

# Global talent mobility: Ensuring UK competitiveness One year on: our scorecard



## About TheCityUK

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TheCityUK is the industry-led body representing UK-based financial and related professional services. We champion and support the success of the ecosystem, and thereby our members, promoting policies in the UK, across Europe and internationally that drive competitiveness, support job creation and ensure long-term economic growth. The industry contributes over 10% of the UK's total economic output and employs more than 2.3 million people, with two thirds of these jobs outside London. It is the largest tax payer, the biggest exporting industry and generates a trade surplus exceeding that of all other net exporting industries combined. It also makes a real difference to people in their daily lives, helping them save for the future, buy a home, invest in a business and protect and manage risk.

## About The City of London Corporation

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The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK. We aim to:

- o Contribute to a flourishing society.
- o Support a thriving economy.
- o Shape outstanding environments.

Our reach extends far beyond the Square Mile's boundaries and across private, public and voluntary sector responsibilities. This, along with our independent and non-party political voice and convening power, enables us to promote the interests of people and organisations across London and the UK and play a valued role on the world stage. Supporting the UK-wide financial and professional services industry The financial and professional services industry is key to the ongoing prosperity of the UK. The City of London Corporation works with partners in industry and local and national governments across the UK to:

- o accelerate sustainable growth thorough financial and professional services innovation and the use of technology.
- o boost the competitiveness of the UK's world-class business environment.
- o maximise market access for UK-based FPS firms.
- o promote global recognition of the UK's world-leading FPS offer in key markets.
- o cultivate strong, strategic, outcome focussed relationships with key stakeholders

## About EY

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When the financial services industry works well, it creates growth, prosperity and peace of mind for hundreds of millions of people. No other industry touches so many lives or shapes so many futures. At EY Financial Services, we share a single focus — to build a better financial services industry, not just for now, but for the future. We train and nurture our inclusive teams to develop minds that can transform, shape and innovate financial services. Our professionals come together from different backgrounds and walks of life to apply their skills and insights to ask better questions. It's these better questions that lead to better answers, benefiting our clients, their clients and the wider community. Our minds are made to build a better financial services industry. It's how we play our part in building a better working world.

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# Foreword

The UK has long been renowned as one of the world's leading financial centres, attracting businesses and workers alike with a mix of unique strengths, not the least of which is its access to deep pools of highly skilled and talented workers. Skilled, multinational and multilingual workers are key to the success of the industry: within financial services alone, 19.5% of workers are international, rising to 42% in FinTech.

The benefits that the UK gains from being a leading financial centre are immense: the industry contributes over 10% of the UK's total economic output, is the country's largest taxpayer and biggest exporting industry, and employs more than 2.3 million people, two thirds outside London. The industry is also an enabler of wider economic prosperity, investing in businesses in all sectors across the country so that they can employ more people and achieve their growth ambitions.

However, this formidable achievement needs continual renewal, especially as other financial centres take steps to catch up with the UK and secure the wide-ranging and significant benefits of being at the forefront of global finance. To ensure the continued competitiveness of the UK as a financial centre, UK policymakers need to ensure that its businesses enjoy unrivalled access to the most important source of future growth available: the best of global talent.

In September 2020, the City of London Corporation and EY produced a report which proposed some reforms that the UK should make to develop a world class visa regime. At the same time, TheCityUK and EY produced a report which explained how the UK's new independent trade and investment policy could help UK businesses secure access to global talent. Both reports emphasised that access to talent was a top priority for industry across the UK, and essential to ensuring the UK's future competitiveness. Since then, government has acted, delivering on many of our recommendations.

A year on, we have joined forces to produce this scorecard on labour mobility that explains how far industry's recommendations have been delivered and notes some areas where further policy reform is needed to ensure the UK's continued competitiveness as a financial centre. We also draw attention to how Covid-19 – and the consequent rise of remote working – has transformed the ways in which industry can access international talent. Remote working has opened up considerable new growth opportunities for UK-based businesses. Industry and government should now work in partnership to seize them.

We would like to thank all that have participated in the publication of this report, including those that contributed their views as industry participants. We would particularly like to thank the team at EY, and especially Seema Farazi, Caitlin Graham, Eleanor Light, Raffi Columbine and Kadeesha McKenzie, for their work in championing a pro-growth labour mobility system for the UK.



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# Summary of recommendations

Practical challenges	Reforms that require the UK to negotiate with global partners	Reforms that require the UK to be innovative
Create a hybrid short-term stream within the new Global Business Mobility Route to allow employees to enter the UK for short-term productive activity without a work visa.	Negotiate reciprocal hybrid short-term Global Business Mobility streams with trade partners.	Lead global innovation on immigration, the future of work and Cross-Border Remote Work by introducing flexibility around short term remote work within the immigration rules.
Provide employers with 'ways to pay' the Immigration Skills Charge, and allow medium sized employers to pay the same fees that currently apply to small employers.	Negotiate improved form of commitments around immigration requirements in free trade agreements (FTAs), with a clear, standardised and reciprocal list of permissible and prohibited activities.	Bring diversity, equity and inclusion (DEI) reporting into quarterly migration statistics.
Allow time spent under the Graduate Route to qualify as continuous residence to give employers more agility around Skilled Worker costs and to retain international talent.	Negotiate a standard set of principles governing how visa applications are submitted and processed.	Allow sponsored, Skilled Workers to work part-time by mutual agreement with their Sponsor (even if it reduces their salary below the absolute threshold) to support employer DEI commitments.
Process improvements: 1. Allow for all changes of employment with the same Sponsor to be effected by a simple Sponsor Management System (SMS) update.*	Negotiate an enhanced, bespoke Intra-Company-Transfer route for nationals of key trade partners on a reciprocal basis.	
2. Provide certainty for employers on the long-term virtual right to work processes landing in Spring 2022.	Continue to prioritise the expansion of reciprocal Youth Mobility Schemes.	
3. Reduce SMS reporting obligations.* 4. Use data submitted by employers via Realtime payroll reporting to track salary changes and the end of a sponsored Skilled Worker's employment.* 5. Increase speed by prioritising roll out of electronic biometric data processing to all nationals.*  *These recommendations should be prioritised within the scope of the government's proposed 2021-2023 Sponsorship Roadmap.		

 Outstanding asks

 New asks

# Introduction

In early 2020, when TheCityUK, the City of London Corporation and EY embarked on policy work regarding international trade, mobility and domestic immigration policy, the UK was facing the impending end of the free movement of people and its most momentous immigration reforms in almost 50 years.

The purpose of our two reports on labour mobility<sup>1</sup> was to highlight how the UK could push traditional boundaries on immigration policy, both in the domestic and international trade context. By September 2020, we found ourselves publishing those reports into a world transformed by Covid-19, which had itself transformed labour mobility patterns, and provided a perfect opportunity to reframe thinking.

The pandemic interacted with new travel and regulatory frameworks to create new barriers to labour mobility, even given the relatively low volumes of cross-border movement that took place in 2020 and early 2021. At the same time, the pandemic has prevented the impact of the end of free movement on UK access to international talent from being fully realised.

Our reports provided a series of recommendations for how the UK could adjust its labour mobility policy framework to strike the right balance between encouraging high-skilled immigration whilst simultaneously building the resident talent pipeline.

In this new piece of work, we provide a scorecard that sets out how many of our recommendations have been taken forward by the UK government, and where we believe more progress can still be made. We then set out a number of recommendations for steps that the UK can take now to ensure that its businesses can access the very best of global talent.

Some of these recommendations can be delivered by making slight technical adjustments to the current UK mobility framework; some require the UK to negotiate with other countries; and some are more innovative and far-reaching. All are targeted towards strengthening the international competitiveness of the UK and the ability of UK-based businesses to grow and create more high-skilled jobs and investment across the country.



