and the skills they require for their region. This flexibility will allow regions to meet local labour needs for a range of jobs, both medium and lower skilled, transient and longer term. The report will focus upon how this system could be implemented in practice. In addition, we have undertaken a global analysis and identified some countries that have implemented migration systems tied to regions.

It is important to note that not all international moves are to address a skills deficit. Multinational companies recognise the benefits of diverse cultures and encourage overseas secondments to ensure they retain the best talent and remain competitive globally. This report does not address this issue and is focused upon the

mechanics of implementing a regional visa system specifically to address skills shortages. This report also does not include students, refugees or visitors.

A regional visa could present an opportunity for the UK to have a nuanced immigration system that successfully meets the requirements of UK business and economy post Brexit. Economies that are dependent on a single city hub are less resilient to global economic shocks¹. A regional visa system could facilitate and promote economic development outside of London.

Regional visas mean centres, such as Manchester, Newcastle and Birmingham, could become more competitive on the national stage, promoting themselves and attracting top overseas talent and in turn benefitting from increased innovation and energy.

At present the UK has unfettered access to EU migrants who can work and live in the UK without restrictions on duration. Migrants seeking work from outside of the EU, however, are subject to more stringent requirements and restrictions, with workers having to apply for one of several types of visa requiring particular skills and / or income levels. The Government have not confirmed what visa regime will be applied to EU migrant workers after the UK exits the European Union.

If the current visa system were extended to EU migrants, research suggests that three quarters of the EU workforce in the UK would not meet these requirements. Sectors such as health and construction have high proportions of EU migrants, many of whom would not meet the stringent salary and skills requirements under the existing visa system². This could result in skills shortages in these areas. Conversely, tailoring visa requirements to local areas could open up job applications to a wider pool of applicants from around the world.

The regional visa is an opportunity for the best placed people within the regions to make decisions that impact the day to day position of individuals within that community. Further it is hoped that this would also lead to more integration as local authorities could also target training and apprenticeships for resident labour accordingly.

1. <http://www.theweek.co.uk/74308/is-the-uk-economy-too-reliant-on-london>

2. www.ft.com/content/43645264-12a7-11e6-839f-2922947098f0

A Viable Option?

Restricting EU migration will undoubtedly result in some challenges for UK businesses, especially for those who currently rely on EU migrants. There are skills shortage issues that need to be tackled effectively to ensure the UK remains competitive post Brexit. A regional visa system is a viable, workable solution to address these issues, in a way that could be beneficial to the UK both regionally and as a whole. Australia and Canada have implemented regional visa systems to encourage migration to the particular demographic and labour needs of different areas. Whilst this has affected changes in migration patterns, at least initially, neither of these regional visa systems are legally binding in the long term. Nevertheless the UK can look to the implementation of these systems to help inform any future UK policy in this regard.

Alongside the benefits a regional visa system could bring, it could address a number of current concerns across the UK.

Undercutting the current labour market - Reports have concluded that migration provides a net fiscal benefit to the UK³. However, the sentiment remains with some that Migrant labour is undercutting the current market. The regional visa could address these concerns by showing the residents of the region the efforts that have been made to recruit resident labour, particularly in the hospitality, seasonal agricultural and construction industries.

Upskilling the resident workforce - A requirement of the regional visa is for businesses to identify skills shortages. This data could then be used to target efforts for subsequent apprenticeship levies and address skills shortages going forward.

Low skill shortages - A regional visa system would allow greater clarity on regional employment needs, particularly in low skilled cohorts. The necessity for low skilled labour could be properly weighed and considered. It would allow for a direct and exact flow of low-skilled migrants; at a level that was necessary for the UK economy; only in situations where the local workforce cannot cover gaps. The system could represent a reduction on the

unchecked flow of low skilled labour migration from the EEA, without risking adverse economic effects.

Integration - As the migrants will be coming to cover skills shortages, this could result in a more positive attitude towards migrants, as they will be specifically supporting the region and local businesses. It is recognised that extensive effort would need to be undertaken by the local authority to assist with integration and the money could come from the Controlling Migration Fund.

