



Science and Technology Committee

Corrected oral evidence: People and skills in UK science, technology, engineering and mathematics

Tuesday 6 September 2022

11.20 am

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Members present: Baroness Brown of Cambridge (The Chair); Baroness Blackwood of North Oxford; Viscount Hanworth; Lord Holmes of Richmond; Lord Mitchell; Lord Rees of Ludlow; Baroness Rock; Baroness Sheehan; Baroness Warwick of Undercliffe; Lord Wei; Lord Winston.

Evidence Session No. 2

Heard in Public

Questions 10 - 16

Witnesses

Professor Sir Robin Grimes, Foreign Secretary, Royal Society; Joanna Hunt, Director, Head of Immigration, FieldFisher; Raj Mann, Director, Global Immigration, Vialto Partners.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Professor Sir Robin Grimes, Joanna Hunt and Raj Mann.

Q10 The Chair: Welcome to the second session of the committee's inquiry into people and skills in the UK STEM system. It is great to welcome our panel of Joanna Hunt, Professor Sir Robin Grimes and Raj Mann. The session is being broadcast on parliamentlive.tv. A full transcript will be taken and made available to our witnesses shortly after the meeting, for them to make any small corrections and get that back to us. If you think of anything that you would have liked to say to us, or if you think of any data or other evidence that would be useful, we would be delighted to have that from you in writing after this session. It would be very helpful to us.

Q11 Lord Wei: I start by declaring some interests. First, I am an adviser to Future Planet Capital, which works very closely with universities around the country, spinning out technology start-ups. I am also a board member of BE Education, which sources courses from the UK for international students around the world. I am a shareholder in an edtech business that seeks to upskill learners to help them become more employable.

How attractive is the UK as a place for people with STEM skills to both move to and make a career in? Has that changed recently in terms of perception and reality? I am particularly keen on our competition. What are other countries doing and are there solutions or approaches that they are taking that we can learn from because they are so successful?

Professor Sir Robin Grimes: Thank you very much for giving me the opportunity to talk to you today. That sounds like a very simple question. As with many seemingly simple questions, it is in fact a very difficult question. I am going to start with three little pieces of data and then expand upon that. The evidence shows that the UK is experiencing a really very significant skills shortage and that it is costing businesses £1.5 billion a year. There is a shortfall of 170,000 workers in the STEM sector. It is particularly acute in engineering, by the way.

The Royal Society has also commissioned a report to think about some of these issues. One thing that came out of that is the visas. I know we will talk about visas a lot more as we go along, but there has been an increasing gap between us and other countries, which makes us less attractive, most certainly, in terms of the initial barrier to arriving here. An example is the post-docs coming to the UK on a five-year global talent visa; they are now expected to pay £3,700 in upfront immigration costs.

Those are UK-centric comments, but of course we exist as part of an international landscape. The question is also how attractive relatively the UK is as a place to come to, compared to other countries. What other countries do has had a very important impact. Some things that have helped us here include, for example, the comments made by a certain President of the United States, which led to a great increase, for

example, in the number of people applying to come here to work from Mexico, which is not a traditional country that sought positions in the UK, but afterwards most certainly did. That is a good example. Another one would be comments made by the Australian Government, which led to a slight increase in the number of Chinese students coming to British universities. That international context is very important.

Joanna Hunt: Thank you for having me. To give the committee some idea of my background, I am an immigration lawyer. My client base is made up of a lot of tech companies, small start-ups to large multinationals, and a lot of companies in the life science sector. Over the last 18 months, there has been a lot of anxiety expressed by my clients about the struggles they are facing recruiting the right talent that they need for certain roles. Struggling to source talent used to happen to certain sectors, such as hospitality—the usual suspects—but we are now seeing it across the board.

Simply put, Brexit is a key reason for this. The reports that I have heard are that, following the referendum result, there was pretty much an exodus of EU staff back to their home countries, citing reasons such as fear for the future, in terms of their long-term career prospects and security for their family. There was too much uncertainty about what this would mean. There has also been difficulty in encouraging EU nationals to come back to the UK following the end of free movement. There is still a lack of clarity from the Government for prospective workers and for companies themselves as to what the immigration system can do, what the solutions are and how workable they are. There are workable solutions, but the communication of that message has perhaps not been the best. There is still this remaining residual sense that the UK is not as hospitable as it once was and is not a place for a long-term future for some of those workers.