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<sup>1</sup> International trade agreements and UK immigration policy: a practical blueprint for evolution (September 2020, TheCityUK and EY), available at: [International-trade-agreements-and-UK-immigration-policy-a-practical-blueprint-for-evolution.pdf](https://www.thecityuk.com/assets/International-trade-agreements-and-UK-immigration-policy-a-practical-blueprint-for-evolution.pdf) (thecityuk.com). Building an immigration system for the future of work (September 2020, The City of London Corporation and EY), available at: <https://www.cityoflondon.gov.uk/assets/Business/building-an-immigration-system.pdf>

# 1. Scorecard

## What has changed in the last 12 months?

- The UK and the EU have entered a new mobility and immigration relationship fundamentally changing mutual access of nationals for work-related activity.
- The UK's 2021 immigration system has been introduced and reached its nine-month milestone. We are now looking ahead to planned Spring 2022 changes.
- The UK has expanded Youth Mobility and Young Professionals Schemes.
- Trade negotiations continue globally in line with the UK's trade priorities.
- Global movement and business travel remains highly disrupted and subject to new health and safety regulatory frameworks.<sup>2</sup>

UK regulatory and legislative frameworks have changed over the last months as have behavioural habits and expectations. The world has adjusted to new ways of working and a new challenge for immigration policy has emerged: how to manage the international manifestation of a global shift to flexible working: cross-border remote work.

As we emerge from the first stage of the pandemic, new and more flexible ways of working have created the potential to build a more diverse workforce, and to help businesses achieve climate and sustainability goals. The opportunity to deliver on these objectives is there for the taking, provided that the UK can put the right immigration policy framework in place to support such progress. In many cases, relatively minor tweaks to the UK's current mobility framework could do much to help UK businesses access the very best of highly skilled international talent. But there is also an opportunity for the UK to explore more innovative measures, as we explore in this Scorecard.

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*"As we have learned from the Covid-19 pandemic, prevention is better, and far less costly, than cure."*

Nathan Cooper, Climate Action Platform, World Economic Forum

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In this report, we seek to contribute to this policy formation process by providing:

- A Scorecard on our joint 2020 recommendations
- A stakeholder review of the 'wins' of the new UK immigration system.
- 'Near misses', and proposed adjustments that could be made to the government's roadmap to address them.
- A look at the post-pandemic immigration challenge of cross-border remote work; and how Brexit and Covid-19 have impacted, and sustainability could re-frame, the future of international business travel to the UK.

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<sup>2</sup> For more information, please see the latest EY Global Immigration Tracker (August 2021, EY), available at: [https://www.ey.com/en\\_gl/tax/how-covid-19-is-disrupting-immigration-policies-and-worker-mobility-a-tracker](https://www.ey.com/en_gl/tax/how-covid-19-is-disrupting-immigration-policies-and-worker-mobility-a-tracker).

## Summary of recommendations from TheCityUK and EY 2020 Immigration Report

Area of mobility	Challenges	Our proposals	Impact for UK businesses
Short-term business travel	Short-term business visits to other countries are often frustrated by a lack of clear information and guidance on permissible and prohibited activities. This issue was exacerbated when freedom of movement for British Citizens within the EU ended in December 2020.	In free trade agreements, the UK should focus on the form of commitments in this area, e.g. FTAs should include a granular list of prohibited and permissible activities.	Increased certainty for UK businesses sending British staff to the EU and other countries on business visits.
	Where a visitor into the UK needs to perform productive work, with very few exceptions, they cannot enter under the visitor rules and must apply for a work visa, even where the work activities are incidental or for a very short period. There is a significant increase in administration, cost and timeframes associated with applying for a work visa, and there is no 'middle ground' between visitor status and a work visa.	Implement, potentially on a reciprocal basis, a new immigration route that combines the controls associated with sponsorship with the flexibility of visitor routes. Applicants would be able to perform productive work for up to six months with non-visa nationals being able to travel without first applying for a visa. We first made this recommendation in 2018 in a previous report – 'The UK's future immigration system and access to talent'.	Increased flexibility and speed to land and lower cost/administrative burdens.
Service delivery	The UK's implementation of its commitments to facilitate contractual service suppliers to enter the UK via the Tier 5 (International) Agreement is overly complex, infrequently used, and places an excessively high administrative burden on the UK company receiving the services.	Future trade agreements should provide more detail on the required implementation of commitments, to avoid the way in which they are implemented frustrating the purpose of the commitment which can result in trade distortion.	Simplified and more consistent immigration routes for service suppliers, reducing friction associated with delivering and receiving cross-border services.
Youth Mobility	The UK's Youth Mobility scheme works well and provides a convenient self-sponsored immigration route that gives employers some relief from reliance on the sponsored worker system. But to date the UK has not agreed reciprocal youth mobility arrangements with the EU and without such arrangements in place, the end of Freedom of Movement risks bringing about a potentially overwhelming reliance on the UK's sponsored worker system with its associated administrative burden and costs.	The UK should prioritise the agreement of reciprocal youth mobility arrangements with all trade partners, but particularly the EU.	Youth Mobility visa holders can proactively move to the UK and widening the scope of the route would help support a significant pool of UK-based international talent. Less reliance on sponsored worker systems.



<b>Intra-Company Transfers (Trade Partner Nationals)</b>	<p>Short term assignments to the UK of between six months and two years under the Intra-Company Transfer scheme attract significant additional costs – the Immigration Skills Charge (ISC) - £1,000 per year. This additional cost increases friction associated with short-term assignments and reduces flexibility for UK employers with branches overseas.</p>	<p>The UK should introduce a bespoke ICT route for nationals of trade partners, where reciprocated. The key differentiator would be a two-year exemption from the ISC (or a lower trade partner level charge) where a UK based employer is making use of the new ICT Trade Partner Nationals route. Where the assignee extends their assignment beyond two years or localises, the ISC should be payable from that point onwards. Where equivalent payments form part of the immigration system of the UK's trade partners, these exemptions should apply retrospectively.</p>	<p>The introduction of an enhanced route directly enabling ICTs for trade partner national broadens the UK's ability to negotiate reciprocal outbound arrangements. Increased flexibility for employers in facilitating short-term assignments into and out of the UK.</p>
<b>Process</b>	<p>Employers tell us that the processes and procedures associated with visa applications, both into but particularly out of the UK, are often overly complex, with poor published guidance and high levels of uncertainty over when, if at all, visas will be granted. These challenges increase friction and the cost of administering applications, and decrease certainty.</p>	<p>The UK should seek to agree with its trading partners, via free trade agreements, the adoption of a standard set of principles governing how visa applications are submitted and processed. This would include substantive commitments on speed of processing, decision making processes, requirements for supporting documentation and cost.</p>	<p>Consistent application processes in different countries will greatly reduce friction associated with international mobility.</p>

