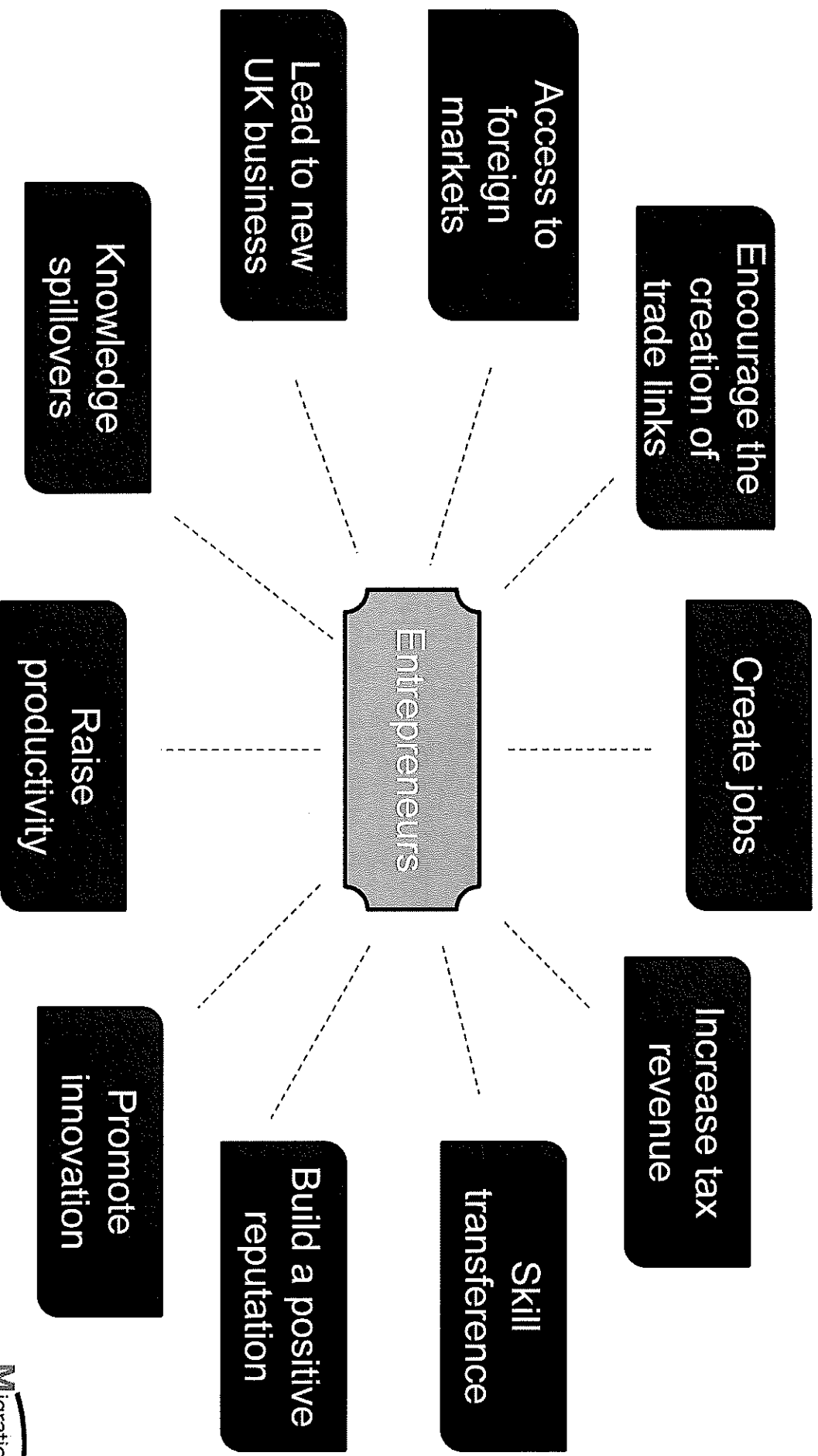


Why might the UK want to attract entrepreneurs?



