

Science and Technology Committee

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Rt Hon Yvette Cooper MP, Home Secretary Rt Hon Rachel Reeves MP, Chancellor of the Exchequer Lord Vallance of Balham, Minister for Science (By e-mail)

30 January 2025

Dear Home Secretary, Chancellor and Minister,

Science and Technology Committee-visa policy for STEM talent

I am writing to you as Chair of the Lords Science and Technology Committee, concerning the UK's immigration and visa policy for STEM talent. This letter follows an evidence session we held in public with witnesses on 7 January 2025,¹ correspondence with the then Home Secretary, Rt Hon Suella Braverman KC MP in 2023, as well as evidence received as part of our other inquiries.²

We have had longstanding concerns about the impact of the UK's immigration system on its ability to attract STEM talent. Indeed, it is the Committee's view that the current policy, which throws up barriers to coming to the UK to work and study for Master's and PhD students, young researchers, scientists and technology experts early in their careers, is an act of national self-harm. We were therefore pleased to hear the comments by the Chancellor of the Exchequer suggesting the Government would look again at entry routes for highly skilled people in its Immigration White Paper.³

This letter sets out some of our findings from our recent evidence session, as well as some conclusions that we ask you to consider. Our headline message is that the UK's visa and immigration policy needs to adapt to recognise that we are in a global competition for talent in science and technology. There have been some promising

committees.parliament.uk/publications/41353/documents/203230/default/

Letter from Baroness Brown of Cambridge, Chair of the Science and Technology Committee to Rt Hon Suella Braverman KC MP, then Home Secretary (13 June 2023):

committees.parliament.uk/publications/40341/documents/196983/default/

³ Personnel today, 'Government to review visas for high skilled workers':

https://www.personneltoday.com/hr/high-skilled-worker-visas-

review/#:~:text=Chancellor%20Rachel%20Reeves%20announced%20the,of%20Al%20and%20life%20sciences [accessed 23 January 2025]; The Times, 'Visa reforms to keep UK 'open for business' in AI and life sciences: https://www.thetimes.com/business-money/economics/article/visa-reforms-to-keep-uk-open-for-business-inai-and-life-sciences-9tp3s0cwt [accessed 23 January 2025]

 ¹ <u>Q 1-32</u> (Professor Dame Karen Holford, Shuyeb Muquit, Harry Anderson, Professor Alison Noble)
 ² Letter from Rt Hon Suella Braverman KC MP, then Home Secretary, to Baroness Brown of Cambridge, Chair of the Science and Technology Committee (3 August 2023):

steps post-Brexit, such as the introduction of the Global Talent visa,⁴ but **for too many** researchers the high up-front visa and health surcharge costs and inflexibilities of the process are acting as a deterrent.

Analysis of costs by the Royal Society and Fragomen LLP shows that the up-front costs faced by applicants for UK visas are higher than any comparable country, and that these costs have increased by up to 58% just since 2021,⁵ while other countries have reduced fees.⁶ In particular, the requirement to pay the full Immigration Health Surcharge for the duration of a visa up-front before entry can result in young researchers being faced with costs running into tens of thousands of pounds in immigration fees to relocate. The UK needs science and technology skills to grow its economy and to achieve the Missions set out by the Government. Many individuals who have these skills-researchers, scientists, entrepreneurs, and technology experts-have historically been attracted to the UK by our world-leading universities and scientific heritage.

We cannot take this for granted: in an increasingly mobile world, and with growing salary gaps between the UK and competing nations such as the US, we are at risk of falling behind in the global race for talent in these critical areas.⁷

The current visa policy affects universities who must pay for increased visa costs, and postdoctoral researchers who must navigate uncertainty around their status.⁸ It affects business: innovative SMEs are less likely to be able to afford to pay for visa fees or to navigate the immigration system.⁹ It affects charities, like Cancer Research UK, who have estimated that their institutes will face immigration costs of £700,000 annually in the near future¹⁰: that is £700,000 that will not now be spent on research to combat cancer. It even affects other Government departments, such as the Department for Education, which offers International Relocation Payments of up to $\pounds 10,000$ to reduce the high up-front burden of the UK's visa costs for STEM teachers.¹¹

We understand that the Government was elected on a pledge to reduce overall immigration numbers—but the Global Talent visa accounts for only around 4,000 people a year, less than 1% of the overall figures in 2024.¹² Therefore reducing the up-front barriers for the

https://www.hr.admin.cam.ac.uk/financial-support-visas [accessed 10 January 2025] ⁹ <u>Q 13</u> (Professor Alison Noble)

⁴ GOV.UK, 'Apply for the Global Talent visa': <u>https://www.gov.uk/global-talent</u> [accessed 23 January 2025]

⁵ The Royal Society, Fragomen LLP, Summary of visa costs analysis (August 2024): https://royalsociety.org/-/media/policy/publications/2024/summary-of-visa-costs-analysis-2024.pdf [accessed 01 December 2024] ⁶ Q 6 (Shuveb Muguit)

⁷ This is discussed in more detail in the "compete in the global race for talent" section of the Appendix. ⁸ Q 12 (Harry Anderson); University of Cambridge, 'Human Resources: Financial support for visas':

¹⁰ Cancer Research UK, 'The UK immigration system is holding us back in the fight to beat cancer': https://news.cancerresearchuk.org/2024/07/25/uk-immigration-system-visa-fees-international-cancerresearchers/ [accessed 30 January 2025]

¹¹ Get Into Teaching, 'get an international relocation payment': https://getintoteaching.education.gov.uk/nonuk-teachers/get-an-international-relocation-payment [accessed 30 January 2025]

¹² 12,243 visas granted between April 2020 and April 2023. The Secretary of State for Science, Innovation and Technology, Rt Hon Peter Kyle MP, told us that there were 8,000 in the year to June 2024, but this included other types of visas as the Home Office statistics aggregate them together. Estimate of ~800,000 taken from ONS data for year ending November 2024. Q 17 (Rt Hon Peter Kyle MP); ONS, 'Long-term international migration, provisional: year ending June 2024':

small percentage of highly-qualified recipients of this visa, and indeed expanding its eligibility, are unlikely to make a significant difference compared to other measures.

