

# House of Commons Home Affairs Committee

# The work of the Immigration Directorates (April–September 2013)

## Fifteenth Report of Session 2013–14

Report, together with formal minutes and oral evidence

Written evidence is available on the Committee website at www.parliament.uk/homeaffairscom

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#### **Home Affairs Committee**

The Home Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Home Office and its associated public bodies.

#### **Current membership**

Rt Hon Keith Vaz MP (Labour, Leicester East) (Chair)
Ian Austin MP (Labour, Dudley North)
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Mark Reckless MP (Conservative, Rochester and Strood)
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The following Members were also members of the Committee during the Parliament.

Rt Hon Alun Michael (Labour & Co-operative, Cardiff South and Penarth)
Karl Turner MP (Labour, Kingston upon Hull East)
Steve McCabe MP (Labour, Birmingham Selly Oak)
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#### **Powers**

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via www.parliament.uk.

#### **Publication**

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/homeaffairscom.

#### **Committee staff**

The current staff of the Committee are Tom Healey (Clerk), Robert Cope (Second Clerk), Duma Langton (Committee Specialist), Dr Ruth Martin (Committee Specialist), Eleanor Scarnell (Committee Specialist), Andy Boyd (Senior Committee Assistant), Iwona Hankin (Committee Assistant) and Alex Paterson (Select Committee Media Officer).

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### 1 Introduction

- 1. Following the abolition of the UKBA in March 2013, its responsibilities passed to two new organisations within the Home Office: the Immigration Enforcement Directorate and UK Visas and Immigration Directorate. More detail on the break-up of the UK Border Agency can be found in our July 2013 Report on The work of the UK Border Agency.<sup>1</sup>
- 2. This Committee has maintained a long standing interest in the work of the UK Border Agency and will continue to examine the performance indicators, as appropriate, for the two relevant directorates in the Home Office. Since our last Report we have received key performance data for two quarters, April to June and July to September, 2013. The data for the most recent quarter was submitted to the Committee ahead of the deadline and we would like to put on record our appreciation for this to the outgoing Minister for Immigration, Mark Harper MP, and the Acting Director, Immigration and Visas, Sarah Rapson, and look forward to the Home Office maintaining this standard in the future. We present the data in a slightly different order than in previous Reports, so that the performance indicators are grouped by directorate.
- 3. In addition to commenting on the performance data, we also comment on other subjects relating to immigration and asylum, the return of UKBA responsibilities into the Home Office, the end of transitional controls on Romanians and Bulgarians, and broader issues relating to the movement of EU nationals coming to the UK to seek work or access to the UK welfare state.

Home Affairs Committee, Fourth Report of Session 2013–14, The work of the UK Border Agency (October-December 2012), HC 486, paras 2-17

# **2** The work of the Immigration Directorates

#### **Migration statistics**

4. According to the Office for National Statistics (ONS), there was a net inflow of 212,000 long term migrants to the UK in the year ending September 2013.<sup>2</sup> Mark Harper MP, then Minister of State for Immigration, told us that the Government was still working towards reducing net migration to below 100,000 by 2015. He said the UK has had a "considerable amount of progress" reducing non-EU immigration, but conceded that the UK does not have the same ability to influence EU immigration.<sup>3</sup> This was shown by the latest ONS figures that said 209,000 EU citizens immigrated to the UK in the year ending September 2013, up from 149,000 in the previous year. At the same time 244,000 non-EU citizens immigrated to the UK in the year ending September 2013, a reduction from 269,000 in the previous year.<sup>4</sup> The Minister said also that the UK could not control how many people emigrate from the UK<sup>5</sup>—320,000 left the UK in the year ending September 2013, a reduction from 343,000 in the previous year.<sup>6</sup> The headline figure of 212,000 net immigration is an increase on the previous quarter (182,000 in the year up to June 2013) but not as high as the peak of 252,000 in 2010.

5. ONS data, and figures used by the Home Office, are largely based on the International Passenger Survey (IPS). As the name suggests, this is based on survey data (from a relatively small sample of 5,000), and prone to considerable margin of error. For example, if the estimate using IPS data of net migration is 200,000, then there is a 95% chance that the true value falls between 165,000 and 235,000.<sup>7</sup> In their inquiry on Migration Statistics, our colleagues on the Public Administration Committee said:

The Government must plan to end reliance on the International Passenger Survey as the primary method of estimating migration: it is not fit for the purposes to which it is put.<sup>8</sup>

The Public Administration Committee further recommended that the Home Office might get more reliable data if it made progress with the e-border programme:

e-borders data has the potential to provide better headline estimates of immigration, emigration and net migration from 2018. The ONS and Home Office should move

Office of National Statistics, <u>Migration Statistics Quarterly</u>, February 2014. 212,000 is a net figure, a result of 532,000 people immigrating to the UK and 320,000 emigrating from the UK.

