

# Challenges and costs of the UK immigration system for Russell Group universities

6 March 2019

# Table of contents

<b>Executive Summary</b>	<b>4</b>
<b>Methodology</b>	<b>6</b>
<b>Findings – Immigration support for staff</b>	<b>7</b>
<b>Findings – Immigration support for students</b>	<b>18</b>
<b>Conclusion</b>	<b>24</b>
<b>Glossary</b>	<b>26</b>
<b>Annex 1 – Statistical model on EU citizens in the UK post-Brexit</b>	<b>29</b>
<b>Annex 2 – Copy of survey questions</b>	<b>31</b>



**Building a better  
working world**

6 March 2019

## Challenges and costs of the UK immigration system for Russell Group universities

### Preface

*EY's Global Immigration team is delighted to have been commissioned by the Russell Group to conduct this timely piece of research into the challenges and costs of immigration sponsorship for both staff and students of Russell Group universities. University immigration programmes, which support overseas students and skilled migrants to come to the UK to study and work, are expected to expand if EEA and Swiss nationals are required, at a future date, to obtain permits under the UK's Points Based System. Concern regarding the potential cost of Tier 2 and 4 sponsorship of EEA and Swiss applicants was therefore one of the catalysts behind this research. The other principal objective was to gather information, data and case studies to aid the Government's consultation on its immigration White Paper published in December 2018. The publication of this White Paper and the twelve-month consultation period which follows, represent a welcome opportunity to contribute to the development of immigration policy at a crucial juncture as the UK leaves the EU.*

*We are glad to have assisted the Russell Group in this important research and trust that the findings of this report will play a useful role - informing both the consultation and future policy objectives. The UK must ensure that overseas students and university staff continue to be welcomed and supported whatever the outcome of Brexit negotiations. The universities themselves - and the immigration programmes they run - remain at the heart of this endeavour.*

Margaret Burton

Partner, Global Immigration, EY

# Executive summary

The overarching objective of this research and associated analysis is to support the Russell Group's policy work and inform its discussions with ministers, officials and key stakeholders by delivering the following:

- ▶ An estimate of the current financial costs of Tier 2 and Tier 4 sponsorship to Russell Group universities, covering both fees paid to UK Visas and Immigration (UKVI) and staffing costs associated with running an immigration programme
- ▶ A projection of how these costs will increase should EEA (excluding Irish nationals) and Swiss citizens be required to obtain permission to work and study in the UK as a result of the UK's departure from the EU
- ▶ Projections of the impact that changes to skill and salary thresholds will have on the number of positions at Russell Group universities that qualify for a work visa
- ▶ Case studies on challenges associated with sponsorship and running an immigration programme.

Our research, conducted via in-person interviews with five Russell Group universities and an in-depth survey completed by 21 universities between December 2018 and January 2019, enabled us to obtain and analyse both quantitative data, particularly on costs, and qualitative data and case studies, predominantly on the challenges associated with sponsorship. Our key findings are as follows:

- ▶ The 24 Russell Group universities currently spend around **£25 million a year** on immigration processes and compliance to recruit and support non-EU staff and students
- ▶ This includes nearly £17 million in staffing and support costs to sponsor students and employees and £6.4 million in fees paid directly to UK Visas & Immigration (UKVI)
- ▶ Russell Group universities spent around £7.3 million on supporting immigration applications for staff during the academic year 17/18. This was an average of **£300k<sup>1</sup>** per institution, which includes an average of:
  - ▶ £172k on fees paid directly to UKVI
  - ▶ £98k on staffing costs
- ▶ Russell Group universities spent around £17 million on supporting immigration applications for students during the academic year 17/18. This was an average of **£712k<sup>2</sup>** per institution, which comprised:
  - ▶ £107k on fees paid directly to UKVI
  - ▶ £584k on staffing costs
- ▶ With the introduction of new immigration rules for EU citizens from 2021, we estimate the total costs could increase by 36% to £34m by the end of 2022 and by 48% to **£37m by 2031** (i.e., after 10 years)
- ▶ Several parts of UKVI's sponsorship and visa application process are seen as being inefficient and/or failing to add value, either because of failures in the system (such as frequent UKVI errors) or as an inherent part of an outdated system (such as police registration). Dedicating resources to managing these activities represents a significant cost for Russell Group universities
- ▶ We estimate there are nearly 59,000 positions at Russell Group universities that will not qualify for sponsorship under the proposed RQF3 and £30,000 thresholds. This represents **a third** of all roles within Russell Group universities
- ▶ 11,000 of these positions (19%) are science and teaching professionals and science technicians<sup>3</sup>

---

<sup>1</sup> Based on 14 complete responses, £1,430 per staff member supported. This average includes UKVI fees, staffing costs and additional indirect costs (for instance IT services) and outsourced costs (for instance when third-party immigration providers are used).

<sup>2</sup> Based on 16 complete responses, £153 per Tier 4 student supported. This average includes UKVI fees, staffing costs and additional indirect costs and "other costs" which include administration, such as loan schemes and assurance.

<sup>3</sup> These roles can be found within SOC codes for natural and social science researchers, teaching and education professionals and science, engineering and production technicians.

- ▶ In addition, over 26%<sup>4</sup> of staff at Russell Group universities are in part-time roles and 70% of part-time positions are held by women. Part-time roles are less likely to qualify for a skilled worker visa due to the fact that the salary threshold (e.g. £30,000 as above) cannot be pro-rated for part-time working patterns.

---

<sup>4</sup> Analysis performed on HESA data provided by UCEA and refers to all 24 Russell Group universities.

## Methodology

EY and the Russell Group conducted this research and analysis via four main routes:

1. Analysis of Higher Education Statistics Agency (HESA) data provided by the Russell Group<sup>5</sup> and the Universities and Colleges Employers' Association (UCEA)<sup>6</sup>.
2. A series of in-person interviews with HR and/or student immigration staff at five Russell Group universities<sup>7</sup> to obtain qualitative data and case studies, and to validate the form and content of the survey described at 3. below.
3. An in-depth survey sent to all 24 Russell Group universities requesting qualitative and quantitative data in several key areas, covering both the sponsorship of university staff and students:
  - a. UKVI fees
  - b. In-house costs for governance of immigration programmes as well as supporting individual Certificates of Sponsorship (CoS), Confirmation of Acceptance for Studies (CAS) and visa applications
  - c. Outsourced and indirect costs
  - d. Challenges and Brexit modelling/preparedness.
4. The development of a statistical model to predict the number of EEA (excluding Irish nationals) and Swiss (hereafter shortened to EU) citizens that will require permission to work or study from 2021<sup>8</sup> and thus the increased cost of sponsoring workers and students from outside of the UK from 2021 onwards.

We received 21 full or partial responses from universities. Some of these universities were unable to provide the level of granularity requested, particularly around the salary costs of those Russell Group employees supporting<sup>9</sup> immigration activity. In many ways this is understandable - it is not necessarily simple to determine exactly how long a member of staff has spent supporting the visa process in a given year. After analysis, 14 responses were deemed to have provided data on the cost of sponsoring staff that is suitable for comparison ('comparable')<sup>10</sup>. 16 responses were deemed to have provided comparable data on the cost of sponsoring students<sup>11</sup>. Certain sections of this report may refer to findings from a larger or smaller group of respondents where it is appropriate to include or exclude specific parts of the responses that are more, or less, comparable than the entire dataset.

Of the data selected as being comparable, and therefore appropriate to use to support our analysis and findings, the following limitations should be noted:

- ▶ It is accepted that the majority of the data provided on the amount of time taken to perform a specific activity, e.g., assigning a CoS to a member of staff, and the grade at which that activity is performed, will have been estimated rather than precisely recorded, and will be based on supporting straightforward application processes rather than 'outliers' - consisting of, for example, complex cases
- ▶ Not all responding universities were able to provide details of the numbers of CoS or CAS assigned to students during the academic year 17/18, and some provided data for the financial years 17/18 or 18/19 to date, in line with the functionality of the Sponsor Management System (SMS)
- ▶ UKVI fees were amended to those in place from April 2017 where possible.

---

<sup>5</sup> Russell Group has access to HESA/HEIDI data under an existing agreement with HESA. The analysis in this report was performed on data provided by HESA. Copyright Higher Education Statistics Agency Limited. Neither the Higher Education Statistics Agency Limited nor HESA Services Limited can accept responsibility for any inferences or conclusions derived by third parties from data or other information supplied by HESA Services.

<sup>6</sup> Aggregated Russell Group data was provided by UCEA under the terms of its agreement with HESA.

<sup>7</sup> University of Cambridge, University of Glasgow, Imperial College London, University of Manchester and Queen's University Belfast.

<sup>8</sup> The Government intends to implement new immigration rules for EU citizens arriving in the UK from 2021.

<sup>9</sup> E.g. paying for, sponsoring, or providing advisory assistance in relation to staff visa applications.

<sup>10</sup> The calculated average internal cost per Tier 2 application for each university is a maximum of 1.3 standard deviations from the mean, with 13 of 14 responses falling less than one standard deviation from the mean.

<sup>11</sup> The calculated average internal cost per Tier 4 application for each university is a maximum of 2 standard deviations from the mean, with 12 of 16 responses falling less than one standard deviation from the mean.

## Findings – Immigration support for staff

### UKVI fees

In relation to Tier 2 applications<sup>12</sup>, all responding universities confirmed that they pay the costs<sup>13</sup> associated with assigning CoS, including the Immigration Skills Charge (ISC), where relevant. Over 90%<sup>14</sup> of Tier 2 applications were exempt from the ISC either because the role was skilled to PhD level or because the applicant was a Tier 4 visa holder switching into Tier 2 from within the UK<sup>15</sup>. 50%<sup>16</sup> of responding universities make use of UKVI's premium customer service for employers<sup>17</sup>. The full fee for this service is £25,000, while the reduced fee for SMEs and registered charities is £8,000.

Tier 2 CoS aside, there is considerable variance between responding universities as to whether they pay for other elements of Tier 2 visa applications or other, non-Tier 2 visa applications for staff, as outlined below:

Table 1

Do you pay for: <sup>18</sup>	Yes	No	Sometimes	Subject to partial reimbursement or use of a relocation allowance
Visa application fees (Tier 2)	50%	30%	10%	10%
Immigration Health Surcharge (IHS) (Tier 2)	10%	70%	10%	10%
Dependent family members	0%	80%	5%	15%
Indefinite Leave to Remain	20%	65%	10%	5%
Other visa applications	35%	55%	5%	5%

The average total in fees paid to UKVI per responding university is £155k<sup>19</sup>

The average in fees paid to UKVI per applicant is £893

The total in fees paid to UKVI for the entire Russell Group is estimated to be £3.8m<sup>20</sup>.

<sup>12</sup> Tier 2 applications are made up of two distinct parts – the Certificate of Sponsorship (the employer's responsibility) and the visa application (typically the employee's responsibility).

<sup>13</sup> Currently £199 to assign the CoS and £1,000 per year for the Immigration Skills Charge.

<sup>14</sup> 20 responses.

<sup>15</sup> The exemption from ISC payment for PhD level positions is estimated to have saved Russell Group universities circa £4.1m in 17/18. The value of this exemption is predicted to increase to £7.5m in 22/23, assuming the ISC would otherwise be payable for applications by EU citizens from 2021.

<sup>16</sup> 20 responses.

<sup>17</sup> The premium customer service offers an enhanced level of support for organisations employing foreign workers. Each premium customer has their own dedicated account manager who provides tailored advice and support.

<sup>18</sup> 20 responses.

<sup>19</sup> 20 responses.

<sup>20</sup> Based on 20 responses from institutions but scaled up to account for estimated fees for all 24 institutions based on current staff weightings.

## Loans

80%<sup>21</sup> of responding universities offered loans to staff to pay for various costs related to visa applications, including UKVI application fees, IHS or dependent family members. Most responding universities were unable to quantify the exact costs associated with offering loans, although quoted expenses included:

- ▶ Loss of interest (where the university is acting as lender)
- ▶ Operation of the decision-making process on whether to provide a loan to a staff member or candidate
- ▶ Administration of the loan system, often within the payroll function.

## In-house costs

Universities were asked to provide full details of the staffing costs associated with running an immigration programme for staff, including the following data points:

- ▶ The full employer costs<sup>22</sup> associated with the midpoint of each salary band for each member of staff involved with supporting the immigration programme
- ▶ The fraction of full-time equivalent staff (FTEs) at each salary band engaged with various governance activities over the course of the year, e.g., liaising with UKVI, hosting a UKVI audit or completing a basic compliance assessment<sup>23</sup>
- ▶ The time, in minutes, spent performing various activities associated with each Tier 2 sponsorship application, e.g., assigning a CoS.