In terms of the struggle to source talent, there are other factors at play. There is the rise in remote working. The Covid pandemic, which obviously accelerated that, has meant that businesses have had to come round to a situation where workers are potentially not based in the UK anymore. Certainly, my start-up clients are saying that a large proportion of their workforce are often based in other countries; they remain working for a UK-based company but they do not necessarily have to come into the UK.

I know we have mentioned about competitors and how we are losing out. From what I hear within the EU market, the struggle and the war for talent is particularly fierce. There are other countries that have perhaps been more nimble, flexible and innovative in what they are offering possible candidates for jobs. I hear Portugal is becoming a key market, particularly for tech. Its Government has a number of initiatives in place to encourage start-ups. It has a beneficial tax regime for workers in place. It also offers the quality of life; when you are a talented worker who can take a high salary from any country, quality of life becomes very important. Unfortunately, the UK still has that association with being expensive and rather bureaucratic and having bad weather. We fall down on those points.

Then there is Germany. A lot of countries have this EU Blue Card, an easier visa to get, and they have lower salary thresholds and visa costs, which make them a very attractive option. Also, Amsterdam is becoming a major tech hub. They have a 30% tax rule, which has a 30% tax reduction for expats working in the country on their income tax, apparently. There seem to be other countries that are more open to the idea of offering incentives to come, rather than simply having an immigration system that limits talent and reduces opportunities.

Raj Mann: Good morning, everybody. I will give a bit of background on me. I am a director in global immigration. Similar to Joanna, we have a number of clients that are multinationals and have global workforces that we support in navigating global immigration rules.

I would echo a lot of what has just been said. When we speak to our clients, we are hearing that there is a nuance, in terms of this idea or perception around the UK being attractive, between those in STEM fields who hold EU nationality and those who are outside of the EU, so non-EU nationals. For non-EU nationals in particular, post Brexit the immigration system in many ways has become a bit easier; there is no more resident labour market test and quotas have gone away, which is all fairly positive.

I would echo what Professor Grimes said in terms of numbers and what nationalities are being attracted to the UK. The data that we have, which I am happy to share afterwards, shows that China is highest on that list, followed by India, and then potentially Nigeria as well.

Picking up on what Joanna said about the remote work piece, Covid absolutely has been a watershed moment for immigration planning globally. Internationally, in the landscape, we are seeing a lot more new, flexible routes, known as digital nomad visas. We are seeing that in a number of countries, particularly in regions and countries where their economies were impacted because of the impact on tourism during the pandemic. These digital nomad visas attract talent. They make it very easy, typically for one to two years, for high-skilled migrants to come to that territory, work and effectively have resident status without being integrated into the labour market. It is a great step. Although you may be able to navigate UK immigration laws to do something similar, there is not that stand-alone, publicised, "Hey, we have a remote working visa" option, a digital nomad visa. That is one immediate place where there is a direct comparison with what we are continuing to see across the world in terms of that remote work.

At Vialto Partners, one area where we are really seeing a lot of requests for support at the moment, in terms of advising a lot of big multinational clients, is with navigating remote working policies, in order for them to be competitive as an employer, wherever they are based. Typically, the more competitive they want to be, the more flexible they want to be with their remote working policies. That only goes so far as they are able to do so within the parameters of the legislation of the jurisdiction that they are looking at.

In a lot of places, a number of our clients were able to implement pretty flexible remote working policies, which is great; it makes them more competitive. There are jurisdictions that do not allow that so easily, the UK being one. For a number of clients, at the moment, in terms of their immigration mobility policies, they are looking at alignment across the board. They want that stability. Coming out of the pandemic and coming out of the impact that the war has had in terms of being able to move around the world, a lot of our clients are looking at getting stability back into their policies. Having something comparable in that remote work space would be an immediate focus point that the UK should look at.

- Q12 **Lord Winston:** We have heard a great deal about the post-Brexit visa system already and the barriers that are put in front of people with a propensity to be looking at the UK as a place to work. We are hearing about all sorts of uncertainties all through the system. One of the issues is the certainty that you are going to be penalised financially when you apply for a visa. Joanna, could you start with the barriers that the current visa system places in front of people who might consider moving to the UK? It is not only about moving but perhaps even about retaining some form of work here after they have done a PhD, for example. The lack of recognition that people want security in a post wherever they go is a major problem.