<sup>&</sup>lt;sup>3</sup> Q20 and Q138

ONS <u>Migration Statistics Quarterly</u>, February 2014

<sup>5</sup> Q21

<sup>6</sup> ONS <u>Migration Statistics Quarterly</u>, February 2014

Public Administration Committee, Seventh Report of 2013-14, <u>Migration Statistics</u>, HC 523

Public Administration Committee, <u>Migration Statistics</u>, para 23

as quickly as possible to measuring immigration, emigration and net migration using e-border data.9

- 6. We have been following the stalled development of e-Borders for several years. 10 It would provide many benefits, not least because, as the Public Administration Committee found, it would provide more reliable data to base estimates and headline figures on. In our recent report on the work of the Permanent Secretary we welcomed some signs of progress towards a functioning e-borders system, but noted that: "many of the key benefits, including the ability to count all foreign national passengers into and out of the UK, are still a long way off."11
- 7. When Mark Sedwill, Permanent Secretary at the Home Office, gave evidence to the Committee he said it was still the Government's intention to have full exit checks through "e-borders and other mechanisms" by the time Parliament dissolved for the General Election in May 2015. He said that by the end of 2013 they would have had advance passenger information on 90% of air travel and the ability to "check the data of 75% of passengers coming in and leaving the UK".12
- 8. It is a travesty that, despite successive recommendations of this Committee, the collection of data of people entering and leaving this country has not happened. The goal set by the Government of full exit checks by the General Election in 2015 is unrealistic. We repeat our previous recommendation that the Home Office set out immediately its timetable for documenting the identity and nationality of all those entering and exiting the UK.

#### Estimates of Bulgarians and Romanians

- 9. We recognise there are concerns over the impact of EU immigration in many parts of the UK, heightened by the experience of 2004 when eight countries including Poland joined the EU (the 'A8'). The ONS has estimated that there were 663,000 people, aged 16 and over, from the A8 countries in the UK in 2013.<sup>13</sup> As such, there has been considerable interest in the potential number of Romanian and Bulgarian (the 'A2') nationals who might come to the UK after transitional controls ended on 31 December 2013.
- 10. We have tried to establish the number of Bulgarians and Romanians likely to come to the UK as of 1 January 2014. Migration Watch produced a range of estimates, by either using historical immigration from the A8 countries and scaling as appropriate to the populations of the A2 countries, or taking the historical migration of Romanians and Bulgarians to the UK before 2013 and assuming the numbers migrating in 2014 will double or treble once the restrictions had been lifted. Migration Watch accepted that the circumstances in 2014 are different to those in 2004, but maintain that the pull factors of the UK remain attractive. Migration Watch estimated between 30,000 to 70,000 people

Public Administration Committee, Migration Statistics, para 24

Home Affairs Committee, Third Report of Session 2009-10, The E-borders programme, HC 170

Home Affairs Committee, Thirteenth Report of Session 2013-14, The Work of the Permanent Secretary, HC 233

Home Affairs Committee, The Work of the Permanent Secretary, Q108; Oral evidence taken on 18 June 2013, Qq 6-9

EU Scrutiny Committee, Thirty-first Report of Session 2013-14, Documents considered by the Committee on 22 January 2014, The Free Movement of EU Citizens, HC 83-xxviii

from the A2 would come to the UK in each of the next five years, or about 250,000 over five years.<sup>14</sup>

- 11. We took evidence from the Bulgarian and Romanian Ambassadors to the UK and asked their views on the likely level of immigration after 1 January 2014. Konstantin Dimitrov, the Bulgarian Ambassador, commented on the estimate from Migration Watch and doubted the usefulness of a study "that sets such a hugely wide range between 30,000 and 90,000 [and] is an invitation for manipulation". He thought there could be 8,000 to 10,000 Bulgarians coming to the UK in 2014 and "not more than that." Dr Ion Jinga, the Romanian Ambassador, said that somewhere between 15,000 and 25,000 Romanians could come to the UK in 2014. These estimates combined would range between a minimum of 23,000 and a maximum of 35,000 in 2014. The higher total would be just above the lower end of the Migration Watch estimate of 30,000, and below the Migration Watch average of 50,000 if the 250,000 coming over five years was equally spread over each of the five years.
- 12. Since 2007, 150,000 from Bulgaria and Romania have moved to the UK.<sup>17</sup> (The ONS estimated there were 127,000 from Romanian and Bulgaria in the UK in 2013.<sup>18</sup>) Both Dr Jinga and Ambassador Dimitrov said there were many Romanian and Bulgarian nationals working in the UK,<sup>19</sup> in high skilled jobs such as doctors and professors, and in low skilled work such as fruit picking.<sup>20</sup> The Romanian Ambassador also pointed out that the number of Romanians registering for a National Insurance number—necessary to work in the UK or to claim benefits or tax credits<sup>21</sup>—decreased 22% between 2011-12 and 2012-13, compared to increases for Spaniards (up 50%), Greeks (44%), and Portuguese (43%).<sup>22</sup> Transitional arrangements were in place for seven years for Romanians and Bulgarians, and these controls appear to have had some impact. On 15 January 2014, the Romanian Ambassador to the UK estimated that fewer than 30 Romanians had come to the UK since 1 January.<sup>23</sup>
- 13. Mr Harper, then Minister for Immigration, doubted whether it was possible to predict migration from Bulgaria and Romania to the UK with any precision,<sup>24</sup> and that:

It would be the easiest thing in the world to cobble together a forecast and between now and the end of the year have a number that I went round citing. If I had a number, some people would no doubt say it was too low and some people would no

