

From: Smith D (David) (MPO) **On Behalf Of** Minister for Europe and International Development
Sent: 05 February 2015 10:47
To: [REDACTED]
Subject: Letter to Sir David Metcalf - Mr Humza Yousaf MSP

Dear Mr Earl,

I have been advised that you have not yet received a copy of the correspondence intended for Sir David Metcalf from Mr Humza Yousaf MSP, Minister for Europe & International Development.

Please find attached below.



Immigration -
MAC - letter to ...

Thank you,

David Smith | Assistant Private Secretary
Ministerial Private Office | Office of the Minister for Europe and International Development
Scottish Government | St Andrew's House | Regent Road | Edinburgh | EH1 3DG

Minister for Europe and International Development
Humza Yousaf MSP

T: 0300 244 4000
E: scottish.ministers@scotland.gsi.gov.uk

Sir David Metcalf CBE
Chair, Migration Advisory Committee
3rd Floor
Seacole Building
Home Office
2 Marsham Sreet
London
SW1P 4DF



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11 December 2014

Dear

David,

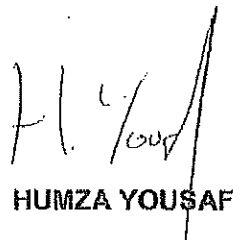
I write further to our meeting of last Friday, 5 December. It was a pleasure to meet with you and members of your secretariat. I would like to thank you, Stephen and Anna for meeting with me and for such an interesting and informative discussion.

As I mentioned when we met, the Scottish Government have established a Post-Study Work Working Group with key education and business representatives in Scotland to discuss the value of the re-introduction of a post-study work visa in Scotland and how such a visa can operate. Further to our discussion last week, I would like to invite you to speak with the Group about the work of the Migration Advisory Committee ('MAC'), as I know that your input and experience would be of great value to the Group. I understand that my officials have been in touch with Stephen to discuss if there is a suitable time to arrange this. The Group is due to report on its work at the end of March 2015. If you are able and would like to speak with the Group, it may be beneficial to arrange a time at the beginning of the new year, so that the Group can take on board your input while developing their work.

I am also intending to write to the UK Home Secretary, as we discussed, to request that the MAC be tasked to consider the financial thresholds for family migration in Scotland. I am aware that there has been considerable concern around the financial threshold since the changes to the family migration rules in July 2012 and I think that it would be of value to consider the impact of these changes specifically in Scotland. We also discussed the value of the MAC preparing an annual report on migration, which could consider migration trends, and include student and EU migration.

Finally, we noted that the Scottish Government could assist the MAC to engage with Scottish bodies, for example, the Institute of Directors Scotland, Federation of Small Businesses, CBI Scotland and Scottish Council for Development and Industry. If you would be happy to meet with these organisations in the future, or if there are any others of particular interest to you, my officials will be happy to arrange this for you.

Thank you again for your time last week and I look forward to working with you in the future.



HUMZA YOUSAF

From: Smith D (David) (MPO) **On Behalf Of** Minister for Europe and International Development
Sent: 24 February 2015 12:22
To: [REDACTED]
Subject: Correspondence Mr Humza Yousaf MSP to Sir David Metcalf CBE - 2015/0006760

Dear Sir David Metcalf,

Please find the attached correspondence from Mr Humza Yousaf MSP, Minister for Europe & International Development.



D Metcalf.pdf

Kind regards,

David Smith | Assistant Private Secretary
Ministerial Private Office | Office of the Minister for Europe and International Development
Scottish Government | St Andrew's House | Regent Road | Edinburgh | EH1 3DG

[REDACTED]

Minister for Europe and International Development
Humza Yousaf MSP

T: 0300 244 4000
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Sir David Metcalf CBE
Chair, Migration Advisory Committee
Home Office
2 Marsham Street
LONDON
SW1P 4DF



Our ref: 2015/0006760
24 February 2015

Dear Sir David,

Thank you for your letter of 13 February 2015 advising that you will be happy to meet with the Post Study Work Working Group. I am disappointed that you will be unable to meet with the group prior to the General Election; however, I am sure the Group will be happy to benefit from your experience and input following the pre-election period.

As you know, the Group plans to publish the final report of their work towards the end of March 2015. My officials will ensure that you are made aware of the report when released and I am sure the Group will be happy to discuss the report when you meet with them.

My officials are taking the work on family migration forward separately

I have asked my officials to liaise with you to arrange a suitable date to meet with the Post Study Work Working Group and the set up meetings with business bodies in Scotland following the General Election. My officials will contact your office in the near future to make suitable arrangements.

Best wishes,
H. Yousaf
Humza Yousaf

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot



From: Thomas Josephine [REDACTED]

Sent: 25 February 2015 10:32

To: [REDACTED]

[REDACTED] Minister for Europe
and International Development;

Cc: MAC SECRETARIAT

Subject: 'Partial Review of the Shortage Occupation List for the UK and for Scotland'

Dear Partners,

Migration Advisory Committee (MAC) publishes the report 'Partial Review of the Shortage Occupation List for the UK and for Scotland. The Migration Advisory Committee has an updated version of the report that was published on the 25th February in response to a commission from the Government. The updated report is available on the website below.

<https://www.gov.uk/government/organisations/migration-advisory-committee>

Kind Regards,

MAC team

Josephine Thomas MAC Secretariat 3rd Floor Seacole NE QRT 2 Marsham Street London SW1 4DF
[REDACTED]

From: Earl Stephen [REDACTED]

Sent: 25 February 2015 12:07

To: MacKenzie F (Fiona)(Health-Employee Experience); Speedie C (Claire)

Subject: MAC shortage report


I attach a copy of the MAC shortage report, also published today on our website at <https://www.gov.uk/government/organisations/migration-advisory-committee>

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat

3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF


<https://www.gov.uk/government/organisations/migration-advisory-committee>

From: Earl Stephen 
Sent: 24 March 2015 16:34
To: Speedie C (Claire); Plunkett N (Nikola)
Subject: Migration Advisory Committee entrepreneurs call for evidence

The Migration Advisory Committee (MAC) has today published a call for evidence in response to a commission from the government to consider the economic impact of the Tier 1 (Entrepreneur) and (Graduate entrepreneur) routes.

I attach a copy of the call for evidence which is also available on the MAC website at <https://www.gov.uk/government/organisations/migration-advisory-committee>.

We will be pleased to receive any response you wish to make to the call for evidence. Please feel free to forward the call for evidence to anyone you think might also be interested in responding. The closing date for contributions is 12 June 2015.

The MAC is hosting an open forum on 17 April at 2 Marsham Street, London SW1P 4DF at 9.30am to discuss this commission. Please let us know if you would like to attend this event.


The MAC are particularly keen to hear from and to meet with any entrepreneurs with experience of using the Tier 1 routes and we will be very grateful for any help you can provide in putting us in touch with interested parties.