Joanna Hunt: In terms of the visa system, to give the Home Office some credit there have been some improvements over the last couple of years. The end of free movement led to a bit of an overhaul of the immigration system and the relaunch of the points-based immigration system. There were a number of changes to the key work-based visa, which we now call the skilled worker visa, which made it broader and more inclusive. It lowered the skill and salary threshold. It dropped, as Raj said, the resident labour market test, making the visa process itself shorter and easier to get, all of which, from the clients that I speak to, has been positively received.

There remain some key problems and barriers with the visa system. If we take the skilled worker visa first, that is currently the most popular route available for UK companies that want to bring in foreign workers. There are other visas available—we have mentioned global talent—but they are quite niche and assist only a small subset of the labour force. The Skilled worker visa is the principal one.

It remains a sponsorship visa. The key point with that is that a company that wants to bring a worker in needs to obtain a sponsor licence first. That is a costly process. It takes perhaps two to three months. If you have a candidate in mind, the recruiters want to be agile and nimble. They want to be able to secure that worker as quickly as possible, particularly in a heated talent market, because that worker may go elsewhere, to the next best offer. If you have to get your sponsor licence in place, that can take some time. There has been a priority process in place, but that has not worked that well; the Home Office has introduced measures to address that. It creates a barrier in itself, and it also places quite a burden on the employer.

Some of my clients talk wistfully of what was the highly skilled migrant programme. If anybody is familiar with the visa system, it was around about 10 years ago—and it was closed, but it allowed someone to get a visa just by virtue of their own characteristics. They then had free access to work for anybody. Now, the main skilled worker visa requires a worker to have a job offer from an employer that reaches certain skill and salary thresholds. The onus is on the employer to assist with that process. I know you have heard a lot already this morning about the costs, but the costs for that are exorbitant, particularly when compared with other European countries. It is not only the application fee and immigration health surcharge fee, which we talked about in your earlier session, but the immigration skills charge for businesses, which can be up to £1,000 per year of the visa. All in all, that adds up to tens of thousands of pounds, particularly if you have an employer that wants to bring in a family group as well.

This has led to an increased use of clawbacks in employment contracts. Employers seek to protect themselves, if they are outlaying these costs, by putting in clawbacks. For unscrupulous employers, that is almost a form of bondage, where an employee is almost stuck in a role, unable to move on, because they have to pay back these exorbitant fees.

There have been improvements in the visa processing system. No longer do we have to fill out paper forms. Thankfully, it is all now online, and there is a move towards digital immigration status. A lot of applicants can apply via an app, which avoids them having to attend visa application centres and reduces the amount of time. These are all very beneficial changes, but it remains quite an intrusive process. Applicants have to declare their travel history going back many years, which many have forgotten. They have to declare their medical history often, discussing what medical treatment they have had in the UK. They have to declare such things as their landlord's details. For many people, that can be off-putting.

It comes back to that point. If they have a choice of role, if they are being offered a similarly paid role in Germany or France and they are a European national and do not have to go through that, why would they then elect to come to the UK?

In terms of the eligibility criteria, there are some key changes that still could be made. The applicants still need to meet an English language requirement for a skilled worker visa, which often, for an employer who is quite happy with their level of English language, is potentially not necessary. Also, you need to look at what other countries are offering visa holders. I mentioned Germany. It is offering a shortened visa for tech talent, which is a quicker route to settlement and citizenship, which is a massive draw. In the UK, when a skilled worker comes to the country, it is a five-year wait before they could apply for what we call indefinite leave to remain, which is permanent residence, and another further year before you can apply for citizenship. That is quite a long wait.

One key problem with the UK system, in comparison to Europe, relates to the EU Blue Card, which is an offer by EU countries. That offers the ability to apply for Schengen visas for other countries. A migrant coming into those countries can then go and visit any other country in Europe. Time and again, we have the problem where we get somebody into the UK to work for a company, but that company, for instance, wants to do a strategy weekend or will send them to visit clients in Europe, but the visa does not offer them any preferential treatment for any other countries.

There are a number of challenges within the immigration system and there are a number of easy wins that the Government could make.

Lord Winston: Sir Robin, you represent the Royal Society on this panel. In comparison with other countries, we are benchmarking ourselves, as you mentioned, with Brazil and Portugal, for example. Are we benchmarking in the right sort of way? Are we looking at the really big competitors that we have? For example, as a medical graduate, it used to be quite easy to get into the United States, continue to promote your career and be offered a job, if you were any good.