Total and average in-house costs are summarised as follows:

Table 2

	Staffing costs associated with governance activities <sup>24</sup>	Staffing costs associated with Tier 2 applications <sup>25</sup>	Total in-house costs for both sets of activities <sup>26</sup>
Average cost per responding university	£82k	£16k	£98k
Average cost per Tier 2 applicant	£425	£84	£510 <sup>27</sup>
Estimated total cost for all Russell Group universities	£2m	£397k	£2.4m

<sup>21</sup> 20 responses.

<sup>22</sup> Including pension and employer National Insurance contributions.

<sup>23</sup> Respondents were asked to confirm the actual time spent on these activities during the academic year 17/18. Although not all respondents will have received UKVI audits during this year, we have assumed that the number that did report time spent on hosting a UKVI audit is largely representative of an average year.

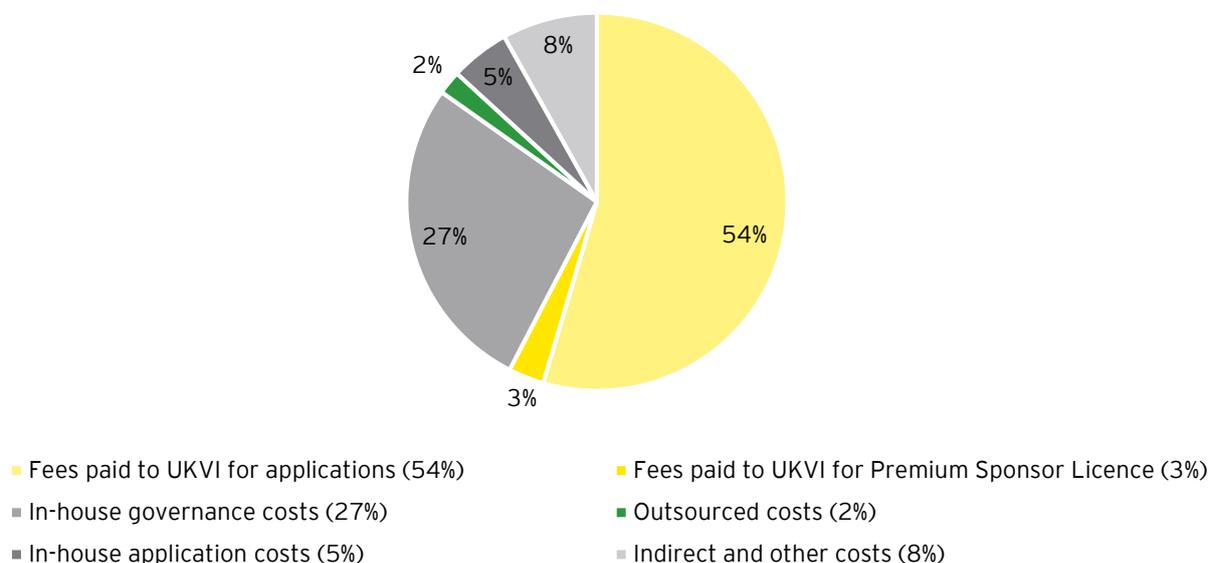
<sup>24</sup> 14 responses.

<sup>25</sup> 14 responses.

<sup>26</sup> 14 complete responses across both sets of activities.

<sup>27</sup> The total in-house staffing costs per Tier 2 sponsorship application ranged from £189 per application up to £1,750 per application, with a mean cost across 14 responding universities of £510. The data indicates economies of scale with frequent users of the sponsorship system benefitting from lower average staffing costs per application.

Figure 1: Distribution of costs relating to staff immigration (based on distribution of £300k average<sup>28</sup> per responding university)



Several universities indicated that they provide non-financial support to staff in relation to visa applications in other immigration activities, e.g., partner visas, ILR, Ancestry and Tier 1 (Exceptional Promise & Exceptional Talent). In most cases this support was limited to providing general advice and related to a relatively small number of staff. An insufficient level of response on the exact cost of this assistance prevents us from providing indicative totals for Russell Group universities.<sup>29</sup>

## Challenges

Universities were asked to provide details of any aspects of the UKVI application process that they find to be inefficient, examples of delays or UKVI errors and examples of changes to the immigration system that have had a significant time/cost impact on the process. These are listed in the table below in order of the number of times the challenge was mentioned by responding universities<sup>30</sup>.

Table 3

Nature of challenge
The Resident Labour Market Test (RLMT)
The complexity of the immigration system, for employers and/or applicants
UKVI processing times not meeting service standards and causing delays
UKVI errors (including those associated with issuing Biometric Residence Permits)
Performing right to work checks and managing visa expiries
Tier 2 reporting duties
The new in-country application process from late 2018, operated by Sopra Steria
Using the Sponsor Management System
The Quality of UKVI advice and guidance
The 'cap' on Tier 2 skilled workers
Tier 4 working restrictions
Lost or Stolen Biometric Residence Permits (BRPs) and the replacement process

<sup>28</sup> This average includes £172k on fees paid to UKVI, £98k on staffing costs and additional indirect costs (for instance IT services) and outsourced costs (for instance when third-party immigration providers are used).

<sup>29</sup> Where provided, we have included these costs in overall totals mentioned in the executive summary.

<sup>30</sup> 18 responses.

Respondents provided a number of examples in interviews and surveys involving the complexity of the current Points Based System as well as UKVI errors and inconsistencies in case working and helpline advice. Many of these case studies highlighted the amount of time which needed to be spent by universities understanding the immigration regulations, keeping up to date with changes and managing the range of challenges and errors encountered. Apart from the amount of time spent on non-productive work, respondents also commented on the emotional challenges of the situations faced - especially for the applicants involved. At a time when both business productivity and personal wellbeing are important areas of focus for employers, academic institutions and governments alike, these cases highlight the critical nature of:

- ▶ Ensuring that the UK streamlines the administration of the Points Based System
- ▶ Providing more guidance and accurate support in preparing and submitting applications, and
- ▶ Training UKVI personnel and ensuring regulations are easily interpreted and understood so that errors or, in some cases, unpredictable and puzzling judgements, are only exceptional occurrences.

Examples provided ranged from complexity regarding standard, repetitive Tier 2 processes relating to, for example, English language tests to the hardship caused by refused family applications. Regarding the English language tests, there is frustration about the transparency of information, and the availability of tests:

*“English language tests - the list of the centres is not clear and the information isn’t available on the IELTS website so for example some centres are only open quarterly, however neither the UKVI or IELTS state this so that you know what test to take and where or when so that you get the correct test number reference for it to be accepted. This means that in some countries there is one test centre and if the test date has already passed you have to wait another three months to take the test and there is nothing to warn applicants that this is the case.”*

Respondents also provided examples of errors and judgements which were puzzling and unexpected. These were overcome eventually but, on occasion, not without ‘profound’ personal and business consequences:

*“The greatest challenges lie in visa refusals where we know UKVI has made an error or made an unreasonable judgement. A recent example was a PBS dependant application.... He wanted to bring his wife into the UK, but she was refused a visa as it was not believed it was a genuine marriage... We intervened to assist, but they experienced a second visa refusal and a further refusal at admin review. The help of the local MP was sought but came to nothing. Eventually, we assisted them in making a pre-action protocol which, nine months after the original refusal, resulted in the decision being overturned. The loss of productivity from this researcher whilst they battled with this issue for the better part of a year was profound. It also consumed a large amount of our time in assisting them, and chasing for an outcome for the pre-action protocol.”*

Other errors were more frequent and repetitive including errors in information contained on BRPs which needed rectifying (at considerable, accumulative time cost). Also frequently mentioned were delays in card production and the resulting consequences for the applicant and university:

*“Over the last year, the Home Office have had issues with BRP production; reportedly due to the generation of National Insurance Numbers. For international new starters, arriving in the UK for the first time, this is particularly challenging as they are unable to open bank accounts, secure rental accommodation or travel to conferences etc. without their BRP/Visa. At least 6 Tier 2 BRPs have been significantly delayed, some for more than a month. There is no evidence that this is improving.”*

53%<sup>31</sup> of responding universities were able to identify wage inflation associated with increasing salaries to meet visa related thresholds. **63%<sup>32</sup> confirmed that they experienced challenges caused by the current**

---

<sup>31</sup> 17 responses.

<sup>32</sup> 16 responses.

minimum salary thresholds<sup>33</sup>, whereas only 25%<sup>34</sup> have experienced challenges caused by the RQF6 skills threshold.

A majority of responding universities were able to identify clear advantages of utilising the Tier 1 (Exceptional Promise & Exceptional Talent) category where possible. Whilst difficult to quantify in cost terms, quoted advantages included:

- ▶ Greater flexibility for individuals -as they can move between employers and take up multiple positions with different employers
- ▶ Lower administrative burden on institutions as they do not sponsor Tier 1 visa holders
- ▶ Lower application fees<sup>35</sup> and shorter processing times<sup>36</sup>
- ▶ Prestige for the university and applicant
- ▶ Enabling academics to pursue innovative collaborations with business and start their own spin-out companies.

Conversely, the downside to utilising this scheme was that applicants often require a lot of 'hand-holding' during the application process which they find complex.

### The impact of Brexit

In December 2018, the Government announced details of its proposed future immigration system<sup>37</sup>, to be implemented from 2021, whether or not the UK leaves the EU with a 'deal'. Key aspects of this proposed policy as they pertain to workers include:

- ▶ The ending of freedom of movement, with EU citizens entering the UK from 2021 required to obtain permission (e.g., a visa) to live and work in the UK
- ▶ A skilled worker scheme, open to all nationalities, largely analogous to the current Tier 2 scheme, with the following features:
  - ▶ A lowering of the skills threshold for Tier 2 (General) applications, from RQF 6 to RQF 3
  - ▶ Abolition of the annual 'cap' of 20,700 Tier 2 (General) CoS
  - ▶ Abolition of the Resident Labour Market Test
  - ▶ A minimum salary threshold to be set following consultation with employers. The threshold is currently £30,000 for experienced workers, and £20,800 for new entrants. The Migration Advisory Committee (MAC) has recommended the retention of these salary thresholds, so for the purposes of modelling the impact of this policy, we have used £30,000 as a provisional threshold. There is no proposal to alter the salary threshold on a regional basis.
- ▶ A temporary worker scheme, open to citizens of specified low risk countries on a transitional basis, likely until at least 2025, with the following features:
  - ▶ Enabling the holder to work for any employer, in any industry, at any skill level
  - ▶ Visas will be issued for twelve months and cannot be extended
  - ▶ A twelve-month cooling off period.

---

<sup>33</sup> £20,800 for new entrants, £30,000 for experienced workers, or the rate specified by the UKVI SOC code, whichever is higher.

<sup>34</sup> 16 responses.

<sup>35</sup> A Tier 1 (Exceptional Talent) currently costs £608, in comparison with a Tier 2 visa application which currently costs £704. Both applications attract IHS, but only Tier 2 applications (where relevant) attract the ISC.

<sup>36</sup> Processing times once the visa application has been submitted are largely equivalent. The disparity stems from the extensive initial steps associated with many Tier 2 (General) applications, including the RLMT and Restricted CoS process.

<sup>37</sup> HM Government, 'The UK's future skills-based immigration System', (December 2018).

We envisage that the most significant changes to the status quo and associated impacts of the introduction of this future immigration system are fourfold:

1. The ability to sponsor non-EU workers in roles skilled at RQF3 and RQF4<sup>38</sup> and earning at least £30,000 (in isolation, this would appear to be a positive change, but should be considered in the context of points 2 and 3)
2. An inability to employ EU (or non-EU) workers in roles skilled below RQF3 or earning less than £30,000 unless they have pre-existing permission to work in the UK, such as an EU citizen who started a period of residence in the UK prior to 29 March 2019
3. Additional costs associated with sponsoring EU workers
4. Cost savings resulting from a simpler sponsorship and visa application process.

The scope of our analysis focusses on measuring the extent of these impacts. We envisage that whilst Russell Group universities may make some use of the temporary worker scheme, wherever possible they will utilise the skilled worker scheme, predominantly because it will be significantly more attractive to candidates who want to bring family members and those who favour the longer-term nature of the visa.

#### **Which roles will not qualify for the skilled worker scheme?**

Under the current Tier 2 scheme, and the proposed skilled worker scheme from 2021, the main criteria that determine whether an applicant qualifies for a work visa are as follows:

1. The salary of the role they will be performing in the UK
2. The skill level of the role they will be performing in the UK, as measured against the Regulated Qualification Frameworks (RQF) by UKVI/MAC assessment.

The current Tier 2 scheme sets these requirements at £30,000 and RQF6<sup>39</sup> respectively. This means that there are many positions within Russell Group universities that do not currently qualify for sponsorship, either because they do not attract a sufficiently high salary, because they are not considered to be sufficiently skilled, or because they fail both of these tests.