Encouraging business growth - By having access to the skills they need, businesses will be able to grow and remain competitive. It is recognised that this proposed model will require additional input and investment from business and may be both costly and time consuming in the first instance, however, it would be in the interests of both business and local government to make the system work effectively and maintain the UK's economic competitiveness.

International business will, of course, continue to require overseas talent as their diversity of skills and experience will allow their business to remain at the forefront of the market.

Impact on existing infrastructure - the Controlling Migration Fund coupled with the taxes the individual will pay will contribute towards creating and enhancing the infrastructure in the relevant region.

Demographics - The UK is experiencing a decline in its working-age population (of British/settled workers), while the proportion of the population who have reached retirement age is increasing⁴. Since the 1990s, growth in the total UK population is attributed primarily to growth from increased immigration⁵. Fertility rates vary across the UK, with Scotland projected to experience the most severe decline in local population⁶. A regional visa will allow much greater local control to address the issues of a shrinking local workforce and an ageing population, while ensuring the resources are put in place locally to support the necessary infrastructure. A regional visa is a viable system, not just in the immediate wake of Brexit, but also to address the UK's longer-term demographic challenges.

3. www.ucl.ac.uk/news/news-articles/1114/051114-economic-impact-EU-immigration

4. www.cityam.com/228289/the-uks-ageing-population-in-numbers-seven-charts-showing-whats-about-to-happen-to-the-uks-workforce

5. www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/february2016

6. www.migrationobservatory.ox.ac.uk/resources/briefings/the-impact-of-migration-on-uk-population-growth/

Introduction

A post Brexit ‘regional visa’ system would recognise the different immigration needs in London compared to, for example, Wales. It is generally recognised that a stringent post Brexit restriction on EU migration could stress labour markets in certain regions particularly London.

With a regional visa, employment needs would be identified by businesses within the region, the Department for Business, Energy and Industrial Strategy (BEIS) and local authorities. The vacancies would be filled by using a regional visa system that recognises regional skills deficits and sector based shortages.

The level of detail and control offered when operating at a regional level could present numerous advantages. The new system could highlight the areas in which further investment is needed to upskill and or incentivise the local work force in order to encourage them to fill employment / skills gaps. This information could also inform and assist the current government’s pledge to create 3 million apprenticeships by 2020.

We recognise that a successful immigration system does not operate in isolation and would need to be supported by an education and skills policy to address endemic skills shortages.

Creating a Regional Visa System

Identifying the regions – The regions will need to be clearly identified going forward. To ensure, for example, Wales is not treated the same as London as Wales has several regions as defined by Welsh Local Authorities. The current definition would not necessarily be fit for purpose⁷.

Regional Sponsor Licence – Businesses that require talent from outside the EU currently have to apply for a Sponsor Licence which is stringently governed by the Home Office. Businesses requiring regional visas would follow the existing format and apply for a Regional Sponsor Licence. The relevant regional business would be required to submit an application including mandatory company information to the UK Visas and Immigration (UKVI). If approved the business would be listed publically.

In line with the existing ‘work permit’⁸ regime, by becoming a Regional Sponsor the business would automatically be signed up to considered sponsor duties, such as having robust HR systems, and the UKVI would be able to undertake audits to check compliance with these duties.

Proposed Regional Visa options – At present EU nationals can work unrestricted and within any role / sector that they wish. However post Brexit, if the Government decided to apply the current Tier 2 Points Based System visa regime to EU nationals, research has shown that a significant number of EU migrants would not meet the stringent skills and salary requirements.

Therefore an approach is needed that will allow the UK to effectively draw on the skills that migrants can contribute to the UK’s workforce. To help address this, we have devised two regional visa models that could apply to non UK nationals. Both models require the migrant and their family members to apply for the ‘regional visa’ prior to travelling to the UK.

7. Current definition of regions - South East, London, North West, East of England, West Midlands, South West, Yorkshire and the Humber, East Midlands, North East, Scotland, Wales and Northern Ireland.

8. The current system used to bring Non EU nationals to the UK is the Tier 2 Points Based System whereby the individual is issued with a Certificate of Sponsorship which is a unique reference number that they use to submit their application. This is colloquially referred to as a work permit.