Professor Sir Robin Grimes: That was a very specific point. At the moment, trying to do that in the United States is actually quite difficult because you have to do residency all over again to be able to practise in the United States. That is quite a barrier in that specific case.

You mentioned the global talent visa, which, for us in the Royal Society, has been a particularly important visa route. This is one that the Royal Society comments on specifically on our website. We have been part of that group that has supported that particular visa route. The things that, for us, make that particularly attractive is the freedom to switch jobs and grow careers, unlike others, and the recognition that research is innovative and global, so that you can travel anywhere in the world for research purposes without it counting to the maximum period of absences that I know other visa processes have. It makes it easier to make your home in the UK. Generally, it is quite a quick visa route from the point of view of getting an answer. My understanding is that it is 14 working days to get an answer. I do not know whether my colleagues can support me on that one.

Joanna Hunt: There are two stages. The endorsement and the visa take, all in all, six to eight weeks.

Professor Sir Robin Grimes: That seems to be a particular positive on this one, as well as lower visa fees generally on this. I wanted to emphasise the importance of this process for us. It has been very positive. I do not know whether that helps.

On your question about how it looks compared with other countries, other countries have very similar visa opportunities in terms of global-talent-like structures. We are not special—we are just not much worse. In the case of others, we seem to be significantly worse.

Raj Mann: I agree completely. It is really interesting to hear from Professor Grimes's perspective. The way I would approach this is in looking, on the one hand, at our clients, so the employer's business, and

then, on the other hand, at the individual whom they are recruiting into the UK. There are then differences globally. I will get to the US in a minute.

From an employer's perspective, the work permit scheme and routes for skilled talent are pretty good compared against the international scene. When our clients are looking at the immigration processes and mobility planning, we hear that they want to be able to work with a system that is quick, clear and as cost-efficient as possible. The UK does pretty well on two out of three in the work permit routes.

From an employee perspective, I would echo what Joanna was saying around that settlement route and making that easier, more streamlined and a bit more flexible, and using settlement as a real tool to attract and retain talent, importantly. We are seeing this in other jurisdictions in the way that settlement is being looked at, looking to ease requirements and speed up eligibility in order to retain talent.

I will draw a couple of examples. For instance, Australia has had a change of Government, and last week the federal Government had a jobs and skills summit. One thing that has been discussed is permanent migration, the reason being—this can be drawn across the Asia-Pacific region—that during the pandemic there were incredibly strict border restrictions and lockdowns. As a result, in territories such as Singapore and Australia, and Hong Kong to an extent, there has been a reported mass exodus of foreign talent, because people with temporary status knew that they wanted to get home but they could not get back in again if they did not hold permanent status.

Australia has seen somewhere in the region of 500,000 temporary migrants leaving as a result of the pandemic, between March 2020 and August 2021. There is this gap that they have been looking at specifically, in the last week, in terms of how they attract that talent back. One of the key tools they are looking to utilise is that route to permanent residency. If the UK really wants to make itself attractive to STEM talent to come and stay, settlement has to be looked at, in terms of how it can be made more streamlined and easier to obtain.

I would also draw an example from the EU. Earlier this year, in April, the EU proposed a couple of changes that it was going to make to its ICT directive and Blue Card. As part of these proposed changes, for the Long-Term Residence Directive, one of the things that it is looking at is permitting increased period of absence from the EU without losing the long-term residence status. It has been proposed that it would be increased from one year of permitted absence to two years, essentially meaning you can be out of the region and that is not going to impact your route to settlement. That is an incredibly flexible and forward-looking way in which to try to retain talent in this new post-pandemic way of working.

As I have mentioned, remote working is up there. That is what employees want; they want to be able to work flexibly. High-skilled talent especially work across borders; they are notoriously mobile internationally. You are able to help navigate and support people who are

highly mobile, saying, "You will not lose your residence status or your path to settlement if you are working across borders or in multiple jurisdictions. We are not going to close the door on you and your path to settlement". That would be an incredible way to look at increasing retention of talent in the UK.

- Q13 **Baroness Sheehan:** We have heard quite a lot about the challenges that face scientists and people with STEM skills who want to move to the UK. Can I use this question to give you the opportunity to fill in any gaps or challenges that have not yet been mentioned? More specifically, could I ask about the reforms that are going to be needed to immigration policy, which could be enacted to address these challenges?