## Summary of recommendations from The City of London Corporation and EY 2020 Immigration Report

Area	Challenges as reported by respondents	Our recommendations	Impact
1. Attracting international talent to the UK	The lack of a self-sponsored system reduces the attractiveness of the UK to international talent, as it increases friction associated with moving jobs, moving companies or entering self-employment. These restrictions frustrate the innovation the government seeks to encourage.	<p><b>1.1</b> Prioritise the introduction of a new, points-based, unsponsored Talent Route for the highly skilled. Points available to applicants should reflect the various ways that international talent can make a contribution to the UK, e.g.</p> <ul style="list-style-type: none"> <li>• Qualifications.</li> <li>• Professional qualifications.</li> <li>• A highly skilled job offer.</li> <li>• Endorsement from a relevant trade association as possessing skills in demand in the UK.</li> </ul> <p>Route to be capped, but cap to operate with certainty.</p>	<ul style="list-style-type: none"> <li>• A route for highly skilled international talent to proactively enter the UK labour market.</li> <li>• Options to enter self-employment will encourage innovation.</li> <li>• More flexibility for employers, and less reliance on the sponsored worker system.</li> <li>• Supports pandemic recovery.</li> </ul>
	The perception of the UK as a top destination for international talent has diminished in the last four years and risks falling lower once Freedom of Movement ends. Employers are forced to compensate for this by offering higher salaries to attract top talent to the UK.	<p><b>1.2</b> The UK should leverage its soft power and implement new initiatives to attract students, international talent and employers to the UK. This needs to be a multi-pronged approach, including:</p> <ul style="list-style-type: none"> <li>• Joint initiatives between the Office for Talent, BEIS, trade associations and the Foreign Office to identify international talent overseas and attract it to the UK.</li> <li>• Making use of minor policy tweaks to provide a real benefit to employers looking to move to the UK, e.g. expediting the Sponsor Licence application process.</li> <li>• A more concerted effort by government to extol the virtues of immigration and link to the positive use of the Immigration Health Surcharge and the Immigration Skills Charge (ISC).</li> </ul>	<ul style="list-style-type: none"> <li>• Increased supply of highly skilled talent.</li> <li>• An enhanced view of the UK as a good place to do business, both for individuals and companies of all sizes.</li> </ul>

2. Diversity & Inclusion (D&I) and flexible working	The current and proposed sponsored worker system only allows the higher paid to work part-time. This is fundamentally unfair and impedes employers in their ability to meet D&I and flexible working objectives.	<p><b>2.1</b> Allow sponsored, skilled workers to work part-time (even if it reduces their salary below the absolute threshold) in the following scenarios:</p> <ul style="list-style-type: none"> <li>• In the first five years of a child being born, provided absolute earnings do not drop below income support level.</li> <li>• In all cases where the migrant has worked for the sponsor for at least twelve months prior to the change (this will support pandemic recovery).</li> </ul>	<ul style="list-style-type: none"> <li>• Increased support for D&amp;I objectives.</li> <li>• Employers will have more flexibility in managing their pandemic recovery, without being forced to offer sponsored migrant workers full-time hours whilst being unable to offer the same to local workers.</li> </ul>
	The current requirement to make an application for Further Leave to Remain for changes in role is expensive, time consuming and introduces significant friction to workforce flexibility. This makes moving between roles more difficult, and can impact social mobility.	<p><b>2.2</b> Remove the requirement for sponsored Skilled Workers to submit a Further Leave to Remain application for changes in role within an organisation. With the Resident Labour Market Test requirement abolished, there is little justification for such an administrative requirement. Instead, employers should simply notify the Home Office of changes via the Sponsor Management System.</p>	<ul style="list-style-type: none"> <li>• Significantly reduced administrative processes and lower cost for employers, visa holders and the Home Office.</li> <li>• Increased ability to move between roles, supporting D&amp;I and social mobility objectives.</li> </ul>

<b>3. Process</b>	Employers are repeatedly forced to submit the same data to different government departments. The EU Settlement Scheme has shown how cross-departmental data sharing can work well and these principles should be adopted more widely.	<p><b>3.1</b> The Home Office should leverage data already submitted by employers via Realtime payroll reporting to:</p> <ul style="list-style-type: none"> <li>• Increase levels of compliance and identify abuse by comparing salaries to minimum thresholds.</li> <li>• Avoid duplication by using this data to track salary changes and the end of a sponsored skilled worker's employment instead of requiring employers to report this via the Sponsor Management System.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced compliance.</li> <li>• Reduced administrative processes for employers.</li> </ul>
	The Sponsor Management System (SMS) is at its core, 12 years old, and was built before the Government's recent (and successful) digital initiatives. The SMS does not support Application Programming Interfaces (APIs) and reporting functionality is poor. All of this increases the time associated with performing simple tasks - a challenge which will be exacerbated once employers need to sponsor EU nationals and numbers increase.	<p><b>3.2</b> Implement APIs within SMS technology, enabling interface with large employers' Human Resource Information Systems (HRIS) to push notifications and data to the SMS as well as pull status updates and reporting data from the SMS.</p> <ul style="list-style-type: none"> <li>• Improve reporting functionality and 'look and feel' of SMS for smaller sponsors without an integrated HRIS.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced administrative processes for employers.</li> <li>• Fewer errors.</li> <li>• Enhanced compliance.</li> </ul>
	Employers are required to submit seemingly unimportant information on a regular basis via the SMS, such as changes to a sponsored migrant worker's work address. This is seen as time-consuming and employers assume that the Home Office does not actively monitor or process this data, raising the question - what is the need to submit it?	<p><b>3.3</b> Sponsors should not need to report changes of work address via the Sponsor Management System. Instead, sponsors should be trusted to retain this data, available for Home Office inspection at any point, as is currently the case with right to work checks and employee contact details.</p>	<ul style="list-style-type: none"> <li>• Reduced administrative processes and allows for enhanced, targeted compliance.</li> </ul>
	Processes for obtaining a Sponsor Licence and using it to sponsor migrant workers are seen as opaque and complex. This has the potential to cause severe challenges in 2021, particularly for the tens of thousands of SMEs that will likely need to use the system for the first time.	<p><b>3.4</b> The Home Office should launch a series of initiatives to support employers of all sizes in using the UK's immigration system. This should include:</p> <ul style="list-style-type: none"> <li>• A 'get ready for Brexit' style campaign on the immigration changes from January 2021 and the steps that employers will need to take.</li> <li>• Assurance that the Home Office has the capacity to scale up in a short space of time so the system does not grind to a halt in Spring 2021.</li> <li>• Better support options (potentially at cost) for different sizes of sponsors, e.g. amnesty audits, fast-track sponsor licence applications.</li> <li>• Accessibility and transparency of immigration rules and processes.</li> </ul> <p>These initiatives will also support SMEs recovering from the economic challenges caused by the coronavirus pandemic.</p>	<ul style="list-style-type: none"> <li>• Better awareness amongst sponsors and potential sponsors, leading to fewer process bottlenecks.</li> <li>• Improves levels of compliance and therefore public confidence in system.</li> </ul>

4. Cost	The ISC is a significant payment (up to £5,000) and currently must be paid up-front, potentially up to six months before the migrant worker starts their role. No other tax on employers is payable in advance to this extent. Some employers reported that managing part-refunds, often many years later, is a large administrative task. Other employers, particularly SMEs, report that paying such a large amount in advance could have the potential to cause cashflow challenges, particularly when the number of sponsored workers increases from 2021.	<p><b>4.1</b> Employers should be able to choose between three options for paying the Immigration Skills Charge:</p> <ul style="list-style-type: none"> <li>• Paying up front in full, as now, with a refund system.</li> <li>• Paying up front in full, with a lower fee but no refunds.</li> <li>• Paying periodically (in advance) through the HMRC payroll system or SMS, with no refunds.</li> </ul>	<ul style="list-style-type: none"> <li>• Better cashflow for employers (particularly relevant for SMEs recovering from pandemic-related cashflow challenges).</li> <li>• Less administrative processes for employers.</li> </ul>
	There is a very significant increase in costs associated with Sponsorship (licence applicant and ISC) for medium sized employers over small employers. This does not necessarily reflect the differences in resources between small and medium sized businesses, particularly in the context of the coronavirus pandemic.	<p><b>4.2</b> Medium sized employers should pay the same fees that currently apply to small employers, and the higher fees should be reserved for large enterprises with more than 250 employees.</p>	<ul style="list-style-type: none"> <li>• More viable for medium sized companies to use the sponsorship system.</li> </ul>

Our reports in 2020 acknowledged the work that was already underway to deliver an enhanced 2021 UK immigration system and the commitments already made to that effect. We focused on some gaps in the new system, and on the opportunity that pandemic-induced immigration disruption presented. We recognised that the first six months of pandemic response had seen innovative, and largely effective, UK policymaking on immigration, with rapidly introduced policy flexibilities displacing entrenched norms, and cushioning the shock of global border closures and travel restrictions.