There is a need for a more holistic immigration policy. As the Government seeks to fulfil its pledge to reduce net migration, it must consider and address the impact of measures restricting immigration on other sectors. Recent changes to the policy around dependants for taught postgraduate students have resulted in a decline in international students, and this has had a disproportionate impact on institutions with a high proportion of these students, exacerbating the effects of inflation and a long-term freeze in tuition fees on the finances of universities.¹³ We heard from the Vice-chancellor of Cranfield University, a specialist postgraduate university, that they have faced a 47% decline in postgraduate taught students in two years, and that "a whole ecosystem" of research and teaching is now "under threat because of the lack of cross-subsidy from international students."¹⁴ When it announced these changes, the previous Government said that it would "work with the higher education sector to explore alternative options to ensure the brightest and best students can continue to bring dependants"¹⁵ The previous Government also committed to the International Education Strategy target of 600,000 international students studying in the UK each year by 2030.¹⁶ In light of this, is the current Government still open to exploring alternative options around this policy?

The rise in the salary threshold for a Skilled Worker visa in 2024 (from £26,200 to £38,700)¹⁷ could have had a catastrophic impact on postdoctoral researchers if they had not been exempted by lowering the threshold for holders of STEM PhDs to £31,000—though this, in turn, highlights the issue of low postdoctoral salaries compared to global competitors raised in our 2022 letter.¹⁸ This illustrates a broader problem, and the need to coordinate immigration policy with education, training, science and technology policy. It is critical, as the Government seeks to reduce net migration, that the impact this has on key growth-driving sectors, particularly research, science and technology, is recognised and mitigations are put in place.

The election of President Trump in the United States adds an unpredictable element to this global race for talent. Some in the EU have seen it as an opportunity to attract scientists to

https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bul letins/longterminternationalmigrationprovisional/yearendingjune2024 [accessed 10 January 2025]

¹³ This is discussed in more detail in the "Address the impact on the higher education sector" section of the appendix.

¹⁴ <u>Q 1</u>, <u>Q 20</u> (Professor Dame Karen Holford)

¹⁵ GOV.UK, 'News story – Changes to student visa route will reduce net migration':

https://www.gov.uk/government/news/changes-to-student-visa-route-will-reduce-net-migration [accessed 10 January 2025]

¹⁶ GOV.UK, 'Policy paper – International Education Strategy: global potential, global growth':

https://www.gov.uk/government/publications/international-education-strategy-global-potential-global-growth [accessed 10 January 2025]

¹⁷ GOV.UK, 'Skilled Worker visa': <u>https://www.gov.uk/skilled-worker-visa</u> [accessed 23 January 2025] The Skilled Worker visa , requires applicants to work for a Home Office approved employer, have a Certificate of Sponsorship, do a job on the list of eligible occupations, and be paid a minimum salary.

¹⁸ Letter from Baroness Brown of Cambridge, Chair of Science and Technology Committee, to George Freeman MP, then Minister of State for Science, Research and innovation (15 December 2022): committees.parliament.uk/publications/33254/documents/179987/default/

work there, especially with federal funding for science in jeopardy.¹⁹ On the other hand, economic nationalism, the competition for scarce Artificial Intelligence talent, and the recent debate over H-IB visas may cause the US to reform its immigration system to attract more global talent.²⁰ This might include actions such as lifting the cap on H-IB visas,²¹ or, as a witness to our Committee suggested, "stapling a green card to PhDs",²² which could further intensify the competition. **The UK must maintain a flexible approach to international developments, positioning itself competitively in the global race for talent.**

Specific issues

Following the publication of our previous conclusions and recommendations on science visa policy,²³ we urge the Government to take action to:

- Compete in the global race for talent
- Mitigate high up-front visa costs, such as the Immigration Health Surcharge
- Clarify and expand the eligibility for the Global Talent visa
- Address the impact on the higher education sector
- Improve data collection, communication and analysis to promote public understanding of immigration

Compete in the global race for talent

• The UK's immigration policy must recognise that we are in an increasingly competitive global race for STEM talent. We cannot be complacent about the UK's continued attractiveness as a destination for top scientists and technology experts, in light of changing global dynamics, and issues such as high up-front visa costs and increasingly uncompetitive salaries. The UK's policy must be agile and responsive to opportunities as they arise. We are deeply concerned that the current policies including rapidly rising visa fees and immigration policy uncertainty, are severely harming the UK's ability to compete in this race.

²¹ BBC News, 'What we know about US visas Trump supporters are clashing over':

¹⁹ Research Professional News, 'Trump return a 'big opportunity' for EU to attract research talent': <u>https://www.researchprofessionalnews.com/rr-news-europe-politics-2024-12-trump-return-a-big-opportunity-for-eu-to-attract-research-talent/</u> [accessed 10 January 2025]; Research Professional News, 'Trump 'could be gamechanger' for UK international recruitment': <u>https://www.researchprofessionalnews.com/rr-news-uk-universities-2025-1-trump-could-be-gamechanger-for-recruiting-international-students/</u> [accessed 10 January 2025] <u>US judge blocks Donald Trump's plan to freeze federal grants and loans</u> [accessed 29 January 2025]

²⁰ The H-1B visa allows employers to hire foreign workers in specialty occupations, up to a cap of 85,000 a year. U.S. Citizenship and Immigration Services, 'H-1B Specialty Occupations': <u>https://www.uscis.gov/working-in-the-united-states/h-1b-specialty-occupations</u> [accessed 23 January 2025]

https://www.bbc.co.uk/news/articles/ckg87n2ml11o [accessed 10 January 2025]

²² <u>Q 118</u> (Dr Mary Maxon)

 ²³ For example, in our recent report: *Don't fail to scale: seizing the opportunity of engineering biology*. (paras 95–105). Science and Technology Committee, *Don't fail to scale: seizing the opportunity of engineering biology* (1st Report, Session 2024–25, HL Paper 55)