Model 1 – Regional visa governed jointly by local authorities and business needs

Regional businesses are best placed to understand local employment needs and requirements. By drawing on their experiences and specific market expertise they are able to best demonstrate where a skills deficit exists within their region and employment sectors.

Under this model employers would be required to collate a business case outlining the specific challenges and difficulties faced in recruiting suitably skilled talent. They would need to evidence all efforts made to recruit both locally and nationally for these roles using a revised Resident Labour Market Test (“RLMT”)⁹ and provide evidence supporting the numbers of regional visas required.

Further considerations would include:

- Evidence of economic activity and demand for services i.e. work orders or service deliverable contracts; or in the case of startup companies, a comprehensive business plan;
- Evidence of supporting efforts made in order to upskill the local resident population i.e. school leaver / apprenticeship programmes

Once collated the business case would be submitted to the regional local authority office for assessment, utilising the local authorities’ knowledge of local infrastructure, planning and development control, planning policy, economic investment and regeneration.

If the local authority concludes that a skills deficit exists it would be responsible for validating the business case and providing a recommendation to UKVI to allocate regional work visas to a particular employer within its region.

If approved, the UKVI would release a set number of regional visas to each business in line with the local authority recommendation.

This allocation would be publicised globally and non UK nationals could proceed to apply for the regional visa under the scheme.

Model 2 – Regional visa governed by UKVI

With this model the business case outlined above would be submitted directly to the UKVI for consideration. Model 2 would require the UKVI to resurrect the specialist hub casework teams that were in place under the old UK work permit regime prior to introduction of the Points Based Scheme in November 2008.

Under that regime Work Permits UK had a number of in-house industry expert teams dealing solely with work permit applications from a particular employment sector, for example the Sports/Entertainment team, Health and Financial Services team.

Under the new regional visa regime business cases for a regional visa allocation would be considered by the specialist UKVI team. UKVI would utilise its own specialist sector based knowledge coupled with regional knowledge obtained internally from local and central government and other organisations such as the Migration Advisory Committee and the BEIS in order to assess whether a skills deficit had been demonstrated accordingly.

If the business case was approved the UKVI would release a set number of regional visas which would be allocated to the relevant employer.

This allocation would be publicised globally and non UK nationals would proceed to apply for entry clearance visas under the regional scheme.

Criteria for a regional visa

Duration of regional visa

Our two proposed models are based on all candidates having to apply for a visa prior to entering the UK under either the Short Term or Long Term Skills Deficit visa scheme:

Short Term Skills Deficit – This regional visa could apply to temporary skills deficits and would be capped at twelve months after which time the migrant would be expected to leave the UK.

9. Resident Labour Market Test – This test is a mandatory test for Non EU Nationals coming to the UK to fill a permanent role. It includes a mandatory period of 28 days advertising to the local labour market in accordance with the Immigration Rules.

Long Term Skills Deficit – This regional visa could be aimed at permanent roles. The regional visa would initially be valid for three years with an option to extend up to a maximum of six years¹⁰. Once the candidate has completed five years in this category they would be eligible to apply for permanent residency.

Switching immigration categories from within the UK

Switching categories could be permitted where the principal applicant is legally residing in the UK and is here in a capacity other than a visitor.

Switching regions or employment

Provision could exist to allow an employee to switch to a new employer or region where the candidate already holds a Long Term Skills Deficit visa and the regional business case still exists. Time spent in the Long Term Skills Deficit visa (whatever the region) could be aggregated and considered for permanent residency purposes.

In addition, switching into a Short Term and Long Term Skills Deficit visa from within the UK could also be permitted for International students who recently successfully completed a UK degree course that suffers from skills shortages i.e. Science Technology Engineering and Mathematics (STEM) disciplines where a regional business case has been verified by the local regional authority / UKVI.

This flexibility would result in businesses being able to ensure they are still competitive on the global playing field by ensuring they have access to the right talent.

How would business evidence they have tested the national resident labour market?