Our asks across both reports focused on three key criteria:

- **Effectiveness:** maximum positive impact for employers, applicants, the Home Office and the economy as a whole.
- **Improvement:** rather than revolution, to address the often deeply practical challenges employers face.
- **Deliverability:** supporting the Home Office's direction of travel, requiring minimal flex of the government's policy objectives.

As we stressed in our earlier reports, access to talent initiatives require a strategic, practical and joined-up approach across government, supported by data from businesses to create a continuous feedback cycle that keeps initiatives market relevant.

Since our reports have been published, the UK's 2021 immigration system has come into force, and freedom of movement with the EU has ended.

The government has continued to engage on immigration policy and trade agreements and has announced further immigration reform in two notable policy statements: firstly, the Chancellor's Spring Budget; and the Department for Business, Energy and Industrial Strategy's 'Innovation Strategy'.

Through these policy statements, trade announcements and ongoing engagement, we have tracked both the successes for business, and our current asks.



## Our successes

- Prioritised introduction of a new, points-based, **unsponsored High Potential Individual Route** for the highly skilled: *'The government will ... introduce by March 2022, an elite points-based visa'*.<sup>3</sup>
- **Simplified Sponsor processes**: *'The government has published its Sponsorship Roadmap.'*<sup>4</sup>
- Prioritised agreement of reciprocal **Youth Mobility Schemes**: *'The UK and Australia will make unprecedented changes to their Youth Mobility Schemes, making them available to nationals no older than 35 for a total stay of up to 3 years'*<sup>5</sup>; *'The UK and India have signed an ambitious new migration partnership, which will see both countries benefit from a new scheme for Indian and British professionals'*.<sup>6</sup>
- Simplified immigration rules supporting **service delivery**: *'The government will ... launch the new Global Business Mobility visa by spring 2022 for overseas businesses to establish a presence or transfer staff to the UK'*.<sup>7</sup>
- Enhanced use of **UK's soft power** to attract students, international talent and employers to the UK: *'The government will ... establish a global outreach strategy ... marketing the UK's visa offering and explore building an overseas talent network'*.<sup>8</sup>
- Creation of a new UK visa stream to enhance access to international talent for **FinTech scaleups**: *'Within this... [elite points-based visa] will be a 'scale-up' stream, enabling those with a job offer from a recognised UK scale-up to qualify for a fast-track visa'*.<sup>9</sup>

## Our engagement for this Scorecard

For our 'One year on Scorecard', we engaged again with the stakeholder group from our earlier reports, including employers in the financial and related professional services sector. The group drew upon representatives from banking, capital markets, insurance, tech companies, legal firms and insurers; and trade associations representing various sectors including tech, financial services and professional services. We also engaged with representatives of central government. Stakeholders welcomed the opportunity to reflect on how the UK's 2021 immigration system has impacted them, the challenges they still face and to explore opportunities for further improvements in the system.

## The 'wins'

Businesses across the industry welcomed the government's willingness to engage with private sector firms around the introduction of the new UK immigration system.

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3 UK Innovation Strategy (July 2021, BEIS). Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1009577/uk-innovation-strategy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1009577/uk-innovation-strategy.pdf)

4 UK points-based immigration system: sponsorship roadmap (August 2021, Home Office). Available at: <https://www.gov.uk/government/publications/uk-points-based-immigration-system-sponsorship-roadmap>.

5 The UK's points-based immigration system: sponsorship roadmap (August 2021, Home Office). Available at: <https://www.gov.uk/government/publications/uk-points-based-immigration-system-sponsorship-roadmap/the-uk-points-based-immigration-system-sponsorship-roadmap-accessible-version>

6 UK-India agree partnership to boost work visas for Indian nationals. (May 2021, British High Commission, New Delhi). Available at: <https://www.gov.uk/government/news/uk-india-agree-partnership-to-boost-work-visas-for-indian-nationals>

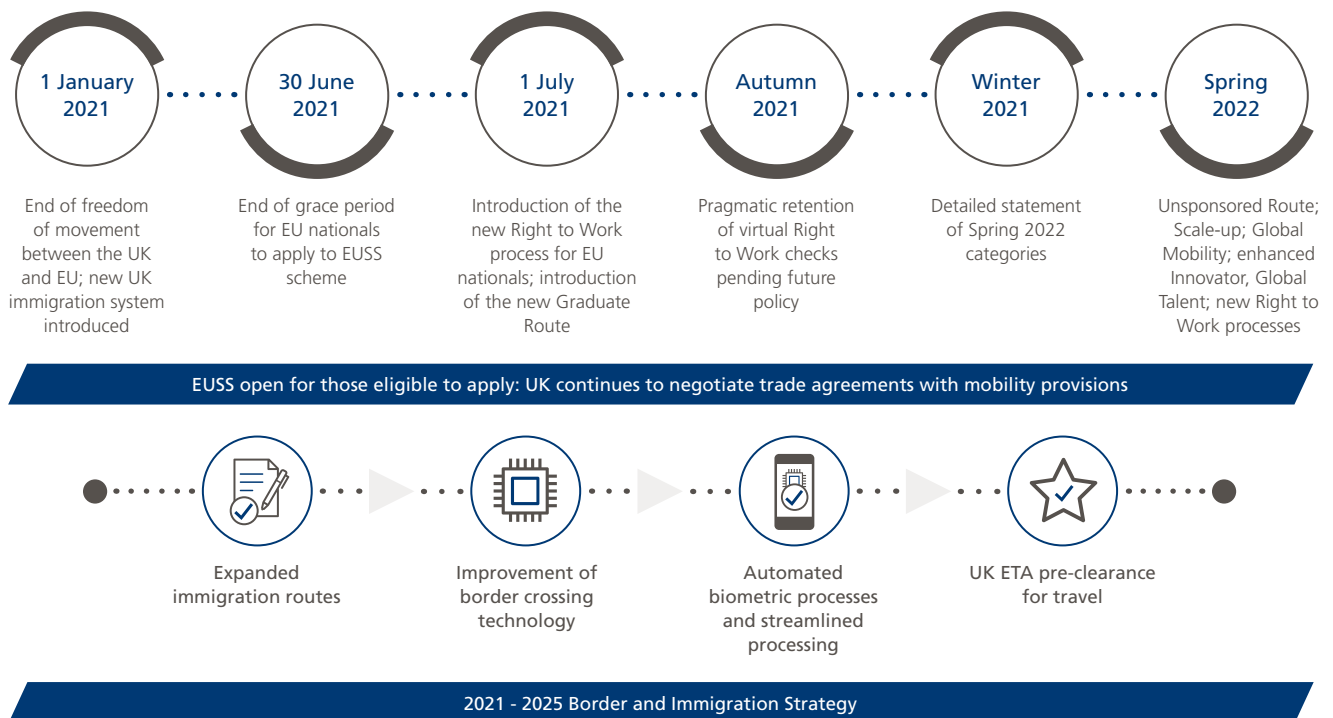
7 Budget 2021 – Protecting the jobs and livelihoods of the British people. (March 2021, HM Treasury).

Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/966868/BUDGET\\_2021\\_-\\_web.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966868/BUDGET_2021_-_web.pdf)

8 Ibid

9 Budget Speech 2021 (March 2021, HM Treasury). Available at: <https://www.gov.uk/government/speeches/budget-speech-2021>

## UK Immigration Roadmap 2021 - 2025



There was wide consensus on the 'wins' and the things that were, so far, going well:

- Removal of resident labour market testing for Skilled Worker visas.
- Broader scope of the Skilled Worker route with reduced skills and minimum salaries.
- The 'suspension' of the cap on Skilled Workers.
- Improved, more-user friendly communications, for employers and sponsors.
- Greater flexibility for switching, for Tier 5 Youth Mobility Scheme participants and Intra-Company Transferees in particular.
- Introduction of platforms through which end-to-end applications could be made online.
- Expedited processing for Sponsor Licence applications.
- The introduction of the Graduate Route in July 2021.
- A flexible policy for EU nationals who had not applied to the EU Settled Status Scheme by 30 June 2021 to allow them to continue to benefit from employment rights, in certain circumstances, whilst applications were pending.
- Continued flexibility on policy around the pandemic, such as virtual right to work checking.

## **‘Near misses’**

‘Near misses’ cover some outstanding industry policy asks on labour mobility issues which are, in large part, easily achievable within the government’s immigration policy framework. For the purposes of this Scorecard, we have categorised these asks into three categories:

1. Practical challenges for business that are within the government’s stated policy objectives to resolve quickly.
2. Reforms that require the UK to negotiate with trading counterparts.
3. Reforms that require the UK to lead innovation in its approach to immigration policy.

Stakeholders cautioned that it was too early to fully gauge the impact of Brexit, but that they were already seeing a significant increase in costs. It is unsurprising that stakeholder focus was also on:

- bureaucracy and process
- short-term work, business travel and Intra-Company Transfers
- cross-border remote work
- diversity, equity and inclusion (DEI) and sustainability.

## 2. The practical challenges

Stakeholders highlighted a number of asks from our earlier reports that were felt to be modest, easily achievable and highly likely to deliver tangible benefit against some of the pressures being felt. Some of these were viewed as 'quick fix, modest tweak' in nature, others were understood to require a more deliberate shift in policy but were felt to complement the government's direction of travel.

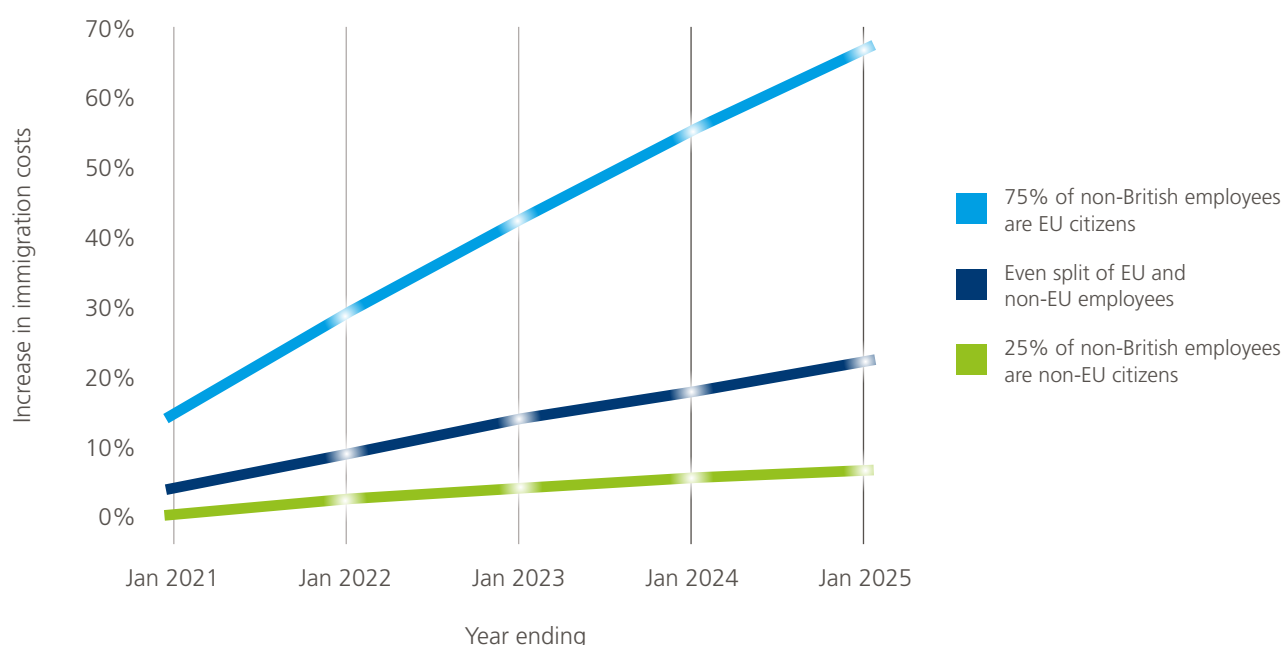
*"For a scaling business, stripping out unnecessary bureaucracy is key."*

Stakeholder response

### 2.1 Policy adjustments

- Where a Skilled Worker is promoted or progresses into another occupational code, a change of employment immigration application is required. These were deemed an unnecessary expense and use of business time, and it was felt that the compliance aspects of this could be addressed through the Sponsor Management System, rather than imposing administrative requirements on applicants, employers and the Home Office alike. **Change of employment with the same Sponsor should rather be effected by a simple Sponsor Management System (SMS) update.**
- The Graduate Route was widely welcomed but the inability to count time spent in the Route towards settlement meant that it was a lost opportunity to offer some mitigation for UK businesses against the cost impact of the new immigration system. It was further felt that allowing those with this status to switch to long-term categories and have time spent in the Graduate Route count towards settlement would be a powerful message and would support the UK's attractiveness to, and ability to retain, global talent. **Allowing Graduate Route time to count towards settlement would, for those who later switch to long-term categories, allow employers to make use of the policy more effectively for long-term employees.**

**Figure 1:** Projected average increase in total immigration costs for employers from 2021



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*“We would use the Graduate route if it were more strategic, allowing us to bundle up time spent on the Graduate Route and Skilled Worker Route towards settlement.”*

Stakeholder response

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## 2.2 Streamlined processes

- The virtual right to work processes introduced during the pandemic were applauded as an example of streamlined processes and **there was universal demand to retain virtual right to work processes in the long-term**. The decision to pivot to a long-term digital model, and to retain the current virtual process until 5 April 2022, at which point the new model is expected to kick in, was very warmly received by stakeholders.
- Stakeholders raised the need to **remove unnecessary bureaucracy from the system which holds back growth within firms** – this was particularly felt for tech and digital roles where the time taken to secure work permission had in some cases led to stakeholders losing valuable candidates to other jurisdictions.
- **Sponsors should not need to report changes of work address via the Sponsor Management System**. Instead, sponsors should be trusted to retain this data, available for Home Office inspection at any point, as is currently the case with right to work checks and employee contact details.
- By the same token, stakeholders welcomed the introduction of compliance spot checks through the Sponsor Assurance and Investigations Team. It was felt that these compliance spot checks should enable greater streamlining for sponsors, such as the recommendations above, including to **allow change of employment with the same Sponsor to be effected through an SMS update rather than an immigration application**.

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*“Understanding how government will prioritise markets for the roll out of end-to end online processing is key as we are competing with Silicon Valley, to attract and land talent speedily from the US, for example.”*

Stakeholder response

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## 2.3 Repeat and automatic use of government held data

- It was felt that the **Home Office could leverage data already submitted by employers via Realtime payroll reporting to do compliance spot checks**, increase levels of compliance and identify abuse by comparing salaries to minimum thresholds. The Home Office could also, for example, avoid duplication by **using this compliance data to track salary changes and the end of a sponsored skilled worker's employment** instead of requiring employers to report this via the Sponsor Management System.
- **Implementing APIs within SMS technology** would enable employers' HRIS to push notifications and data to the SMS as well as pull status updates and reporting data from the SMS. At the same time, improving reporting functionality and the 'look and feel' of SMS would help smaller sponsors who lack an integrated HRIS.

