Migration Advisory Committee: Consultation on the level of an annual limit on economic migration to the UK

Response by the Wellcome Trust

September 2010

Introduction

1. The Wellcome Trust is a global charity dedicated to achieving extraordinary improvements in human and animal health. We support the brightest minds in biomedical research and the medical humanities. Our breadth of support includes public engagement, education and the application of research to improve health. We are independent of both political and commercial interests.

2. While we do not directly employ scientists, the Wellcome Trust funds a large number of researchers based in universities, including paying salary support for Wellcome Trust Fellows. We also fund the Wellcome Trust Sanger Institute (WTSI), a genomic research centre located in Hinxton, Cambridge, with whom this consultation response has been jointly prepared. Since its inception in 1993, the WTSI has participated in some of the most important global advances in genomic research. A leader in the Human Genome Project, it is now focused on understanding the role of genetics in health and disease. WTSI is part of many international scientific consortia and more than 90 per cent of its research is carried out in collaboration with other organisations. The WTSI also plays an important role in training young researchers from around the world.

General comments

3. Science is a key driver of Britain’s economic prosperity and competitiveness. The Government’s new economic growth strategy states that “science, research and innovation are essential investments for the UK economy, because the introduction of new products, services and processes is the major source of growth in the long term.”

4. The UK is recognised as a global leader in scientific research, producing more publications and citations per pound than any other G8 nation. The existing strength of our scientific research sector can be partly attributed to our ability to attract the best scientific talent from around the world. In 2007-08, 10.5% of all university academic staff, and 12% of biological sciences staff, were non-EU nationals. If we want our world-class universities and scientific institutions to remain globally competitive, it is absolutely crucial that these institutions continue to have access to the best global talent and expertise.

5. There is a significant literature on the economic benefits of scientific research, and the importance of human capital mobility in realising those benefits. For example:

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1 A Strategy for Sustainable Growth, Department for Business, Innovation & Skills, July 2010
2 International comparative performance of the UK research base, Evidence Ltd for the Department of Business, Innovation & Skills, September 2009
•  *Medical Research: What’s it worth? Estimating the economic benefits from medical research in the UK,* Health Economics Research Group Brunel University, Office of Health Economics RAND Europe, November 2008. Study part-funded by the Wellcome Trust. Available at [http://www.wellcome.ac.uk/About-us/Publications/Reports/Biomedical-science/WTX052113.htm](http://www.wellcome.ac.uk/About-us/Publications/Reports/Biomedical-science/WTX052113.htm)

•  *The Global Competition for Talent: Mobility of the Highly Skilled,* Organisation for Economic Co-operation and Development (OECD), September 2008. Available at [http://www.oecd.org/document/21/0,3343,en_2649_34269_41361685_1_1_1_1,00.html](http://www.oecd.org/document/21/0,3343,en_2649_34269_41361685_1_1_1_1,00.html)


6. The Wellcome Trust is concerned that the proposal to impose numerical limits on Tier 1 and 2 migration is likely to have a disproportionate impact on UK science and science employers. It will also limit the UK’s ability to participate in important international scientific collaborations, many of which require exchange of people. We understand that these concerns are shared widely across the scientific research community. If limits must be imposed on Tier 1 and 2, we would prefer to see a more flexible system which encourages entry for individuals with the skills and qualifications most likely to generate long term economic benefit for the UK, rather than applying a rigid numerical cap.
Question 1: What factors should the MAC take into account, in order to inform its recommendations for Tiers 1 and 2 in 2011/12, when assessing the impacts of migration on:

- the economy;
- provision and use of public services; and
- wider society.

7. The consultation document acknowledges that the lack of data is a limiting factor, particularly when assessing non-economic impacts. While the Government and the general public may be concerned about the impacts of migration on public services and on wider society, immigration policy should be based on evidence, not public perception.

8. Tier 1 and 2 differ from other migrant categories as only individuals with high level qualifications and skills will qualify. It follows that the economic and social impacts of skilled migration are likely to be different from the impact of other types of migration, such as unskilled migration from the EU, asylum seekers, or partners and families. We suggest that MAC should only take into account factors where there is clear evidence of a link to Tier 1 and 2 migration, as opposed to migration in general. Some of the concerns being cited as part of the rationale for placing limits on immigration, such as pressure on the availability of social housing, are less likely to be related to Tier 1 and 2 migrants.