The 'RLMT' could be amended to stipulate that adverts must be placed nationally and expanded upon to include head-hunters and specialist recruitment agencies in addition to advertising in national trade magazines, national/local newspapers and local job centres.

Businesses could use their approved methods to recruit qualified candidates and would be required to evidence

their attempts to recruit regionally and nationally for these skills deficit vacancies as part of their initial business case for a regional Skills Deficit visa allocation.

Governance of the Resident Labour Market Test

Local authorities and businesses could be required to retain all the relevant documentation in line with the current Tier 2 Resident Labour Market Test restrictions.

A subsequent audit could be undertaken by a newly established body which may independently review the local authorities' adherence to a regional skills deficit rule book.

The newly appointed body could carry out annual audits on regional authorities and on UKVI specialist casework teams to ensure full compliance.

Paying into the NHS

Currently non EU nationals applying to enter or extend their leave in the UK to work, study or join family for a period of more than six months are required to pay an Immigration Health Surcharge (IHS). Whilst there are some exemptions, applicants are required to pay £200 per year at the point of submission of their visa application.

The Home Office collects the payment and it goes directly into the National Health Service (NHS) and gives migrants access to the NHS on the same terms as a permanent UK resident during the period of their leave. This payment is mandatory and private healthcare insurance does not exempt the migrant from paying the surcharge.

The surcharge payment is designed to help ensure the NHS remains sustainable and receives a fair contribution to the cost of healthcare from temporary migrants.

All migrants and their dependants applying under both the Long Term and Short Term Skills Deficit regional visa scheme could be subject to the Immigration Health Surcharge in its current form.

10. This is in line with the duration of a Tier 2 General work permission under the Points Based System for migrants earning less than £155,300.

Accessing Public Services

Those entering the UK under the Short Term and Long Term Skills Deficit regional visa schemes could be permitted to access public services such as the NHS, emergency services and state education in line with current provisions for non EU migrants under the Tier 2 Points Based Scheme¹¹.

Family members

Like the Tier 2 PBS scheme dependants could accompany the main applicant under both the Short and Long Term Skill Deficit categories and could be permitted to access public services such as the NHS and state education.

Regional dependant visas would be mandatory for all dependants, however provision could exist for dependants to switch into the dependant Short and Long Term Skills Deficit categories from within the UK in certain circumstances. For example, a non UK national holding a UK student visa could be permitted to switch into the Regional Skills Deficit visa if they were in a qualifying relationship with a regional visa permit holder.

Dependants of main applicants could be permitted to undertake unrestricted employment in the same region in which the main applicant had been issued a visa.

Owning and renting property

The regional visa is designed to benefit the region that the migrant is in. Therefore the individual will be required to live in that region so that the region benefits from the migrant filling a skills deficit role. By living in the region this could also encourage integration into the community. Further the region would potentially be able to utilise the recently announced 'Controlling Migration Fund'¹².

Candidates entering under the Long Term Skills Deficit visa would be permitted to own property in the UK – however this could be restricted to purchasing property in the region for which their visa was initially granted.

Mortgages for other areas would not be approved on the basis that the regional visa was issued regionally in order to fill a recognised long term skills gap and to promote local development and economic growth in a particular region.

When applying for a mortgage a CIFAS (the UK's independent fraud prevention service) test could be undertaken to ensure that housing can only be purchased in the individual's region stipulated by the regional visa biometric residence card.

For individuals who rent, the governance could be linked to the existing landlord checks after undertaking a consultation with the relevant stakeholders to see if this was viable.

Acquiring Permanent residency

Employees in the UK under the Long Term Skills Deficit visa and their dependants could be eligible for permanent residency if they complete five years continuous residency in the UK.

They could aggregate time spent on various regional Skills Deficit visas. For example if they have a regional work permit for London for a period of three years and they switch to an East Midlands regional visa for a further period of two years they could be eligible to apply for permanent residency.

Those entering on a Short Term Skills Deficit visa would not be eligible for residency as this visa is temporary by nature.

Obtaining British Citizenship

Once permanent residency had been acquired, candidates who meet the residency and good character requirements of UK nationality legislation would be eligible to apply to become naturalised as British citizens. This is an important step towards integrating further within the community.