It should be noted that the salary threshold is not currently dependent on the location of the role. Therefore regional variation may result so that a given role in London qualifies for sponsorship while the same role in the North East of England does not qualify. We have not modelled the regional impact of this policy decision in our research, although it should be noted.

We have conducted in-depth analysis of workforce data across Russell Group universities<sup>40</sup> covering the academic year 16/17 to ascertain the skill level and salary associated with various roles, and to model the number of roles that would not qualify for sponsorship under various permutations of these two key criteria.

---

<sup>38</sup> UKVI does not currently utilise RQF5 in its assessment of skill level. Instead, it currently uses the following classifications: 'PhD level', RQF6, RQF4, RQF3 and 'below RQF3'.

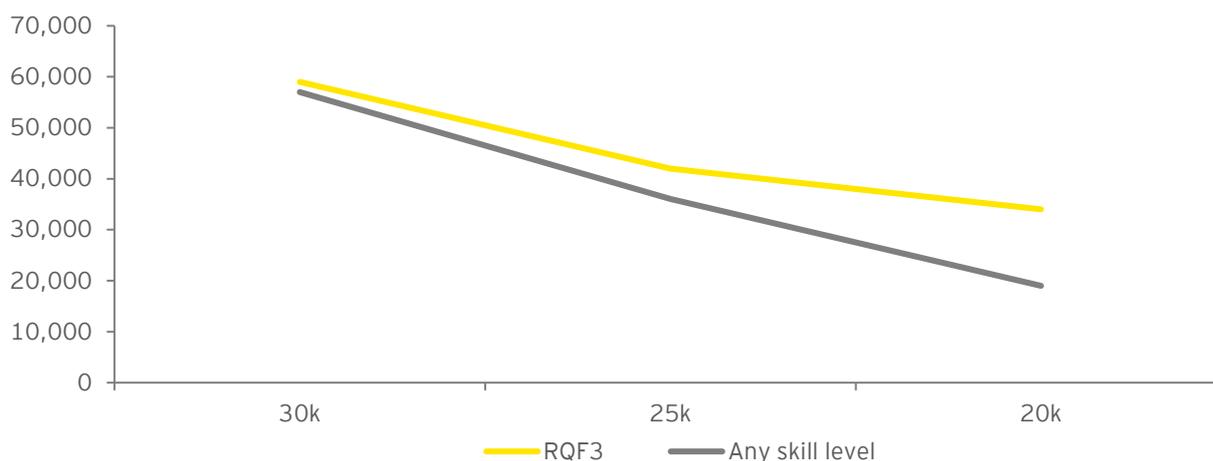
<sup>39</sup> Applications must meet both requirements.

<sup>40</sup> Analysis performed on HESA data provided by UCEA and refers to all 24 Russell Group universities.

Table 4

Skill and salary thresholds	Number of positions that may <u>not</u> qualify for skilled worker visa <sup>41</sup>	Additional positions that would qualify for a skilled worker visa by virtue of a rule change from the current rules (rows are not additive)
Current rules: RQF6+ & £30k	74,000 (40% of all positions within Russell Group universities) <sup>42</sup>	
MAC recommendations: RQF3+ & £30k	59,000 (33%) <sup>43</sup>	15,000
RQF3+ & £25k	42,000 (24%) <sup>44</sup>	32,000
RQF3+ & £20k	34,000 (20%) <sup>45</sup>	40,000
Any skill level & £30k	57,000 (32%)	17,000
Any skill level & £25k	36,000 (20%)	38,000
Any skill level & £20k	19,000 (11%)	55,000

Figure 2: Number of positions that may not qualify for skilled worker visas based on salary



N.B. Figures rounded to the nearest thousand. This analysis uses FTE salary data and so cannot predict the number of positions that will not qualify for sponsorship purely by virtue of the staff member working part-time rather than full-time.

This analysis reflects our findings on the challenges posed by the current Tier 2 skill and salary thresholds. Although a lowering of either the skill or salary threshold would be beneficial for Russell Group universities, a lowering of the salary threshold from £30,000 would open a significantly larger number of positions to sponsorship than a lowering of the skills threshold.

<sup>41</sup> For the purposes of this analysis, workers falling within salary bands of up to and including £30k, £25k and £20k have been assumed to be earning less than the relevant threshold, despite the possibility that they are earning the exact threshold amount. In addition, because '4 level' SOC data is unavailable, we analysed '3 level' SOC data which does not precisely match UKVI SOC codes 1:1 (these use '4 level' SOC codes). This necessitated an estimation of the distribution of variously skilled '4 level' SOC codes within the '3 level' SOC data provided.

<sup>42</sup> Assumes 50% of roles in SOC codes identified as being at a mixed skill level (RQF6 and below) earning more than £30k would be skilled at RQF6+.

<sup>43</sup> Assumes 75% of roles in SOC codes identified as being at a mixed skill level (RQF3 and below) earning more than £30k would be skilled at RQF3+.

<sup>44</sup> Assumes 50% of roles in SOC codes identified as being at a mixed skill level (RQF3 and below) earning between £25k and £30k would be skilled at RQF3+.

<sup>45</sup> Assumes 25% of roles in SOC codes identified as being at a mixed skill level (RQF3 and below) earning between £20k and £25k would be skilled at RQF3+.

15 of 16 responding universities indicated some level of concern over their ability to staff roles at RQF3 and earning less than £30,000. By contrast, 10 of 15 responding universities indicated some level of concern over their ability to staff roles below RQF3. This disparity highlights the same dynamic revealed by the data above, that many more roles would be disqualified for sponsorship by virtue of the £30,000 salary threshold than would be disqualified by virtue of the RQF3 skills threshold.

Several categories of role were identified as being particularly impacted, in relation to their eligibility for sponsorship, by changes to the skill and/or salary threshold:

- ▶ Natural and social science professionals (SOC 211) - 23,445 positions, of which 12% earn less than £30k
- ▶ Teaching and educational professionals (SOC 231) - 55,715 positions, of which 6% earn less than £30k
- ▶ Science, engineering and production technicians (SOC 311) - 8,000 positions, of which 58% earn less than £30k.

Collectively, 10,920 (13%) of the positions in these three areas earn less than £30,000. This is a large number in absolute terms. For the science and teaching professionals, analysis of HESA data provided by the Russell Group suggests those aged 34 years and below are far more likely to earn less than £30,000 than other age categories. This suggests those most likely to be affected by a £30,000 salary threshold are early career academics and researchers, perhaps in their first post-doctoral role.

- ▶ Other administrative occupations (SOC 415) - 13,000 positions, of which 83% earn less than £30k<sup>46</sup> and under which only Sales Administrators are considered at least RQF3 level.

We were also able to identify that 26% of the Russell Group workforce is employed on a part-time basis. Women make up 70% of the part-time workforce, but 52% of the overall Russell Group workforce, suggesting that women are significantly more likely to be a part-time worker than men. This is relevant because the current immigration rules require *actual* salary (i.e. not full time equivalent salary) to meet the salary threshold (e.g. £30,000). A part-time worker who earns £41,000 FTE but works 25 hours a week would thus not meet the £30,000 salary threshold. Consequently there is a concern that the current rules, and any new rules that follow the same principle, will discriminate against part-time workers, not because of skill level, but because of how many hours they work. In turn this would (and likely does) discriminate against women, albeit indirectly.

We have identified the following SOC codes as having especially high percentages of EU workers<sup>47</sup> and having a large proportion of roles that may not qualify for sponsorship. Should these workers need to be replaced by overseas applicants (from the EU or outside) post 2021, significant numbers would be in danger of not qualifying for a CoS were the salary threshold to be set at £30,000.

- ▶ Natural and social science professionals - 23,445 positions in total, of which:
  - ▶ 25% are filled by EU citizens, and
  - ▶ 12% earn less than £30,000.
- ▶ Health associate professionals (including pharmaceutical technicians and medical and dental technicians) - 525 positions, of which:
  - ▶ 15% are filled by EU citizens, and
  - ▶ 47% earn less than £30,000.

#### **Additional costs associated with sponsoring EU workers**

The statistical model we have used to predict the increase in sponsorship costs is described in detail at annex 1, but key assumptions include:

---

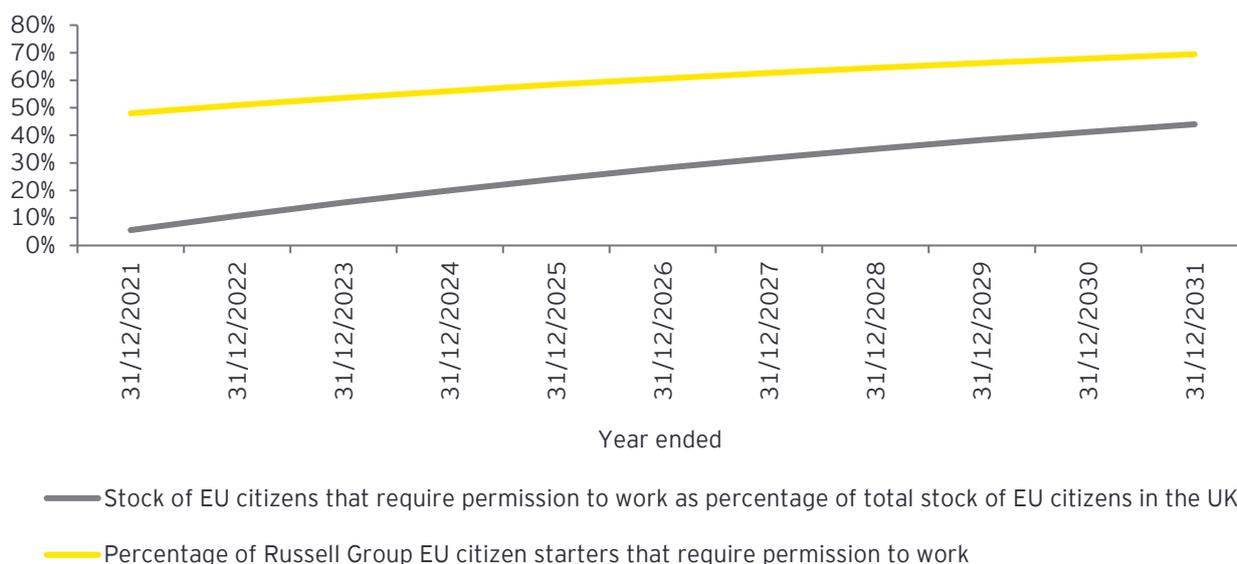
<sup>46</sup> 58.6% of these positions earn less than £25,000. 20% earn less than £20,000.

<sup>47</sup> When compared to EU workers as a proportion of the UK's workforce as of November 2018: 6.92%.

- ▶ From 1 January 2021, new EU workers will require the right to work in the UK
- ▶ All EU citizens that require the right to work in the UK and who qualify for a skilled worker visa<sup>48</sup> are granted that visa. The model ignores the ability of some EU citizens to qualify for non-sponsored visas
- ▶ The skilled worker visa will include a skills threshold of RQF 3 and a salary threshold of £30,000
- ▶ Inflows of EU workers into the UK and Russell Group universities remain at present levels<sup>49</sup>, as do outflows of EU workers from the UK
- ▶ 48% of EU citizen starters join Russell Group universities directly from outside of the UK<sup>50</sup>
- ▶ We have utilised UKVI application fees as at 31/12/2017
- ▶ That Russell Group universities' policies for payment of UKVI fees for individuals (detailed in the table on page 7) remain the same
- ▶ Falls in EU migration and lowering skills/salary threshold may lead to increased sponsorship of non-EU workers, although this has not been modelled here
- ▶ That the Settlement Scheme is open to EU nationals arriving before 1 January 2021.<sup>51</sup>

Key outputs of this model are as follows:

Figure 3: EU citizens that will require permission to work in the UK from 2021



This chart shows the percentage of Russell Group EU citizen starters that require permission to work, against the percentage of EU citizens living in the UK that require permission to work. This disparity is caused by the assumption that 48% of EU citizens starting employment at Russell Group universities come directly from outside of the UK, and will thus automatically require the right to work in the UK. The other 52% of starters are drawn equally from the existing stock of EU citizens in the UK, a declining proportion of whom will have been living in the UK prior to 2021, and thus will not require permission to work.