Mitigate high up-front visa costs

The up-front costs that applicants for UK visas face are much higher than • those in comparable countries, and risk significantly deterring early career scientists, researchers, and technology workers. This is predominantly due to the requirement to pay the entire Immigration Health Surcharge for the duration of the visa in advance, resulting in upfront costs of over £10,000 for applicants with partners for the Surcharge alone. This is a huge deterrent for postdoctoral researchers whose annual salaries are around £36,000.²⁴ While we acknowledge that like-for-like comparisons between visas in different countries are difficult, the disparity in up-front costs is clear and substantial. The previous Government cited administrative burdens as a reason against implementing instalment payments or PAYE deductions, but we believe these burdens could be overcome as the immigration system is digitised and modernised. The Government should review the high up-front burden of its visa fees for the most skilled applicants with a view to ensuring the UK is competitive with other countries. If the Immigration Health Surcharge is to be retained, the Government must consider allowing payment in instalments. This could be done through PAYE, as is the case for general taxation, through annual charges, or through other mitigations.

Clarify and expand the eligibility for the Global Talent visa

• The Global Talent visa has been a positive addition to the system. Experiences of those who successfully obtain the Global Talent visa are largely positive, although cost has been described as an 'Achilles heel'. However, this does not take into account those who are deterred from applying by high up-front costs or unclear application criteria. We are concerned that currently, too many high potential early career researchers fall through the gaps in the current immigration system, being neither well-suited to the Skilled Worker visa route nor the highly selective Global Talent visa. The Government should review its offer to 'emerging talent' including by clarifying and potentially expanding the eligibility criteria for the Global Talent visa, or introducing a new route for high potential individuals and postdoctoral researchers at an early stage in their careers. It should be clear to applicants in STEM fields when they are eligible to apply for Global Talent visas.

²⁴ Glassdoor, 'Postdoctoral Researcher salaries in United Kingdom':

https://www.glassdoor.co.uk/Salaries/postdoctoral-researcher-salary-SRCH_KO0,23.htm [accessed 10 January 2025]

Address the impact on the higher education sector

• The freeze on tuition fees has led to a situation where, for many higher education institutions, international student fees cross-subsidise both domestic teaching and research. Reduction in international student numbers has a disproportionate impact on STEM subjects which have the most expensive teaching and research. In particular, this has been exemplified recently by the ban on dependants for postgraduate taught courses, which has had a disproportionate impact on higher education institutions with high proportions of those courses. If the Government's intention is to reduce the overall numbers of international students as part of reducing net migration, it should mitigate any negative impacts on science, research and universities from these policies. The Government should review its dependants ban and consider whether granting exemptions would result in a net benefit for the UK.

Improve data collection, communication and analysis to promote public understanding of immigration

• The Government must invest in obtaining a better understanding of the impacts of changing visa policies, including those for students. A more holistic and data-driven conversation about immigration in the UK requires moving beyond net migration figures, and restoring trust in the immigration system through transparency, but only the Government is in a position to make data accessible and clear. The Government should, as part of its Immigration White Paper, conduct further research into the impacts of its changing visa policies, particularly for students and researchers in STEM subjects, as well as the long-term outcomes for those who enter on student visas. It should communicate its findings publicly, and make a clear distinction between permanent (indefinite leave to remain) and temporary entrants in the statistics. The Home Office, Office for National Statistics, and universities should coordinate to obtain better data about international students.

To support our points above, we include a summary of supporting evidence in the appendix attached to this letter.

The United Kingdom has a science and technology sector that still has the capacity to attract global talent to study, research, and work in the UK, contributing to our economy and public services. Science and technology are global endeavours—a nation cannot compete purely on the basis of its home-grown talent—and the UK is rightly proud of its globally-renowned university and research sector. However, we cannot take this for granted, and developments over the last few years have made us significantly less competitive just as the race for global talent heats up. The forthcoming Immigration White Paper presents an opportunity for the Government to implement a more holistic immigration policy. We urge the Government to take these points on board.

I am copying this letter to the Clerk and Chair of the Commons Science, Innovation and Technology Committee, the Department for Science, Innovation and Technology, the Department for Business and Trade, and HM Treasury. We look forward to your response to this letter to our Committee and my successor, Lord Mair, by 27 March 2025.

Yours sincerely,

Brown of Gunbridge

Baroness Brown of Cambridge Chair, House of Lords Science and Technology Committee

Appendix: summary of supporting evidence

Compete in the global race for talent

Our witnesses set the scene for the UK's immigration policy in an increasingly competitive global race for talent. Professor Alison Noble, Foreign Secretary of the Royal Society, told us that "there is a competition out there ... The best scientists have a choice of where they go ... there are not enough STEM scientists in the world, and hence you are competing. That is ... why you need to look very seriously at things like visa costs and the types of visas."²⁵ Professor Dame Karen Holford, Vice-chancellor of Cranfield University, told us that: "The UK Government should be constantly checking and adjusting how we are positioned in that global talent race, particularly in relation to the United States."²⁶

Global immigration policy is changing. In particular, the re-election of President Trump was highlighted by witnesses as creating uncertainty but also potential opportunity. Dame Karen told us: "We have to see what policy President Trump makes when he is inaugurated. He has indicated that he is going to give visas to scientists and students, and that he wants to attract global talent, so he is trying to make the US attractive. Equally, I am hearing anecdotally that US researchers are looking to come to Europe, so there is that balance there."²⁷ This follows a high-profile debate around US H-IB visas which raises the likelihood of some changes to the visa most used to attract international STEM talent to the US.²⁸

We heard from our witnesses that the UK has some potential to compete in this race. In particular, Shuyeb Muquit, UK Government Affairs Strategy Director at Fragomen LLP, told us that "One of the strengths ... of the global talent visa ... is that it has a flexible definition as to the category of individuals that it can absorb", allowing the UK to create an immigration system that is "agile to demand".²⁹