Please let me know if you have any questions about this commission or would like us to come and speak about it.

Many thanks.

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF



[REDACTED]
<https://www.gov.uk/government/organisations/migration-advisory-committee>

From: [REDACTED]
Sent: 25 March 2015 16:17
To: Earl Stephen
Cc: [REDACTED]
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Hi Steve,

Many thanks for emailing this directly. I'll be in touch if we have any questions about this.

I hope all is well with you.

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | [REDACTED]
[REDACTED] | 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: Earl Stephen [REDACTED]
Sent: 26 March 2015 12:01
To: Speedie C (Claire)
Cc: Plunkett N (Nikola)
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Fine thanks, and with you.

We need to touch base at some point about David Metcalf following up on Humza Yousaf's letter, which he is keen to do. Let's see what interest we get from Scotland about entrepreneurs and perhaps we might make a visit off the back of that (unless you will be in London anytime soon).

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF

[REDACTED]
<https://www.gov.uk/government/organisations/migration-advisory-committee>

From: Speedie C (Claire)
Sent: 07 April 2015 11:59
To: 'Earl Stephen'
Cc: Plunkett N (Nikola); Steele R (Ruth)
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Hi Steve,

I hope you had a good Easter weekend.

I met with colleagues from the Scottish Government's entrepreneur team last week to have an initial chat about the latest call for evidence. I explained to them that MAC are happy to meet during the process and they thought that there would be a lot of interest in meeting with you. I am catching up with them again in a couple of weeks to decide how to take forward.

I said I would let you know that it is likely there will be interest to meet with MAC and to see if you would be happy to come to Scotland for this and yes, we could try to align with a meeting with the post study work working group? I'm planning on being in London the 6th and 7th May for training, but it will be a flying visit!

Do you have a rough idea of possible dates/weeks which may be good to come up, just to start getting a picture of when may be suitable?

Many thanks,

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | [REDACTED]
[REDACTED] | ☎ 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: [REDACTED]
Sent: 24 April 2015 16:31
To: Earl Stephen
Subject: FW: Migration Advisory Committee entrepreneurs call for evidence

Hi Steve,

I know that MAC held a meeting re. your call for evidence on Entrepreneurs last week. I was on leave so couldn't attend, but I wondered, are you able to forward any hand-outs/information that were given out at the meeting?

Many thanks,

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | [REDACTED]
[REDACTED] | ☎ 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: Earl Stephen [REDACTED]
Sent: 24 April 2015 16:39
To: Speedie C (Claire)
Cc: Devlin Claran
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Thanks, yes we have a set of slides and these are attached.

We are repeating the event on Tuesday 28 April due to public demand but I realise this is short notice. Let me know if you would like to come.

We will be essentially be giving the same presentation when we come up to Scotland (unless you advise there are other things we could cover). David has not given me a date for this yet but I think it is reasonable to plan on the basis of it being after 7 May.

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF



<https://www.gov.uk/government/organisations/migration-advisory-committee>

From: Speedie C (Claire)
Sent: 24 April 2015 16:49
To: 'Earl Stephen'
Cc: Devlin Claran
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Hi Steve,

Thanks for getting back so quickly. No, unfortunately, I won't be able to make it but I will have look at the slides next week and let you know if I have any questions.

Let me know rough ideas of when would be suitable to visit once known and we can get something in the diaries!

Have a good weekend.

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | [REDACTED]
[REDACTED] | ☒ 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: [REDACTED]
Sent: 13 May 2015 17:24
To: Earl Stephen
Subject: FW: Migration Advisory Committee entrepreneurs call for evidence

Hi Steve,

I hope all is well with you.

Just dropping you a note as now that we are past the election I am a bit concerned that Sir Metcalf's calendar might be filling up and we don't have a date yet proposed for when would be a good time to come up to Scotland. Are you able to propose any dates yet?

Many thanks,

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | [REDACTED]
[REDACTED] | ☒ 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: Earl Stephen [REDACTED]
Sent: 27 May 2015 11:29
To: Speedie C (Claire)
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Claire, David is available anytime the week commencing 6th July. He would like to travel up on the morning of first day and have meetings in the afternoon and is happy also to have meetings on the first evening. Then he would like to leave Scotland on the second day around 1pm.

Can you set up sessions with the PSWR group and we would also like to hear about/meet with entrepreneurs. Scotland, I know, is chocka block with these. Can you grab a few for us. I have written to Polly Purvis at ScotlandIS but got no response. [REDACTED] would be good but I do not have contacts outside of the digitech sector. I know that there are a few Scottish universities that run entrepreneur schemes for students or at least set up businesses.

Anyway, lets get the dates agreed and then talk some more about the meetings.

Steve

Stephen Earl
Head of Policy

Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF



<https://www.gov.uk/government/organisations/migration-advisory-committee>

From: Speedie C (Claire)
Sent: 28 May 2015 10:00
To: 'Earl Stephen'
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Hi Steve,

That's great thanks. I have sent an email out to those who made up the PSW Working Group asking them if they can confirm best availability by end of Monday, so can I get back to you on Tuesday and we can confirm a day? It will either be Monday 6th – Tuesday 7th, or Thursday 9th - Friday 10th.

I have also asked the Scottish Government's Entrepreneur Team to get in touch with entrepreneurs/supporting bodies who they are aware of and see if they would be happy to meet. I know that when Mr Yousaf met with David Metcalf before Christmas, they discussed MAC meeting with business bodies in Scotland also, so I will see if we can get some of them round the table too. A lot of those bodies are also represented on the PSW Working Group, so hopefully you will get a really good cross sector feel on your visit.

I'll be in touch again on Tuesday to confirm the best days and we can see how we are getting on.

Thanks Steve.

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | 
 | ☒ 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: 
Sent: 02 June 2015 12:25
To: Earl Stephen
Subject: FW: Migration Advisory Committee entrepreneurs call for evidence

Hi Steve,

The most suitable time date and time for most of the members of the PSW Working Group is Tuesday 7th July from 10 am to 12 noon. I thought we could arrange the

meeting with entrepreneurs and others on the afternoon of Monday 6th, from 3 until 5 pm, to give David time to get into Glasgow? Does this sound suitable? I would be grateful if you could let me know and I can confirm with the members of the PSW Working Group for them to hold in their diaries.

Happy to discuss.

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | [REDACTED]
[REDACTED] | ☒ 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: Earl Stephen [REDACTED]
Sent: 03 June 2015 11:26
To: Speedie C (Claire)
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Thanks, Claire. David is happy with these timings.

Grateful if you would keep me in touch with who else will be attending. For the entrepreneur meeting, one area we have not heard much from thus far is the universities sector and in particular the graduate entrepreneur visa. It might be that Scots universities have some experience of this (poss. esp Edinburgh and Strathclyde) in which case it would be good to hear from them. If that helps.