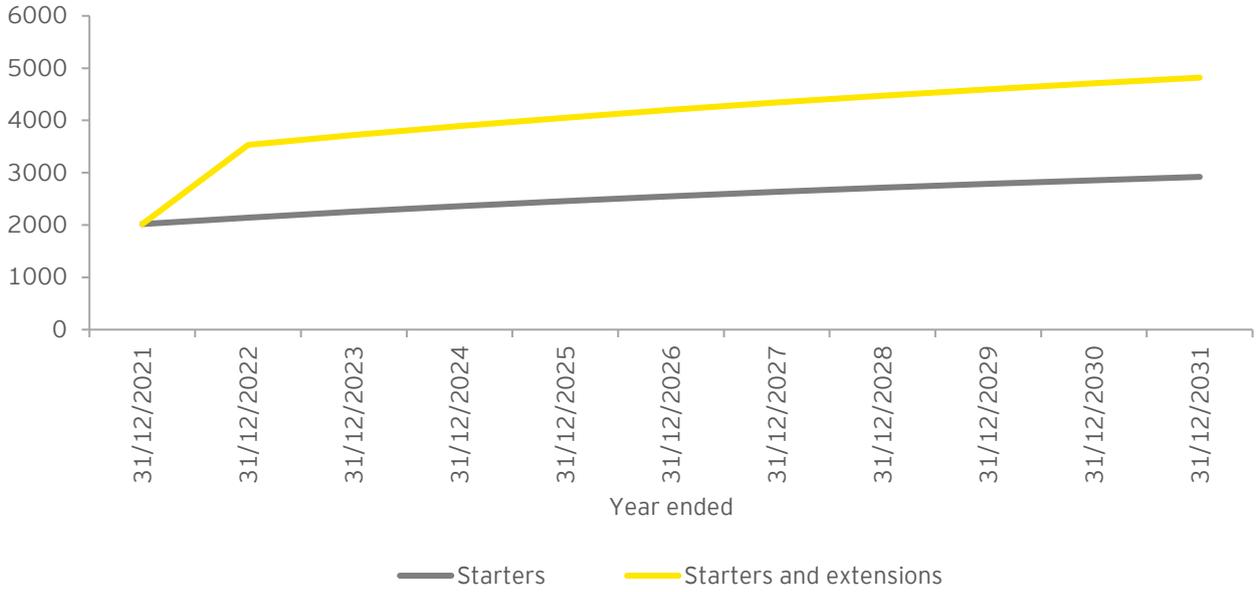
<sup>48</sup> As stated above, this is taken to be largely analogous to the current Tier 2 scheme.

<sup>49</sup> Modified only by the estimated percentage of workers that will not qualify for a skilled worker visa by virtue of the skills or salary threshold. Other factors are extremely difficult to model at this stage, given the limited information available on the macroeconomic impact of the UK leaving the EU.

<sup>50</sup> Taken from Russell Group analysis of HESA FPE data on 2016/17 new academic staff starters at Russell group universities. 48% (1,870) of EU academic starters were previously employed outside the UK out of a total of 3,900 EU academic starters (excluding those with unknown location of previous employment).

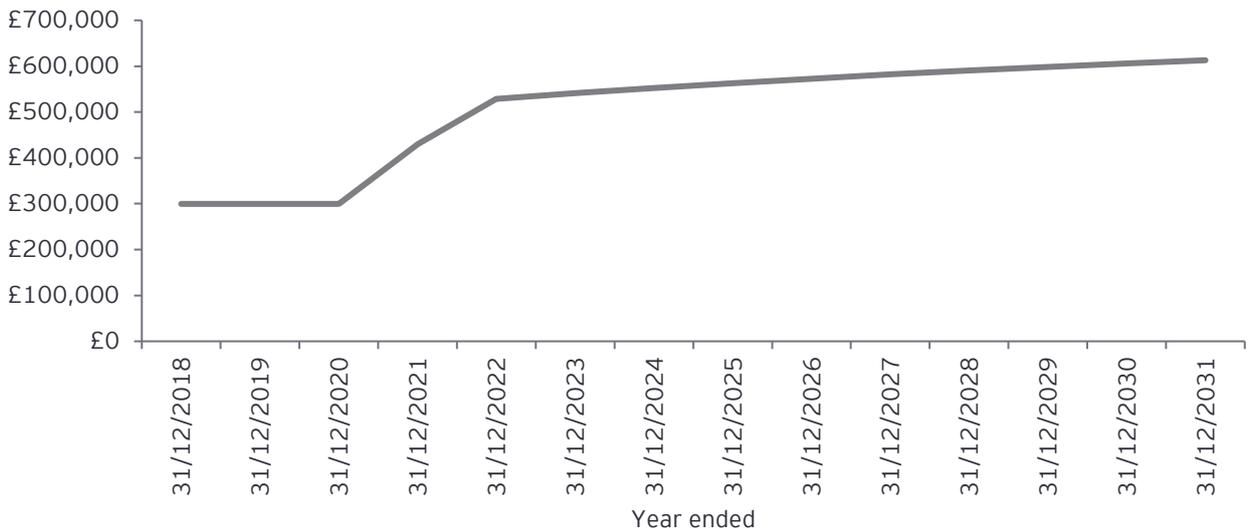
<sup>51</sup> We have not modelled the impacts of the Government's proposal (published on 29 January 2019) that in a no-deal Brexit scenario EU nationals arriving after the date of Brexit and before 1 January 2021 will be need to be granted European Temporary Leave to Remain if they wish to stay in the UK for more than three months. This would allow them to live, work and study in the UK for up to 36 months on a non-extendable basis (requiring transition to one of the new visa routes should they want to stay for longer).

Figure 4: Russell Group EU starters that will qualify to utilise the skilled worker scheme



This chart shows the estimated number of EU citizens who will require immigration sponsorship as workers each year. The grey line shows the number of EU citizens starting their employment with Russell Group universities and the yellow line also includes the number of staff that will require extension applications each year. The sharp increase from 2021 to 2022 represents the need to renew skilled worker visas obtained by EU citizens in 2021. There will be no renewals in 2021 since EU citizens entering during 2020 will be covered by the Settlement Scheme.

Figure 5: Estimated total staff sponsorship costs per university



This model estimates that by the end of 2022, staff sponsorship costs for Russell Group employers will increase by 78% from their current level, increasing total costs to an average of £529k per university, with a total of £13m across all 24 Russell Group universities. **By the end of 2031, we estimate that total staff sponsorship costs across all 24 Russell Group universities will increase by 106% from their current level to be £15m.**

## Cost savings resulting from a simpler sponsorship process

The Government has announced that it intends to streamline the sponsorship and visa application system for both sponsors and visa applicants, including by:

- ▶ Introducing a digital immigration status, ending a reliance on physical status documents such as visa vignettes and BRPs
- ▶ Making better use of data already held by other Government departments including HMRC, to reduce the need for applicants to repeatedly submit the same information
- ▶ Adopting the design and values of the EU settlement scheme, which have been generally well received, in developing the UK's new immigration system from 2021.

Given feedback we received from Russell Group universities regarding the challenges of sponsorship, we consider these changes will likely lead to cost reductions for sponsors. However, these savings are currently very difficult to quantify and it's not possible to say how far these savings would go towards countering the expected increases modelled above that will result from the additional burden of sponsoring EU nationals. It is also not clear when the Home Office will be able to deliver these changes.

Respondents in interviews highlighted the challenges caused by the Points Based System (PBS) administrative process itself. The potential removal of the RLMT and the immigration cap were seen as very positive. These changes would have two critical long-term benefits - both decreasing the time taken for key Tier 2 staff to commence their roles and saving university internal staffing time - which could then be re-focussed on other important compliance or admission matters. Running a compliant immigration programme was recognised as being very important but the system overall was seen as administrative and costly to manage effectively. As one interviewee stated: "I wonder how many additional researchers could be funded from the costs of running our immigration programme". Any future attempts to streamline the current PBS was therefore seen as being highly beneficial - and not only at the point of application. Due to the complexity of the PBS, time was spent guiding applicants pre-entry - but also continued post entry - such as the need to carry both a passport and BRP card while travelling and dealing with the consequences of BRP errors and/or police registration.

One area we have been able to quantify is Government's intention to abolish the RLMT. Responding universities<sup>52</sup> provided details of the internal staffing cost associated with performing a compliant RLMT over and above normal costs associated with advertising a role. This averaged £9.84 per RLMT performed. We did not request information on the number of compliant RLMTs performed during the academic year 17/18. 17 of 20 responding universities confirmed that they perform a compliant RLMT for a wide range of roles rather than merely when required to support a Tier 2 visa application, so it would appear safe to assume that the number of Tier 2 applications sponsored during 17/18 can act as a lower estimate for the number of compliant RLMTs conducted. **This brings the estimated total cost of running compliant RLMTs across all 24 Russell Group universities to at least £45k, and likely much higher.**

---

<sup>52</sup> 11 responses.

## Findings – Immigration support for students

### UKVI fees

All 20 responding universities confirmed that they make use of the Tier 4 premium customer service at a cost of £8,000 per annum.

**The average total in fees paid to UKVI per responding university is £107k**

**The total fees paid to UKVI for the entire Russell Group is estimated to be £2.6m**

These fees include the cost of assigning CAS (£21 per student) and utilising the Tier 4 premium customer service.

The average number of Tier 4 applications supported by responding universities is 4,750<sup>53</sup>.

The total number of Tier 4 applications supported by the entire Russell Group is estimated to be 117,000.

### In-house costs

Universities were asked to provide full details of the staffing costs associated with running an immigration programme for students, including the following data points:

- ▶ The full employer costs<sup>54</sup> associated with the midpoint of each salary band for each member of staff involved with supporting the immigration programme
- ▶ The fraction of full-time equivalent staff (FTEs) at each salary band engaged with various governance activities over the course of the year, e.g., liaising with UKVI or hosting a UKVI audit
- ▶ The time, in minutes, spent performing various activities associated with each Tier 4 sponsorship application, e.g., assigning a CAS.

Total and average in-house costs are summarised as follows:

Table 5

	Staffing costs associated with governance activities <sup>55</sup>	Staffing costs associated with Tier 4 applications <sup>56</sup>	Total in-house costs for both sets of activities <sup>57</sup>
Average cost per responding university	£212k	£371k	£584k
Average cost per Tier 4 applicant	£55	£95	£150 <sup>58</sup>
Estimated total cost for all Russell Group universities	£5.8m	£10.1m	£15.9m

<sup>53</sup> Tier 4 application volumes per responding university varied from around 2,000 to over 9,200.

<sup>54</sup> Including employer and National Insurance contributions.

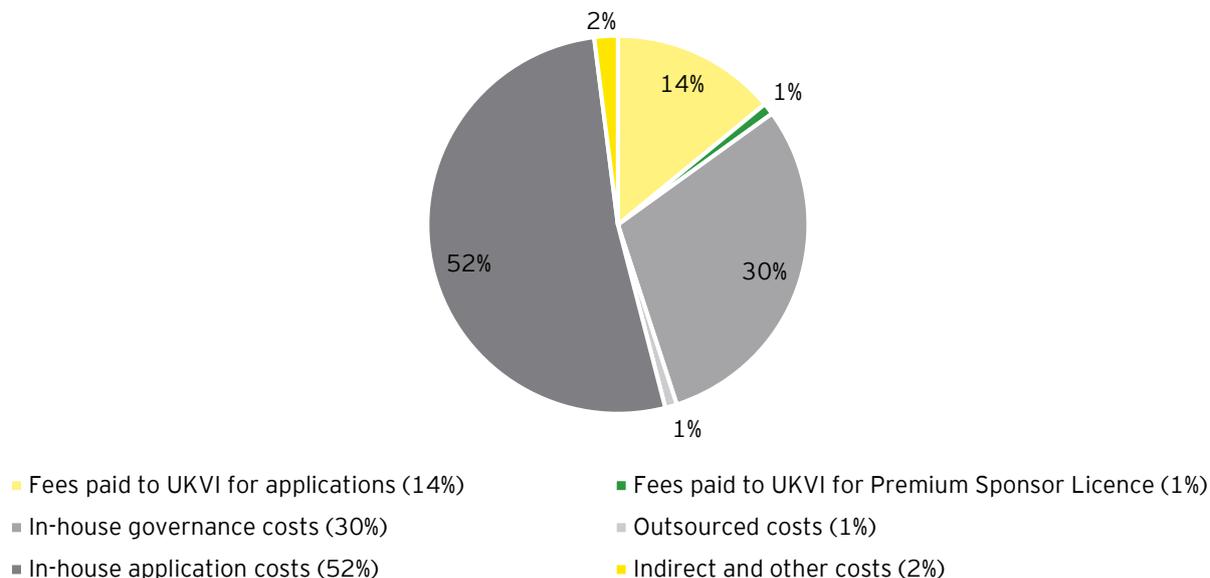
<sup>55</sup> 16 responses.

<sup>56</sup> 16 responses.

<sup>57</sup> 16 complete responses across both sets of activities.

<sup>58</sup> The total in-house staffing costs per Tier 4 sponsorship application ranged from £25 per application up to £312 per application, with a mean across 16 responding universities of £150. The data does not indicate consistent economies of scale, and further research may be required to understand why this is the case.

Figure 6: Distribution of costs relating to student immigration (based on distribution of £712k average<sup>59</sup> per responding university)



## Challenges

Universities were asked to provide details of any aspects of the UKVI application process that they find to be inefficient, examples of delays or UKVI errors and examples of changes to the immigration system that have had a significant impact on the process. These are listed in the table below in order of the number of times the challenge was mentioned by responding universities<sup>60</sup>.