Does the evidence match the theory?

- What types of business are being created by Tier 1 entrepreneurs?
- How successful are these businesses? How many fail?
- How many jobs are created? Are they highly skilled?
- How much turnover and tax revenue do they generate?
- What contribution to they make to the UK entrepreneurial environment? Are there spillover effects?

How can the UK ensure it is attracting genuine entrepreneurs?

Location restrictions?

Realistic potential to grow?

Viable business plan?

Venture capital or seed funding?

Expert panel?

Previous business experience?

Minimum investment?

Age restrictions?

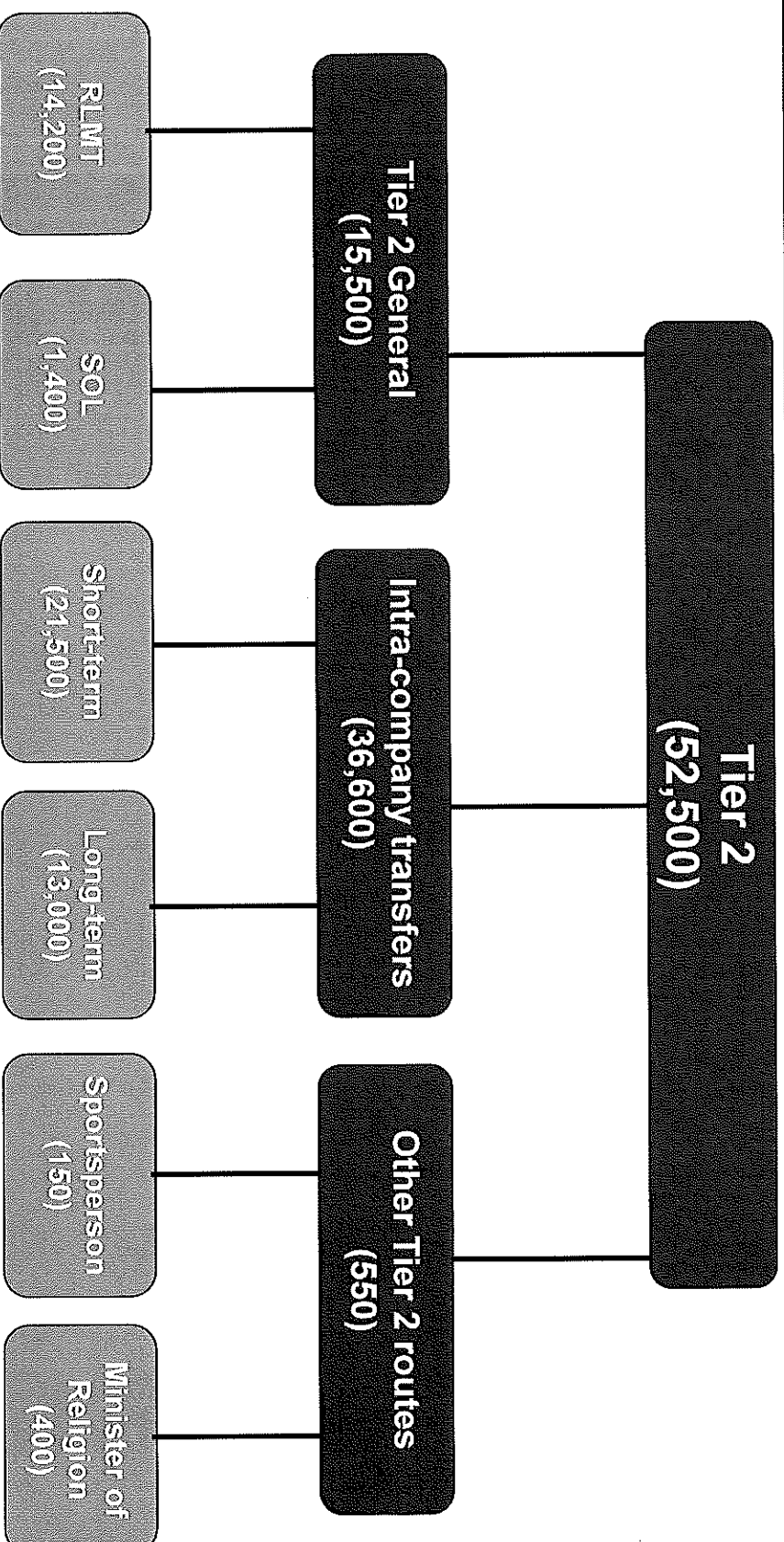
Specific sector targeting?