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF



<https://www.gov.uk/government/organisations/migration-advisory-committee>

From: [REDACTED]
Sent: 03 June 2015 17:04
To: Earl Stephen
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Hi Steven,

That's great thanks.

I should flag at this point that I think the best place for meetings will be Glasgow. How many of you will be travelling – if you let me know numbers, I can start to get venues booked.

I have confirmed with the PSW Working Group to hold Tuesday 7th July 10 – 12. Let me know if you wish to circulate any documentation/information prior to the meeting and I can do so. Will you provide an agenda, or points to go on an agenda beforehand and again I can circulate.

Likewise, for the meeting re. entrepreneurs, I can circulate any info as appropriate. I intend to send out official invites next week, so I should be able to let you know who can come along then. I will get in touch with our contacts in the Universities – I am sure they will be more than happy to be involved.

Happy to discuss.

Thanks,

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | [REDACTED]
[REDACTED] | ☒ 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: Smith D (David) (MPO) **On Behalf Of** Minister for Europe and International Development
Sent: 03 June 2015 17:30
To: mac@homeoffice.gsi.gov.uk
Cc: Minister for Europe and International Development
Subject: Correspondence from Mr Humza Yousaf MSP - Migration Advisory Committee

Dear Secretariat,


Please find the attached correspondence from the office of Mr Humza Yousaf MSP, Minister for Europe and International Development, as issued this afternoon.



MAC.PDF

Kind regards,

David Smith | Assistant Private Secretary
Ministerial Private Office | Office of the Minister for Europe and International Development
Scottish Government | Room 2N.01 | St Andrew's House | Regent Road | Edinburgh | EH1 3DG



Minister for Europe and International Development
Humza Yousaf MSP

T: 0300 244 4000
E: scottish.ministers@scotland.gsi.gov.uk

Migration Advisory Committee
Secretariat
3rd Floor
Seacole Building
Home Office
2 Marsham Street
London
SW1P 4DF



1 June 2015

Dear Secretariat

Migration Advisory Committee Call for Evidence: The Economic Impact of the Tier 1 (Entrepreneur) Route

I am writing to you in answer to your Call for Evidence on the economic impact of the Tier 1 (Entrepreneur) route.

Migrant Entrepreneurs

Entrepreneurship in Scotland is vital for our economic growth and is essential to continue developing a healthy and vibrant business environment in Scotland. The Scottish Government and our agency bodies are working hard to attract international entrepreneurial talent to contribute to and boost this business environment and the Scottish economy.

Entrepreneurship in the UK is a key driver of productivity and admitting talented overseas entrepreneurs benefits both the Scottish and UK economy by increasing competition, opening markets and broadening horizons of native entrepreneurs.

A report by the Centre for Entrepreneurs and DueDil in March 2014 entitled 'Migrant Entrepreneurs: Building our businesses, creating our jobs', illustrates the importance of migrant entrepreneurs to the UK's economy. It noted that there are 456,073 migrant entrepreneurs in the UK. Together they are the founder directors of 464,527 businesses and they represent 155 countries from across the world, with Irish, Indian, German, American, Chinese and Polish among the top performing nationalities. The report states that half a million people from these 155 countries have settled in Britain and launched businesses. Their entrepreneurial activity is near double that of UK-born individuals. The research found that 1 in 7 of all UK companies were founded or co-founded by migrant entrepreneurs and within the Small and Medium Enterprises (SMEs) segment of the economy, migrant-founded companies are responsible for 14% of SME job-creation.

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot



In Scotland, we welcome and are encouraging the contribution that migrant Entrepreneurs are making to our business environment. For example, one of the measures outlined in Scottish Enterprise's business plan is to achieve '550-750 entrepreneurs increasing their capacity to create internationally competitive early stage ventures' over the next three years. I would be very concerned that further restrictions on this route may impact on our ability to increase inward investment in Scotland, affect our ability to attract the best innovative international talent to Scotland and may therefore be a direct threat to Scotland's economic health.

Entrepreneurship in Scotland

In Scotland, we have a particularly strong and tight-knit ecosystem of support for entrepreneurs, identified now by the Scotland CAN DO movement and branding. Scotland CAN DO was launched in November 2013 as our shared statement of intent towards becoming a world-leading entrepreneurial and innovative nation. The Scotland CAN DO website (www.cando.scot) provides case study examples of how a wide range of partners are working with us towards that goal.

Scotland is recognised as having amongst the strongest business angel communities in Europe. Scotland has much better and more 'visible' data than comparable countries for business angel investing and we have led the way in establishing organised syndicates of investors. The result is that Scotland has one of the most successful Business Angel communities in the UK, and across Europe. The LINC Scotland, the national business angel association, signed the first of what is hoped to be a series of agreements in October last year with the World Bank, to assist with the development of business angel markets in various regions around the world.

To add to these factors, we have a strong education system, diverse landscape and high quality of life, which we hope helps to encourage international talent to invest in Scotland.

It is therefore imperative that the UK's Tier 1 (Entrepreneur) route provides a flexible route for talented international entrepreneurs to be able to establish their business in Scotland, so that we can continue to develop our standing in the international sector. We are concerned that if there is a tightening of the Tier 1 (Entrepreneur) route then this would massively impact on projects in Scotland.

The Scottish Government is not aware of abuse within the Tier 1 (Entrepreneur) route and I am certainly not aware of the route undermining or displacing opportunities for UK national entrepreneurs. In fact, the Scottish Government believes that international entrepreneurial activity can complement UK national entrepreneurial business, by stimulating the economy, developing the business environment and internationalising entrepreneurial activity. In terms of extension and settlement, it is economically and socially important that we are able to retain the international entrepreneurial talent that time and effort has been invested in attracting to Scotland.

Source of Funding and Funding Levels

I am not aware that there are specific problems with the current funding levels of the UK Tier 1 (Entrepreneur) route. I am aware that previously some funding from Scottish sources was not explicitly recognised in the UK Immigration Rules. My officials however have worked with UK Home Office officials to ensure that funding from both Scottish Government Departments and intermediary public bodies which have been authorised by the Scottish Government, to award funds for the purpose of establishing or expanding business in the UK, is recognised. This has now been reflected in the Tier 1 (Entrepreneur) route in the UK Immigration rules.

It is imperative that the variations in sources of funding across the UK are recognised in the Tier 1 (Entrepreneur) route, so migrant entrepreneurs in Scotland can benefit from, and rely on, the funding that the Scottish Government and intermediary public bodies offer. I would also be concerned that the effectiveness of the route could be reduced were there not the ability for entrepreneurial teams to utilise the same funds for visa application purposes. I am not aware that the ability to do so has any economic disadvantage to Scotland.