## 2.4 Managing cost and recognising contribution

- **Employers should be able to choose 'ways to pay' the Immigration Skills Charge**: paying up front in full, as now, with a refund system; paying up front in full, with a lower fee but no refunds; or paying periodically (in advance) through the HMRC payroll system or SMS, with no refunds. This would deliver better financial agility and cashflow for employers (particularly relevant for SMEs recovering from pandemic-related cashflow challenges).
- **Medium sized employers should pay the same fees as currently apply to small employers**, and the higher fees should be reserved for large enterprises with more than 250 employees (or at least a median fee).



- UK authorities should **recognise the strong business and migrant worker contribution** to the UK's socio-economic fabric through payment of the Immigration Skills Charge, Immigration Health Surcharge and through the overall tax take that the UK receives from skilled migrant workers within the financial and related professional services industry.<sup>10</sup>

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*Migrants who are in the top 1% of all income taxpayers alone contribute 8% of total income tax - about £1.6bn in 2019-20.<sup>11</sup>*

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## Opportunities for meaningful Intra-Company Transfer Reform

Moving to those asks that were understood to require more substantive change, it was felt by stakeholders that these complemented the government's direction of travel on immigration policy, linking well to the opportunity for reform presented by the current review of the Intra-Company Transfer Route and the proposed Global Business Mobility umbrella framework<sup>12</sup>, with the Migration Advisory Committee expected to report back to government in October.

The value of the ICT Route to the UK's global positioning and attractiveness to business is critical. Reform of the Route should look to the gaps where continued pressure is felt by business. With both immigration and international trade and investment policy in the UK at a momentous juncture, there is a fresh opening for new, constructive, and innovative approaches to the ICT route, working with the grain of existing systems, whether international or domestic, flexing current architecture in both. On a more practical note, the easements in the Skilled Worker Route should not lead to complacency. The cap on the Skilled Worker Route has been suspended, not removed. It is critical that the UK continues to offer a separate immigration route that can be accessed swiftly via a streamlined process for global mobility.

### 2.5 Hybrid short term Global Mobility Stream to bridge the business travel vs work permit divide

Stakeholders' key concern regarding mobility continues to be the gap in the system for short-term business travel - the difficulty of navigating those cases where individuals need to be able to come in at short notice and carry out productive work remained problematic. UK-based employers often talk with frustration of managing the distinction between activities that require a work visa and those that are permissible as a business visitor.

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*"Both inbound and outbound business travel continue to be hugely problematic, with a new layer of complexity added by intense demand for cross-border flexible work arrangements."*

Stakeholder response

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The frustration stems from the fact that a relatively minor shift in activities often results in a drastic increase to the cost, timescale and administration associated with compliance with the immigration regime and there is no middle ground between visitor status and a work visa.

Looking at this issue now, one year on, the challenges are exacerbated:

- Firstly by Brexit, with UK-EU business travel lanes accounting for significant business travel volumes. The requirement for work permission for previously unencumbered activity across the region is still very 'new' and, in an early 2021 survey, 41% of business respondents expected to be impacted by new restrictions on the activities UK nationals can undertake whilst in the EU.<sup>13</sup>

<sup>10</sup> Migrants responsible for UK's growth of top incomes and taxes (Financial Times, September 2020), available at: <https://www.ft.com/content/0e7aafcf-4e69-4124-9a43-027177d8a4b9>.

<sup>11</sup> Migrants responsible for UK's growth of top incomes and taxes (FT, September 2020). Available at: <https://www.ft.com/content/0e7aafcf-4e69-4124-9a43-027177d8a4b9>

<sup>12</sup> Stakeholders welcomed proposed reform to the Sole Representative of an Overseas Business Route, bringing it under a Global Mobility umbrella

<sup>13</sup> How UK businesses are responding to post-Brexit trade (April 2021, EY). Available at: [https://www.ey.com/en\\_uk/ey-brexit/how-uk-businesses-are-responding-to-post-brexit-trade](https://www.ey.com/en_uk/ey-brexit/how-uk-businesses-are-responding-to-post-brexit-trade)

- Secondly by the pandemic – with traditional long-term assignments making way for a more globally agile, shorter-term mobility model.

Ironically, these challenges are most acutely felt by the most compliant of Sponsors, who invest significant resources on technology, governance and controls to manage these risks.

**The UK should implement a new hybrid Short-term Global Mobility stream through Intra-Corporate Transferee (ICT) reform to allow employees to enter the UK for short term productive activity without a work visa, combining the controls associated with sponsorship with the flexibility of visa-free entry.**

How this could work in practice

- **Step 1:** Applicants could be required to hold an ICT Certificate of Sponsorship by the UK sponsor, enabling them to perform productive work for up to six months. This ensures there is sufficient oversight and control of the sponsored worker and the work they are undertaking.
- **Step 2:** The applicant enters the UK without applying for a visa prior to departure. Sponsor notifications are made on departure. This will deliver increased flexibility and lower cost and administrative burdens.

Implementation of this scheme would necessitate two key adaptations of the Immigration Rules which could comfortably be built into the Global Business Mobility umbrella framework:

1. Ensure citizens of all key trade partners with whom this special flexible visa process is agreed are considered non-visa nationals, meaning they are not required to apply for a visa before travelling to the UK. The majority of the UK's main prospective trade partners are already on this list, with the exception of South Africa and India.
2. Create this hybrid category within the Global Mobility / ICT reform framework and give Immigration Officers at UK ports of entry the power to grant Leave to Enter within this category on arrival in the UK, without requiring the applicant to hold Entry Clearance. This recommendation becomes more achievable than ever before as we move towards the UK's 2025 digitised borders strategy.<sup>14</sup>

## Short-term Global Mobility Stream: use case for Innovation Accelerators

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***"We have encountered visa issues where individuals from participating (or potentially participating) FinTech firms based outside the UK need to come to the UK to participate in accelerator labs."***

Stakeholder response.

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Stakeholders highlighted that the ability of innovation accelerators to attract the best companies and talent from around the world depended, in a significant part, on the structure of the UK's immigration system. It was considered in the UK's economic interest to support more digital skills (and relevant experience of operating in overseas markets and deep sector understanding of various international regulatory systems) including with respect to 'RegTech' and 'GreenTech', and to have both innovative firms and entrepreneurial technologists able to work in the UK at short notice. There was concern that the system needed to be more dynamic for these types of fast-track short-term working visas. The proposed hybrid route would achieve this goal with a suitable governance and controls structure, and with relative policy ease.

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<sup>14</sup> For more information, please see 2025 UK Border Strategy (December 2020, Cabinet Office). Available at: <https://www.gov.uk/government/publications/2025-uk-border-strategy>

### 3. Reforms that require the UK to negotiate with global partners

When commitments on labour mobility are made in trade agreements, all too often the theoretical liberalisation gains (in the form of more access to international talent) are limited by continuing practical obstacles that make it hard for businesses to take advantage of the new agreement.

Short-term business travel is a case in point.

While the fact that the UK and EU were able to reach agreement on the Trade and Cooperation Agreement (TCA) was welcomed by industry, it was felt that the TCA did not go far enough to help businesses access talent. The treatment of business activity and short-term work in the TCA was cited as acutely problematic by businesses. Stakeholders were also concerned that the TCA had not provided a labour mobility system that could cope effectively with some new post-pandemic business realities, such as the need to manage cross-border remote work.

The framework has caused further practical challenges:

- Lead times and complexity in work permit processes across EU jurisdictions.
- Confusion and a disparate approach to cross-border remote work.
- Understanding in plain English how to ensure business compliance around the '90 in 180 days' rule and awareness about where time would count (with not all EU members in the Schengen Zone, and some non-EU microstates in the Zone).
- Concern that this could lead to inadvertent breaches, with serious implications for business travellers and their employers.