Yet there are considerable factors holding back the UK's competitiveness. One is around global salaries. Dame Karen told us: "it is really difficult to compete against the really high salaries in the US and the power of that attitude. It is competitive. If we want to compete, we have to be able to attract people in various ways."³⁰

For postdoctoral researchers, while salaries vary by location, institution, and specialisation, there is a clear gap between salaries in the UK and elsewhere. Postdoctoral researchers in Germany command between €51,000 and €71,000 (£43,000–60,000), in the US the average is around \$60,000–70,000 (£49,000–57,000) while the typical range is £32,000–40,000 in the

- ²⁸ NPR, 'Indian Americans debate merits of H-1B visa program after some calls for changes': <u>https://www.npr.org/2025/01/13/nx-s1-5256148/nc-h1b-visa-debate-indian-american-reax</u> [accessed 15 January 2025]; Forbes, 'The Heated Debate Over H-1B Visas':
- https://www.forbes.com/sites/jackkelly/2024/12/30/the-heated-debate-over-h-1b-visas-understanding-bothsides/ [accessed 10 January 2025]

²⁵ <u>Q 1</u> (Professor Alison Noble)

²⁶ <u>Q 14</u> (Professor Karen Holford)

²⁷ <u>Q 18</u> (Professor Karen Holford)

²⁹ <u>Q 19</u> (Shuyeb Muquit)

³⁰ <u>Q 19</u> (Professor Karen Holford)

UK.³¹ In the private sector, especially in technology fields, the gap is even more pronounced. One survey in 2022 found that technology salaries in the UK were around £83,000 on average in the UK, but \$159,000 (£130,000) in the US. This is a large enough difference that differences in the relative purchasing power, cost of living etc. are secondary factors compared to the salary gap.³²

In this context, the UK's immigration policy has been changing regularly, and often increasing barriers to entry. Cancer Research UK have set out that changes made by the previous Government since 2022 have increased the costs of:

- •a 5-year Skilled Worker visa by 22% to £11,933
- •a 5-year Global Talent visa by 58% to £5,891
- the Immigration Health Surcharge by 66% to $\pm 1,035$ per year (this must be paid for all years up-front).³³

Indeed, since our witnesses gave evidence to us on 7 January 2025, the Government has announced a further set of fee increases, including the cost for the issuance of a Certificate of Sponsorship, which will rise 120% from £239 to £525.³⁴ Shuyeb Muquit of Fragomen LLP told us that this will "hit businesses hard, with the UK's immigration regime already—as was evidenced before the Committee—one of the most expensive in the world." He also expressed concern at the justification of this increase "to reduce the reliance on taxpayer funding of the migration and borders system", and questioned whether this "recognises the financial contribution made" by immigration and whether it was right to put "the burden of supporting humanitarian routes" and the illegal migration system "onto business" and legal migrants in this way.³⁵

Witnesses set out the consequences of some of these changes. Dame Karen told us:

"The UK, through the policies of the previous Government, is wandering unsighted into a territory where we are not attractive not only to people to come post their doctoral training in other countries to work here, but also to students. We are cutting off our pipeline. We are cutting off our recruitment ... we run the risk of

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https://www.glassdoor.co.uk/Salaries/postdoctoral-researcher-salary-SRCH_KO0,23.htm?countryRedirect=true [accessed 21 January 2025]; Academia Insider, 'PostDoc Researcher Salary':
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https://academiainsider.com/postdoctoral-researcher-salary [accessed 10 January 2025]
<sup>32</sup> Computer Weekly, 'Tech salaries continue to increase as firms search for talent':
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https://www.gov.uk/government/news/next-steps-for-a-more-efficient-immigration-

<u>system?utm_medium=email&utm_campaign=govuk-notifications-topic&utm_source=4d03ca71-9c0a-4233-9bdc-127bec952212&utm_content=immediately</u> [accessed 20 January 2025]

³¹ Academic Positions, 'PHD, Professor, and Postdoc Salaries in the United States in 2024': <u>https://academicpositions.com/career-advice/phd-professor-and-postdoc-salaries-in-the-united-states-in-2024</u> [accessed 10 January 2025]; Glassdoor, 'Postdoctoral Researcher Salaries':

https://www.computerweekly.com/news/252525370/Tech-salaries-continue-to-increase-as-firms-search-fortalent#:~:text=Tech%20salaries%20in%20the%20UK%20were%20lower%20than%20elsewhere%20in,in%20the %20US%20this%20year. [accessed 10 January 2025]

³³ Cancer Research UK, 'The UK immigration system is holding us back in the fight to beat cancer': <u>https://news.cancerresearchuk.org/2024/07/25/uk-immigration-system-visa-fees-international-cancer-researchers/</u> [accessed 10 January 2025]

³⁴ Home Office, 'Next steps for a more efficient immigration system':

³⁵ Written evidence from Fragomen LLP) (<u>SVP001</u>) and Supplementary evidence from Fragomen LLP (<u>SVP002</u>) on proposed increases in visa fees.

falling behind in our competitive advantage for science and technology because of these changes. There is a creeping effect of these changes over the years."³⁶

Professor Noble told us: "It does require a reset, because we have had a number of years where it has been very uncertain, and that is the message that is still out there."³⁷ Shuyeb Muquit told us:

"businesses are very much concerned about what is going to happen next. One has to appreciate that they have been through a lot so far. They have had Brexit. They have had Covid. They have had very serious changes to the immigration system unannounced, I would say—under the previous Government, which have been continued."³⁸

Professor Noble emphasised the impacts on "small businesses" handling "the constant changes in the rules. They do not have HR departments that can follow some of this, maybe learn through experience and share practice in the same way."³⁹

The UK's immigration policy must recognise that we are in an increasingly competitive global race for STEM talent. We cannot be complacent about the UK's continued attractiveness as a destination for top scientists and technology experts, in light of changing global dynamics, and issues such as high up-front visa costs and increasingly uncompetitive salaries. The UK's policy must be agile and responsive to opportunities as they arise. We are deeply concerned that the current policies including rapidly rising visa fees and immigration policy uncertainty, are severely harming the UK's ability to compete in this race.