<sup>&</sup>lt;sup>14</sup> Migration Watch UK, <u>Immigration from Romania and Bulgaria</u>, 16 January 2013

Oral evidence taken on 23 April 2013, HC 1073-i, Q34

<sup>&</sup>lt;sup>16</sup> Oral evidence taken on 23 April 2013, HC 1073-i, Q1

<sup>&</sup>lt;sup>17</sup> Q115

EU Scrutiny Committee, Thirty-first Report of Session 2013-14, Documents considered by the Committee on 22 January 2014, The Free Movement of EU Citizens, HC 83-xxviii

Oral evidence taken on 23 April 2013, HC 1073-i, Q7

<sup>&</sup>lt;sup>20</sup> Oral evidence taken on 23 April 2013, <u>HC 1073-i</u>, Qq25-26

Letter from Mark Harper (DQ30006). See also Migration Observatory, Migration Flows of A8 and other EU Migrants to and from the UK, April 2013

Romanians' Migration to the UK: Predictions Versus Reality, Huffington Post, 2 February 2014. See also ONS Migration Statistics Quarterly, February 2014

<sup>23</sup> UK Immigration: Fewer than 30 Romanian arrivals since border restrictions lifted, says country's ambassador to Britain, The Independent, 15 January 2014

<sup>&</sup>lt;sup>24</sup> Oral evidence taken on 23 April 2013, <u>HC 1073-i</u>, Q59

doubt say it was too high [...] but the chances of that number being accurate I think are very slim<sup>25</sup>

#### He continued:

I have looked at all the forecasts I have seen from various outside bodies, and the thing they all have in common is they are all very different.<sup>26</sup>

However, when we asked Professor Sir David Metcalf, Chair, Migration Advisory Committee (MAC), if he would calculate estimates of Bulgarian and Romanian nationals after 31 December 2013, he replied:

Yes, that is the role of the Migration Advisory Committee. [...] Therefore, if we were tasked by the Government to make such an estimate, it would be absolutely our job to do that, yes.27

14. There are different sources that will be able to provide indicative data on the number of Romanians and Bulgarians in the UK in hindsight. Labour Market Statistics, showing employment levels by country of birth and nationality, covering January to March 2014 will be published on 14 May 2014. National Insurance number (NINO) estimates for the year ending March 2014 will be published on 22 May 2014. Long-Term International Migration (LTIM) statistics estimate the number of long-term migrants, based on the International Passenger Survey, for the year ending March 2014 will be published on 28 August 2014. Estimates using the Annual Population Survey, giving population by country of birth and nationality, for 2014 will be published in August 2015.<sup>28</sup>

15. The Committee continues to believe that the Government's decision not to commission estimates on the number of Romanians and Bulgarians who would come here at the ending of transitional migration controls was wrong. We are concerned that the decision not to commission has increased anti-immigrant prejudice and has been commandeered by those who wish to inflame tensions about immigration for political gain.

16. We recommend that the Government commission the Migration Advisory Committee to carry out research on the number of Romanians and Bulgarians in the UK with two strands. First to assess those who arrived during the transitional period (1 January 2007 to 31 December 2013), their social and economic impact upon the UK, and the balance between their contribution and their usage of the social security system. Secondly, to assess the number of those who have arrived since 1 January 2014, and, on the basis of this data, make an assessment of how many are likely to come in the near future. The Committee has seen no evidence to suggest that there has been an increase in migration from Romania and Bulgaria. It would appear rather more a trickle then a flood.

Oral evidence taken on 23 April 2013, HC 1073-i, Q60

Oral evidence taken on 23 April 2013, HC 1073-i, Q66

<sup>27</sup> 

ONS, Bulgarian and Romanian migration to the UK in 2014, ONS, 17 January 2014

17. We recommend that for any future enlargements the Migration Advisory Committee be tasked by the Government to provide an estimate of the numbers arriving in our country, including how many people have already arrived from these countries under EU treaties. Had they done so for the 2007 enlargement, they would have discovered that 144,000 Romanians and Bulgarians were already working in the UK in December 2013. If the Government refuses to task the Migration Advisory Committee to commission estimates, we will request that they do so.

#### EU immigration and access to benefits

18. The UK social security system is one of the 'pull factors' that the UK Government has addressed to try and deter people from moving to the UK without a firm offer of work, particularly from those EU countries with a considerably lower GDP. The Government has increased, by three months, the time period that has to pass before someone from the European Economic Area (EEA) person can be eligible to claim jobseeker's allowance, and that this entitlement will end after six months. Unemployed EEA nationals will no longer be able to claim housing benefit after 1 April 2014.<sup>29</sup> There are proposals that, from 1 March 2014, EEA nationals will have to satisfy a Minimum Earnings Threshold to demonstrate that they have been earning enough that their employer started to pay national insurance, and have done so for three months. If not, then they will be assessed to see if the work they have been doing has been "genuine and effective" before they will be able to claim benefits such as jobseeker's allowance.<sup>30</sup>

19. It has been argued that some EU migrants migrate to the UK to access the benefits system. Both the Bulgarian and Romanian Ambassadors said that their citizens who moved to the UK did so for jobs and not social security. According to Ambassador Dimitrov their "access, or their resort to the system, is negligible." Dr Jirga gave the example of child benefit:

Last year, from the total number of 40,000 child benefit claims in respect of children living in another country, only 300 went to Romanian children. It is 0.8%; it is negligible.31

Both the Bulgarian and Romanian Ambassadors said they had no objection to limitations on access to welfare benefits on condition that the rules were applied consistently to nationals of all EU states.<sup>32</sup> One media report said that many Romanians in Romania had been unaware that the restrictions on access to the UK had been lifted until "they saw the issue on TV" and that they did not know they "were even eligible for things like benefits".33

20. Research in Sweden, which did not introduce transitional restrictions for the A8 countries in 2004 nor for the A2 countries in 2007, found that migrants from Romania and Bulgaria contributed less in tax than the population average due to lower than average wages, but made a net contribution to public finances and were "subject to substantially

New rules to stop migrants claiming Housing Benefit, DWP press release, 20 January 2014

Minimum earnings threshold for EEA migrants introduced, DWP press release, 21 February 2014

Oral evidence taken on 23 April 2013, HC 1073-i, Q27

Oral evidence taken on 23 April 2013, HC 1073-i, Q22

Huge rise in British firms seeking staff in Romania, The Times, 31 January 2014

less government spending on schooling, hospital care, and elderly care compared to the general population."34 DWP figures show that, as of February 2011, 16.6% of working age UK nationals were claiming a DWP working age benefit, compared to 6.6% of non-UK nationals—at the time they first received a NINO.35 One analysis, from the Centre for Research and Analysis of Migration at University College London, found that, between 2001 and 2011, post-1999 EEA migrants made a net fiscal contribution of £22.1 billion to the UK, with an additional £2.9 billion from non-EEA migrants.<sup>36</sup>

21. Mark Harper has said that while it can be argued that EU citizens do not, in general, use welfare benefits more than host country nationals, "this ignores the public perception of such abuse and the very real costs to individual Member States."37 Governments in other EU Member States, including Germany, are also mindful of public unease about immigrants accessing their social security system.<sup>38</sup> In November 2013, partly after pressure from the UK Government on the abuse of free movement, the EU Commission published a Communication entitled "Free Movement of EU Citizens and Their Families: Five Actions to Make a Difference". 39 The Communication said:

Recent studies conclude that there is no statistical relationship between the generosity of the welfare systems and the inflows of mobile EU citizens. 40

In evidence from the UK to the Commission on free movement abuse, Mr Harper admitted difficulty in providing "details of the volume of nationals from other EU countries claiming benefits in the UK". Mr Harper told us that:

The current system that the DWP has does not record, as a matter of course, people's nationality. That will change as we roll out Universal Credit but the current system doesn't.41

Mr Harper later wrote to the Committee to say that, using NINO data, an estimated 397,000 non-UK nationals were claiming working age benefits as of February 2013 and, of these, 59,550 people, or approximately 15%, were from the A8 Accession countries.<sup>42</sup>

22. We accept that it is difficult to assess the actual impact of restricting access to benefits upon migration between individual countries in the EU and the UK, not least because we are unable to measure the nationality of individuals claiming benefits in the

The fiscal consequences of unrestricted immigration from Romania and Bulgaria, Vox, 18 January 2014

Nationality at point of National Insurance number registration of DWP benefit claimants: February 2011 working age benefits, Department for Work and Pensions, January 2012

Centre for Research and Analysis of Migration, The Fiscal Effects of Immigration to the UK, Discussion Paper Series, November 2013, CDP No 22/13

Cabinet Office, Communication from the Commission to the European Parliament, the European Parliament, the European Economic and Social Committee, the Committee of the Regions and the European Council, Free Movement of EU Citizens and their Families: Five Actions to Make a Difference

A prosperous Germany also worries about the cost of EU migrants, Financial Times, 3 February 2014

EU Scrutiny Committee, Thirty-first Report of Session 2013-14, Documents considered by the Committee on 22 January 2014, The Free Movement of EU Citizens, HC 83-xxviii

COM(2013) 837 Final, Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions - Free movement of EU citizens and their families: Five actions to make a difference, 25 November 2013

Letter from Mark Harper (DQ30006)

UK. The limited evidence that does exist suggests that the scale of so-called 'benefits tourism' is at much lower levels than claimed by the Government. It is all the more important that, on such a sensitive and controversial issue, the full facts are presented to the public. The Committee is concerned that Universal Credit, whilst seen as a 'silver bullet' to improve the measurement of such data, has experienced major delays and criticisms of inadequacy. The Committee suggests that the information on the number of migrants with a National Insurance Number should be readily available. We recommend the Government publish the data immediately with respect to EU nationals and non-EU/EEA nationals. This Committee will be requesting this information on a three monthly basis as part of our key indicators.