Tier 2

- Tier 2 is for skilled non-EEA nationals with a definite job offer in the UK.
- Routes include Tier 2 (General) (resident labour market test (RLMT) and shortage occupation routes) and intra-company transfer route.
- The skill requirement for Tier 2 is now NQF6+ with exceptions for certain creative and shortage occupations.
- Annual limit of 20,700 out-of-country Tier 2 (General) main applicants. The monthly cap was hit in June 2015.

Tier 2: Highly Skilled Work Migration

Entry clearance main applicant visa allocation breakdown within the Tier 2 route of the Points Based System, year ending December 2014.



Tier 2: Highly Skilled Work Migration

Table 1: Entry clearance visas issued and granted extensions of stay for Tier 2, 2009 to 2014

	2009	2010	2011	2012	2013	2014
Entry clearance visas						
Main applicants	36,287	39,922	38,088	39,171	45,636	52,478
Tier 2: General	8,556	9,914	7,764	9,420	11,779	15,255
Intra company transfers	22,029	29,170	29,708	29,255	33,240	36,635
Other	5,661	835	614	496	617	588
Dependants	26,982	28,268	28,344	28,933	34,346	38,247
Granted extensions of stay						
Main applicants	27,851	21,269	18,205	29,524	37,656	35,266
Tier 2: General	12,900	14,306	11,295	20,185	28,377	26,700
Intra company transfers	6,624	6,149	6,377	8,656	8,546	8,045
Other	7,898	789	531	681	733	521
Dependants	23,007	16,194	13,525	20,668	25,499	25,668
Total	114,127	105,653	98,162	118,296	143,137	151,659

Source: Home Office Immigration Statistics, May 2015

Tier 2: Highly Skilled Work Migration

Salary Thresholds

Tier 2 (General): £20,800

Intra-company transfers (short-term): £24,800

Intra-company transfers (long-term): £41,500

In addition, the salary must be at the 10th percentile for that occupation for new entrants and the 25th percentile for experienced workers.

Some exceptions e.g. pay bands within NHS

Government Commission to review Tier 2

The commission is split into two parts:

- i. Early advice on Tier 2 salary thresholds by 21 July 2015
- ii. Wider review of Tier 2 by mid-December 2015

The deadline for submitting evidence to the MAC in response to the salary threshold call for evidence is **3 July 2015**. Evidence submitted beyond this date could still be considered in the wider Tier 2 report to be delivered by mid-December 2015.

Government Commission to review Tier 2

The MAC has been asked to provide early advice on the economic rationale for and the impact on net migration of setting new minimum salary thresholds to ensure that Tier 2 migrants are not undercutting the resident labour force. The MAC is asked to consider the impact of:

- (i) increasing the Tier 2 (General) minimum salary threshold of £20,800 and the Tier 2 (ICT) minimum salary thresholds of £24,800 for the short-term category and £41,500 for the long-term category to a level that better aligns with the salaries paid to highly-specialised experts or individuals filling skills shortages skilled to NQF level 6 or higher;

Government Commission to review Tier 2

- (ii) increasing the Tier 2 minimum salaries per occupation for experienced workers from the 25th percentile to the 50th or 75th percentiles, or other appropriate measure;
- (iii) increasing the Tier 2 minimum salaries per occupation for new entrant workers from the 10th percentile to the 25th or 50th percentiles, or other appropriate measure.