11. www.gov.uk/government/uploads/system/uploads/attachment_data/file/518624/Public_funds_v13.0.pdf
12. Amber Rudd speech at Conservative Party Conference 4th October 2016.

Entry to the UK

Entry to the UK could be mandated to specific ports of entry to ensure the candidate is stamped into the region that is listed on their visas. The visa issued could state the following:

Type of visa:

- Skills Deficit Long Term – Scotland
- Skills Deficit Short Term – West Midlands

London and the South of England are well served by London Heathrow, Gatwick, Stansted, Luton and Eurostar ports.

The rest of the UK is serviced by Birmingham, Manchester, Belfast and Glasgow Airports.

The UK also has a number of passenger sea ports such as Dover, Holyhead, Hull and Liverpool.

It is recognised that this may not be feasible in practice given that some international flights do not fly directly to certain regional airports. Therefore an alternative option would be to incorporate the existing biometric residence card system to the regional visa.

At present ‘work permit’ holders receive a stamp in their passport that lasts for 30 days during which time they have to travel to the UK and collect the second part of their visa, their biometric card, from a local post office in the UK. For the regional visa it could be mandated that the individual collects their biometric card from a post office within the specific region.

Governance of the regional visa system?

Businesses using the regional visa and also the local authorities within the relevant region would be subject to announced and unannounced audits by an independent body to ensure compliance. This would mirror the current work permit system.

In either model, stakeholders within the region will meet on a regular basis to discuss skills shortages across the UK. Representatives from BEIS would attend to report back centrally so that apprenticeship and school leaver schemes could be targeted appropriately.

As with the RLMT governance requirements, a newly appointed body would be responsible for governance of any regional visa system and carrying out regular audits. The functionality of the regional system would be reviewed regularly to ensure it remained fit for purpose.

Governance of Individuals

Individuals could be managed by UKVI and Her Majesty’s Revenue and Customs (HMRC) sharing information in relation to Pay As You Earn (PAYE) & National Insurance (NI) payments. Checks could be made post arrival in the UK to ensure that candidates are working in the region and with the employer for whom their visa was issued.

Similarly employers who have assigned Skills Deficit visas could be obligated to report any non-compliances to the UKVI within a prescribed period in line with current work permit reporting for non EU nationals. Employers would also face civil penalties and revocation of sponsor licences if found to be non-compliant.

A Global Comparison

We have undertaken an analysis of global immigration policies, specifically where other countries operate a regional visa scheme in order to understand whether any precedent exists for this type of regional visa and to ascertain whether any lessons can be learned from the way in which other countries have enforced their version of a “regional visa”.

What lessons can be learned from global regional schemes?

Australia and Canada represent the most relevant comparisons for a UK regional visa. Both countries designed their systems to attract migrants to help combat problems of sparsely populated regions and declining populations. Whilst we acknowledge that a post Brexit visa system will have different motivations, the mechanisms and lessons are relevant, as these relate to tying migration to particular area needs.

Australian Lessons for the UK

Australia operates a network of state and territory agencies, local chambers of commerce and regional development bodies who must approve a business case before a visa can be allocated to a non-Australian national.

Australia's Regional Sponsored Migration Scheme (RSMS) historically was offered without any mechanism to tie a regional visa holder to their nominating employer, or the regional area they were approved to work in. As a result, the immigration authorities introduced a requirement to the RSMS which now obliges a visa applicant to declare in the application that they intend to live and work in the regional area for a minimum period of two years from the date of the visa being granted.

While the subclass 187 visa still does not have any express condition imposed which would result in automatic cancellation if this did not occur, the department has recourse under the Migration Act to cancel a subclass 187 visa on character grounds, if it found that the visa holder gave false or misleading information relating to their intention to reside in the designated area. Knowledge of potential cancellation under these provisions has seen an increase in 187 visa holders complying with the minimum regional residence requirements.