Mitigate high up-front visa costs

A major barrier to applicants at the present time is the high up-front cost associated with visas, in particular the Immigration Health Surcharge. According to analysis from the Royal Society, a family of four coming to the UK on a 5-year Global Talent visa will be required to pay £20,974 in advance, a figure that has risen by 57% from £13,372 in 2021.⁴⁰ A single individual will still face up-front costs of around £6,000, mostly due to the Immigration Health Surcharge. When this is added to the cost of relocation and considered in the context of the average postdoctoral researcher salary of ~£36,000 before tax, it is a significant up-front barrier.

Shuyeb Muquit told us that: "The big Achilles heel of the system relative to other countries is the cost. We are significantly more expensive than other leading countries and, in fact, increasingly so ... We are not talking about differences of single-digit percentages. We are talking about four-digit differences between the UK and other leading science countries."⁴¹

³⁶ <u>Q 8</u> (Professor Karen Holford)

³⁷ <u>Q 18</u> (Professor Alison Noble)

³⁸ <u>Q 2</u> (Shuyeb Muquit)

³⁹ <u>Q 13</u> (Professor Alison Noble)

⁴⁰ The Royal Society, Fragomen LLP, *Summary of visa costs analysis* (August 2024): <u>https://royalsociety.org/-/media/policy/publications/2024/summary-of-visa-costs-analysis-2024.pdf</u> [accessed 10 January 2024]

⁴¹ <u>Q 3</u> (Shuyeb Muquit)

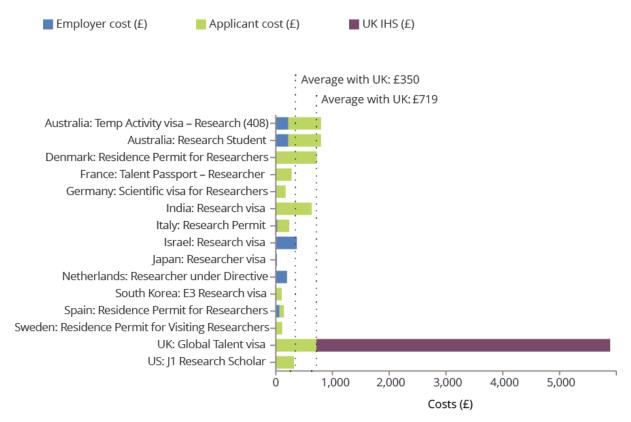


Figure 1: Costs for UK Global Talent visa compared to visa routes for researchers in other leading science nations, 2024

Reproduced from Figure 3: The Royal Society, Fragomen LLP, Summary of visa costs analysis, (August 2024), p7: <u>https://royalsociety.org/-/media/policy/publications/2024/summary-of-visa-costs-analysis-2024.pdf</u> [accessed 10 January 2025]

Precise comparisons between different countries and different visa types are not always straightforward, because countries have different structures to their immigration system, entitling one to engage in different activities. Nevertheless, the Royal Society's analysis shows that whether one compares a Global Talent (Figure 1) or Skilled Worker (Figure 2) visa—the two main routes that an early career researcher could use in the UK—to the nearest equivalents overseas, there are very significant differences, dominated by the requirement to pay the Immigration Health Surcharge in full in advance. Some of these countries may require health insurance as part of the conditions of immigration, but this will not require five years of up-front payment in the same way.

Professor Noble told us:

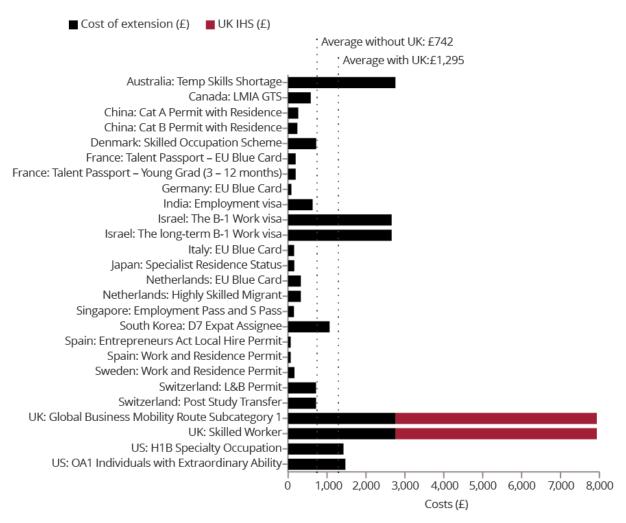
"If you take an example, in Germany, a researcher visa cost is £172. That is 3% of what the UK cost would be for a visa. The bulk of the cost is the health surcharge ... Early-career researchers are often coming out having got a PhD or a degree. They are at the beginning of their career. They do not necessarily have much finance."⁴²

Mr Muquit concurred, saying that "The aggravation is not per se the actual figure. It is the point at which the demand is made for that figure ... It is therefore putting a burden at the

⁴² **<u>Q 3</u>** (Professor Alison Noble)

point at which people are less likely to be able to meet that burden.³⁴³ He compared the UK to France which had "reduced its up-front fees that are attributable to applicants by 92%, so you can see the swing in psychology between those two places.³⁴⁴

Figure 2: Costs for UK Skilled Worker visa extensions compared to those of other leading science nations, 2024



Reproduced from Figure 2: The Royal Society, Fragomen LLP, Summary of visa costs analysis (August 2024), p6: <u>https://royalsociety.org/-/media/policy/publications/2024/summary-of-visa-costs-analysis-2024.pdf</u>. [accessed 10 January 2025]

In recent years, as highlighted by the Royal Society's briefing, various fees associated with the immigration system have increased. Since 2019, depending on the visa, associated fees and charges have increased by up to 126%, and from 2021 to 2024, they have increased by up to 58%.⁴⁵ This includes a 66% increase in the Immigration Health Surcharge in February

⁴³ <u>Q 30</u> (Shuyeb Muquit)