9. If evidence of negative impacts specifically related to Tier 1 and 2 is limited, the MAC should adopt a cautious approach and recommend that Tier 1 and 2 limits be set at or near to the current level. MAC could also recommend a process to obtain more robust evidence in order to inform future decisions about Tier 1 and 2 limits.

10. To inform decision-making on Tier 1 and 2 limits, we consider that a fair assessment would need to take the following evidence into account:

- recent figures for net migration within the Tier 1 and 2 categories, to assess the extent to which these categories have contributed to recent increases in net migration;
- information about the economic sectors and types of occupations Tier 1 and 2 migrants are working in, and the importance of these sectors and occupations in the context of the Government's economic growth strategy;
- average salaries earned by Tier 1 and 2 migrants, and the level of tax and national insurance contributions they pay;
- evidence about the extent to which Tier 1 and 2 migrants are accessing social services (e.g. social housing);
- broader economic benefits generated by Tier 1 and 2 migration, such as increases in the productivity of businesses, or the creation of new businesses;
- information about the positive social impacts of migration (such as the extent to which migrants undertake community or voluntary work), as well as any negative impacts such as pressure on social services;
- information about the extent to which the public is concerned about Tier 1 and 2 migration, as opposed to other types of migration.

11. In addition to impacts on the economy as a whole, MAC will need to consider the impact of Tier 1 and 2 restrictions on specific sectors that currently have a high degree of reliance on non-EU workers, such as the science and engineering sector. Our response to Q8 discusses some of

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3 A Strategy for Sustainable Growth, Department for Business, Innovation & Skills, July 2010

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"Wellcome Trust response to Consultation on the level of an annual limit on economic migration to the UK
September 2010"
these specific impacts. There may be a need to make other changes to the points-based system to reflect the fact that some sectors will have a significant ongoing need for non-EU workers, as training or up-skilling UK residents may be less practical in the short term, and even in the long term the unique skills sets required for some research may only be available outside of the UK. One possibility would be to award additional points to individuals with qualifications, experience or job offers in science, technology, engineering and mathematics (STEM) fields.

12. With regard to impacts on wider society, the MAC should consider impacts on the UK’s ability to meet its international development commitments and fulfil its role as a good global citizen. In addition to supporting research in the UK, a significant and growing proportion of the Wellcome Trust’s funding is used to support research and research capacity strengthening in low- and middle-income countries. Building research and health services capacity in low and middle income countries is a critical part of the global strategy to combat HIV, malaria and other diseases. We are particularly concerned that the proposed restrictions on Tier 1 and 2 will prevent talented scientists and clinicians from low and middle income countries from undertaking important training opportunities in the UK. People from low and middle income countries already find it difficult to meet the salary and maintenance requirements for Tier 1.

Question 2: How should the MAC measure or assess these impacts?

13. MAC members are undoubtedly well qualified to provide advice on economic impacts. As assessing impacts on public services and on wider society is outside the Committee’s core area of expertise, it will be important for MAC to consult with appropriate external experts, for example in the social sciences, to ensure these impacts are assessed in an appropriate manner. It is particularly difficult to see how the impact of migration on broader society could be measured. As much evidence will be qualitative, it is likely that some form of engagement with the general public will be required.

14. With regard to economic impacts, the Wellcome Trust is concerned that in the past MAC has placed too much evidence on factors that can easily be measured, such as individual salary, at the expense of more important, but less measurable impacts. For the science sector, individual salary is a flawed measure of economic benefit, because:

- scientists have very long training periods (7-10 years on average), meaning that salaries obtained in early career are not indicative of future earning potential;
- average salaries for scientists and researchers are lower than many other professional groups;
- it ignores the more important economic benefits generated by highly skilled scientists, such as creating exploitable knowledge; starting new high-tech businesses, improving the productivity of existing businesses and attracting inward investment in R&D.

15. There may be a certain minimum salary threshold that indicates whether an individual is in skilled employment. However, because salaries differ widely across different professions and economic sectors, we question the appropriateness of salary as an indicator of individuals’ relative skill levels. The Wellcome Trust is concerned that the recent increases to the salary thresholds needed to earn points under Tier 1, adopted following a MAC recommendation, are having an adverse impact on attracting scientists to the UK. Annex One provides a case study demonstrating the impact of changes to the points thresholds for Tier 1 on a critical scientific hire at the WTSI.