#### **Romanians and Bulgarians**

#### Transitional controls

23. The free movement of citizens is one of four "fundamental freedoms" enshrined in EU law. Bulgarian and Romanian nationals have been able to exercise their right to free movement within the EU since their countries joined the EU on 1 January 2007, this would allow them to travel to the UK but it did not mean they were entitled to work or permanently reside in the UK. Existing Member States were able to apply transitional controls, to restrict access to their labour markets from workers in the new accession states. The transitional controls can be in place for two years initially, then extended for a period of three years. At the five year point, they can be extended for another two years if the Member State notifies the Commission of a "serious disturbance", or the threat of one, in their labour market. Seven years is the maximum period possible under EU law.<sup>43</sup> The transitional controls do not entirely stop migration. Romanians and Bulgarians were able to move to the UK if they were a student, self employed or self sufficient-Migration Observatory research suggests as many as 59% of Bulgarians and Romanians came to the UK as self employed.44

24. In 2004, when eight countries joined the EU, 45 the UK was one of three countries that applied no such transitional arrangements. 46 Seven years later, the 2011 census suggested about 1.1 million residents of England and Wales were born in one of the A8 countries, including 579,121 from Poland.<sup>47</sup> In 2007, the UK did apply transitional restrictions on Romania and Bulgaria—in contrast, ten of the twenty five EU states did not apply transitional restrictions on Bulgaria and Romania.48 The UK continued to apply transitional restrictions for the maximum seven years until the 1 January 2014.<sup>49</sup>

Member states could lift or not apply the restrictions at any point from 1 January 2007 to 31 December 2013, and could re-introduce any restrictions lifted during the seven years.

Migration Observatory, Costs and 'Benefits': Benefits tourism, what does it mean? 21 February 2014. The figure for self employed among UK nationals is 13.9%.

The A8 countries being Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia

<sup>46</sup> The UK, Ireland and Sweden were the only EU countries that did not apply transitional arrangements in 2004.

<sup>47</sup> Migration Observatory, Migration Flows of A8 and other EU Migrants to and from the UK, April 2013

The ten were the Czech Republic, Cyprus, Estonia, Finland, Latvia, Lithuania, Poland, Slovakia and Sweden.

Not all Member States applied the same restrictions. European Commission, Employment, social affairs and inclusion, Summary table of Member States' policies—Workers from Bulgaria and Romania, July 2012

25. Professor Sir David Metcalf, Chair, Migration Advisory Committee, told us that the main reason for extending the transitional controls for the full seven years was that the recession had led to high levels of unemployment and this had "seriously disturbed" the UK labour market. He said the labour market was not as "seriously disturbed" now and employment had held up better than expected. Therefore, the argument for extending controls beyond seven years was weaker now but "the case would be finely balanced."50 Although not considered, an amendment to the Immigration Bill at Report stage proposed an extension to the transitional controls on Romanian and Bulgarian nationals until 31 December 2018. When asked if the transitional controls could have been extended, Mr Harper said any attempt to extend the period

Would not be enforced by British courts and it is simply not possible for that amendment to have the effect that Mr Mills was seeking [to extend the transition period] because of what the European Union accession treaties say.<sup>51</sup>

#### Seasonal Agricultural Workers Scheme

26. While the transitional restrictions allowed skilled individuals to come if they filled a specific vacancy, such as the Romanian doctors and nurses working in the NHS,<sup>52</sup> a limited number of low skilled workers from Romania and Bulgaria were allowed access to the UK job market in two specific areas: the Seasonal Agricultural Workers Scheme and the Sector Based Scheme (food processing). Workers from the A2 countries had made up about one third of the 63,000 seasonal agricultural workforce. Both schemes ended on 1 January 2014 and concerns have been raised, including by the National Farmers Union, that there could be problems finding seasonal labour in the future.<sup>53</sup>

27. It is unlikely that Croatia, which joined on 1 July 2013 and currently subject to transitional controls until, potentially, 2020, would provide enough seasonal labour.<sup>54</sup> The current candidate countries to join the EU are Iceland, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey, but none of them have completed accession negotiations and signed an accession treaty with the EU.

28. Dr Metcalf said that removing the transitional restrictions meant these same workers would now have access to 'nicer jobs' and so there might be problems attracting seasonal workers into agricultural jobs. Dr Metcalf said there are workers from other nations willing to carry out the work, such as Lithuania, but "it is very difficult to get the British workers to do this".55

29. With the lifting of transitional controls on Romania and Bulgaria, it seems likely that there will be a shortage of labour in what were the Seasonal Agricultural Workers Scheme and the Sector Based Scheme (food processing) in the near future. It is not clear what the Government's position is on how to address this problem, particularly as there

<sup>0122</sup> 

Oral evidence taken on 23 April 2013, HC 1073-i, Q25

NFU Policy Proposal, A Seasonal Agricultural Workers Scheme (SAWS) for the Next Decade, May 2012

are no obvious alternative European accession countries that might provide sufficient workers. The previous immigration Minister told us that, where it has proven difficult to entice British workers to take on jobs, such as pizza delivery staff, the answer was for employers to offer better pay. The Government must explain how it intends to fill the void left with the end of the Seasonal Agricultural Workers Scheme so that farmers can find willing workers, or if it expects the void to be filled simply by farmers offering higher wages.