⁴⁴ <u>Q 6</u> (Shuyeb Muquit)

⁴⁵ The Royal Society, *Summary of visa costs analysis* (August 2024): <u>https://royalsociety.org/-</u> /media/policy/publications/2024/summary-of-visa-costs-analysis-2024.pdf [accessed 10 January 2025]

2024 from £624 to £1,035, and in recent weeks a proposal to increase the cost of a certificate of sponsorship to £525 of around 120%.⁴⁶

These large up-front costs and recent significant increases raise questions around how the levels are set and what the fees are used for. Shuyeb Muquit told us that "They are making a point of principle that they are using the visa fees to pay for the administration and the cost that is required to do that ... We are unclear and there is no transparency in terms of what the figure is and whether that can be justified."⁴⁷

It is generally known that the Home Office generates a surplus on visa fees to crosssubsidise border security.⁴⁸ There is, however, a lack of clarity around this allocation which raises questions. Mr Muquit told us that "we do not know what the proper justification is, whether they are being used for the purpose for which they have been collected, or whether, as a proportion, they are justified, given the costs that are required to administer the system."⁴⁹

Harry Anderson, Deputy Director at Universities UK International, further supported this, saying that:

"The Home Office's position has always been that it wants and expects the cost of visas to cover the cost of the administrative running of the department, but, as we have heard, there is no full transparency on that. If you looked at just the cost increases that we have seen since the last time this committee explored this topic, they have increased far more quickly than the rate of inflation."⁵⁰

Given that the Immigration Health Surcharge is paid up-front by individuals, many of whom will also pay tax and National Insurance, this creates particular concerns around fairness. Harry Anderson told us that "When you talk to university HR departments, a lot of academics feel that this is double taxation".⁵¹ In addition, as he explained, although students pay a discounted health surcharge, they are "typically younger and therefore have fewer healthcare needs. Therefore, it is a cost that they very rarely need to activate or use."

Mr Muquit recommended that the Government consider more flexibility in the timing of these charges.⁵² He suggested that it could be possible to "spread the payment over the lifetime of a visa, or to reduce the cost or create further exceptions for particular categories, depending on what your strategy is in terms of who you want to attract."⁵³

⁴⁶ Home Office, 'Next steps for a more efficient immigration system':

https://www.gov.uk/government/news/next-steps-for-a-more-efficient-immigration-system [accessed 20 January 2025]

⁴⁷ <u>Q 10</u> (Shuyeb Muquit)

⁴⁸ House of Commons Library, Immigration fees, Research Briefing, <u>9859</u>, February 2024

⁴⁹ <u>Q 10</u> (Shuyeb Muquit)

⁵⁰ <u>Q 10</u> (Harry Anderson)

⁵¹ <u>Q 30</u> (Harry Anderson)

⁵² Q 32 (Shuyeb Muquit)

⁵³ Q 6 (Shuyeb Muquit)

This recommendation was also made by the Campaign for Science and Engineering in March 2024⁵⁴ and Cancer Research UK in July 2024.⁵⁵ It was also made by this Committee to a previous Home Secretary in December 2022 and again in June 2023.⁵⁶ At the time, our recommendation for some mitigation of these high up-front costs, such as allowing payment in instalments, was refused, as it was seen as imposing a "significant administrative burden",⁵⁷ although it was the approach favoured by the Home Office's exit survey of successful Global Talent visa applicants.⁵⁸

Global Talent visas require an endorsement from an organisation such as the British Academy, Royal Society, UK Research and Innovation, or Tech Nation. In many cases, applicants have already demonstrated their research excellence by securing this endorsement or one of the positions or fellowships required for a fast-track endorsement. With around 4,000–8,000 successful applicants a year, the total cost of waiving the IHS for this visa entirely would be on the order of $\pounds 20-40$ m This letter does not ask for this waiver, but simply a mechanism which allows the payment to be spread over time. Given the benefit that these predominantly young and taxpaying individuals can bring to STEM research in the UK, it seems strange that financing options that would substantially ease the up-front burden and enable the UK better to compete in the global race for talent are not being explored.

The up-front costs that applicants for UK visas face are much higher than those in comparable countries, and risk significantly deterring early career scientists, researchers, and technology workers. This is predominantly due to the requirement to pay the entire Immigration Health Surcharge for the duration of the visa in advance, resulting in up-front costs of over £10,000 for applicants with partners for the Surcharge alone. This is a huge deterrent for postdoctoral researchers whose annual salaries are around £36,000.⁵⁹ While we acknowledge that like-for-like comparisons between visas in different countries are difficult, the disparity in up-front costs is clear and substantial. The previous Government cited administrative burdens as a reason against implementing instalment payments or PAYE deductions, but we believe these burdens could be overcome as the immigration system is digitised and modernised. *The*

2025]

https://www.sciencecampaign.org.uk/press/detail/new-case-briefing-on-uk-skilled-immigration/ [accessed 10 January 2025]. Their briefing made six main recommendations: Reduce the up-front cost of UK visas; Clarify eligibility for the Global Talent visa; Increase visa flexibility; Support businesses to navigate the visa system; De-risk visa sponsorship for organisations; Mitigate the impact of visa changes on students and universities. ⁵⁵ https://news.cancerresearchuk.org/2024/07/25/uk-immigration-system-visa-fees-international-cancer-

committees.parliament.uk/publications/40341/documents/196983/default/

committees.parliament.uk/publications/41353/documents/203230/default/

⁵⁴ CaSE, 'New CaSE Briefing on UK Skilled Immigration':

<u>researchers/</u> [accessed 10 January 2025] ⁵⁶ Letter from Baroness Brown of Cambridge, Chair of Science and Technology Committee to Rt Hon Suella

Braverman KC MP, then Home Secretary (June 2023):

⁵⁷ Letter from Rt Hon Suella Braverman KC MP, then Home Secretary to Baroness Brown of Cambridge, Chair of Science and Technology Committee (03 August 2023):

⁵⁸ Home Office, *Global Talent Visa Evaluation: Exploring experiences of the Global Talent visa process* (May 2022), p 30:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1072031/ <u>Final_Global_Talent_evaluation_wave_1_report__for_publication.pdf</u> [accessed 10 January 2025]

⁵⁹ Glassdoor, 'Postdoctoral Researcher salaries in United Kingdom': <u>https://www.glassdoor.co.uk/Salaries/postdoctoral-researcher-salary-SRCH_KO0,23.htm</u> [accessed 10 January

Government should review the high up-front burden of its visa fees for the most skilled applicants with a view to ensuring the UK is competitive with other countries. If the Immigration Health Surcharge is to be retained, the Government must consider allowing payment in instalments. This could be done through PAYE, as is the case for general taxation, through annual charges, or through other mitigations.