Depending on the requirements of the nominating State/Territory Government, the subclass 190 visa is also potentially subject to cancellation under the Migration Act if a visa holder fails to meet the minimum residence requirements. While these measures have had a positive impact, these visas still only tie the visa holder to the employer and region for a minimum two year period after which many migrants leave the region for larger cities. Therefore it is effective in the short term but is still not effective in encouraging a migrant to settle permanently in the sparsest regions, and this population continues to be transient.

Australia's regional centres and communities can be quite diverse by State/Territory, and varying factors can influence a successful migration outcome. Regional unemployment and economic factors can influence community sentiment towards migrants and this can continue to pose a challenge to integration – therefore community education on the benefits of migration can be critical. Isolation for spouses and accompanying

family members who may have insufficient access to community, language and cultural support in remote areas may also drive a desire for regional sponsored migrants to relocate to larger cities as soon as they are able.

Canadian Lessons for the UK

In Canada the system is structured to utilise the specialist knowledge held by local businesses, authorities and industry leaders in order to gain an accurate picture of where real skills deficits exist and the impact on the local economy as a result of these skills shortages.

The Canadian models rely on regional bodies to govern their immigration scheme to ensure adequate controls are in place. This is a flexible scheme that lends itself to the needs of specific geographical areas based on regionalised factors such as economic growth, unemployment and skills deficits.

Canada's permanent migration system requires a potential candidate to demonstrate an intent to reside permanently in the region as part of the visa process. In practice, this is not a legal obligation and smaller provinces have experienced difficulties in retaining regionally tied migrants. In response, provinces have tightened their screening processes; this includes scrutinising their long term intent, based on factors such as whether they have family ties in other provinces. A similar "regional intention" screening process could help to make the regional system in the UK more efficient.

Historical Lessons for the UK

The UK also had a type of regional visa with the Fresh Talent in Scotland Scheme which encouraged international students to live and work in Scotland.

The scheme was successful in that it encouraged international students to apply for a Scottish visa, on completion of their studies. However, candidates only needed to show an intent to work in the country and their visa was not tied to any specific employer. Therefore, it was difficult to govern, leading to confusion and some non-compliance among employers and candidates.

The models set forth in this paper stipulate a more rigorous governance structure, whereby HMRC would share information with the UKVI and visas would be tied to employers within a region.

Conclusion

Since the early 1950's to date migration has always been a key component to the UK's thriving economy.

In a post Brexit world business may be faced with greater challenges to meet their workforce needs and ensure their business remains competitive and thrives.

The regional visa would require time, energy and additional costs at the outset from business, however where there is a genuine skills deficit the advantage would be the ongoing viability and success of the business and the regions they are in. Regions would require the necessary funding, training and subsequent governance structures for the regional visa to become a viable option.

By providing regions with powers to tailor their own immigration solution based on their in depth understanding of their area, regions would become acutely aware of what skills deficits exist and would be able to deploy the relevant training and apprenticeships in their area should they deem it necessary. This could be linked to the Government's existing apprenticeship scheme and also the apprenticeship levy due to be introduced in April 2017.

The flexibility of the regional visa would equip the UK to more deftly react to the changes in individual sector's employment needs.

The regional visa is designed to support the development of skills in the domestic workforce, in areas of business need. Therefore the pattern of need for international workers filling skills deficits may change over time. However the trend for overseas secondments and obtaining key talent from outside the UK would continue to ensure businesses remained competitive globally.

Appendix A - Global Regional Systems

Australia

Regional Sponsored Migration Scheme (RSMS) (subclass 187) and the role of the regional certifying body

RSMS is a pathway to permanent residence for skilled individuals who are sponsored by their employer to work in regional Australia. Under the RSMS Direct Entry pathway, employers must seek a regional certifying body's (RCB) advice prior to application to confirm the prevailing market salary rate and whether it is possible to recruit from the local labour market.

RCBs are a network of state and territory agencies, local chambers of commerce and regional development bodies. The RCB must be located in the relevant regional area to the position being nominated. An application to nominate a foreign national to a particular regional role (the nomination application) made under the RSMS Direct Entry stream cannot be approved unless the RCB has provided its advice.