Raj Mann: In terms of reforms, there are two things that I would like to bring out today. One would be to look at the UK shortage occupation list. I know that this is something that is being reviewed currently, but we need to look at how we can engage businesses with the shortage occupation list to make it quicker and more adaptable to change. Although the list has STEM roles on there, it is about being quicker with the future of work and new types of roles that we may not even be able to envisage now. Tech companies are looking at roles within the metaverse, for instance, or roles with cryptocurrencies. Anticipating where the need is will come from tech and STEM fields; they need to be front and centre of how the shortage occupation list is formed. This, again, is something that they are addressing in Australia at the moment: how can they make their occupational codes and their equivalent shortage occupation list a bit more fit for purpose? If they genuinely want to attract talent and there are skills gaps, if you fit in one of those skills gaps, how does that operate a bit more quickly, looking at the speed of that?

The shortage occupation list at the moment does not do much other than lower the salary threshold if you are applying for a visa. Widening the scope of impacts if a role is on a shortage occupation list would be really interesting and potentially quite impactful. That would be my first suggestion.

The second one is part of a discussion that has come up in the last few years, which is worth reconsidering. It is the idea of a regional visa in the UK. If the UK is serious about levelling up in the regions, re-exploring this idea of a regional visa and having local authorities have a bit more of a say in terms of their skills need in their area may serve to attract graduates who are out of London and in other parts of the UK to stay in those cities and towns where they have studied. Looking at that regional visa would be really interesting. It is something that Canada does. It has a settlement scheme aimed at people in tech fields that is province-based. It is pretty successful. I am happy to share further details on it if needed. Looking at it from a regional perspective would be another way that I would suggest.

Baroness Sheehan: Before I move on to Sir Robin, could I ask you, Raj, about some of the challenges we heard about immigration processes around time and cost? Are there specific recommendations that you

would make for changes in immigration policy on that basis?

Raj Mann: Yes. From a processing time perspective, I know recently with UK immigration fees, because of the situation in Ukraine, that priority services and so on were no longer available; they had been suspended for a short time period. However, in comparing the UK processing times against the international landscape, we can see that it is pretty quick. It is not the key challenge of the UK immigration system—but cost is, absolutely. The UK visa scheme is one of the most expensive in the world. Again, I am happy to share a comparison of comparable global visas. Essentially, the US and some Australian visas are probably most comparable to the UK in terms of price, but it is really up there in terms of cost. Yes, anything around reducing the cost would certainly serve to help attract talent.

Professor Sir Robin Grimes: I am not an expert in visa processes specifically, so I am going to take a slightly broader view to this. Something that I have just realised from Raj's comments is that this idea of getting industry, academia or universities involved in the early discussions about the changes to the visa process is a very good one indeed, to understand what would allow greater flexibility to them and thus promote people staying more easily. They are the people who know the answers to those sorts of questions. I would recommend that, certainly.

The other thing on my list is to think about incentives for mobility and porosity between academia and industry, which is often quite a difficult thing to do for people on specific visas. It is very clear to the Royal Society that this idea of being able to move people between academia and industry is something that benefits both very strongly, if there were ways we could think in those terms. Things like the Royal Society's industrial fellowships and entrepreneur in residence schemes are great positives.

The other thing is to understand the visa requirements with respect to how people's careers progress and what they need to do their best as things move along. Mid-term in particular is something that we fail to address. We are quite good at getting very senior people in right at the beginning, but it is those mid-term people who sometimes fall between the cracks a little bit.

Finally, I wanted to say that people still want to come to the UK. We are an attractive place to come to. Generally, that is partly because this is quite a comfortable place to be a STEM worker in. Trying to understand better what makes us comfortable is very important. Being a great scientist and engineer requires you to have time to think about things. Being comfortable is actually rather part of it. There is an awful lot talked about how great art comes through great suffering. I have never heard about great science and technology coming through great suffering, frankly. Trying to align these stars is very important indeed. Sorry, they were rather general comments.

Baroness Sheehan: No, they were very useful.

Joanna Hunt: I echo the comments about the cost. The first step should be to make the system cheaper. The point has been made about making the system to get visas less onerous and burdensome. Do we really need so many eligibility requirements, such as the English language test?

I would urge the Government to look again at introducing a pure points-based visa, or possibly extending the high-potential individual route, which was launched in May. We were quite excited within the immigration field when this was announced; it seemed to be a return to a visa that overseas graduates from universities abroad would be able to get to come and work in the UK and have free access to work for whomever they choose. Unfortunately, it has been limited to only the top 50 universities in the world, the vast majority of which are based in North America. Very few of those universities are in Europe or Asia, meaning that the visa itself is unlikely to have a major impact. There has been talk that the Government will look again at that visa. If they do that and broaden it out, meaning that there can be more applicants who can apply for it, that would reduce the burden that employers feel: that sponsorship is all on them, the cost and the risk, at the present time.