In terms of the need for all venture capital firms to be regulated by the Financial Conduct Authority (FCA), I am aware that a number of key angel syndicates working with, investing in and developing genuine entrepreneurs in Scotland are not necessarily always regulated by the FCA nor organised on such a formal basis. There may therefore be a wider economic and social benefit if the vital contribution of venture capital firms and angel investors, not regulated by the FCA be recognised by the immigration rules.

Genuine Entrepreneur Test

I am concerned by the subjective nature of the Genuine Entrepreneur Test. My understanding of the UK's Points Based System was that the aim was to provide an objective measure of a migrant's potential contribution to the UK economy. By testing each application against a range of fixed criteria, the system was intended to be transparent and fair. I am concerned that the Genuine Entrepreneur Test instead provides for a caseworker to make a subjective decision on an applicant's application.

It is also important that a Genuine Entrepreneur Test encompasses the full range of entrepreneurs that the Tier 1 (Entrepreneur) route provides for. Some entrepreneurs may have successfully set up and run businesses in the past, however others may be setting up businesses for the first time, (for example University spin out type businesses) and this type of entrepreneur may not necessarily always have the background in the commercial world.

In terms of businesses who are in receipt of often significant sums of public funds, a significant amount of due diligence will almost always have been carried out into the viability of the business idea and business model, as well as the ability of the business to realise it. While success in business can never be guaranteed, it is important that a Genuine Entrepreneur Test acknowledges this aspect of the application.

Furthermore, I believe that it would be beneficial in any Genuine Entrepreneur Test for those who have worked with or are supporting individual applicants to comment on, if necessary, the merits of the entrepreneur applicant in relation to their commitment, values, capability and so forth. This would be another way to help ensure that high quality entrepreneurs are more likely to remain in Scotland and contribute to the long-term success of our economy.

It is imperative that if the Genuine Entrepreneur Test remains, the criteria around it is clear and precise so that applicants and caseworkers alike are clear on what is expected of them in submitting and considering the required documentation and the different backgrounds of applicant entrepreneurs is acknowledged.

Flexibility

I am aware that many successful entrepreneurs start out with very little in the way of capital. For example, the famous Scottish entrepreneur Tom Hunter began his career selling trainers from the back of a van. The rise of the digital economy and in particular the 'app' means that tremendous awards can now be obtained for the price of a decent laptop. The Edinburgh-based company FanDuel, started with very little and is expected to become a billion dollar company.

It is important that allowance is made for the fact that business ideas can and do change over time. An idea that an entrepreneur starts out with may change over time to a final product which the entrepreneur takes to market. The Babson College, USA, which is recognised as the top entrepreneurial learning institution in the world holds this at the heart of their teaching and learning approach.

It is also important to note that every business has a different business profile, for example, a business may trade for a number of years on one model before deciding to expand significantly or pursue growth on different lines. Another may not be able to even get started without significant investment.

For these reasons, Scotland needs a migrant Entrepreneur route which provides for and allows a degree of flexibility in the development of the business. In terms of assessing whether an entrepreneur makes a "substantial net contribution", it is important to consider all elements of the business. While one assessment could point to job creation, it is worth remembering that jobs are not always directly created by companies and that growth can be measured in different terms. It is also important to consider the degree to which the entrepreneur or business has paid back into the entrepreneurial ecosystem, or wider community.

I am aware that the current Tier 1 (Entrepreneur) route does not limit entrepreneurs to particular sectors. The Scottish Government prefers this approach, which is focused on the qualities of entrepreneurs rather than focussed on particular sectors. I know that it is widely recognised that high quality entrepreneurship is of wide economic and social benefit regardless of the sector in which it is pursued. Furthermore, entrepreneurs may frequently cut across sectors as different opportunities arise.

Summary

The Scottish Government recognises the role that all sizes of entrepreneurs, whether high investment, or smaller scale, play in making valid and important contributions to the Scottish economy and planting seeds for the future of business growth in Scotland.

For the reasons I have set out above, the Scottish Government supports an Entrepreneur route within the UK Points Based System as an important lever for attracting international talent and business to invest in Scotland and as I have noted, the Scottish Government would be very concerned that there may be a negative impact on Scotland's economic health if the requirements for a visa under this route were restricted.

I am copying this letter to the UK Immigration Minister, the Deputy First Minister and the Cabinet Secretary for Culture, Europe and External Affairs.

Best Wishes
H. Yousef
Humza Yousef

From: Earl Stephen [REDACTED]
Sent: 04 June 2015 19:58
To: Speedie C (Claire)
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Thank you. There will be probably two of us, David Metcalf and A.N Other (most likely myself). We have booked accommodation at the Millenium Hotel in George Square, Glasgow.

On the PSW meeting, I will have a chat with secretariat colleagues but do not, at this stage, think we will be providing any papers. The purpose of the visit is for David to update the group on the work of the MAC and this can be reflected in the agenda.

On the entrepreneurs visit, you could let people have a copy of the MAC's entrepreneur call for evidence. I have seen a copy of Humza Yousaf's letter to the MAC in response to our call for evidence and any further information about the matters he discusses there would be most useful.

I will get back to you next week with an itinery and any other thoughts.

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF

[REDACTED]
<https://www.gov.uk/government/organisations/migration-advisory-committee>

From: Thomas Josephine [REDACTED]
Sent: 18 June 2015 09:49
Subject: Migration Advisory Committee call for evidence in relation to minimum salary thresholds for Tier 2

Dear Sir / Madam

The Government commissioned the Migration Advisory Committee (MAC) on 10 June 2015 to conduct a review of the Tier 2 route. This commission is split into two parts:

- i. early advice on Tier 2 salary thresholds by 21 July 2015;
- ii. a wider review of the Tier 2 routes by mid-December 2015.

The first call for evidence document on salary thresholds is available on the MAC website at:

<https://www.gov.uk/government/organisations/migration-advisory-committee>

Partners have until **Friday 3 July 2015** to voice their opinions. A second call for evidence, relating to the wider review of Tier 2, will then be published around late June/early July 2015. This call will run until September 2015. In order to allow partners additional time to prepare, a summary description of the Tier 2 commission is included in the salary thresholds call for evidence.

Responses can be sent either via email to mac@homeoffice.gsi.gov.uk or by post to the following address:

**Migration Advisory Committee
3rd Floor Seacole Building
2 Marsham Street
London
SW1P 4DF**

From: Speedie C (Claire)
Sent: 18 June 2015 16:08
To: 'Earl Stephen'
Subject: RE: Migration Advisory Committee entrepreneurs call for evidence

Hi Steve,

Just to let you know I have sent out the invites this week for the meeting re. entrepreneurs for Monday 6th July 3 – 5pm. There is a variety of people invited (those with a visa/support organisations/investor firms/universities) so hopefully you will get good input from people. So far, we have 13 confirmed (including SG officials – me, my team leader Nikola and Tom Craig from Entrepreneurship), but I think we could end up with anywhere up to 25. I have booked a room which will allow for larger numbers just in case. My contacts in the SG Entrepreneurship got a lot of interest in this. So far, Polly Purvis has confirmed, as have Uni of Edinburgh. I couldn't get [REDACTED] directly and was told to email their general email address. They have sent out to their contacts, so I don't know who we will end up with there. Was there a specific reason you wanted to hear from him? If so, do you have a direct email address for him?