16. To ensure the broader benefits generated by highly skilled individuals are taken into account, MAC will need to obtain qualitative evidence, such as employer case studies, which demonstrate how highly skilled individuals from outside the EU have made a positive economic
contribution. The MAC may need to make a targeted call for such evidence, if it is not forthcoming as a result of this consultation.

Question 3: How should the MAC trade off, prioritise, and balance the economic, public service and social impacts of migration?

17. Economic and social impacts are interrelated and should not be considered in isolation. For example, migrants through the Tier 1 and Tier 2 systems do not have access to public funds e.g. maternity pay, unemployment benefit, and although they may create additional demand for education and healthcare, they help fund these services through their tax and national insurance contributions.

18. Trading off different types of impacts is likely to be difficult, but we suggest that MAC should consider the relative quality of the evidence available in the different areas. For example, strong evidence of economic benefits should take precedence over weak evidence of social impacts. However, this does not mean that quantitative evidence should always take precedence over qualitative evidence.

Question 4: To what extent and how quickly can alternatives to employing Tier 1 and Tier 2 migrants, including training and up-skilling of UK resident workers, reduce reliance on such migration? What can Government and other bodies do to facilitate this?

19. The extent to which training and up-skilling UK resident workers is a realistic option will vary considerably according to the job type and the economic sector. Any discussion about reducing demand for skilled migrants in the science sector needs to recognise the highly specialised nature of the skills being sought. For some positions, there may be only a few people in the world that have the right skills and experience for the job. The UK’s world-class research institutions need to be able to hire the best individuals in their fields, not simply a UK or EEA individual who is “good enough.”

20. Many employers already demonstrate a practical commitment to up-skilling British workers. For example, the Wellcome Trust and the Wellcome Trust Sanger Institute operate a wide variety of schemes to encourage and support UK nationals to pursue a research career. These include:

   • PhD programmes and studentships to support postgraduate training in biomedical sciences;
   • fellowships for postdoctoral and early career researchers that support the transition to an independent research career;
   • work experience placements at the Wellcome Trust Sanger Institute, which enable school age students to gain an insight into careers in scientific research;
   • vacation scholarships, which provide promising undergraduates with hands-on experience of research during the summer vacation;
   • industrial placements at the Wellcome Trust Sanger Institute, for students who are following a degree course with a 'sandwich year';
   • a range of initiatives to improve the quality of UK science education and teaching, including the Science Learning Centres, which offer high-quality professional development for science teachers.

21. Compared to most other professions, the training period for scientists is extremely long. In the life sciences, becoming a specialist researcher of the type employed by the Wellcome Trust Sanger Institute would be likely to involve three years of undergraduate study, four years of
postgraduate training and three or more years of postdoctoral work. Training a person to this level is also very expensive. In the current economic climate it would be difficult for the Government to commit to the substantial increase in the higher education budget that would be necessary to attempt to meet the needs of UK science employers from the local labour market. The long training periods also mean that that this would be an unrealistic objective in the short term.

22. We would argue that it is also unrealistic in the long term. In recent years there has been a concerted effort by Government, private sector and charitable organisations to encourage promising students to take up careers in Science, Technology, Education and Mathematics (STEM) subjects. While the Wellcome Trust strongly supports these efforts, we see them as complementary to the need to attract talented international scientists to work in the UK. If the UK wishes to sustain its world-class reputation for scientific research, we need the best people, not just an adequate number of people.

23. Not only would it be naïve to think that we could supply our entire scientific workforce domestically, it would also damage our international competitiveness. Science is a global profession and international mobility is a fundamental part of scientific training. Many of the UK’s own scientists will spend a part of their careers offshore, which benefits the UK by strengthening ties with our international partners, generating new opportunities for collaboration, and enabling our scientists to develop new skills and access cutting-edge scientific resources and equipment not available in the UK. It would be of great concern if the UK’s immigration restrictions led to reciprocal restrictions being imposed by our collaborative partners.

Question 5: What trends do you expect to see over the lifetime of the Parliament in non-PBS migration, including of British and European Economic Area (EEA) citizens? Will limits on non-EEA migration affect this? Please provide reasons.

24. MAC should make its recommendations for Tier 1 and 2 limits on the basis of the number of highly skilled migrants required to meet the existing and future needs of the UK economy. Levels of migration within other categories are not relevant.