Table 6

Nature of challenge
UKVI errors, (including those associated with issuing Biometric Residence Permits)
Assessing academic progression and/or study time limits
UKVI processing times not meeting service standards and causing delays
The complexity of the immigration system, for employers and/or applicants
Police registration
Attendance monitoring
The Academic Technology Approval Scheme (ATAS)
Refusals of Tier 4 visa applications
Lost or Stolen BRPs and the replacement process
Using the Sponsor Management System
Handling BRPs
The new in-country application process from late 2018, operated by Sopra Steria

UKVI errors and the complexity of the immigration regulations were challenges which were cited in both Tier 2 and Tier 4 surveys. Respondents were concerned about the UK not being perceived as a welcoming place to students due to the intricacies of the PBS, complex application processes and the frequency of

<sup>59</sup> This average includes £107k on fees paid to UKVI, £584K on staffing costs and additional indirect costs and "other costs" which include administration, such as loan schemes and assurance.

<sup>60</sup> 20 responses.

errors encountered in that process. Many expressed a desire that time spent on such challenges (such as correcting BRPs) could be more productively (and positively) spent on student welfare and integration:

BRP errors:

*"Each year over the last 3 years we have had around 250 BRP errors [17% of BRPs handled]. ...They are time-consuming to administer and not a very welcoming start for the student."*

*"Correcting BRP errors uses significant resource. Any BRP errors made in country require the student to submit an Administrative Review to correct. This is a lengthy and complex process."*

Examples of frequently mentioned Tier 4 challenges also included those associated with police registration and attendance monitoring. Police registration in particular appears to be an outdated process which is administratively burdensome for the applicant and police alike. It should be considered whether this process can be discontinued completely without risk and with considerable time/cost benefit to all stakeholders involved.

Police registration:

*"As we have a high number of students who are required to register with the Police we enter into arrangements with Overseas Visitors Records Office (OVRO) to assist with managing this process. This is resource-intensive and complex: juggling high volumes of students, advising on completing the registration form and liaising with OVRO regularly. Our Tier 4 Pilot students with errors on their length of leave then have to update their certificates again when the new BRP is obtained with OVRO often only able to provide appointments as late as February/March"*

Likewise, the burden imposed regarding the monitoring of students needs to be reconsidered so that it is proportionate to the risks it is attempting to negate, especially given the high compliance rate of Tier 4 students studying at Higher Education Institutions<sup>61</sup>.

*"Attendance monitoring is particularly time consuming across such a large university with many different modes of study. Collating the data, analysing it and escalating cases for investigation/explanation has created an industry of work for very little tangible benefit given that HEI students are very low risk of visa abuse. HEIs are seen as low risk in terms of migration abuse therefore monitoring this aspect feels disproportionate for HEIs who are not monitoring all student attendance or who do not have the infrastructure to do this electronically"*

## The impact of Brexit

In December 2018, the Government announced details of its proposed future immigration system<sup>62</sup>, to be implemented from 2021, whether or not the UK leaves the EU with a 'deal'. Key aspects of the proposals as they pertain to students include:

- ▶ The ending of freedom of movement, with EU citizens entering the UK from 2021 requiring permission to study
- ▶ EU students will be required to qualify under the same rules as non-EU students, which will be largely the same as the current Tier 4 scheme, but for the following changes:
  - ▶ The sponsorship system should be streamlined and made more 'light touch'
  - ▶ All Bachelors and Masters students will be granted up to six months (up from four months currently) leave at the end of their studies to enable them to work in the UK and find an employer willing to sponsor them to apply for a skilled worker visa
  - ▶ PhD students will automatically be granted a 1-year period of leave after their studies (replacing the doctoral extension scheme)

---

<sup>61</sup> UKVI Tier 4 Pilot evaluation, December 2018, available at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/768012/tier-4-pilot-evaluation-2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/768012/tier-4-pilot-evaluation-2018.pdf)

<sup>62</sup> HM Government, 'The UK's future skills-based immigration System', (December 2018).

- ▶ Students will be able to switch into the skilled workers route up to three months before the end of their studies and from outside the UK for up to two years after graduation
- ▶ The Government intends to negotiate a comprehensive Mobility Framework with the EU which may enable EU citizens to study in the UK via the Erasmus+ cultural exchange scheme without needing to meet the full requirements for a student visa.

We envisage that the most significant changes to the status quo and associated impacts of the introduction of this future immigration system are twofold:

1. Additional costs associated with sponsoring EU students
2. Cost savings resulting from a simpler sponsorship and visa application process.

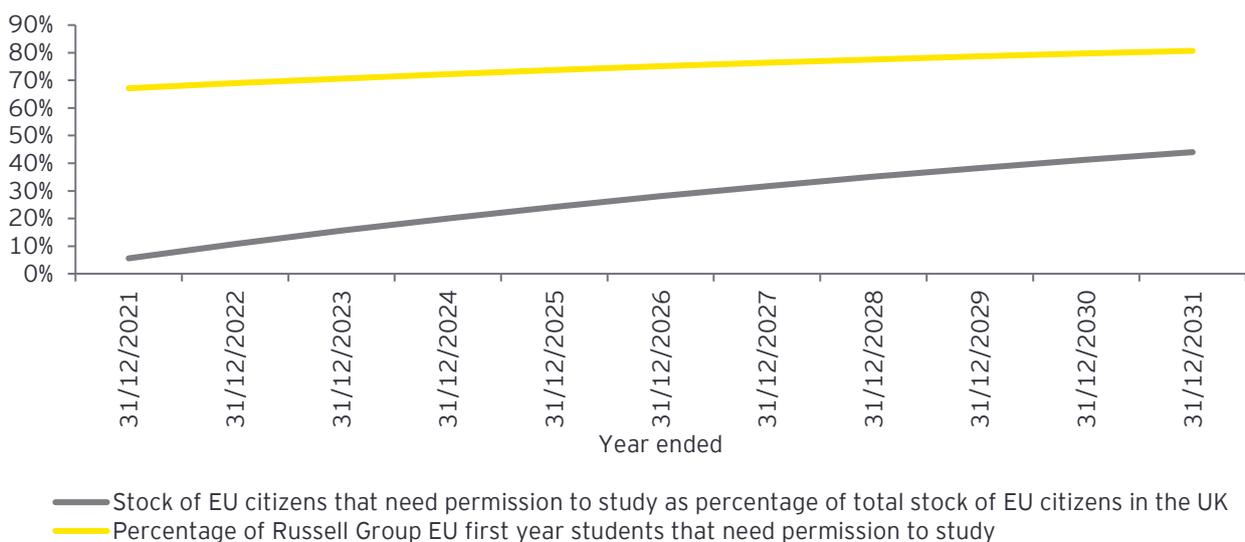
### Additional costs associated with sponsoring EU students

The statistical model we have used to predict the increase in sponsorship costs is described in detail at annex 1, but key assumptions include:

- ▶ From 1 January 2021, EU students who are new to the UK will require permission to study in the UK
- ▶ All EU citizens that require permission to study and who qualify for a student visa are granted that visa. This model ignores the ability of some EU citizens to qualify for non-sponsored visas
- ▶ Inflows of EU students into the UK and Russell Group universities remain at present levels, as do outflows of EU students from the UK<sup>63</sup>
- ▶ 67%<sup>64</sup> of EU citizens starting courses at Russell Group universities each year are domiciled outside of the UK and will thus require permission to study if starting a course from 2021
- ▶ We have utilised UKVI fees as at 31/12/2017
- ▶ The number of non-EU students studying at Russell Group universities remains constant.

Key outputs of this model are as follows:

Figure 7: EU citizens that will require permission to study in the UK from 2021



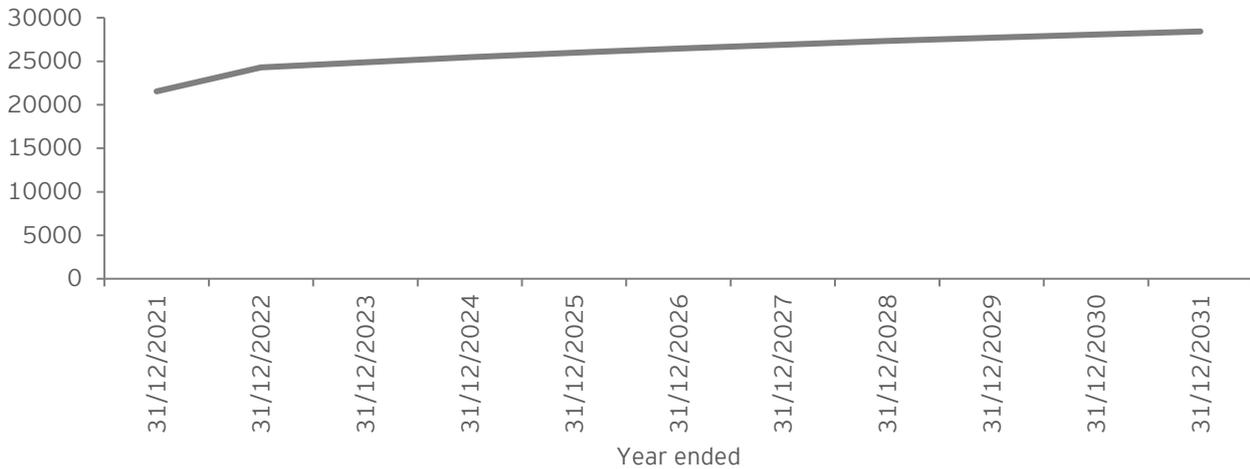
This chart shows the percentage of Russell Group EU citizen first year students that require permission to study, against the percentage of EU citizens living in the UK that require permission to study. This

<sup>63</sup> Other factors are extremely difficult to model at this stage, given the limited information available on the macroeconomic impact of the UK leaving the EU.

<sup>64</sup> HESA data for the academic year 16/17.

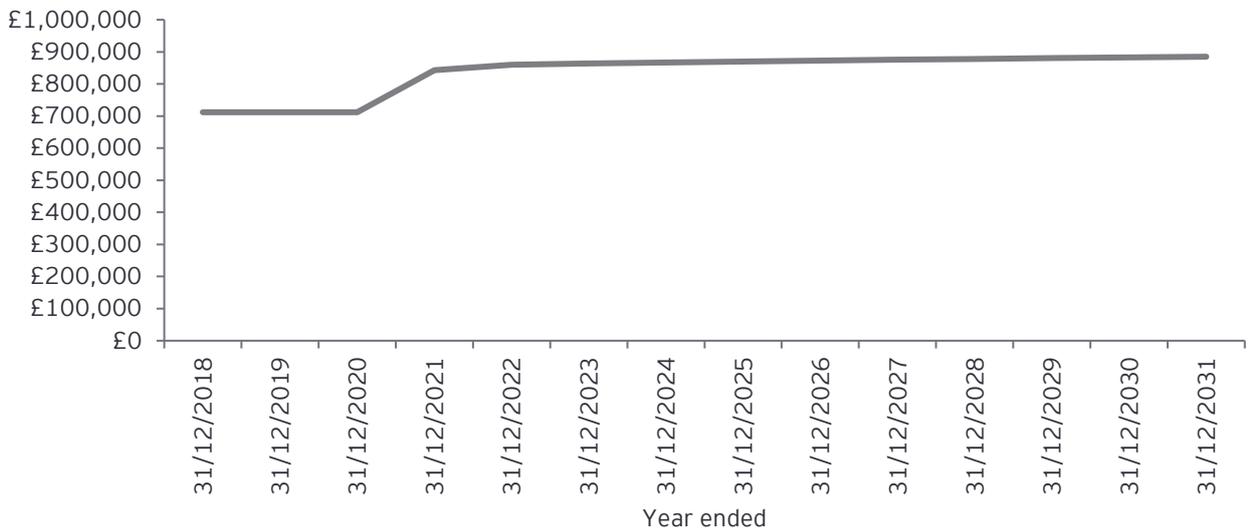
disparity is caused by the assumption that 67% of EU citizens starting courses at Russell Group universities come directly from outside of the UK, and will thus automatically require the right to study in the UK. The other 33% of starters are drawn equally from the existing stock of EU citizens in the UK, a declining proportion of whom will have been living in the UK prior to 2021, and thus will not require permission to study.

**Figure 8: Number of additional student visa application for first year and non-first year EU students**



This chart shows the estimated number of EU citizens who will require immigration sponsorship as students each year. The sharp increase from 2021 to 2022 represents the need to also sponsor student applications by non-first year students, including those who are changing course or institution. We have assumed that non-first year students in 2021 will have entered by 2020, will be covered by the Settlement Scheme and will thus not require permission to study.