#### **The Migration Advisory Committee**

30. The Migration Advisory Committee (MAC) is an independent body, consisting of a chair: Professor Sir David Metcalf, Emeritus Professor, London School of Economics, and five economists: Dr Martin Ruhs, Professor Jonathan Wadsworth, Dr Jennifer Smith, Professor Jackline Wahba, and Lesley Giles.<sup>56</sup> The purpose of the MAC is to provide transparent, independent and evidence-based advice to the government on migration issues. It agrees its work programme each year with the Government, with the caveat that the Government can commission additional work and change the MAC work programme at any time. The MAC can itself "commission research as it sees fit, within a set budget".57 The MAC issues consultations, receives evidence and publishes its advice as reports.<sup>58</sup>

#### Skilled workers

- 31. The Government has said it will reduce overall immigration while still attracting "the brightest and the best". The Government has had some success in reducing immigration from non-EU countries, down 36% since September 2010,<sup>59</sup> by tightening access, via the family, study and work route. 60 Finding the balance between allowing those with desirable skills and reducing overall numbers is a difficult one, and the consequences of finding that balance has been raised in several sectors.
- 32. Home Office statistics suggest that the numbers of skilled people being sponsored by UK employers in sectors such as IT and science have increased: in Information and Communication (9,410, up 12%), Professional, Scientific and Technical Activities (8,267, up 12%), Financial and Insurance Activities (5,785, up 10%) and Manufacturing (2,490, up 6%).61
- 33. At the same time, there are concerns that the UK does not have the number of skilled people in certain areas and Government policy is actively discouraging the same people from coming to, or staying in, the UK. James Dyson, founder of Dyson, the technology

Dr Martin Ruhs, Centre on Migration, Policy and Society (COMPAS), University of Oxford; Professor Jonathan Wadsworth, Royal Holloway College, London; Dr Jennifer Smith, Associate Professor in the Economics Department at Warwick University and Associate Researcher at the Centre for Competitive Advantage in the Global Economy; Professor Jackline Wahba, Professor of Economics at the University of Southampton, and lead on migration research at the ESRC Centre for Population Change; and Lesley Giles, Deputy Director at the UK Commission for Employment and Skills

Home Office and Migration Advisory Committee, MAC framework document 2012, July 2012

More information on the Migration Advisory Committee and copies of their reports can be found at: www.gov.uk/government/organisations/migration-advisory-committee

Home Office Mid-Year Report, April to end of September 2013, January 2014

<sup>60</sup> 

Home Office Mid Year Report, April to end of September 2013, January 2014

group, has said that the UK is at risk of not having enough engineers. He wanted more incentives to educate British students into British engineers, but at the same time he decried the UK's stance towards foreign engineering students in the UK:

We take their money and give them our knowledge. But then we kick them out, dispatching newly trained engineers to foreign shores. Our experts are training the competition. [...] These are the world's most promising engineers. We ought to be encouraging them to stay, not waving them goodbye.<sup>62</sup>

- 34. We are aware of fears that Indian restaurants are unable to employ enough chefs with the necessary skills. The requisite skill level for chefs to enter the UK under Tier 2 has gradually increased to NQF6 level—the equivalent of a degree—and the chef would be expected to be earning around £30,000 a year.<sup>63</sup> We were told this is not attainable for 99% of the UK's 'Asian cuisine' restaurants. The Minister said that, at a time when the UK had "1 million young people unemployed and we have the EU labour market" meant that "for those chefs at a lower skill level, the industry needs to bite the bullet and train."64
- 35. One of the roles of MAC is to publish the Shortage Occupation List for Tier 2, setting out the priority skill areas for the UK economy. In its sixth review of the list, the MAC drew attention "to the increase in the number of engineering job titles on the list in both this 2013 list and the previous 2011 list." The MAC also recommended that the minimum salary threshold for skilled chefs be increased from £28,260 to £29,570.
- 36. We are not convinced that the Government has got the right balance between restricting immigration and attracting skilled people in some sectors that have a skills gap.
- 37. We are concerned that in areas such as restaurants, there are many small businesses that can neither afford the wage required under Tier 2, nor have enough time to train the chefs of the future. Skills level assessments must be based on realistic vocational knowledge. Otherwise this will lead, and has done so already, to the closure of businesses and negative effects on the economy. The Committee recommends that the Migration Advisory Committee and the Home Office should consult with industry, including caterers' associations and restaurateurs in order to better understand the affects of this policy, with a single focus on the Asian/Oriental restaurant sector.

#### EU migration and wages

38. There is a risk that immigration of low skilled workers from the EU displaces UK workers, that some employers may see migrants from some EU countries as a pool of cheap labour, in some cases pay them below the minimum wage, and create downward pressure on wages. Mr Harper said that the evidence was mixed, some evidence suggested there is downward wage pressure, but that there is also evidence that it does not have a significant impact. He said the Government's position was all employers should follow the

Stop kicking out bright foreigners, or put British jobs at risk, Financial Times, 3 February 2014

Qq139-140

Qq108-109

law, and that HMRC was becoming more successful at recovering and repaying those who were underpaid.65

39. We note that the MAC has been carrying out research into migrant employment in low-skilled work, and one of the areas they were would be investigating would be: "If migrant workers were not available, would the work be done by UK-born workers at the same/ higher wages?"66 The Migration Advisory Committee is due to present the results of its study into migrants and low skilled work to the Minister by April 2014. We look forward to the publication of this research, and intend to take evidence from the MAC on the results as soon as possible afterwards.