This advice is to ensure that applications filed under this pathway are scrutinised by a body who is familiar with the local labour market in question. RCBs will consider criteria such as whether there is a genuine need for a paid employee, whether the terms and conditions of employment are equal to Australian citizens and permanent residents and whether the position could be filled from the local labour market.

Why does the RSMS visa scheme exist?

- Designed to help State and Territory governments address skills shortages in some of Australia's sparsest regions;
- Attract overseas business people to establish business in their regions and encourage a more balanced settlement of Australia's migrant intake;
- Economic growth in Australia is services led, comprising of 58% of their GDP. This is confined mainly to the major districts and cities and this is why the 187 Visa exists, to pull in growth from all parts of Australia; and

- Balance / control migration within the national territory and remove pressure from public services in big cities.

Visa conditions of the 187 visa

The individual must work and live in the State of sponsorship or, in the case of a regional visa, outside of specified metropolitan areas. Depending on the visa type, this is required for up to 3 years.

The Australian authorities have found this difficult to police as it is heavily dependent upon the individual informing the authorities that there have been a change in their circumstances. For example, the individual left their employment in the region before completing the mandatory minimum period. The authorities then take steps to cancel the individual's visa.

State/Territory Sponsorship for the subclass 190 visa

The subclass 190 visa is a Skilled Nominated visa for individuals without a sponsoring employer. This visa is points tested and requires nomination by a state or territory government agency. Applicants for this visa category are first required to submit an Expression of Interest (EOI) on the online skilled migration program website SkillSelect.

Why does the subclass 190 visa scheme exist?

- Designed to help state and territory governments address skills shortages, attract overseas business people to establish business in their regions and encourage a more balanced settlement of Australia's migrant intake;
- Satisfy the demand for highly skilled workers, in some of Australia's sparsest regions and to lead economic growth in the region;
- EOIs are viewed by state and territory agencies which decide on who to nominate for a visa. Applicants can nominate just one state or territory or several. Those who achieve the required score and satisfy the eligibility criteria may then be invited to make a visa application; and
- This system allows states and territories a measure of control over particular skills it wishes to encourage or discourage.

Visa conditions of the 190 visa

Regional:

The Skilled Occupation List (SOL) can vary depending on the visa being applied for.

State Sponsorship is specific to Permanent Residency visas in Australia. This generally relates to individuals who are not being seconded or transferred with a pre-existing employer. The living and working requirement relates to State rather than suburb or, in a UK context, local borough. As such, it is easier to police.

Canada

Temporary Foreign Worker Program

In 2014 the Canadian government made significant changes to both the Temporary Foreign Worker (TFW) Program and the permanent economic immigration system.

These changes to the TFW Program made the application process more rigorous, and set an employer-specific cap on the use of TFWs.

The TFW Program has allowed employers to hire non-Canadian employees in order to fill skills shortages where suitably qualified Canadian citizens or permanent residents are not available to fill these roles.

Why does the Temporary Foreign Worker Program exist?

The changes have allowed employers who have been unable to recruit Canadian citizens or permanent residents to source non-Canadian nationals to fill skills vacancies.

It also allows employers to offer roles to candidates already in Canada under the TFW scheme to change employment or in some instances an open work permit can be issued that allows an employee to work with any employer in Canada.

While most candidates under this scheme will be hired to address a specific labour need, the scheme is flexible enough to permit TFW to transition into permanent residency where they meet the criteria.

How does it work?

The TFW Program is run by three departments: Human Resources and Skills Development Canada (HRSDC) and Citizenship and Immigration Canada (CIC).

If an employer wishes to hire a non-Canadian National, they will often ask the HRSDC to provide a Labour Market Opinion (LMO). A test will be returned positive if three criteria are satisfied: no Canadian or permanent resident can be found for the role, the job offer is genuine and the employer has previously satisfied all commitments to temporary foreign workers.

Not all workers will require an LMO, as certain sectors are exempt. The TFW Unit can be contacted to advise on LMO requirements. In addition, the Unit can offer advice on regional active pilot projects that may attract workers with certain skills.

Following the LMO, the non-Canadian national will apply for a work permit from the CIC. Where the application requires an LMO, this will be provided by the employer.