25. The focus on net migration implies that the ability of highly qualified people with niche skills and experience to work in the UK should be dependent on the number of EEA citizens choosing to live here, and the number of British citizens who choose to emigrate. This approach is flawed, as it considers only the quantity, but not the quality, of migrants the UK should accept. Scientific research draws on a global labour market and the UK is competing with other countries to attract the best people. There is no way to ensure that migrants entering under other immigration categories will have the necessary level of skills and qualifications to undertake internationally-competitive scientific research.

26. The net migration statistics recently released by the Office for National Statistics highlight this issue. The figures show that the number of visas issued within Tiers 1 and 2 decreased significantly over the past year, but net migration increased, primarily as a result of a decline in the number of Britons going to live abroad.

Question 6: The stock of main (non-dependant) migrant workers under Tiers 1 and 2 is determined by (i) new migration from outside the UK and (ii) extensions and switching between routes by migrants within the UK. If migration is to be reduced, do you most favour achieving this via cuts in (i) or (ii)?

27. Limits should focus on new migration from outside the UK, and could possibly include migrants switching between routes. The Wellcome Trust is strongly opposed to including visa extensions within the proposed limits. It would be extremely disruptive to important scientific projects and
collaborations if key staff were forced to leave the UK as a result of annual visa limits being reached. We also consider that it would be unfair to change the rules for current residents who obtained a visa with the understanding that it would be renewable according to a particular set of criteria. We note that the UK Border Agency has recently reduced the initial period of leave for a Tier 1 visa from three to two years. The majority of scientific projects will be of more than two years duration. If there was no certainty that a visa could be renewed beyond the two year stage, the UK’s ability to attract highly skilled international researchers would be likely to suffer.

28. Under the interim limits for Tier 2, employers allocated an inadequate number of sponsor certificates have been forced to choose between renewing visas for existing employees, and sponsoring new employees. This is an inappropriate trade-off that exposes employers to potential employment law risks. For the system to be workable, visa renewals for existing employees should not be subject to limits.

29. While we favour focusing limits on new migration from outside the UK rather than extensions, it should be emphasised that strict limits on new migration would also be damaging to the science sector. Such limits would restrict employers’ ability to recruit top international researchers for key posts, and make it more difficult to pursue international scientific collaborations of strategic importance to the UK.

**Question 7: To what extent should reductions in flows through Tiers 1 and 2 be met through reduced migration of dependants? Should dependant numbers be reduced by proportionately more than those of main migrants?**

30. Restricting the ability of Tier 1 and 2 migrants to bring dependants would reduce the attractiveness of the UK as a destination for highly skilled scientists, who are likely to have access to career opportunities elsewhere in the world. We therefore consider that the ability for primary applicants to bring dependents should be retained.

31. As the objective of Tier 1 and 2 is to attract skilled people, any limit should be set on the basis of the number of highly skilled people that the UK needs. It would be unfair to deny a visa to a person meeting the points criteria for highly skilled, on the basis that their ‘place’ had been taken by a dependent who may not have the same level of skill.

32. If there is a concern about numbers of unskilled dependents, a more appropriate course of action would be to award additional points to applicants with skilled dependents. However, the equity implications for solo applicants would need to be considered.

**Question 8: What would be the likely impact on your organisation, sector or local area of reducing (from 2010) the number of main migrants through the Tier 1 general route in 2011/12?**

33. The scientific research sector is highly dependent on non-EU migration. In 2007-08, 10.5% of all university academic staff, and 12% of biological sciences staff, were non-EU nationals. These numbers are much higher at the early career stage – at professorial level 7.5% of staff are non-EU nationals, compared to 14% at senior researcher/lecturer level and 40% at researcher level.

34. Tier 1 is a common route of entry for scientists and researchers, as these groups usually have postgraduate qualifications and specialist skills. The Wellcome Trust Sanger Institute advises prospective non-EU recruits who meet the criteria for Tier 1 to apply under this category as we consider it to offer greater flexibility to employers and applicants than Tier 2. From our perspective as an employer, we would be very concerned if any changes were made that would reduce the ability of highly skilled scientists to qualify for Tier 1 status.
35. As specialist researchers have long periods of training (paragraph 14 refers), it would be difficult for the sector to respond to a sudden restriction in Tier 1 migration. Likely impacts would include:

- inability to fill key research and academic vacancies, with knock-on implications on the quality of teaching and training, frustrating our ability to up-skill our own workforce
- delays commencing important scientific projects;
- failure to capitalise on new opportunities for international scientific collaboration;
- damage to existing collaborative relationships;
- a reduction in the quality, productivity and competitiveness of UK science, due to the inability to attract the most skilled and talented research staff.