#### Tier 1 Investors

40. The Tier 1 visa route is for "High Value Migrants", those who are exceptionally talented or rich. There are different strands available within Tier 1, including the Entrepreneur route, for those who want to set up or take over a business in the UK, and the Investor route. The latter enables individuals to get a visa by either investing £1 million of their own money in the UK; or having at least £2 million in personal assets plus taking out a loan of £1 million or more for investment in the UK. Essentially, the UK are providing a route to gain indefinite leave to remain after five years. The possibility of citizenship after that, if an individual takes out a loan of £1 million for five years, and the time period waiting for indefinite leave to remain could be reduced with loans of £5 million or £10 million.<sup>67</sup> Professor Metcalf, MAC, said "It is selling indefinite leave to remain." <sup>68</sup> He said most investors buy gilts for five years, only to sell them once they get indefinite leave to remain. He said that the purchase of gilts brought no benefit to the UK:

They get their indefinite leave to remain and then they sell them. We do not need their money.69

It was assumed that, in the meantime, they took part in entrepreneurial activity, but Professor Metcalf said it was proving difficult to establish exactly what that activity was.

41. Professor Metcalf thought the UK could ask for more from those applying through the Investors route:

I do think that we need to think a little bit more creatively instead of just buying gilts. There surely are better ways that we can get people investing in Britain; I repeat it is only a loan, it is not a gift<sup>70</sup>

42. Professor Metcalf told us that when the MAC had started looking at the Investors route, the first thing that struck him was that it was not clear why the Investors route existed, and that while "It may be a good thing but it is not self-evidently a good thing."71

Qq18-19

Migration Advisory Committee, Review into migrant employment in low-skilled work, Call for evidence, Sept 2013

Oa128-129

<sup>0131</sup> 

<sup>0126</sup> 

<sup>0126</sup> 

<sup>0126</sup> 

He compared the UK Investor route to proposals in Malta where individuals could acquire a Maltese passport on condition that they pay €650,000,<sup>72</sup> buy at least €350,000 in Maltese property and borrow €150,000 in Maltese government bonds. Furthermore, it has been reported that the scheme, worth a possible €60 million (£49 million), will be contracted out to a British firm.<sup>73</sup> The initial proposals did not require applicants to be resident on Malta but, by virtue of securing access to the EU, would allow immediate right of residence in all 28 EU member states. 74 The scheme was subsequently amended to include a condition that the applicant provided proof that they had resided in Malta for the prior 12 months.<sup>75</sup> Similar schemes are available elsewhere in Europe, notably in Portugal and Cyprus.<sup>76</sup> When asked his view on the Maltese proposals, Mr Harper said that there was little the UK could do to address this issue:

The decision about who is a citizen of Malta, as is the decision about who is a citizen of any other European country, is a matter for the governments of those countries, in the same way that decisions about who becomes a citizen of the United Kingdom is a matter for the United Kingdom's Government.<sup>77</sup>

- 43. The Migration Advisory Committee published a Report on the Tier 1 (Investor) route on 25 February, in which it outlined several options for reform of the Investors route. These include raising the minimum investment threshold from £1 million to £2 million, widening the investment options to encourage alternatives to gilts, and removing the ability of the investment funds to be raised by way of a loan.
- 44. The MAC found that the higher investment route, offering accelerated settlement in return for higher levels of investment, had attracted little interest, with the "onerous" residency requirements deterring investors. The Report recommended that the residence requirements be relaxed for the high value investors from 185 days to 90 days per annum. This would provide a UK visa but only require the individual to be resident for three months of the year. The number of such visas would be capped at 100 per year and essentially auctioned via sealed bids, with a reserve price of £2.5 million, including a gift of £500,000 to be donated to a "good causes fund" that could benefit schools, hospitals, or charities, rather than go straight to the Exchequer. 78 Anything in the bid over £2.5 million would be channelled into the good causes fund.79
- 45. The Committee was alarmed by Professor Sir David Metcalf's admission about the purchase of gilts for citizenship. The current evidence suggests that there appears to be very little benefit. While the Government considers the options for a system more beneficial to the UK, as outlined in the MAC report, we recommend the Home Office

Oa1-3

Passports for profit: British company to make 'disgusting amounts of money' from controversial EU passport sale, The Independent, 30 January 2014

Malta to defy MEPs and sell passports for €650,000, Financial Times, 16 January 2014

Joint Press Statement by the European Commission and the Maltese Authorities on Malta's Individual Investor Programme (IIP), Brussels, 29 January 2014

<sup>&#</sup>x27;Passport for sale' plan raises concern among EU members, Financial Times, 9 December 2013

MAC, Tier 1 (Investor) route, investment thresholds and economic benefits, February 2014

UK proposal for £2.5 million 'premium' visas for wealthy foreigners, Financial Times, 25 February 2014

suspend the Tier 1 (Investor) visa route. The practice of other European Union Member States selling citizenship is extremely worrying. As the Minister for Immigration pointed out, the UK has neither power nor control over the policies of other EU States in this regard. We do not believe Britain should follow the example of Malta, for the reasons stated in evidence. The Committee recommends that the Home Office seek urgently to petition the European Commission about this practice. Otherwise Britain's immigration controls would be in danger of being sidestepped by those with sufficient wealth.