The employer is obligated to confirm that the employee has been issued a Social Insurance Number and that they do not exceed the conditions of their work permit.

Why does it exist?

The TFW program was created to fill short-term skills gaps in Canada's workforce. Therefore TFW permits are limited to four years in duration, after which the employee is required to leave Canada.

The temporary nature of the visa under the TFW scheme is there to encourage candidates to either return home or apply for permanent residency.

Permanent Migration system – What is the Provincial Nominee Program?

Provincial nomination acts as an accelerated stream for permanent residency in Canada. The Provincial Nominee Programs (PNPs) are tailored to individual provinces' requirements. PNPs allow the province to recommend an individual who wishes to settle in Canada and more specifically in the province.

Provinces establish agreements with CIC to run a PNP, allowing them the ability to select foreign nationals that match the requirements. Every province runs a PNP, with the exception of Quebec and two other territories.

How does it work?

There are two routes to applying for a PNP:

- Applying directly to the province PNP of choice.
- Applications will be judged against the specific requirements for that province
- If eligible, candidates will be invited to apply for permanent residency.
- Applying online, via the express entry system
- Applicant profiles are matched against selection criteria
- Those profiles that meet the criteria are added to a pool of candidates for a 12 month period.
- During this period, candidates are provided a personal reference code, this can be used to create a job match account. Candidates can use this to find available job opportunities and secure an offer of employment.
- Employers from all PNPs can then invite the highest ranking candidates to work and apply for permanent residency.
- Those who do not receive an offer within 12 months will be removed and will need to reapply.

Why does the scheme exist?

One of the main goals of Canadian immigration is to welcome skilled newcomers who will contribute to Canada's growing economy. To assist employers who cannot find the home-grown talent to fill important skilled jobs and to improve the previous system by having a process that better matches the migrant's skills to the employer's regional needs.

Scotland

Fresh Talent: Working in Scotland

What was the aim of the scheme?

The Fresh Talent: Working in Scotland Scheme was launched in June 2005 as part of the wider Fresh Talent Initiative, which aimed to encourage people to settle in Scotland. This was in response to a range of pressures that Scotland faced, including an ageing and declining

population, and skills and labour market needs. The scheme enabled non-EU international students attending Scottish Higher Education Institutions to remain in or return to the UK, after their studies in order to work:

- Overseas students were required to have successfully completed and been awarded a Higher National Diploma, UK recognised Undergraduate Degree, Masters Degree, PhD, Postgraduate Certificate or Postgraduate Diploma (in the 12 months immediately prior to the visa application) from a Scottish University and the candidates must have lived in Scotland during their studies in order to qualify for the visa.
- The students were not required to have a firm job offer in order to be granted leave and simply needed to state that they "intended to seek or take employment in Scotland" in order to qualify.
- Candidates were issued with a two year visa to undertake unrestricted employment in Scotland after which they were either required to leave the UK (visa was not extendable) or find alternative employment (not restricted to Scotland) and apply to switch into Tier 2 General sponsored employment.

Whilst the Fresh Talent in Scotland visa was capped at two years and did not lead to residency in the UK, it did however grant access to the labour market for this period and switching into Tier 2 full sponsorship outside of Scotland was permitted.

The scheme was replaced by the PBS Post Study Work scheme in 2008 and that scheme was closed to new applicants in 2012.

Grants of leave to remain under the Fresh Talent scheme.

Grants	2005	2006	2007	2008
	975	2045	2935	1665

The impact of restricting post-study work routes

Since the Post-Study Work visa was closed to new applicants, the number of non-EU international students who moved from a student visa to a work visa has fallen by over 80%. This fall is significantly higher than the Home Office predicted in its impact assessment of closing the visa, which estimated a reduction of approximately 49%.

As the only available Home Office figures are UK-wide it is impossible to identify the exact impact on Scotland, but evidence has suggested that the fall in the number of international students moving to work visas has been at least as pronounced in Scotland as elsewhere in the UK.

Appendix B – Acknowledgements

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Regional Visas

A unique immigration solution?