On the SG submission, would you want to meet before the Entrepreneur meeting? Tom Craig is happy to meet at this time also and we can provide a lunch here at Atlantic Quay, if you would like? Of course I know this will depend on when you actually arrive in Glasgow and are available.

Let me know. I will prepare agendas now for the two meetings and let you see and comment on before we send out to those coming.

Speak soon,

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | [REDACTED]
[REDACTED] | 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

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From: Thomas Josephine [REDACTED]
Sent: 23 June 2015 17:38
Subject: Migration Advisory Committee call for evidence in relation to minimum salary thresholds for Tier 2

Dear all,

Following on from the publication of the Migration Advisory Committee's call for evidence on salary thresholds, a number of our partners have been in contact with the secretariat with queries around the pay thresholds and use of the Annual Survey for Hours and Earnings (ASHE). This email answers some of the commonly asked questions and may be of use when considering your evidence submission.

1. Current Codes of Practice

Table A.2 in the call for evidence is based on the 2014 Home Office Codes of Practice, which are in turn based on the 10th and 25th percentiles from the 2013 ASHE data. The 2015 Codes of Practice are based on the 2014 ASHE data, and an updated version of Table A.2 is provided in Table 1 attached to reflect the latest thresholds.

2. 50th and 75th percentiles

There have been a few queries regarding the 50th and 75th percentiles. The percentiles for each occupation can be found in Table 14.7a in the ASHE 2014 provisional results from the ONS website, attached and found at [this link](#). The 2015 Codes of Practice are based on the salary data within the tab titled "Full-Time" for the 10th and 25th percentile. Within this same tab, you will find the median and 75th percentile for each occupation. Where the data is unreliable for that occupation, the Codes of Practice move up to the 3 digit SOC code or use previous versions of the data.

3. What is ASHE?

As a bit of background, the Annual Survey for Hours and Earnings is revised on an annual basis. ASHE provides information about the levels, distribution and make-up of earnings and hours worked for employees in all industries and occupations. The tables contain UK data on earnings for employees by sex and full-time/part-time workers. The Home Office Codes of Practice are based on the latest data available.

For example, the Codes of Practice released on the 6th April 2015 were based on the 2014 ASHE.

4. But what if my occupation is based on different data?

For a number of occupations, including within the NHS and education sector, the salaries are not based on ASHE. Instead, they are based on nationally agreed pay scales or evidence previously submitted to the MAC in 2011. This is reflected in Table A.2 in the call for evidence as well as in the updated table attached to this email. When considering the impact on these occupations of an increase in the salary threshold you may wish to refer to the impact of moving up the existing national pay scales or use the ASHE data for that occupation.

If you have any queries, please do not hesitate to contact the MAC Secretariat.

Dear Sir / Madam

The Government commissioned the Migration Advisory Committee (MAC) on 10 June 2015 to conduct a review of the Tier 2 route. This commission is split into two parts:

- iii. early advice on Tier 2 salary thresholds by 21 July 2015;
- iv. a wider review of the Tier 2 routes by mid-December 2015.

The first call for evidence document on salary thresholds is available on the MAC website at:

<https://www.gov.uk/government/organisations/migration-advisory-committee>

Partners have until **Friday 3 July 2015** to voice their opinions. A second call for evidence, relating to the wider review of Tier 2, will then be published around late June/early July 2015. This call will run until September 2015. In order to allow partners additional time to prepare, a summary description of the Tier 2 commission is included in the salary thresholds call for evidence.

Responses can be sent either via email to mac@homeoffice.gsi.gov.uk or by post to the following address:

**Migration Advisory Committee
3rd Floor Seacole Building
2 Marsham Street
London
SW1P 4DF**

From: [REDACTED]
Sent: 29 June 2015 15:55
To: Earl Stephen
Cc: Haynes Christopher
Subject: Meetings with MAC - 6/7th July
Importance: High

Hi Steve,

I have drafted up three agendas (attached) for you to have a look over for the meetings next week –

Monday 6th July 15:00 – 16:30: Meeting with Entrepreneurs
Monday 6th July 17:00 – 18:30: Meeting re. Tier 2 financial thresholds
Tuesday 7th 10:00 – 12:00: Meeting with Post Study Work Working Group.

I would like to get them sent out tomorrow – would you mind have a quick look over them and see if you have any comments? They are all similar. I propose to also send out MAC's call for evidence for Tier 1 (Entrepreneur) and Tier 2 (financial thresholds) for those meetings.

You will see that I have left time for David to give a presentation at each – or will you give the presentation? Will you present with powerpoint? If so, will you bring it with you, or I am happy if you email it to me.

I don't know if you have looked over the Report of the Post Study Work Working Group, but here is the link for you and David, if you would like to look over before the meeting with the Working Group -
<http://news.scotland.gov.uk/imagelibrary/downloadmedia.ashx?MediaDetailsID=3513&SizeId=-1>

I am just finalising numbers for the meetings and will send you a list of final attendees for each later in the week.

Happy to discuss. Looking forward to hearing from you.

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | [REDACTED]
[REDACTED] | 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

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From: Earl Stephen [REDACTED]
Sent: 30 June 2015 11:24
To: Speedie C (Claire)

Cc: Haynes Christopher; Stone Christine
Subject: FW: Meetings with MAC - 6/7th July
Importance: High

Thanks, Claire. Happy with these, one slight change in each to reflect Sir David's full title.


I will get back to you re powerpoint – probably yes if I can identify some slides. Be Sir David then me.

Good to have indicative list of attendees asap.

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF


<https://www.gov.uk/government/organisations/migration-advisory-committee>


From: 
Sent: 02 July 2015 09:46
To: Earl Stephen
Subject: RE: Meetings with MAC - 6/7th July

Hi Steve,

I wondered, are you able to say when the next call for evidence for the wider Tier 2 review will be released? And will the deadline be end of September?

Thanks,

Claire

From: Earl Stephen 
Sent: 02 July 2015 10:59
To: Speedie C (Claire)
Subject: RE: Meetings with MAC - 6/7th July

Hi, Claire. The wider Tier 2 call for evidence will be published either today or tomorrow with a deadline of 25 September.

I attach slides for the entrepreneurs and salary threshold meetings next week.

I will send the PSWR Working Group slides later.

I am on leave tomorrow so please send me the most recent list of attendees for all meetings by close today.

Many thanks.

