

UK Visas and Immigration
1st Floor, Seacole Building (NE quarter)
2 Marsham Street

25th May 2016

Dear

Re: Points further to the Monday 23.05.16 12.00-14.00 Business User Form meeting

Thank you for a helpful meeting on Monday. I write with feedback further to some of the points raised

Fee & service options for premium services.

The present £25,000pa fee is clearly good value for the high volume users that Catherine Lyon mentioned making c100 queries a month who thereby pay c£20 per query. Smaller companies, even those qualifying for the SME service at £8,000 per year, are faced with a much higher cost per query. There are two main issues here

- a. A fair pricing for lower-volume users, and
- b. A way to address the perception that companies with a one-off request (such as a change of AO, or for an urgent unrestricted CoS) feel almost blackmailed by being told that UKVI cant help unless they sign up to the £25,000 service

If you allowed sponsors to pay a fee for your time to resolve a single issue, that would answer both problems. You could reasonably charge perhaps £125-200 for urgent consideration of a request (this would be 'free' extra revenue as the work would have to be done by UKVI within its 18 week service standard anyway). However, I suggest that the service standard for things like changing an AO should be 14-28 days rather than 18 weeks. It seems rather asymmetric to say that a Sponsor commits an offence if they take more than 10 working days to notify you, but that UKVI allows itself 90 working days.

Government response to the MAC Tier 2 report

I did not want to push the point to aggressively on the day, but would welcome further feedback from Nicola Smith on the removal of the 12 months prior employment condition for ICT staff in roles paying more than £72,500.

A purely UK-based company hiring an expat on a £80k pa salary would need to meet the RLMT criteria, would then need to apply for a Restricted CoS, and would not be allowed to give the sponsored expat an equity interest of >10%. A global company could instantly assign a (quota-free) ICT CoS, thereby gaining a 2-month head start over the purely UK-based company; the global company could also offer any equity incentives they wanted. If a UK company and a global company were offering a job to the same person, the new rules would significantly disadvantage the purely UK-based company. In effect this rule change gives ICT sponsors paying more than £72,500 all the benefits that the purely UK-based Sponsor achieves only under the High Earner exemption – ie when paying £155,300.

I am not saying that it would be wrong to make the high-earner threshold £72,500 rather than £155,300, but I can not see why ICT sponsors should be treated much more favourably than Tier 2 (General) sponsors

Immigration Skills Charge

The question of refund policy should a sponsored employee leave mid-CoS is very important. It breaks down into two areas

- (a) Should there be refunds at all? There are 3 main options
 - a. There is no refund & any new sponsor must pay again.
With a skills charge of £5,000 for a 5year CoS, this would be so harsh as to be unreasonable. It would also create a big incentive for employers to issue short-duration CoSs, thereby clogging up the system with unnecessary extensions.
 - b. There is no refund, but a new sponsor does not pay again.
This is the same model as the Immigration Health Surcharge. It might make the administration more complicated as it would prevent the Sponsor Management System simply adding £1,000/year to the fee for assigning a CoS, and instead would require complex cross-referencing of the migrant. Further, while the approach works for the Immigration Health Surcharge, which is a fee payable by the individual, as the Immigration skills charge is paid by the employer this approach would inevitably involve employers wanting repayments by departing staff who 'kept the benefit', this would be complex in employment law terms
 - c. There is a refund to the existing sponsor
This seems to be the fairest option
- (b) If there are refunds, how are they calculated – ie are they done exactly, or to the nearest year, or the nearest 6 months?
May I suggest 6 months is a reasonable compromise?

Improving Sector Knowledge

I have dealt with the IT services sector for several decades, and would be happy to discuss the sector's operation with George Shirley's staff

I hope that this feedback is helpful. If you have any queries, do call me on 07879 480 755 or email james.dunlop@jdunlop.com

Yours faithfully

James Wallace-Dunlop