I will just add one point that we have not addressed as yet within the field of the topics that are covered. It is about short-term mobility. We are talking a lot about more long-term visas and people who are building careers in the UK. Within the engineering sphere, there are companies that are entering into contractual relationships with UK-based companies, to come in to build infrastructure projects. They have to bring workers into the UK on a short-term basis to be involved in these projects.

There is a bit of a lacuna in the law now between what a visitor can do and what it is you can do within a sponsorship relationship. There currently is not really an immigration visa on offer that caters to these short-term mobility situations. Certainly, I have been involved in projects that have had to be delayed because contractors have had to drop out because they could not get the correct visas for their workers to come in to complete the project.

The Chair: That was a very interesting point you ended on there.

Q14 **Lord Holmes of Richmond:** Raj, Joanna and Sir Robin, good morning and thank you for taking the time to be with us for this session. What can the UK learn from steps taken by other nations in terms of the attraction and incentivisation of STEM talent?

Raj Mann: In terms of what other countries do, I would immediately look to Singapore and Canada. To give you a brief overview, at the end of August Singapore announced a new visa scheme called the overseas networks and expertise pass, the "ONE pass". Essentially, this is going to streamline and make it far easier for that high-skilled talent. It is going to remove a lot of the resident labour market testing. It is going to cut down processing times. You get a five-year work pass. Essentially, Singapore is looking to attract back a lot of the high-skilled migrants that they lost during the pandemic to places like Dubai and Hong Kong. Hong Kong and Singapore have a bit of a ping-pong situation with their high-skilled

migrants. Singapore is notorious for being super-digitalised, very clear, cost-efficient and speedy. Before this ONE pass, Singapore was always seen as a bit of a gold standard when it came to employment process for businesses and being able to navigate the rules.

As for other places, Australia is going to be a really interesting one to watch. I would not say, as it is now, that it is somewhere we might take much from. Australia is certainly looking at some of the stuff that the UK is doing. For instance, it has announced that it will have a similar post-study work two-year period, which I know is something that has been reinstated in the UK with the graduate visa. Following the jobs and skills summit in Australia, with some of the focus on those future-focused roles and the permanent residency perhaps easing, Australia may be one to watch in terms of what is coming over the coming months.

I have mentioned this before, but Canada is one of those key territories that is particularly friendly in terms of its work permit routes for STEM talent. That is not just for STEM individuals but companies, particularly in tech. At the moment, our teams are seeing an increased movement into Canada in tech fields in particular, but also with tech companies either opening up offices there or potentially moving their headquarters into Canada. It has a global skills strategy that would perhaps be worth unpicking a bit. I am happy to share details on it. Essentially, within that, it has things like a concierge-level service, which allows employers and sponsors to have a direct line with the authorities. What is most significant about its global skills strategy, and some of the schemes in that, is that it fast-tracks the labour market testing requirements. In short, these tech companies will say, "We are committed to upskilling local Canadians and those already in the company". If they do this, there is a pre-approval in terms of the amount of foreign national skilled workers that they can bring in. It speeds up the processing times and makes the overall process and experience of somebody coming into the system far more favourable.

Those are some of the regions that are particularly positive. I will touch quickly on the US, because I know it was mentioned in some of the questions. The US is always seen as the most attractive place, perhaps, for a lot of the STEM talent, particularly in tech. Actually, the US has not done that much in terms of altering its immigration laws to attract STEM talent, outside of extending what is called its F-1 OPT, which is after its student visa, again post-study work. If you are in a STEM field, you can get that for two years, whereas everybody else would get that for one year. In a nutshell, that is the extent of what it is doing above and beyond its immigration system. That is for a number of reasons—but politics is probably up there in terms of why there has not been major reform in immigration legislation in the US.

The US H-1B visa scheme is massively oversubscribed. It allows for 65,000 a year. This year, our US team has let me know that the scheme had over 200,000 people registered and applying in the lottery. Businesses have been lobbying for years to either remove the lottery, because it does not work, or to increase the number of H-1Bs that are divvied out. There is also a massive backlog in terms of employer-based

petitions and applications. Again, that is for a number of reasons but, most significantly, the previous Administration had made some comments about defunding the USCIS, potentially furloughing staff, and that has led to a reduced staff in the USCIS offices, causing a backlog of approximately 3 million cases at the moment.