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF



<https://www.gov.uk/government/organisations/migration-advisory-committee>

From: [Redacted]
Sent: 02 July 2015 11:28
To: Earl Stephen
Subject: RE: Meetings with MAC - 6/7th July

Hi Steve,

That's great thanks. I will forward the attendees later today. You will see that we don't have as many for the Tier 2 meeting (due to a mixture of the short notice, holidays and an evening meeting), but we are hoping a further 2 companies will be attending so hopefully will have confirmation of this later today.

I have arranged for refreshments from 2pm, so would you like to come to Atlantic Quay for then? We can have a pre-meet with Entrepreneur colleagues and if you have any questions about the Minister's submission in response to the Tier 1 Entrepreneur call for evidence, we can discuss then.

I also wondered, how do we address Professor Sir David Metcalf when meeting him and introducing him?

Claire

Claire Speedie | Senior Immigration Advisor, Migration Strategy | Scottish Government | [Redacted]
[Redacted] | 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

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From: Earl Stephen [REDACTED]
Sent: 02 July 2015 12:42
To: Speedie C (Claire)
Subject: RE: Meetings with MAC - 6/7th July

Thanks, fine with coming for 2:00.

Formal introduction for David is Professor Metcalf, Less formal address is Sir David.

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF



<https://www.gov.uk/government/organisations/migration-advisory-committee>

MIGRATION ADVISORY COMMITTEE

Meeting regarding Tier 2 Financial Thresholds

Date: 6 July 2015

Time: 17:00 – 18:30

Place: Atlantic Quay, James Watt B

Welcomes and Introductions Facilitated by Scottish Government	17:00
Professor Sir David Metcalf: Overview of work of MAC	17:10
Call for Evidence – minimum salary thresholds for Tier 2	17:20
Opportunity for questions from and discussion with attendees	17.40
Closing and Thank You	18.25

MIGRATION ADVISORY COMMITTEE

Meeting regarding Tier 1 Entrepreneur and Graduate Entrepreneur Route

Date: 6 July 2015

Time: 15:00 – 16:30

Place: Atlantic Quay, James Watt B

Welcomes and Introductions Facilitated by Scottish Government	15:00
Professor Sir David Metcalf: Overview of work of MAC	15:10
Call for Evidence – the economic impact of the Tier 1 (Entrepreneur) route	15:20
Opportunity for questions from and discussion with attendees	15.40
Closing and Thank You	16.25

MIGRATION ADVISORY COMMITTEE

Meeting with Post Study Work Working Group

Date: 7 July 2015

Time: 10:00 – 12:00

Place: Atlantic Quay, Flemming B

Welcomes and Introductions Facilitated by Scottish Government	10:00
Professor Sir David Metcalf: Overview of work of MAC	10.15
Opportunity for questions from members of Working Group	11.00
Closing and Thank You	11.50

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Thomas Craig
Nikola Plunkett
Claire Speedie

[Redacted]
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[Redacted]
[Redacted]
[Redacted]

Entrepreneurship
Head of Migration Strategy
Immigration Advisor

[Redacted]
[Redacted]
[Redacted]
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Scottish Government
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Scottish Government

[Redacted]

Tier 2 meeting: Attendees

[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

Fiona MacKenzie
Nikola Plunkett
Claire Speedie

[Redacted]
[Redacted]
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[Redacted]
[Redacted]
[Redacted]
[Redacted]

Health Workforce and Performance
Directorate
Head of Migration Strategy
Immigration Advisor

[Redacted]
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Scottish Government
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Scottish Government

Tuesday 7th July 2015

Post Study Work Working Group Meeting: Attendees

[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

Claire Speedie
Nathalie Leger

[Redacted]
[Redacted]
[Redacted]
[Redacted]
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Immigration Advisor
Policy Advisor, Migration Strategy

[Redacted]
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[Redacted]
[Redacted]
[Redacted]

Scottish Government
Scottish Government

Claire Woodward-
Nutt

Strategic Policy Lead, Higher
Education and Learner Support

Scottish Government

From: Earl Stephen [REDACTED]
Sent: 02 July 2015 18:13
To: Speedie C (Claire)
Subject: RE: Meetings with MAC - 6/7th July

Thanks, Claire. I attach the slides for the PSWR Working Group meeting.

See you on Monday.

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF

[REDACTED]
<https://www.gov.uk/government/organisations/migration-advisory-committee>

From: Plunkett N (Nikola)
Sent: 03 July 2015 11:53
To: 'Earl Stephen'
Cc: Speedie C (Claire); Steele R (Ruth); Leger N (Nathalie); Donaldson I (Ian)
Subject: Response to Call for Evidence on Tier 2 financial thresholds

Hi Stephen

I have just heard from our Minister's office that we are not going to be able to get our formal response to the call for evidence on Tier 2 financial thresholds to you today, but we should be able to respond by early next week. Please accept my apologies for this delay – I appreciate that you are working to very tight deadlines.

Look forward to seeing you again on Monday – here's hoping the good weather holds for your trip!

Kind regards

Nikola Plunkett
Head of Migration Strategy
Scottish Government

3rd Floor, 5 Atlantic Quay
150 Broomielaw
Glasgow
G2 8LU

[REDACTED]

From: Speedle C (Claire)

Sent: 07 July 2015 16:35

To: [REDACTED]

Subject: Thank you

Hi Steve,

Thank you very much for your and Professor Metcalf's time yesterday and today. It appeared that attendees found it helpful to voice their positions and I hope you are able to take on board their positions. I am emailing the slides and will ask people to put in writing any further evidence on entrepreneurs or financial thresholds that they have to you directly as soon as possible, given the tight timescales you are working to.

I meant to ask this morning, you mentioned today the Home Office research which showed that a lot of people with a Tier 1 (PSW) visa were doing jobs in Tesco. I am aware that the Home Office mention in their impact assessment from 2011 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257825/ia-students-.pdf, page 9) that recent studies have indicated that a proportion of Tier 1 migrants are not employed in skilled or highly skilled work. When I click on the reference, it takes me through to the archived document, but only gives me the first three pages. I wondered, do you have access to, or are aware of where I can get the full document?

I look forward to hearing from you on Friday with possible dates for the meeting in August/September.