36. Because non-EU staff are concentrated at early career stages, it is likely the impact would be most severe at this level. Individuals at this career stage are likely to be conducting hands-on research, and a fall in the number or quality of workers available would have immediate and far-reaching repercussions across the sector. It would affect the sustainability of long-term scientific research programmes, including important medical research funded by the Wellcome Trust.

Question 9: What would be the impact on your organisation, sector or local area of reducing the number of main migrants through the Tier 2 shortage, Resident Labour Market Test, and intra-company transfer routes?

37. In many respects the impacts of restrictions on Tier 2 are likely to be similar to Tier 1, although Tier 2 restrictions may have a more immediate impact on employers’ ability to fill specific vacancies. It should be noted that restrictions on Tier 1 are likely to generate additional demand within Tier 2, and vice versa. If the criteria for Tier 1 are changed in a way that makes it more difficult for highly-skilled scientists to qualify (for example, by raising the thresholds for prior earnings), it is likely that science employers will increasingly rely on Tier 2.

38. The Wellcome Trust is particularly concerned by the proposal in the UK Border Agency consultation to combine the Resident Labour Market Test (RLMT) and Skill Shortage routes. We consider that the RLMT is already making Tier 2 unworkable and impractical for science employers recruiting in niche areas where individuals with the required qualifications and experience are globally scarce. Since July 2009 the Wellcome Trust Sanger Institute has advertised 91 vacancies in the Job Centre Plus but has received no applications through this route. The process is simply adding time, cost and bureaucracy. The need to carry out a further shortage occupation test would introduce additional bureaucracy for employers, for no apparent benefit – as the RLMT has already shown that there is no available resident worker with the appropriate skills and experience to do the job, it is not clear what value a further test would add.

39. As many science jobs are highly specialised, and in some cases unique, they could already be classed as skill shortages. However, given the UKBA criteria they are unlikely to make it on the Shortage Occupation list. The impact of merging the Shortage Occupation and RLMT routes would be to completely close the Tier 2 route for most science and academic employers, including the Wellcome Trust Sanger Institute. This would seriously damage the international competitiveness and reputation of UK science.

Question 10: The Government’s objective is to lower net migration overall. If you are proposing small or zero reductions in migration through a particular tier or route, through which Tier 1 and 2 routes do you think migration should be reduced instead?
40. The Wellcome Trust understands the Government has expressed a desire to reduce overall rates of immigration. However, this objective should not be pursued at the expense of the UK’s economic and scientific competitiveness. As the Tier 1 and 2 categories account for only a small proportion of total immigration flows, it is not clear that restricting these categories will be an effective means of achieving the Government’s objective to reduce total net migration. Although the Government may intend to review other immigration categories at a later stage, beginning with the categories set aside for skilled migrants sends the wrong message to our international partners and to the highly skilled people that are needed to drive the UK’s economic recovery. It contradicts the Government’s broader message that the UK is “open for business.”
Case study – Wellcome Trust Sanger Institute

1. We recruited a highly skilled postdoctoral scientist to a position using the Tier 1 (General) visa route to undertake urgent project work related to the swine flu virus creating a global pandemic in April 2009. This was a critical hire as the outcomes produced would have benefits both to the UK and to global health. If the candidate applied under the current Tier 1 (General) Visa route (changed by the Labour Government in early 2010), this candidate would not have been able to meet the requirements for a Tier 1 (General) Visa.

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<tr>
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Total points = 115 (95 points in category A)  
Outcome: Tier 1 granted

Total points = 90 (70 points in category A)  
Outcome: Tier 1 under the new rules would not now be granted

2. Although it is feasible that the candidate could have been brought to the Institute via the Tier 2 Visa route this was a time sensitive appointment due to the nature of the virus and the urgency placed on the project work. The requirement to fulfil the market test for Tier 2 applications would have delayed this appointment by at least four weeks to enable advertising at JobCentre Plus.

3. The combination of a reduction in the points awarded for a PhD qualification and the increase in previous earnings thresholds will in our experience result in Tier 1 applications not being available to these uniquely skilled scientists whose intellect and scientific input are key to delivering the Institute’s objectives. These and subsequent changes being proposed will directly impact on our ability to recruit into these highly skilled roles and increases the time scales for recruitment.