One reason why the US is up there when it comes to STEM is that it has the most open posted jobs available in the tech field. In terms of what it does in the immigration space, the UK is doing more than the US.

Joanna Hunt: I would reiterate some of the points that I made earlier about looking at the EU countries and what they are doing in offering beneficial tax regimes and government grants for start-ups, encouraging young entrepreneurs and innovators into the country to set up start-ups, the lower fees that they offer for STEM and tech talent in particular, and the fact that some of their visas offer this accelerated route to settlement. There is a lot to be gained from looking at European jurisdictions. Also, as I said before, it is a mindset shift. Their visa systems are perhaps set up a little bit more open and inclusive, rather than the restriction that we see sometimes within the UK.

Professor Sir Robin Grimes: I was listening particularly to what Raj talked about with respect to Singapore. It suddenly struck me that, when I think about Singapore, I think about A*STAR and about senior people in their university structures, all of whom are given opportunities to come in for shortish periods of time. It is not anticipated that those people would then spend the rest of their lives necessarily in Singapore. One of the things that is really interesting about the Singaporean model is getting in that talent to fill niche positions and offering those sorts of opportunities. I contrast that with Australia, for example. I cannot imagine the Australian Government have ever considered the idea that, once somebody has come to Australia, they would ever want to leave. These are quite different structures. I wonder how much we think about opportunities for short-term and longer-term positions.

With respect to the United States, I did my master's degree in the US, for which I am immensely grateful. One thing that they do is offer big grants, to scientists in particular, to come in and set up your new lab, looking at the latest genetic issues. You are going to be able to hire 20 post-docs and have a great new lab with lots of equipment. Certainly, that has worked very well, with that financial commitment behind them. China has tried to do similar things, in offering very large grants with multiple people, but somehow that has not worked nearly so well. Again, we go back to this issue of comfort and developing opportunities around the social fabric of what else is there.

We tried to go and look for evidence specifically on this issue, as we have on the brain drain concept as well. We found it very difficult to get definitive evidence. I wonder whether this is an opportunity to carry out a study in this area.

Q15 **Baroness Warwick of Undercliffe:** My question follows immediately on from your final point, Sir Robin. It is about evidence of a brain drain. We have learnt from our academics that it is hard to find evidence. I

wondered whether there was any evidence of a brain drain, or evidence of signals that it might begin to occur, particularly in medicine or among early-career researchers. That is going to be hugely important for us.

As a secondary question for each of you, should consideration be given to schemes to incentivise skilled individuals to return to the UK from abroad, for example to work in the NHS? Would you like to kick off where you left off?

Professor Sir Robin Grimes: One example where it is clear that we have lost talent is with the ERC grants. The European Research Council has asked people to relocate to European countries and to take those grants with them, so we have lost quite a lot of people. We do not know exact numbers and of course they are, by merit of having got those grants in the first place, extremely excellent people. Some of those are from those other countries originally, but that is an example. As you say, it has been quite difficult.

Certainly with early-career researchers, there is also some evidence, but perhaps those are people who are going abroad to gain more understanding and experiences. We should ask the question of how we then attract them back and accept that we want people to go abroad for periods of time and to bring back that understanding and knowledge. That goes exactly to your second point about schemes and incentivised schemes. One possibility is that, when people have opportunities to go abroad—perhaps they have grants to go abroad—we also include in those support for when they come back. We should not expect them to just be able to come back and pick up where they left off. There are some things that we can do there.

Raj Mann: On the brain drain, I speak from the perspective of some of our clients and where they are seeing some of the talent go post Brexit. With some of our big tech companies, we saw movement from London into Dublin; that happened across a number of tech companies that we were supporting, so we certainly saw that there. However, in the last couple of years we have seen a number of our clients who hire from the engineering and mathematics graduate pool, and they have moved out of the EU and into the UK.

As for whether there is a big brain drain, especially of people who are in the early stages of their career, it is perhaps not as easy as saying there is a trend. There is more to it than just post Brexit and headquarters moving out of the UK, et cetera. One point I have thought about on this question is that obviously brain drain is not just a concern that the UK is looking at; it is something that globally a number of territories and jurisdictions are really struggling with at the moment. India is a big example, where it does not have much by way of attracting foreign national STEM talent, because it has the talent. Its whole focus is on how it retains the talent it has—which is the brain drain.