Thanks,

Claire

Claire Speedle | Senior Immigration Advisor, Migration Strategy | Scottish Government | [REDACTED]
[REDACTED] | 3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

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From: Plunkett N (Nikola)
Sent: 07 July 2015 17:17
To: Earl Stephen
Cc: Speedie C (Claire); Steele R (Ruth); Leger N (Nathalie); Donaldson I (Ian)
Subject: RE: Response to Call for Evidence on Tier 2 financial thresholds

Hi Stephen

Nice to see you again this week and I hope you enjoyed your discussions in Scotland. Due to Scottish Parliamentary recess, our Minister hasn't been able to sign a hard-copy of our response to the call for evidence on financial thresholds. However, he has cleared the attached response and I would be grateful if you would accept this on behalf of the Scottish Government. Many thanks



A11588747.docx

Kind regards

Nikola Plunkett
Head of Migration Strategy
Scottish Government

3rd Floor, 5 Atlantic Quay
150 Broomielaw
Glasgow
G2 8LU



Minister for Europe and International Development
Humza Yousaf MSP

T: 
E: scottish.ministers@scotland.gsi.gov.uk

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Secretariat
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London
SW1P 4DF

Email: mac@homeoffice.gsi.gov.uk



**The Scottish
Government**
Riaghaltas na h-Alba



LEGACY 2014
XX COHROHSEALII GAMES
SCOTLAND

June 2015

**Migration Advisory Committee Call for Evidence:
Minimum Salary Thresholds for Tier 2**

I am writing to you in answer to your Call for Evidence on the minimum salary thresholds for Tier 2 of the UK Points Based System. I appreciate that the Migration Advisory Committee (MAC) are also conducting a wider review of Tier 2, which the Scottish Government will also feed in to. Unfortunately, given the short period of time set to respond to this Call for Evidence, the Scottish Government is unable to provide a detailed response on your questions around what levels the thresholds should be increased to. I am however aware that you are meeting with representatives from Scottish companies and organisations in Glasgow on 6th July and I am pleased that you will be able to hear from, and take on board, the experiences and views of those in Scotland, when preparing your final advice to the UK Government.

The Scottish Government is extremely concerned about the latest announcements around MAC's review of the Tier 2 of the UK Points Based System (PBS), "*with a view to making recommendations about reducing migration to the UK*". I am concerned that changes to the financial thresholds will especially impact on particular sectors in Scotland, including health. I am aware that my colleague, the Cabinet Secretary for Health, Wellbeing and Sport, is responding to you separately on the impact that changes on financial thresholds will have on the health sector in Scotland. The Scottish Government is committed to ensuring that our various sectors have a sustainable supply of staff to meet current and future needs, and we will oppose any measures which create barriers to achieving this.

Regional Earnings

Earnings vary significantly across Scotland, more so than some areas across the UK. Office of National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE), 2014 figures¹ illustrate the range of median annual income for full time employment across Scotland's 32 local authorities², with Aberdeen City having the highest of £32,595 and Angus having the lowest, £21,296. The Scottish national median annual income in 2014 for full time employment was £27,045, slightly less than the UK (£27,195). However, only 8 of Scotland's 32 local authorities³ have a median annual income greater than the overall Scottish medial annual income.

Given Scotland's variety in income levels, I am concerned that employers, particularly in some areas of Scotland, will be unable to meet financial thresholds to access the international talent and skills that they require, particularly if they are raised to the levels that you are considering. Earlier this year I wrote to Mr

¹ ONS, ASHE, 2014 Provisional Results, PROV – Work Geography Table 7.7a, Annual Pay – Gross 2014.

² ONS reports unreliable data for one area of Scotland, Orkney Islands.

³ Aberdeen City, Argyll and Bute, City of Edinburgh, Glasgow City, Renfrewshire, Shetland Islands, South Ayrshire and Stirling.

Brokenshire, the UK Minister for Immigration and requested that he ask MAC to undertake a mapping exercise to ascertain the salary levels set in SOC codes against equivalent salary levels in Scotland. I note that within your remit, you have been asked to consider the *regional impact of your recommendations*. I therefore ask that in this review, as a UK-wide body, MAC undertake to consider specific salary levels in Scotland, compared to the UK, to adequately take account of regional variations in pay.

International Graduates

I also have concerns that increasing Tier 2 salary thresholds would make it increasingly difficult for skilled and talented international graduates to transition into skilled employment in the UK. The Post Study Work Working Group established by Scottish Ministers last year, made clear the importance to the Scottish economy and Scottish businesses of having in place an effective route to enable international graduates to move into skilled work, to ensure that Scottish business and companies are able to access the best international graduate talent to fill jobs in key growing sectors.

In their Report⁴, the Working Group held the view that the minimum Tier 2 financial threshold in place at the time of their Report, £20,500, was a barrier to enabling international graduates to transition into skilled employment.

The Working Group made reference in their Report to ONS data which illustrates that graduates do not always immediately achieve higher level salaries. The Report states that ONS statistics on pay progression of graduates⁵, compared to other levels of skill, illustrate that annual earnings for graduates reach a higher peak at a later age than the annual earnings for non-graduates. Between 2003 and 2013, on average, graduates aged 21 reached a lower gross annual wage than 21 year olds who left education with an apprenticeship. Furthermore, averages taken from data compiled between 2003 and 2013 show that the annual average gross wage for graduates was £14,300 at the age of 21; £16,300 at the age of 22, £19,100 at the age of 23 and £21,600 at the age of 23,⁶ each of which, bar the last, are below the current minimum salary level for Tier 2 of £20,800.

The Working Group also note in their Report, that graduates, both UK and non-UK nationals, do not always move immediately into work that would meet the requirements of Tier 2 and instead, there is a 'period of orientation' in the workplace while the graduate develops and gains work experience. Increasing salary thresholds would only reduce the ability of Scottish business and companies to access talented international graduates, which is vital to Scotland's growing sectors and economy.

I would urge you to consider the Working Group's Report when considering your questions around the types of jobs and occupations that are carried out by highly

⁴ Post Study Work Working Group: Report to Scottish Ministers, March 2015, publication was facilitated by the Scottish Government.

⁵ A 'graduate' is defined as a person who is over the age of 20 years, is not enrolled on any education course and has a level of higher education above A level standard.

⁶ *Graduates in the UK Labour Market 2013*, ONS.

skilled individuals and the sectors that would be impacted if the thresholds for skill shortage occupations were increased to NQF Level 6 or higher. You will see that the Report makes specific reference to several Skills Investment Plans for Scotland, which are published by Skills Development Scotland and I would urge you to consider these also.

Conclusion

I am highly concerned that increasing salary thresholds will add to already existing problems among businesses in Scotland with accessing the skills and talent needed to keep up with our expanding sectors and economy. I ask that you take into account Scotland's own regional salary differences and skill needs in your review of the Tier 2 financial thresholds, so that Scottish employers and businesses can access the labour they need, to ensure that Scottish business and economy are not negatively affected by the UK Government's desire to reduce net migration.

HUMZA YOUSAF

From: Earl Stephen [REDACTED]
Sent: 08 July 2015 19:46
To: Plunkett N (Nikola)
Cc: Speedie C (Claire); Steele R (Ruth); Leger N (Nathalie); Donaldson I (Ian)
Subject: RE: Response to Call for Evidence on Tier 2 financial thresholds

Thanks for this, Nikola,. I will feed this in.