**Figure 9: Estimated total student sponsorship costs per university**



This chart shows the increase in overall sponsorship costs caused by additional sponsorship applications for EU citizen students. This models the declining proportion of the existing stock of EU citizens in the UK who entered prior to 2021 and thus do not need permission to study. As a result, the percentage increases year on year.

The model estimates that by the end of 2022, student sponsorship costs for Russell Group universities will increase by 21% from their current level, increasing total costs to an average of £860k per university and a total of £21m across all 24 Russell Group universities. **By the end of 2031, we estimate that total**

student sponsorship costs across all 24 Russell Group universities will increase by 24% from their current level.

#### Cost savings resulting from a simpler sponsorship process

The Government has announced that it intends to streamline the sponsorship and visa application system for both sponsors and visa applicants, including by:

- ▶ Introducing a digital immigration status, ending a reliance on physical status documents such as visa vignettes and BRPs
- ▶ Making better use of data already held by other Government departments including HMRC, to reduce the need for applicants to repeatedly submit the same information
- ▶ Implementing a new streamlined sponsorship system
- ▶ Adopting the design and values of the EU settlement scheme, which have been generally well received, in developing the UK's new immigration system from 2021.

Given feedback from Russell Group universities on the administrative burden associated with the challenges posed by the current system, these changes may lead to cost reductions for sponsors but this is currently very difficult to quantify.

One university told us about the administrative burden associated with receiving and managing ATAS certificates and how straightforward this would be to reduce. This particular university had previously utilised technology to automatically sort certificates as they were delivered electronically, but a change to the format of the document and email meant that this automation was no longer possible, and the certificates now require manual sorting - a very labour-intensive process with no benefit over the previous method. Although ATAS certificates are issued by the Foreign and Commonwealth Office (FCO) rather than UKVI, this process should fall within the scope of UKVI's commitment to streamline the sponsorship process.

By way of an example of the potential cost savings that a streamlined system could generate, it is evident that many Russell Group universities dedicate a significant amount of resource to receiving, sorting and distributing BRPs to students. 12 responding universities provided details of these internal staffing costs and these averaged £6.39 per BRP handled. **Across the 24 Russell Group universities, we estimate that handling BRPs currently costs a total of £747k per year.** These figures do not include other costs associated with BRPs, which as highlighted in the challenges section, often necessitate additional work when they are lost or are printed incorrectly.

## Conclusion

Our key findings are as follows:

- ▶ The 24 Russell Group universities currently spend around **£25 million a year** on immigration processes and compliance to recruit and support non-EU staff and students
- ▶ This includes nearly £17 million in staffing and support costs to sponsor students and employees, and £6.4 million in fees paid directly to UK Visas & Immigration (UKVI)
- ▶ Russell Group universities spent around £7.3 million on supporting immigration applications for staff during the academic year 17/18. This was an average of **£300k** per institution, which includes an average of:
  - ▶ £172k on fees paid directly to UKVI
  - ▶ £98k on staffing costs
- ▶ Russell Group universities spent around £17 million on supporting immigration applications for students during the academic year 17/18. This was an average of **£712k** per institution, which comprised:
  - ▶ £107k on fees paid directly to UKVI
  - ▶ £584k on staffing costs
- ▶ With the introduction of new immigration rules for EU citizens from 2021, we estimate the total costs could increase by 36% up to £34m by the end of 2022 and by 48% to **£37m by 2031** (i.e., after 10 years)
- ▶ Several parts of UKVI's sponsorship and visa application process are seen as being inefficient and/or failing to add value, either because of failures in the system (such as frequent UKVI errors) or as an inherent part of an outdated system (such as police registration). Dedicating resources to managing these activities represents a significant cost for Russell Group universities
- ▶ We estimate there are nearly **59,000** positions at Russell Group universities that will not qualify for sponsorship under the proposed RQF3 and £30,000 thresholds. This represents **a third** of all roles within Russell Group universities
- ▶ 11,000 of these positions (19%) are science and teaching professionals and science technicians.
- ▶ In addition, over **26%** of staff at Russell Group universities are in part-time roles and **70%** of part-time positions are held by women. Part-time roles are less likely to qualify for a skilled worker visa due to the fact that the salary threshold (e.g., £30,000 as above) cannot be pro-rated for part-time working patterns.

Following publication of the Government's White Paper on its future immigration system in December 2018, the Government is seeking to extend existing visa categories to EU citizens arriving in the UK from 2021, with concessions to accommodate employers of medium skilled labour and a commitment to streamlining the sponsorship and visa application process. This latter development is perhaps inevitable as UKVI systems are considered to be inefficient. Significant increases in application volumes may otherwise result in potential system disruption, delaying applications and business operations.

The detail around this 'streamlining' of the sponsorship system will be key. Our research indicates the scale of the administrative cost associated with running a compliant immigration programme, particularly for students. Current indications are that eliminating the Resident Labour Market test for example will have only a minor impact on the overall cost of sponsorship which will otherwise increase significantly from 2021. Attention should be paid to sponsorship as a whole, and in particular the burdensome aspects of Tier 4 sponsorship, including attendance monitoring and BRP handling.

It should also be noted that lower EU migration or a restrictive set of visa criteria may result in lower costs, purely by virtue of being able to sponsor fewer EU citizens. The reduction in 'benefit' (e.g., fewer academics and a loss of international expertise) as a result has not been modelled here but should be considered nonetheless.

As the Government progresses its consultation on various aspects of the immigration system and its implementation, key challenges are emerging for Russell Group universities. These challenges, and the associated opportunities identified through this research project include:

- ▶ Offering robust feedback on the impact of a £30,000 salary threshold associated with the skilled worker scheme. In addition to key academic roles attracting salaries of less than £30,000, attention should be paid to the impact on part-time workers, and the consequential impact this has for gender discrimination, as well as workers outside London and the South East
- ▶ Ensuring UKVI and the Government are aware of the everyday administration associated with the immigration system and the associated cost to universities, staff and students - not just from staffing costs, but also in terms of reduced productivity and lost business and academic opportunities
- ▶ Russell Group universities considering their own processes and structures to plan how best to accommodate what is likely to be a significant increase in the number of staff and students that require immigration support from 2021 onwards.

The Government and in particular the Home Office is keen to demonstrate that it listens to stakeholders on important policy decisions. The nature of the UK's post-Brexit immigration policy and its operation is clearly of great importance to the Russell Group, and so the fact that the Government has committed to a twelve month consultation in relation to this immigration policy is heartening. We would encourage the Russell Group universities and executive to leverage the outputs of this research project to engage with Government in this crucial area.

*In carrying out our work and preparing our report, we have worked solely on the instructions of the Russell Group of Universities ("Russell Group") and for the Russell Group's purposes. Our report may not have considered issues relevant to any third parties. Any use such third parties may choose to make of our report is entirely at their own risk and we shall have no responsibility whatsoever in relation to any such use. The report has been prepared according to law and policy as at the date of this report and which may be subject to change and therefore the report should not be relied on in individual cases.*

## Glossary

### **Academic Technology Approval Scheme (ATAS) Certificate**

All international students applying to study for postgraduate qualifications in certain subjects (including subjects for which knowledge could be used in programmes to develop weapons of mass destruction (WMDs) or their means of delivery) are required to apply for an Academic Technology Approval Scheme (ATAS) certificate before they can study in the UK.

### **Biometric residence permit (BRP)**

This physical ID card acts as evidence of the holder's immigration status, or visa, in the UK.

### **Certificate of Acceptance of Studies (CAS)**

Student visas issued under Tier 4 of the Points Based System require the university to sponsor the student's application. A CAS is therefore assigned by the university to the student to confirm the details of the sponsorship and is required before the student can apply for a Tier 4 visa.

### **Certificate of Sponsorship (CoS)**

Employees sponsored under Tier 2 of the Points Based System require an employer to sponsor their application to work in the UK. An employer will therefore request and assign a CoS to each employee to be sponsored under Tier 2 in order for them to be able to apply for a Tier 2 visa.

### **Immigration Health Surcharge (IHS)**

Nationals from outside the EEA, applying for immigration permission to enter or remain in the UK are required to pay the IHS when they submit their application (although those applying from outside the UK for less than 6 months are exempt). The IHS doubled in January 2019 to £400 per applicant per year for adults, and £300 per applicant per year for students.

### **Immigration Skills Charge (ISC)**

Employers are required to pay an ISC for each non-EEA worker employed who is applying for a Tier 2 visa to work in the UK for 6 months or more. The ISC is £1,000 per year of the visa. Tier 4 (Student) visa holders are exempt from the requirement when switching to Tier 2, as are Tier 2 applicants applying for a job with a PhD-level SOC code.

### **Immigration White Paper**

The Immigration White Paper refers to the Government policy paper published on 19 December 2018 setting out plans to introduce new qualifying criteria for EU and non-EU workers following the end of free movement resulting from the UK's departure from the EU.

### **Indefinite Leave to Remain (ILR)**

Indefinite Leave to Remain is an immigration status granted to migrants from outside the EEA who have been admitted to, or settled in the UK without any time limit on their right to work or study.

### **International English Language Testing System (IELTS)**

IELTS is an organisation which provides English Language testing at a level which meets English Language requirements under certain visa types.

### **Migration Advisory Committee (MAC)**

The MAC is an independent, non-statutory, non-time limited, non-departmental public body that advises the Government on migration issues. The MAC is made up of a chairperson and three other independent economists. The Home Office is also represented on the committee.

## **Non-European/non-EEA nationals/citizens**

Used to describe the group of overseas citizens who do not benefit from freedom of movement and are therefore currently subject to the requirement to obtain permission to live and work in the UK, e.g. a Tier 2 visa.

## **Points Based System (PBS)**

The collection of immigration routes, or categories, under which non-EEA nationals apply for permission to live and work in the UK. The main provisions of the scheme were phased in between 2008 and 2010 and consist of the following tiers:

- ▶ Tier 1 - 'High value' migrants, e.g., investors, entrepreneurs, 'exceptionally talented'
- ▶ Tier 2 - Skilled workers sponsored by a UK employer
- ▶ Tier 3 - Low skilled workers - not currently open to any applicants
- ▶ Tier 4 - Students
- ▶ Tier 5 - Temporary workers.

## **Resident Labour Market Test (RLMT)**

The mechanism by which employers must demonstrate that they are unable to locate a suitable settled worker before being allowed to sponsor a non-EEA worker. Generally the RLMT process involves advertising a role for 28 days on two websites.

## **Regulated Qualifications Framework (RQF)**

In the context of this report, the RQF is used by the Home Office to denote various skill levels when categorising roles, i.e.,

- ▶ RQF level 6 - includes corporate managers and professional roles usually considered to be at bachelor's degree level or above
- ▶ RQF level 4 - includes non-corporate managers, creative and technician roles usually considered to be at Certificate of Higher Education level or above
- ▶ RQF level 3 - includes administrative and customer service roles and skilled trades usually considered to be roles requiring qualifications up to A-Level.

## **SOC Codes**

The Standard Occupational Classification (SOC) codes are a system of classification designed by the Office for National Statistics to cover all possible jobs. SOC codes are divided by skill level in accordance with the Regulated Qualifications Framework. At present, roles must generally fit within a RQF level 6 SOC code to be eligible for Tier 2 sponsorship.

## **Sopra Steria**

A private organisation contracted to deliver UK Visas and Immigration's front-end services within the UK. Sopra Steria is now the main access point for applicants submitting immigration applications from inside the UK.

## **Sponsor management system (SMS)**

An online system operated by UKVI through which sponsors assign Certificates of Sponsorship or Certificates of Acceptance of Studies to visa applicants.

## **Sponsor/Sponsorship**

The system of visa applications under Tiers 2 and 4 (and Tier 5) relies on a number of immigration responsibilities and duties delegated to employers and education providers who have been registered by the Home Office as "sponsors".

## **Tier 1**

Tier 1 of the Points Based System is for high value migrants, either based on skill (under the exceptional talent and exceptional promise subcategories) or on value (under the investor or entrepreneur categories).

## **Tier 2**

Tier 2 of the Points Based System is the main route used by nearly 30,000 UK employers to bring overseas talent to the UK. Employers typically use one of the following categories within Tier 2:

- ▶ The Tier 2 (Intra-company Transfer) visa category allows employees to be transferred to the UK branch of their overseas employer, generally for up to five years
- ▶ The Tier 2 (General) visa category is used for new hires into a UK organisation and normally allows the holder to settle permanently in the UK after five years.

## **Tier 4**

A Tier 4 (Student) visa is the primary route for individuals from outside the EEA to study in the UK.

### **Tier 4 Pilot Scheme**

The Tier 4 pilot scheme was launched in July 2016 at 4 universities and was expanded to include a total of 27 institutions in December 2017. The pilot allows Masters students at these institutions to have 6 months leave at the end of their studies and to submit fewer documents with their visa application, to help streamline the process.