If the UK is looking at how it prevents and reduces brain drain, it also needs to ensure that the UK is not seen as accelerating brain drain in other territories. This is important for the UK to come across as being

attractive, because it feeds into the perception of the UK. There is something to Professor Grimes's point: ultimately, high-skilled individuals are highly mobile. Encouraging people to be able to be mobile is probably going to, in return, have an element of retention in the UK.

Going back to the settlement point, there is a permitted period of absence that you are allowed out of the UK, at 180 days in any year—otherwise it will impact your route to settlement, for instance. We could look at expanding that. When you think about brain drain, there may be foreign-national graduates who have a desire to go back home for a couple of years and to work in multiple jurisdictions. To be able to facilitate and support that would be beneficial to the UK in the long run.

Joanna Hunt: I would probably echo some of the thoughts that have been said already. Anecdotally, I have heard from clients that there has been a great deal of movement over the last few years, perhaps predicated by Brexit and perhaps due to the great resignation—a sign that people have gone through a period of upheaval, looked at life choices and decided to work elsewhere.

As Professor Grimes has said, the clients that we work with certainly see global mobility and the ability of UK workers to go abroad, to potentially spend time in overseas offices, as beneficial to their career in the long term. Younger candidates who are looking for roles are definitely incentivised or attracted by companies that offer that mobility. We obviously want to keep workers here, but we also want to offer opportunities for people to gain skills and exposure to new environments and new working ways, which they can do if they spend time abroad. As for bringing people back, I do not have evidence that people are not coming back at the end of these periods of time abroad. If we can continue to make the UK a place where people can build careers in the longer term, with good employment practices and levels of salaries that attract people to stay, people will ultimately come back.

- Q16 **The Chair:** I will finish with one very specific question for Professor Sir Robin Grimes. In the situation that the UK is not able to associate with Horizon Europe, we have heard about the Government's plan B. One aspect of plan B is the talent offer of fellowships to mirror the prestigious ERC fellowships, to attract people to the UK. I wondered whether you had thoughts about what needed to be part of this offer, if it is going to succeed to compete with ERC fellowships and grants, to attract researchers to the UK.

Professor Sir Robin Grimes: You are aware, of course, that the Royal Society is quite clear that we believe association is in the best interests—

The Chair: We heard that very strongly from our academic panel earlier, so you can take that as read. We have had that message very firmly.

Professor Sir Robin Grimes: I am not at all surprised by that. We should be careful not to think of it as a like-for-like replacement. We are going to be starting from scratch. It takes time to build a level of prestige associated with schemes like the ERC, which the ERC has very much

done. We need to be careful to avoid those direct comparisons if we possibly can.

The UK has the experience to develop credible alternatives. The Royal Society's URFs are a good example. There are other schemes as well, and others that I hope we might develop under plan B activities. Broadly speaking, we need to have long-term grants that are investigator-led, but offer them at different career stages. I talked about the mid-term one earlier on; that would be an opportunity to do something perhaps a little different as well. When you are starting from scratch, you can think about the pluses and minuses of the ERC schemes and think about how we might be able to do better.

From the beginning, we ought to have discussions about the visa issues and ensure that there are no big barriers to association. I now have two colleagues I know to go to to talk about that with, so that has been very useful. It also needs to be underpinned with strong governance. We have to understand the approach to evaluation, because we are going to have to create a new evaluation process associated with these, which is fit for purpose in a scheme that we are going to design. We should not underestimate the amount of effort that is involved in doing something like that. It is very significant to get that right, so that we end up identifying the best applications.

The Chair: Thank you very much to all of our three witnesses. It has been a very informative session. As Robin has suggested, it has been very interesting to hear about the immigration problems from an immigration lawyer perspective and from the perspective of the businesses that you are supporting in attracting and retaining their overseas talent. It has been quite a refreshing and different input for us from some of the other things we have heard. Thank you very much, all three of you, for your evidence.

Raj, you offered to share some information on comparative visa costs. That would be very helpful. You also offered to share some information on the Canadian scheme and you mentioned the regionally-based visas and how that might link to levelling up. That is an interesting angle we have not heard about before. If there are things that the others think about that you think would benefit us, we would be very happy to receive written evidence from you. That finishes this session, so the meeting is now concluded. Thank you all very much indeed.