#### 3.1 Negotiate reciprocal outbound short-term hybrid work routes

There continued to be support for a broader view to be taken in FTAs that could facilitate the assignment of employees for a short period. Temporary travel is often critical for an employee to provide short-term cover. This type of activity typically falls foul of permitted business visitor activities, but the cost and timeline around required immigration processes can run contrary to the required speed of deployment.

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*"Our most experienced people often need to do productive work in multiple countries. It is not always feasible to get them on multiple local employment contracts to meet some immigration requirements outside of the UK."*

Stakeholder response

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Stakeholders agreed that **the hybrid, streamlined short-term category outlined above to allow productive work at 1.5 could be negotiated on a reciprocal basis** – to better align with new forms of global mobility, post-pandemic and to effectively plug the above gap. Where mutually agreed via trade agreements, the UK's list of non-visa nationals should be updated to include nationals of trade partners offering a reciprocal route, enhancing UK access to international markets.

#### 3.2 Increase certainty for UK business around outbound short-term travel

The clarity of the UK's rules for business visitors compares favourably to other countries' systems. For example, the UK has progressively built provision into its business visitor guidance to allow incidental remote work.

However, stakeholders did not enjoy this clarity or transparency consistently elsewhere.

Accordingly, it is recommended that **the UK's negotiation focus during trade agreements should be on the form of commitments in this area – with a clear, standardised and reciprocal list of permissible and prohibited activities**. This will deliver increased certainty for UK businesses sending UK staff overseas on business visits. Standardisation of activities would greatly benefit employers and internationally mobile talent, and rests on the principle that there should be an international best practice. The principle is not entirely dissimilar to the direction of travel on pandemic border policy and

the move towards normative standards on issues such as vaccine certification and testing - this was felt to be an opportune moment to address a long-standing problem.

### 3.3 Agree and implement consistent trade route immigration processes

The processes and procedures associated with trade agreement enabled visa applications, both into but particularly out of the UK, continue to be overly complex, with poor published guidance and high levels of uncertainty over when, if at all, visas will be granted. These challenges increase friction and the cost of administering applications and decrease certainty.

**The UK should seek to agree with its trading partners, via FTAs, the adoption of a standard set of principles governing how visa applications are submitted and processed.** This would include substantive commitments on speed of processing, decision making processes, requirements for supporting documentation and cost. Consistent application processes in different countries will greatly reduce the frictions associated with international mobility.

### 3.4 Enhanced access under Reciprocal Intra-Company Transfer (Trade Partner Nationals) Route

While the ICT Route is often classed as a Route that allows the UK to deliver on any Mode 4 obligations that it has subscribed to either in the General Agreement on Trade in Services (GATS) or other trade agreements, there is significant advantage that can be derived from using the route to enhance access to talent with key trading partners.

**Stakeholders supported the recommendation for a bespoke ICT route, to be built in through the Global Business Mobility Reforms, for nationals of key trade partners that could be negotiated on a reciprocal basis during negotiations for a trade agreement.**

Such an approach would involve two key differentiators from the current Intra-Company Transfer Route that would deliver significant benefit to the UK industry:

- The applicant should be required to be a current employee of an overseas branch of the UK sponsor, but should not need to have worked for them for any specific length of time (this was one of the flexibilities available under the Tier 2 ICT Skills Transfer Route).
- The route should offer a two-year exemption from the Immigration Skills Charge (ISC)<sup>15</sup>, saving employers up to £2,000 per person sponsored under this route. Alternatively, a reduced rate could apply. Either the Trade Partner National (TPN) category could be limited to two years, or where an assignee extends their assignment beyond two years, or localises, the ISC should be payable from that point onwards. Where equivalent payments form part of the immigration system of the UK's trade partners, these exemptions should apply retrospectively.

In the absence of a bespoke trade partner nationals route, ICT trade categories simply 'fall in line' with general ICT provisions, whereas there should be differentiation to achieve the underlying mutual trade objectives of the agreement.

The introduction of an enhanced route directly enabling ICTs for trade partner nationals would broaden the UK's ability to negotiate mutually agreed outbound arrangements. Taken together with the recommended short-term mobility stream (at 1.5 above), the UK would be negotiating from a market leading position - broadening the UK's ability to negotiate mutually agreed outbound arrangements.

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<sup>15</sup> Short-term assignments to the UK of between six months and two years under the Intra-Company Transfer scheme attract significant additional costs (such as the Immigration Skills Charge (ISC) at £1,000 per year in most cases). This additional cost increases friction associated with short-term assignments and reduces flexibility for UK employers with branches overseas.

## 4. Reforms that require the UK to lead innovation

There are three fundamental labour mobility policy challenges that require highly innovative solutions, either because they have not previously been addressed (at least not at scale) in traditional immigration policy or because they have been raised but remain unresolved.

### 4.1 Diversity, equity and inclusion

DEI falls in the latter category – not a new challenge, but one that so far has not been addressed holistically in mainstream immigration policy. It intersects with both the domestic and international workstreams in our reports.

At the domestic level, there can be particular challenges for women in immigration policy around access. Pressure is felt where employment related immigration status is inflexible to changing personal circumstances. Shifted ways of working following the pandemic can also exacerbate underlying inequalities. To address those barriers, policy makers must be alive to the totality of the challenge - the solution will require a holistic approach across all areas impacting women's economic participation: trade, employment, entrepreneurship and the workforce.

It was felt by stakeholders that the UK was in a good position to lead on DEI and immigration policy globally, by:

- **Bringing DEI reporting into quarterly migration statistics** to start to benchmark performance - for example, against role, sector, salary.
- **Allowing sponsored, skilled workers to work part time (even if it reduces their salary below the absolute threshold in certain scenarios)** was viewed as something that would help employers with DEI objectives, giving them more flexibility with their sponsored workforce.

At the international level, there should be overarching commitments in the UK's FTAs to advance women's economic empowerment through trade. It is important to note that adopting an immigration policy that promotes DEI would provide the UK with a competitive advantage by helping it attract the best of diverse global talent and sending a strong signal to global partners about the UK's domestic working culture.

### 4.2 A progressive approach to Cross-border Remote Work

Cross-border remote work (CBRW) is not a new concept per se, but it has never been presented at such scale as seen during the pandemic. In the initial phase of the pandemic, cross-border remote work was enabled where right to work could be confirmed for individuals who were stranded in their location by sudden border closures and restrictions. Over the Autumn of 2020, as 'work from home' policies remained in place, demand for cross-border flexibility increased, with high demand into the EU from the UK for short-term flexible work arrangements. Now, there is sustained demand for CBRW to feature in future of work models and employers are slowly moving away from defensive strategies towards seeking to access a more globally agile talent pool.

**9 out of 10 people want flexibility in where and when they work<sup>16</sup>**  
**54% of employees will leave their employer to get this flexibility<sup>17</sup>**

Immigration policy is in many ways playing 'catch up' with no real concept of remote work in existing mainstream immigration law – remote work being based on employer, rather than employee geographical footprint. Remote work has traditionally been viewed as productive work: not permissible under business visitor rules; but at the same time not typical work permit employment - the work is not usually tied to a local entity); meaning that cross-border remote work often falls in something of an immigration policy black-hole.

Immigration responses to this new challenge have thus far fallen into three broad categories:

- CBRW is expressly prohibited: A third country national who will undertake productive / hands-on work (even if remotely) will require work authorisation (but there is often no directly correlating remote worker category).