Clarify and expand the eligibility for the Global Talent visa

Of those who succeed in applying for a Global Talent visa, we heard that "their experience is that it is a very good process"⁶⁰. Mr Muquit further explained that "The UK system is among the best in the world in terms of dealing with applications, processing them and doing so quickly."⁶¹ The flexibility that the visa offers was noted as a particular benefit, with Professor Noble saying that:

"things such as the Global Talent visa are very attractive. If you can come in, and then a few years later maybe go and work in the industry for a while, go and move around, this is what entrepreneurial-type scientists want to do, including people who are pure entrepreneurs as well."⁶²

However, she noted that while those who provided feedback on the scheme to the endorsing bodies felt it worked well, that feedback was "not capturing the people who do not think about approaching" and applying for this visa.⁶³

We have heard evidence that the Global Talent visa is limited by a lack of understanding about who might be eligible. Cancer Research UK noted in their report that:

"different UK research organisations also have different levels of understanding of the UK's immigration route for outstanding individuals in research and other fields, the Global Talent visa. The evidence from our institutes suggests this is due to an absence of clear information about how the Global Talent visa works and confusion caused by the language used to explain it."⁶⁴

Dame Karen expanded on this point in her evidence to us, noting that it was unclear whether the visa could be used for early career researchers:

"in terms of an eligible job offer, you have to be responsible for academic research or innovation, leadership and development, directing or leading an individual team or innovation project. By that definition, it is not an early-career researcher. The HR departments would not think that this is for an early-career researcher, nor would an early-career researcher looking at the website think that is for them."⁶⁵

⁶⁰ <u>Q 1</u> (Shuyeb Muquit); Home Office, 'Research and analysis – Global Talent visa evaluation: Wave 2 report': <u>https://www.gov.uk/government/publications/global-talent-visa-evaluation-wave-2-report/global-talent-visa-evaluation-wave-2-report</u> [accessed 10 January 2025]

⁶¹ Q 3 (Shuyeb Muquit)

⁶² <u>Q 19</u> (Professor Alison Noble)

⁶³ <u>Q 24</u> (Professor Alison Noble)

⁶⁴ Cancer Research UK, 'The UK immigration system is holding us back in the fight to beat cancer': <u>https://news.cancerresearchuk.org/2024/07/25/uk-immigration-system-visa-fees-international-cancer-researchers/</u> [accessed 10 January 2025]

⁶⁵ <u>Q 25</u> (Professor Dame Karen Holford)

At present, the Global Talent visa accounts for fewer than 8,000 visas a year, which is smaller proportionally than the US's comparable H-IB visa programme with 85,000 visas a year for a population five times larger than the UK's.⁶⁶

The Global Talent visa has been a positive addition to the system. Experiences of those who successfully obtain the Global Talent visa are largely positive, although cost has been described as an 'Achilles heel'. However, this does not take into account those who are deterred from applying by high up-front costs or unclear application criteria. We are concerned that currently, too many high potential early career researchers fall through the gaps in the current immigration system, being neither well-suited to the Skilled Worker visa route nor the highly selective Global Talent visa. The Government should review its offer to 'emerging talent' including by clarifying and potentially expanding the eligibility criteria for the Global Talent visa, or introducing a new route for high potential individuals and postdoctoral researchers at an early stage in their careers. It should be clear to applicants in STEM fields when they are eligible to apply for Global Talent visas.

Address the impact on the higher education sector

In recent years, there has been a high-profile funding squeeze in the higher education sector, driven by a range of different factors. The Government has announced an increase in tuition fees to rise in line with inflation, but these issues are expected to persist, with the Office for Students warning that up to 72% of universities could be running budget deficits by next year.⁶⁷ Part of this has been driven by a decline in international students, who pay 43% of the UK's tuition fees, while total fees accounted for around 52% of UK university income in 2022/23. Student visa applications have declined in recent years, likely in part due to the policy of banning dependants from joining those studying on postgraduate taught Masters' courses.⁶⁸ Harry Anderson told us that: "Successive Governments now have looked to fund the higher education sector from tuition fees and, until very recently, have not sought to increase that fee level. That has led to a situation where universities are increasingly needing to cross-subsidise through international fees just to remain afloat."⁶⁹

 ⁶⁶ Home Office, *Immigration System Statistics – year ending September 2024* (28 November 2024): https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fmedia
 <u>%2F672dc84e0207c4664564ce61%2Fvisas-summary-sep-2024-tables.ods&wdOrigin=BROWSELINK</u> [accessed
 10 January 2025]. Home Office, 'Immigration System Statistics – year ending September 2024': https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fmedia
 <u>%2F672dc84e0207c4664564ce61%2Fvisas-summary-sep-2024-tables.ods&wdOrigin=BROWSELINK</u> [accessed
 10 January 2025]. In the year ending September 2024, there were 7,715 entry clearance visas granted across
 the Investor, business development, and talent categories (aggregated together in the Home Office's statistics).
 ⁶⁷ BBC News, 'University cash crisis to get worse despite tuition fees rise, BBC told':

https://www.bbc.co.uk/news/articles/c14lv7e61d3o [accessed 10 January 2025]; The Week, 'The UK universities in financial crisis': https://theweek.com/education/uk-universities-why-higher-education-is-in-crisis [accessed 10 January 2025]

⁶⁸ The Week, 'The UK universities in financial crisis': <u>https://theweek.com/education/uk-universities-why-higher-education-is-in-crisis</u> [accessed 10 January 2025]; Gov.uk, 'News story – Tough government action on student visas comes into effect': <u>https://www.gov.uk/government/news/tough-government-action-on-student-visas-comes-into-effect</u> [accessed 10 January 2025]

⁶⁹ <u>Q 20</u> (Harry Anderson)

Our witnesses set out some of the impact that this has had. Dame Karen said of Cranfield University:

"We have seen a huge fall-off in student applications and students coming here over the last two years since the changes in the visas. I am talking about the change in the dependant visa, and also the uncertainty about the graduate route. We know that that uncertainty was settled last year, but the rhetoric around the uncertainty and the fall-off in the dependant route has led to us not being such an attractive place to come to study to prepare for that global career in science."