## **UKVI**

The operational wing of the Home Office that runs the UK's immigration system. This function was previously administered by the UK Border Agency (UKBA) as an executive agency until 2013.

## Annex 1 - Statistical model on EU citizens in the UK post-Brexit

To support our analysis, we developed a statistical model to predict how the cost of sponsorship could increase if EU citizens were brought within the scope of immigration rules for workers and students (currently Tiers 2 and 4 of the Points Based System, respectively).

Key data inputs and assumptions are as follows:

### Key data inputs

Table 7

Used in the following models	Description	Data point	Source
Staff & students	Stock of EU citizens resident in the UK at June 2018	3.7m	Office for National Statistics
Staff & students	Flow of EU citizens into the UK in the year to November 2018	219,000	Office for National Statistics
Staff & students	Flow of EU citizens out of the UK in the year to November 2018	145,000	Office for National Statistics
Staff	Percentage of new academic staff at Russell Group universities that came directly from outside of the UK in 16/17. Extended by assumption to apply to all staff	48%	Russell Group analysis of HESA data
Staff	Number of EU citizens starting employment at Russell Group universities in 16/17	6,315	Estimated from HESA data and Russell Group analysis of HESA data
Staff	Ratio of Tier 2 sponsorship applications by Russell Group universities for newly starting employees to those for existing employees	61:39	EY & Russell Group research
Staff	Number of Tier 2 visa applications by Russell Group universities in 17/18	4,548	EY & Russell Group research
Students	Percentage of first year EU students at Russell Group universities in 16/17 who were domiciled outside of the UK	67%	HESA data
Students	Number of EU citizens starting courses at Russell Group universities in 16/17	32,090	HESA data
Students	Ratio of Tier 4 visa applications by Russell Group universities for first year students to those for non-first year students	91:9	EY & Russell Group research
Students	Number of Tier 4 sponsorship applications by Russell Group universities in 17/18	116,980	EY & Russell Group research

## Key assumptions

### Across both staff and student models

- ▶ EU workers and students are evenly distributed across the existing stock of EU citizens in the UK and future inflows and outflows
- ▶ Outflows of EU citizens are drawn equally from the entire existing stock of EU citizens in the UK - an EU citizen who entered the UK one year ago is as likely to leave the UK in any given year as an EU citizen who has been in the UK for five years
- ▶ Inflows and outflows of EU citizens remain static, keeping net migration of EU citizens at 74,000 per annum
- ▶ New immigration rules for EU citizens will take effect from 1 January 2021
- ▶ The percentage of EU citizens commencing employment or studies at Russell Group universities who were living outside the UK immediately prior remains at its present level
- ▶ All EU citizens that require the right to work or permission to study in the UK and who qualify for a skilled worker or student visa respectively are granted that visa. The model ignores the ability of some EU citizens to qualify for non-sponsored visas
- ▶ The model does not take into account increased economies of scale that may result from larger immigration programmes from 2021. This is because of a relative lack of consistent data on the extent to which economies of scale currently exist in staff and student immigration programmes
- ▶ That the Settlement Scheme is open to EU nationals arriving by 31 December 2020<sup>65</sup>.

### Staff model

- ▶ But for their ability to qualify for a sponsored worker visa, the number of EU citizens entering employment at Russell Group universities each year remains at its present level
- ▶ EU staff are split evenly across all skill levels and salaries
- ▶ UKVI fees paid by HEIs (detailed in Table 2 on page 8) remain the same.

### Student model

- ▶ The number of EU citizens starting their studies at Russell Group universities each year remains at its present level.

---

<sup>65</sup> We have not modelled the impacts of the Government's proposal (published on 29 January 2019) that in a no-deal Brexit scenario EU nationals arriving after the date of Brexit and before 31 December 2020 will be need to be granted European Temporary Leave to Remain if they wish to stay in the UK for more than three months. This would allow them to live, work and study in the UK for up to 36 months on a non-extendable basis (requiring transition to one of the new visa routes should they want to stay for longer).

## Annex 2 - Copy of survey questions

### EY & the Russell Group research into the cost of immigration sponsorship

#### How to complete the survey

The survey is divided into two halves - one section covering the immigration support offered to staff (pages 3-13), and one section covering the immigration support offered to students (pages 14-20). These sections are structured as follows:

#### Immigration support offered to staff

- ▶ Volumes of applications
- ▶ Application fees
- ▶ In-house costs
  - ▶ Governance costs
  - ▶ Outsourced and indirect costs
  - ▶ 'Per application' costs
  - ▶ Other activities
- ▶ Challenges
- ▶ Brexit modelling

#### Immigration support offered to students

- ▶ Volumes of applications
- ▶ Application fees
- ▶ In-house costs
  - ▶ Governance costs
  - ▶ Outsourced and indirect costs
  - ▶ 'Per application' costs
  - ▶ Other activities
- ▶ Challenges
- ▶ Brexit modelling

#### Assumptions

- ▶ References to Non-EEA staff or students should be taken to mean citizens of countries not currently benefitting from freedom of movement that instead are required to apply for visas to live, work and study in the UK
- ▶ Unless specifically mentioned otherwise, please provide data for the academic year 17/18

## Immigration support offered to staff

### Volumes of immigration applications

Unless otherwise stated, this section asks for data on the number of non-EEA nationals you have supported with their immigration requirements during the academic year 17/18

#### Tier 2

1. In total, how many Tier 2 visa holders currently work for you?
2. How many Tier 2 Unrestricted CoS did you assign?
3. How many Tier 2 Restricted CoS did you assign?
4. Of the total CoS assigned:
  - a. How many were exempt from the Skills Charge because:
    - i. The role was matched to a PhD level SOC codes
    - ii. The applicant was switching from Tier 4 to Tier 2 inside the UK
  - b. How many were assigned for applicants identified as being 'new entrants' under the Tier 2 rules?
  - c. How many were assigned for new hires
  - d. How many were assigned for extension applications (including existing staff moving from another visa to Tier 2)
5. If you provide any support to dependent family members of Tier 2 visa applicants, how many family members did you provide this support to?
6. Please describe your policy on how you determine the period for which a CoS should be granted.

#### Other immigration categories

7. How many staff submitting visa applications in the other categories listed below did you support through sponsorship (where applicable) or financially, either paying for the application directly or offering a loan?
  - a. Partner of a British Citizen/person settled here
  - b. Indefinite Leave to Remain
  - c. Ancestry
  - d. Tier 1 (Exceptional Promise and Exceptional Talent)
  - e. Tier 5 (Government Authorised Exchange)
  - f. Tier 5 (Youth Mobility Scheme)
  - g. Other (please specify)
  - h. Other (please specify)
  - i. Other (please specify)

## Application fees

This section asks for data on the costs associated with paying UKVI application fees associated with immigration applications. Internal costs associated with supporting applications and compliance are captured later on in the survey.

### Tier 2

8. Please complete the following table as fully as possible for the academic year 17/18:

Table 8

	Do you pay for this?	If you do pay, what percentage of all applicants do you pay for?	If you do pay, do you also pay any tax liability?	If you do not pay, do you offer a loan?	How many loans did you make during this year for this item?	Total cost to the university (all applicants, including loans and payments)
Certificate of Sponsorship						
Immigration Skills Charge						
Visa application fees (main applicant)						
Immigration Health Surcharge (main applicant)						
Priority fees (main applicant)						
Visa application fees (dep. family members)						
Immigration Health Surcharge (dep. family members)						
Priority fees (dep. family members)						

9. Do you make use of the Premium Customer Service?

10. If so, how much does this cost per year?

Other immigration categories

11. Please complete the following table as fully as possible for the academic year 17/18:

Table 9

	Do you pay for this?	If you do pay, what percentage of all applicants do you pay for?	If you do pay, do you also pay any tax liability?	If you do not pay, do you offer a loan?	How many loans did you make during this year for this item?	Total cost to the university (all applicants)
<b>Partner of a British Citizen/person settled here</b>						
Visa application fees (main applicant)						
Immigration Health Surcharge (main applicant)						
Priority fees (main applicant)						
Visa application fees (dep. family members)						
Immigration Health Surcharge (dep. family members)						
Priority fees (dep. family members)						
<b>ILR</b>						
Visa application fees (main applicant)						
Priority fees (main applicant)						
Visa application fees (dep. family members)						
Priority fees (dep. family members)						
<b>Tier 1 (Exceptional Promise and Exceptional Talent)</b>						
Visa application fees (main applicant)						

	Do you pay for this?	If you do pay, what percentage of all applicants do you pay for?	If you do pay, do you also pay any tax liability?	If you do not pay, do you offer a loan?	How many loans did you make during this year for this item?	Total cost to the university (all applicants)
Immigration Health Surcharge (main applicant)						
Priority fees (main applicant)						
Visa application fees (dep. family members)						
Immigration Health Surcharge (dep. family members)						
Priority fees (dep. family members)						
<b>Tier 5 (Government Authorised Exchange)</b>						
Visa application fees (main applicant)						
Immigration Health Surcharge (main applicant)						
Priority fees (main applicant)						
Visa application fees (dep. family members)						
Immigration Health Surcharge (dep. family members)						
Priority fees (dep. family members)						

## Loans

12. If you offer loans, does the university act as the lender?

13. What is the cost of administering loans?

## In-house costs

This section asks for data on the costs associated with running an immigration programme for staff, covering both recruitment of new staff and supporting existing staff.

Please provide a brief summary of the teams primarily engaged with immigration activity in the following categories, including the names of teams (e.g., HR, recruitment), job titles, number of staff involved in immigration activities and their salary bands. Alternatively, you are welcome to submit an organogram detailing the same information.

We would like to gather accurate information on the internal cost to universities of running an immigration programme, focussing on activities that are intrinsically linked to immigration requirements (e.g., assigning a CoS), rather than standard tasks performed in relation to non-EEA staff (e.g., performing a right to work check). This section asks for detailed information in relation to members of staff, salary bands and the amount of time staff spend on individual activities.

14. What is the total staffing cost of staff that spend at least 50% of their time on immigration activities relating to staff? For example, if you have six staff members who spend between 50% and 80% of their time performing immigration activities, and nine staff members who spend between 20% and 40% of their time performing immigration activities, please include the total staffing cost for the six staff members and exclude the total staffing cost of the nine staff members. Please do not pro-rate the total staffing cost in line with the percentage of time spent on immigration activities.
15. Please provide each staff salary bands for those involved with immigration activities. Where available, please also provide full 'cost to employer' salary bands, including employer NI and pension contributions. If you have this information in a different format, you are welcome to provide this instead.

Table 10

Salary band/grade, e.g., salary band '1'	Midpoint of band (gross annual salary) £	Midpoint of band (full cost to employer) £

**Governance costs for staff immigration programme**

16. Please complete the following table as fully as possible for the academic year 17/18.

Table 11

Category	Description	Name of team responsible for this category of tasks	Number/fraction of FTEs at each salary band engaged with this category of tasks over academic year 17/18	Any additional information regarding this activity
<i>Example</i>		<i>HR</i>	<i>0.15 x band 1 0.05 x band 3</i>	
Liaising with UKVI	Including Sponsor Change of Circumstance (SCOC) submissions, escalations and complex policy questions			
UKVI audit/visit	Preparing for and hosting an audit as well as any necessary follow-up			
Internal audit	Internal testing/checking of compliance			
Development of standard immigration guidance/advice for staff	Including work associated with guidance documents, online tools etc.			
Involvement of high level governance staff	Agreeing and signing off internal immigration policies			
Training	Tasks associated with delivering or receiving training			
Other	Please specify			

17. Where any of the activities listed in the table above overlap with activities associated with your student immigration programme, please provide details, including whether you have included or excluded the overlapping activities in the table above.

#### Outsourced activities

This section asks for data on the costs associated with outsourcing any activities that are part of your immigration programme, including training and external legal advice.

18. Please provide details of any immigration activities you outsource to third-party providers, including the following information where available.

Table 12

	Activity	Why do you outsource? (e.g., expertise, cost saving)	Cost of service in academic year 17/18	If available, net impact on total cost of providing service
Task 1				
Task 2....				

### Indirect and other costs

This section asks for data on any miscellaneous costs not captured in the sections above.

19. Please provide details of any other activities/costs not captured in the sections above, providing details for the academic year 17/18. An example might be IT system upgrades.

Table 13

	Activity/cost	Name of team responsible for this category of tasks	Details of cost, including fixed cost or number/fraction of FTEs at each salary band engaged with this activity over academic year 17/18
Activity/cost 1			
Activity/cost 2....			

### Per application costs for Tier 2

20. Please complete the following table as fully as possible for the academic year 17/18. The attached document contains example tasks in each category.