<sup>16</sup> Has technology bridged the physical divide? (May 2021, EY). Available at: [https://www.ey.com/en\\_gl/workforce/has-technology-bridged-the-physical-divide](https://www.ey.com/en_gl/workforce/has-technology-bridged-the-physical-divide)

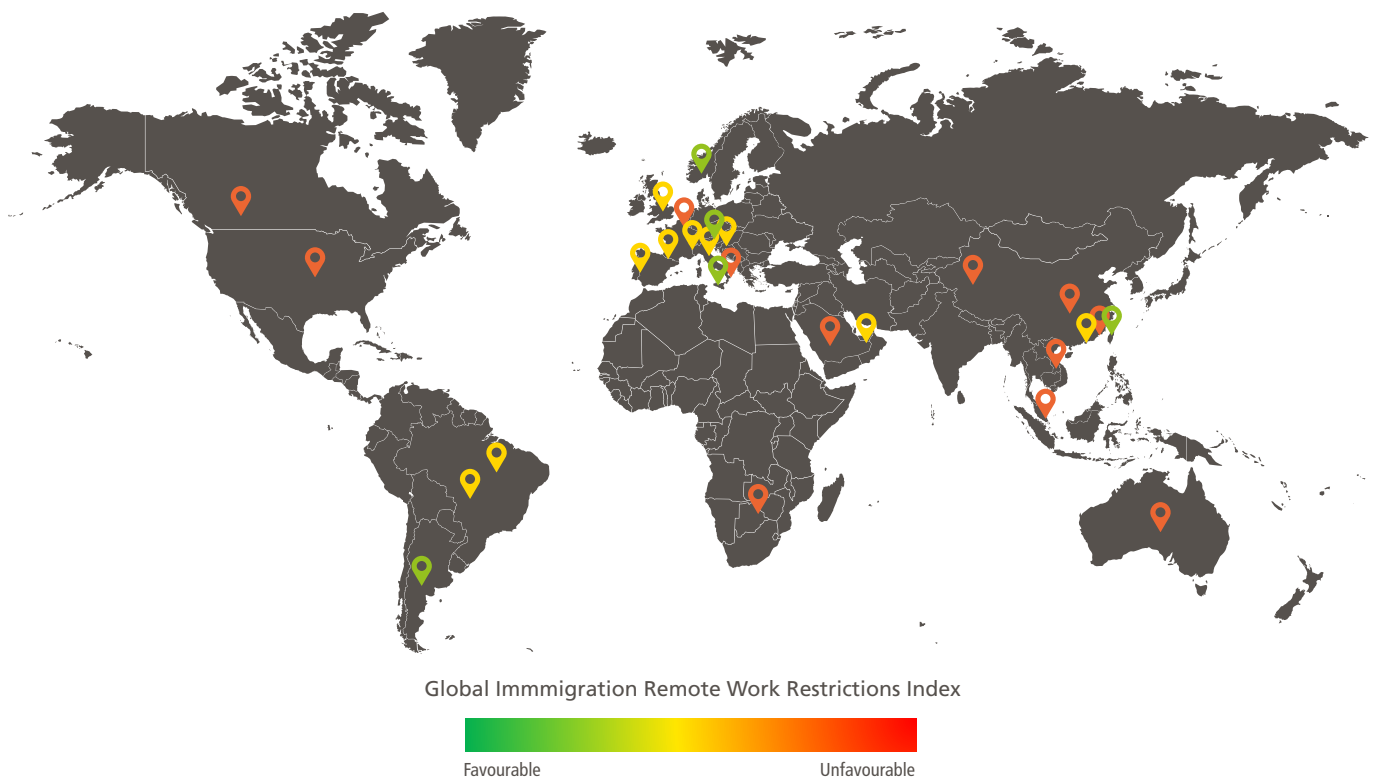
<sup>17</sup> More than half of employees globally would quit their jobs if not provided post-pandemic flexibility, EY survey finds (May 2021, EY). Available at: [https://www.ey.com/en\\_gl/news/2021/05/more-than-half-of-employees-globally-would-quit-their-jobs-if-not-provided-post-pandemic-flexibility-ey-survey-finds](https://www.ey.com/en_gl/news/2021/05/more-than-half-of-employees-globally-would-quit-their-jobs-if-not-provided-post-pandemic-flexibility-ey-survey-finds)



- There are no transparent rules on CBRW: Remote work is not expressly addressed in immigration rules and regulations (and again there may be no directly correlating category).
- CBRW is expressly permitted: Immigration rules either permit remote working under a Nomad / digital work type visa; and / or business travel rules permit incidental remote work.

The UK is in the latter category, and one of the few countries that specifically (and helpfully) calls out remote work as a permitted incidental business visit activity. Meanwhile, Malta, Romania, many Caribbean states and the UAE are among those who have started to establish remote worker / nomad type visas to encourage remote workers to boost local economies.

### Cross-border Remote Work: EY Global Immigration Restrictions Index in key financial and related professional services hubs



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*“Operating in this grey area is becoming more and more challenging - we want to see clearer solutions as we move into the future of work.”*

Stakeholder response

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Innovative global mobility frameworks will soon fill this gap, with rigidity and uncertainty making way for structure and flexibility. Global governments are now looking at their post-pandemic immigration model as they compete for international talent.

But the UK has already taken the first leading steps on remote work and it can build on this:

- By implementing the recommendation at 1.5 above to make provision in the reformed ICT route to facilitate short term work / remote work.
- By further enhancements to the visitor route to give greater flexibility for very temporary work that needs to be done in the UK, whether remotely or otherwise.

### 4.3 Sustainability and post-pandemic business travel models

As we emerge from the pandemic, both business and employee demand for business travel is high. According to EY's Work Reimagined 2021 employee and employer surveys, 67% of employees want to see a return to business travel and 84% of employers have already started or plan to restart company-sponsored business travel in 2021.<sup>18</sup> 98% of travel managers expect their company's travel spending to increase in the next 12 months.<sup>19</sup>

Business travel will continue to serve a fundamental purpose for the sector and for the UK's economic growth. However, greener business travel will be a critical component in reaching net zero carbon targets. The pandemic reset allows us to build smarter global business travel models as we move forward, with tangible, 'now' actions to help tackle climate change.

With the UK hosting COP26 later this year, the government should take this opportunity to drive a sustainable immigration policy, and bring its progressive thinking on immigration and mobility to the COP26 table in order to focus minds on greener immigration and business travel.

<sup>18</sup> Businesses suffering 'commitment issues' on flexible working (September 2021, EY).

Available at: [https://www.ey.com/en\\_gl/news/2021/09/businesses-suffering-commitment-issues-on-flexible-working](https://www.ey.com/en_gl/news/2021/09/businesses-suffering-commitment-issues-on-flexible-working)

<sup>19</sup> More than half of employees globally would quit their jobs if not provided post-pandemic flexibility, EY survey finds (May 2021, EY).

Available at: [https://www.ey.com/en\\_gl/news/2021/05/more-than-half-of-employees-globally-would-quit-their-jobs-if-not-provided-post-pandemic-flexibility-ey-survey-finds](https://www.ey.com/en_gl/news/2021/05/more-than-half-of-employees-globally-would-quit-their-jobs-if-not-provided-post-pandemic-flexibility-ey-survey-finds)

## Conclusion

Following a year of unprecedented upheaval due to Covid-19 and the UK leaving the EU, the UK government has made a number of positive changes to improve the UK's immigration system and help businesses access the best of the world's highly-skilled talent. These changes have not gone unnoticed by industry, which welcomes the agility and innovation that policymakers have shown.

UK businesses do still face some challenges in accessing highly skilled employees, especially in an environment where other governments are adopting policies to compete post-pandemic to secure the best talent. A combination of some minor tweaks to the UK's current system and some more innovative measures to promote diversity, equity and inclusion in immigration policy and support cross-border remote working could deliver significant benefits to the UK economy.

If UK businesses can access the world's best talent, then the UK will be ideally positioned as a leading international financial centre. UK businesses will be better equipped to provide products and services to global clients and develop new solutions that address key future-oriented markets like sustainable finance.

We call on policymakers to consider how these recommendations could be implemented. Industry is eager to engage with government on the findings in this report, and ready to provide policymakers with any technical support that they may need to help UK businesses access the best of global talent.

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