This meant that "we have seen a consecutive drop-off each year of 26%, so 47% overall."⁷⁰ She added that a main concern of would-be international students was "consistency in government policy."⁷¹

Harry Anderson also argued that a "lack of policy coherence and strategy from the previous Government", such as "the debate around the graduate visa and what our offer was", had "a knock-on impact on our perception to talent around the world".⁷²

Mr Anderson set out the impact that this was having on the sector, describing it as "very significant", and reporting a 16% drop in the number of visas issued for students. This was most acute at the postgraduate taught level and he recommended that the dependants policy be reviewed. Across the whole sector, he thought the decline in international student applications "equates to over £1 billion of tuition fee income."⁷³

This impact went beyond just the finances of universities and higher education institutions it also affected science and research in the UK. Mr Anderson explained:

"Research ... is not fully funded. It is about 70% of the cost of research that is funded, so 30% needs to come from cross-subsidies [including from tuition fees]. That cross-subsidy equates to about £5 billion. If you are losing £1 billion of that £5 billion, that is placing a very significant strain on the ability of universities to do the world-class research that we have been talking about, which is one of the fundamental strengths that we have as a country."⁷⁴

This has an impact on science teaching, as well. Dame Karen told us that "[a] number of undergraduate universities ... are considering closing chemistry and physics departments because those are the expensive courses to run. Without that international student cross-subsidy, universities have to make difficult decisions." She described it as a "whole ecosystem there that is under threat because of the lack of cross-subsidy from international students."⁷⁵

Dame Karen also recommended that the Home Office revisit the dependants policy.⁷⁶

⁷⁰ <u>Q1</u> (Professor Dame Karen Holford)

⁷¹ <u>Q 2</u> (Professor Dame Karen Holford)

⁷² <u>Q 2</u> (Harry Anderson)

⁷³ <u>Q 20</u> (Harry Anderson)

⁷⁴ <u>Q 20</u> (Harry Anderson)

⁷⁵ <u>Q 20</u> (Professor Dame Karen Holford)

⁷⁶ Q 32 (Professor Dame Karen Holford)

The freeze on tuition fees has led to a situation where, for many higher education institutions, international student fees cross-subsidise both domestic teaching and research. Reduction in international student numbers has a disproportionate impact on STEM subjects which have the most expensive teaching and research. In particular, this has been exemplified recently by the ban on dependants for postgraduate taught courses, which has had a disproportionate impact on higher education institutions with high proportions of those courses. If the Government's intention is to reduce the overall numbers of international students as part of reducing net migration, it should mitigate any negative impacts on science, research and universities from these policies. The Government should review its dependants ban and consider whether granting exemptions would result in a net benefit for the UK.

Improve data collection, communication and analysis to promote public understanding of immigration

Another theme of our evidence session was the need for better data and a better understanding of immigration to inform the public discourse.

Harry Anderson argued:

"Net migration is a very important metric when it comes to understanding immigration trends, but it is not the only metric that is important ... We could also look to place greater emphasis on the number of people who are given indefinite leave to remain or settlement as a metric of immigration policy. You hear the big headline net migration figure, but most migrants end up leaving within about an eight-year period. Other countries are much clearer in separating out what is a permanent visa and what is a temporary visa in the presentation of their statistics."⁷⁷

Shuyeb Muquit agreed, saying that "In the UK, we have a bizarre situation where we talk about net migration separately from the elements that constitute migration."⁷⁸

Mr Anderson said Universities UK International worked closely with the Office for National Statistics:

"They are doing some absolutely brilliant work in linking together different datasets so that you can see the visa journey and understand what migrants are doing. If you are coming on a student visa, how long are you remaining for? What are you then going on to do? How long are you staying in the country? How many of those people that first arrived on that visa end up settling in the UK?".

He said that there was an appetite "to look at matching and marrying together those different datasets so that we can have a much more granular understanding of what the trends are."⁷⁹

⁷⁷ <u>Q 15</u> (Harry Anderson)

⁷⁸ <u>Q 15</u> (Shuyeb Muquit)

⁷⁹ <u>Q 21</u> (Harry Anderson)

Professor Alison Noble told us that there was a role for data in driving a more holistic immigration policy: "government departments working collaboratively together in terms of coming up with, as we have been talking about, the appropriate ways to describe immigration-related issues, as they apply to what is going on in the different departments as well, from a policy point of view, and using data from different sources to back up."⁸⁰

The Government must invest in obtaining a better understanding of the impacts of changing visa policies, including those for students. A more holistic and datadriven conversation about immigration in the UK requires moving beyond net migration figures, and restoring trust in the immigration system through transparency, but only the Government is in a position to make data accessible and clear. The Government should, as part of its Immigration White Paper, conduct further research into the impacts of its changing visa policies, particularly for students and researchers in STEM subjects, as well as the long-term outcomes for those who enter on student visas. It should communicate its findings publicly, and make a clear distinction between permanent (indefinite leave to remain) and temporary entrants in the statistics. The Home Office, Office for National Statistics, and universities should coordinate to obtain better data about international students.

⁸⁰ <u>Q 32</u> (Professor Alison Noble)