Table 14

Category	Description	Name of team responsible for this category of tasks	Time spent per application at each salary band on this category of task, in minutes	Any additional information regarding this activity
<i>Example</i>		<i>HR</i>	<i>30 x band 1 15 x band 3</i>	
Assigning a COS	Tasks associated with assessing applicant's details against Tier 2 criteria and assigning CoS			
Pre-application	Tasks associated with advising candidates on how to submit a Tier 2 visa application			
Monitoring & Engagement	Tasks associated with monitoring attendance, changes to role etc., and where relevant submitting reports to UKVI			
Other	Please specify			

21. What advisory assistance do you provide to Tier 2 visa applicants to support them in submitting a Tier 2 visa application?

**Specific activities**

22. If you are able to provide more detailed information on specific tasks, please do so here. Each of the specific activities listed below will have already been captured within the categories listed in question 20. This is intentional, and designed to isolate the costs associated with specific, often particularly burdensome, activities - please do not omit the cost of these activities from the data you provide in previous tables.

Table 15

Category	Description	Name of team responsible for this category of tasks	Time spent per application at each salary band on this category of task, in minutes	Any additional information regarding this activity
<i>Example</i>		<i>HR</i>	<i>30 x band 1 15 x band 3</i>	
Resident Labour Market Test	Tasks associated with performing a compliant RLMT, over and above any normal recruitment activity that might have taken place			
Right to work checks	Tasks associated with performing compliant RTW checks			
Other	Please specify			

**Resident Labour Market Test (RLMT)**

23. Do you advertise all jobs, or all jobs within certain categories, in line with UKVI Resident Labour Market Test requirements, or do you complete a compliant RLMT only when required to do so?

**Unquantifiable tasks**

24. Where you are unable to quantify the time/costs associated with an activity, please list this below and provide as much information as possible on which teams/staff perform this activity and an idea of its frequency and associated workload.

**Other immigration categories**

25. What non-financial support do you offer to staff applying for visas in the following categories? If you can quantify the volume of applications supported and the cost of this support on a 'per application' basis, please do so

- a. Partner of a British Citizen/person settled here
- b. Indefinite Leave to Remain
- c. Ancestry
- d. Tier 1 (Exceptional Promise and Exceptional Talent)
- e. Tier 5 (Government Authorised Exchange)
- f. Tier 5 (Youth Mobility Scheme)

- g. Other (please specify)
- h. Other (please specify)
- i. Other (please specify)

### Challenges

This section asks for information on specific challenges associated with running an immigration programme. Where relevant, please provide an example, detailing the impact of the challenge.

- 26. Are there any reasons why the data provided above may not be representative of an average year over the last five years?
- 27. Can you identify any activities which you see as being particularly inefficient or time consuming?
- 28. Do you face any challenges or additional costs as a result of errors by UKVI or other third parties?
- 29. Do you face any challenges or additional costs as a result of UKVI processing times? How do these differ between application types?
- 30. What changes to the immigration rules/guidance have been particularly impactful on costs & administration burden over the last few years?
- 31. Have you experienced any wage inflation associated with or caused by immigration requirements? Do you have any additional concerns relating to wage inflation?
- 32. Do you see any advantages to your institution of recruiting non-EEA nationals on a Tier 1 (exceptional promise/exceptional talent visa) over recruiting via Tier 2?
- 33. Does the time it takes to recruit under Tier 2 impacted on your ability to recruit/secure appointments? How does this time compare to recruiting EEA and Swiss nationals?

### Brexit modelling

This section asks for information in relation to any Brexit modelling or preparedness activities you have already performed.

- 34. Have you considered how you will manage a significant increase (e.g., 150%) in the volume of Tier 2 applications you will need to support from 2021?
- 35. If so, please provide details
- 36. Do you experience staffing challenges as a result of the following Tier 2 requirements:
  - a. The minimum salary threshold of £20,800 for new entrants or £30,000 for experienced workers
  - b. The RQF6 minimum skills threshold
- 37. Assuming freedom of movement ends and Tier 2 is applied to EEA and Swiss citizens from 2021, with a lower, RQF3 minimum skills threshold but the same salary thresholds, do you anticipate any additional challenges:
  - c. Filling roles skilled at RQF3 or above but earning less than the relevant salary threshold
  - d. Filling roles skilled below RQF3
  - e. Other
- 38. Do you hold data on staff turnover that identifies EEA and Swiss citizens? If so, are you willing to provide this?
- 39. If you can identify any fixed transition costs/activities associated with the extension of immigration rules to EEA and Swiss citizens from 2021, please detail them here.

## Immigration support offered to students

### Volumes of immigration applications

Unless otherwise stated, this section asks for data on the number of non-EEA nationals you have supported with their immigration requirements during the academic year 17/18

#### Tier 4

40. In total, how many current students hold Tier 4 visas?

41. How many Tier 4 CAS did you assign?

42. Of the total CoS assigned:

- a. How many qualified under the Tier 4 pilot (Master's course of 13 months or less at a qualifying institution)?
- b. How many were assigned:
  - i. For students starting their course;
  - ii. For students continuing their course or switching to a new course.

#### Other immigration categories

43. How many students did you offer support to in making visa applications in the following categories? For the purposes of this question, 'support' would include a wide range of activities from minor guidance to full support. We ask for further information on the scope of the support you offer later on in the survey.

- a. Tier 1 (Graduate Entrepreneur)
- b. Short-term study visa
- c. Doctoral extension scheme
- d. Other (please specify)
- e. Other (please specify)
- f. Other (please specify)

#### Application fees

This survey assumes that the university will pay for each Tier 4 CAS it assigns and will *not* cover, either directly or via a loan, any other application fees associated with Tier 4 visa applications. Please either confirm this assumption to be correct otherwise provide details of any deviation.

44. Do you make use of the Premium Customer Service?

45. If so, how much does this cost per year?

#### In-house costs

This section asks for data on the costs associated with running an immigration programme.

Please provide a brief summary of the teams primarily engaged with immigration activity in the following categories, including the names of teams (e.g., admissions, student support), number of staff involved in immigration activities and their salary bands. Alternatively, you are welcome to submit an organogram detailing the same information.

We would like to gather accurate information on the internal cost to universities of running an immigration programme, focussing on activities that are intrinsically linked to immigration requirements (e.g., assigning a CAS), rather than standard tasks performed in relation to non-EEA students (e.g., performing a right to study check). This section asks for detailed information in relation to members of staff, salary

bands and the amount of time staff spend on individual activities. If you are unable to provide the information in the format requested, but would like to offer it in a different format, please contact Tim Whittaker at EY for a discussion on how best to do this.

46. What is the total staffing cost of staff that spend at least 50% of their time on immigration activities relating to students? For example, if you have six staff members who spend between 50% and 80% of their time performing immigration activities, and nine staff members who spend between 20% and 40% of their time performing immigration activities, please include the total staffing cost for the six staff members and exclude the total staffing cost of the nine staff members. Please do not pro-rate the total staffing cost in line with the percentage of time spent on immigration activities.
47. Please provide each staff salary bands for those involved with immigration activities. Where available, please also provide full 'cost to employer' salary bands, including employer NI and pension contributions. If you have this information in a different format, you are welcome to provide this instead.

Table 16

Salary band/grade, e.g., salary band '1'	Midpoint of band (gross annual salary) £	Midpoint of band (full cost to employer) £

**Governance costs for student immigration programme**

48. Please complete the following table as fully as possible for the academic year 17/18.

Table 17

Category	Description	Name of team responsible for this category of tasks	Number/fraction of FTEs at each salary band engaged with this category of tasks over academic year 17/18	Any additional information regarding this activity
<i>Example</i>		<i>Admissions</i>	<i>0.15 x band 1 0.05 x band 3</i>	
Liaising with UKVI	Including Sponsor Change of Circumstance (SCOC) submissions, escalations and complex policy questions			
UKVI audit/visit	Preparing for and hosting an audit as well as any necessary follow-up			

Category	Description	Name of team responsible for this category of tasks	Number/fraction of FTEs at each salary band engaged with this category of tasks over academic year 17/18	Any additional information regarding this activity
Internal audit	Internal testing/checking of compliance			
Development of standard immigration guidance/advice for students	Including work associated with guidance documents, online tools etc.			
Involvement of high level governance staff, e.g., to sign off policy	Agreeing and signing off internal immigration policies			
Training	Tasks associated with delivering or receiving training			
Other	Please specify			

49. Where any of the activities listed in the table above overlap with activities associated with your staff immigration programme, please provide details, including whether you have included or excluded the overlapping activities in the table above.

#### Outsourced activities

This section asks for data on the costs associated with outsourcing any activities that are part of your immigration programme, including training and external legal advice.

50. Please provide details of any immigration activities you outsource to third-party providers, including the following information where available.

Table 18

	Activity	Why do you outsource? (e.g., expertise, cost saving)	Cost of service in academic year 17/18	If available, net impact on total cost of providing service
Task 1				
Task 2...				

#### Indirect and other costs

This section asks for data on any miscellaneous costs not captured in the sections above.

51. Please provide details of any other activities/costs not captured in the sections above, providing details for the academic year 17/18. An example might be IT, where a discrete cost can be determined in relation to immigration activities.

Table 19

	Activity/cost	Name of team responsible for this category of tasks	Details of cost, including fixed cost or number/fraction of FTEs at each salary band engaged with this activity over academic year 17/18
Activity/cost 1			
Activity/cost 2....			

## Per application costs for Tier 4

52. Please complete the following table as fully as possible for the academic year 17/18. The attached document contains example tasks in each category.

Table 20

Category	Description (please refer to attachment for example tasks in each category)	Name of team responsible for this category of tasks	Time spent per application at each salary band on this category of task, in minutes	Any additional information regarding this activity
<i>Example</i>		<i>Admissions</i>	<i>30 x band 1 15 x band 3</i>	
Assigning a CAS	Tasks associated with assessing applicant's details against Tier 4 criteria and assigning CAS			
Pre-application	Tasks associated with advising students on how to submit a Tier 4 visa application			
Registration	Tasks associated with enrolling Tier 4 visa holders, checking passports/BRPs etc.			
Monitoring & Engagement	Tasks associated with monitoring attendance, work placements and where relevant, submitting reports to UKVI			
Transfer and progression	Tasks associated with managing changes to course, location, and leavers, and where relevant, submitting reports to UKVI			
Other	Please specify			

53. What advisory assistance do you provide to Tier 4 visa applicants to support them in submitting a Tier 4 visa application?

### Specific activities

54. If you are able to provide more detailed information on specific tasks, please do so here. Each of the specific activities listed below will have already been captured within the categories listed in question 53. This is intentional, and designed to isolate the costs associated with specific, often particularly burdensome, activities - please do not omit the cost of these activities from the data you provide in previous tables.

Table 21

Category	Description	Name of team responsible for this category of tasks	Time spent per application at each salary band on this category of task, in minutes	Any additional information regarding this activity
<i>Example</i>		<i>Admissions</i>	<i>30 x band 1 15 x band 3</i>	
Assessing Academic progression and complying with these rules				
Attendance monitoring (only include aspects of this activity which are not conducted for British/EEA/Swiss students)				
BRP handling				e.g., number of BRP errors
Gathering and checking ATAS certificates (where required)				
Other	Please specify			

### Unquantifiable tasks

55. Where you are unable to quantify the time/costs associated with an activity, please list this below and provide as much information as possible on which teams/staff perform this activity and an idea of its frequency and associated workload.

### Other immigration categories

56. What non-financial support do you offer to students applying for visas in the following categories? If you can quantify the cost of this support on a 'per application' basis, please do so

- a. Tier 1 (Graduate Entrepreneur)
- b. Short-term study visa
- c. Doctoral extension scheme
- d. Other (please specify)
- e. Other (please specify)
- f. Other (please specify)

## Challenges

This section asks for information on specific challenges associated with running an immigration programme. Where relevant, please provide an example, detailing the impact of the challenge.

57. Are there any reasons why the data provided above may not be representative of an average year over the last five years?
58. Can you identify any activities which you see as being particularly inefficient or time consuming?
59. Do you face any challenges or additional costs as a result of errors by UKVI or other third parties, including BRP errors
60. Do you face any challenges or additional costs as a result of UKVI processing times? How do these differ between application types? Can you quantify this?
61. What changes to the immigration rules/guidance have been particularly impactful on costs & administration burden over the last few years? Can you quantify this impact?

## Brexit modelling

This section asks for information in relation to any Brexit modelling or preparedness activities you have already performed.

62. Have you considered how you would manage a significant increase (e.g., 50%) in the volume of Tier 4 applications you will need to support from 2021?
63. If you can identify any fixed transition costs/activities associated with the extension of immigration rules to EEA and Swiss citizens from 2021, please detail them here.

EY | Assurance | Tax | Transactions | Advisory

**About EY**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

© 2019 EYGM Limited.  
All Rights Reserved.

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.

**[ey.com](http://ey.com)**