Thanks to you and Claire and other colleagues for your efforts to put together a very productive two day programme for us. I know that David was very pleased.

Steve

Stephen Earl
Head of Policy
Migration Advisory Committee secretariat
3rd Floor, Seacole Building
2 Marsham Street
London SW1P 4DF

[REDACTED]
<https://www.gov.uk/government/organisations/migration-advisory-committee>

From: Houlihan P (Paul) **On Behalf Of** Minister for Europe and International Development
Sent: 24 September 2015 16:33
To: mac@homeoffice.gsi.gov.uk
Subject: Migration Advisory Committee Call for Evidence: Review of Tier 2 of the UK Points Based System

Good afternoon,

Please find the attached response from the Minister.

Regards

Paul Houlihan | Assistant Private Secretary | Office of the Minister for Europe and International Development | Telephone: [REDACTED]

Minister for Europe and International Development
Humza Yousaf MSP

T: 0300 244 4000
E: scottish.ministers@scotland.gsi.gov.uk



Migration Advisory Committee
Secretariat
3rd Floor
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2 Marsham Street
London
SW1P 4DF



Email: mac@homeoffice.gsi.gov.uk

September 2015

**Migration Advisory Committee Call for Evidence:
Review of Tier 2 of the UK Points Based System**

Further to my letter in July this year responding to the Migration Advisory Committee's (MAC) Call for Evidence on financial thresholds, I now write in response to your wider review of Tier 2 of the UK Points Based System (PBS). I would like to set out at the outset that migrants are key to Scotland's future and that the Scottish Government strongly opposes general measures to further restrict the numbers of skilled migrants able to work in Scotland.

In considering responding to this Call for Evidence, my officials have consulted with Scottish Government partner organisations to gain a wider understanding of the issues, how they affect Scotland, and to provide a 'One Scotland' submission, which I have attached to this letter.

I understand that Scottish Enterprise are also submitting a separate response and that my colleague, Shona Robison, the Cabinet Secretary for Health, Wellbeing and Sport will be providing a separate Scottish Government response for the health sector's interests.

My officials facilitated two sessions in Edinburgh on 15th September to enable MAC representatives to meet with various sectors, business and industries in Scotland. Professor Manning and Anna Lacey kindly attended on behalf of the MAC and Secretariat and I hope that they found the sessions valuable in the MAC's consideration of this review.

My officials attended both sessions and were very concerned by the high level of worry and apprehension among the attendees about what the impact of this review would be and how it will affect their individual businesses and sectors.

The attached submission provides a clear picture of what the Scottish Government and its partner organisations are doing to address skill shortage and labour market challenges in Scotland. Relying on migrants to fill skill shortage occupations is in no way the only strategy we are taking to address the challenges that Scotland faces. As the submission sets out, we are doing all we can in Scotland to increase the skills within our domestic workforce. However despite this, Scottish employers still need to be able to attract skills and talent from

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot



outside of the UK and European Economic Area (EEA). I understand from my officials that one possible view purported by the MAC representatives at the sessions in Edinburgh was that the ability to rely on international skills reduces the incentive for employers to upskill their own domestic workforce. In Scotland, the evidence is clear that despite the work that we are doing, there is still a need to attract international skills. As the attached submission notes, recent UK Government evidence confirms that employing international talent is incredibly beneficial for employers as skills and experience are transferred to the domestic workforce, which in turn diversifies the workplace.

My officials have also advised me that during both sessions, the MAC representatives suggested that a possible view that could be taken is that raising Tier 2 financial thresholds may be beneficial to the Scottish economy, as it may drive Scottish employers to increase salaries to access the skilled individuals they need within Tier 2. I understand that there was considerable concern among attendees in response to this suggested view and it was made clear that even in the current system some employers simply cannot afford to pay the required levels of salary and so are unable to secure the skills that they need.

I understand that Professor Manning heard from the hospitality sector in particular on this point, who noted that businesses within this sector seeking skilled chefs (included on the shortage occupation list) often cannot access the individuals that they need as they cannot pay the required annual salary of £29,570. This can have the knock-on effect that businesses are losing the staff they do have, as they are asking them to work longer hours. I am concerned by the suggestion that raising the salary thresholds would encourage employers to increase salaries, as there is absolutely no guarantee that employers will be able to do this. It instead places pressure on employers, and risks impacting negatively on individual businesses and the economy.

I would also be very concerned if restrictions were put in place to prevent Tier 2 family members from being able to work whilst living in Scotland. Restricting this right will be another factor that defers individuals with the skills that we need from coming to Scotland. As was raised during the sessions in Edinburgh, this may be considered a form of indirect gender discrimination. As the attached submission sets out, being able to work is also beneficial in many ways. I understand that Professor Manning heard anecdotal reports from attendees at the recent sessions that those with leave under Tier 2 often have partners who are also skilled. I understand that the MAC are seeking to obtain more data and evidence to determine the extent to which family members of Tier 2 migrants work and if so, the type of employment. Given the particular concern at the Scottish sessions around this proposal, I would urge that the MAC do not make a recommendation if there is insufficient evidence to provide the UK Government with informed advice.

My officials have advised me that the MAC representatives asked whether the current prioritisation of the restricted certificate of sponsorship cap is the most effective way to determine which individuals should be granted leave under Tier 2, and whether it is right to assume that those individuals who are paid a higher salary must be of a higher value. I would be very concerned if MAC's advice to the UK Government was based in any way on this assumption. Highly valued skilled individuals take up a wide variety of occupations in Scotland, with a wide range of salary levels. Being paid a lower salary level, is in no way a definitive indication of an employee's value. As I set out in my response to the Home Affairs Select Committee's Inquiry into Tier 2, the cap on Tier 2 visas is a blunt instrument to achieve immigration goals and it is wrong to arbitrarily restrict migration by a cap which takes no account of the need for skilled migrants in certain sectors, and is instead based on who receives the highest salary.

Lastly, in relation to the proposal to introduce the health surcharge to those applying under the Tier 2 (Intra-Company Transfer) route, as the MAC may be aware, the Scottish Government raised significant concerns about the introduction of the immigration health surcharge and we would generally not support its further extension.

Given the high level of concern expressed during the sessions held in Scotland, you may receive evidence which argues that it would not be beneficial to make the changes proposed. I am aware that in the MAC's previous advice to the UK Government in August on financial thresholds, you noted that you were unable to make recommendations as requested by the UK Government. If the MAC does receive evidence that goes against the UK Government's request to restrict this route, I would urge that it is reasonable for the MAC to similarly critically consider the questions asked by the UK Government to determine what the true impact of restricting this route would be for UK business and the economy.

Given the potential impact that restricting the Tier 2 route will have on the Scottish and indeed UK economy, I urge the MAC to consider carefully all evidence provided by Scottish stakeholders in this call for evidence.

Best Wishes,

H. Yousof

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