46. We are perturbed at the new recommendation by the Migration Advisory Committee to sell British settlement by auction. This process is riddled with difficulties and combined with the reduction in standards required of those gaining citizenship, including limited or no English or Welsh language skills, will be a recipe for disaster. A requirement to speak English or Welsh has been a cornerstone of the development of immigration policy under successive Governments. If the Home Office are to accept these proposals, there must be thorough and robust due-diligence applied to these potential new citizens to ensure that they are fit and proper persons to be admitted to settle in this country and placed on the path of citizenship. We will examine the Home Secretary on this when she next appears before the Committee.

#### The Migration Refusal Pool and Capita

47. The Migration Refusal Pool (MRP) consists of cases where an individual has been refused leave to remain, and where the Home Office lacks evidence that the individual has either departed from the UK or obtained a grant of leave by an alternative route. The MRP is being expanded constantly as applications are refused. Similarly, cases are being removed from it as people leave the UK, either forcibly or voluntarily, are granted leave, or lodge an appeal or a new application. Sarah Rapson, Director General, UK Visas and Immigration, said that the more the Home Office clears its backlogs, the more work flows through the system including additions to the MRP.80 The total has continued to vary between 181,000 and 194,000 over the last year. The most recent figure we have is 182,251 at the end of Q3 2013. We note that the Independent Chief Inspector of Borders and Immigration has started an inspection into over-stayers and "the steps that are being taken to reduce the size of the migration refusal pool."81

48. In 2012, the Home Office contracted with Capita to "consider, cleanse and conclude 150,000 cases" in the backlog of records in the Migration Refusal Pool. This includes identifying duplicates and errors in the records, checking if people have gone home, and trying to make contact with those who have not. In January 2013, Alistair Taggart, Managing Director, Secure Borders Solutions, Capita plc, told us that Capita were working on a presumption of about 20% of the MRP being removed and that 65% of the MRP would present barriers to removal.82 Such cases are then passed back to the Home Office

<sup>078</sup> 

Independent Chief Inspector of Borders and Immigration, <u>Inspection Plan for 2013-14</u>, March 2013

Oral evidence taken on 29 January 2013, HC (2012-13) 914-i, Qq28-29

for further casework, be that removal or confirmation that the individual has applied for another route to remain in the UK.83

49. We were told that payments to Capita are linked directly to desirable outcomes for the Home Office. Rob Whiteman, the former Chief Executive, UKBA, told us that:

Capita will be paid for the number of people that they make contact with and who leave, and that is purely on a payment-by-results basis.84

He confirmed this in a letter to the Committee on 25 January 2013, that the incentives in the contract were "focussed solely on increasing confirmed departures." He said the initial contract was £4 million to look at the 150,000 cases, but that "further migrant work could be put through the contract and could rise to £30 million over four years depending on their performance." 85

50. By the end of September 2013 Capita had assessed 196,200 cases, of which 83,400 were cases where a "barrier to removal" had been identified. A considerable proportion of those 83,400 cases with a barrier to removal (56,600) were identified in the three months of July, August and September (Q3 2013). We understand that there were changes in the contract regarding how Capita dealt with barrier cases at this time, and these changes led to a "significant increase" in such cases being passed back to the Home Office. 86 Of the 196,000 Capita had assessed, 34,500 of the cases were confirmed as having left the UK. We understand that Capita will have been paid for identifying these as departures, even if the individual left the UK before the period of the contract.87

- 51. We remain seriously concerned about the cost of outsourcing this contract to Capita. The changes to the contract suggest that Capita are being remunerated for identifying those who have left and not for action leading to these departures. The Committee cannot understand why this work could not have been undertaken by the Home Office directly. We reiterate our call for the terms of the contract to be immediately made public.
- 52. The Home Office should make clear why changes were made to the contract with Capita regarding their work on the Migration Refusal Pool, and what led to the "significant increase" in the number of barrier cases being passed back to the Home Office. The barrier cases have to go back into the system to be addressed by Home Office staff, presumably back in to the established Migration Refusal Pool backlog. We welcome the fact that the Capita exercise appears to have been successful in removing duplicate and erroneous records. The next test is to see how quickly the cases which have been identified with barriers to removal are addressed and closed.

<sup>063</sup> 

Eighth Report of the Committee, Session 2012-2013, The Work of the UKBA (April - June 2012), HC 603, Q35

Oral evidence taken on 29 January 2013, HC (2012-13) 914-i, Ev 9

Home Office data Q3 2013 (DQ30005), footnote to para 20

Oral evidence taken on 29 January 2013, HC (2012-13) 914-i, Q12, Qq55-57

#### Allegations database

53. Set up in September 2012, the Allegation Management System is intended to record intelligence leads from the public in a consistent way and assist in enforcement action against illegal immigrants and those who over-stay. Historically, a low proportion of intelligence leads supplied by the public have led to enforcement action. In Q3 2013 there were 1,332 arrests from allegation, up slightly from 1,304 in Q2 2013. There were 306 removals resulting from an allegation arrest in Q3 2013, down from 515 in Q2 2013.

54. From September 2012 to July 2013, around 6.3% of allegations led to an investigation by Immigration Enforcement officers, 4.2% led to an arrest and 1.5% resulted in a deportation.88 In Q2 2013, Immigration Enforcement received 18,836 pieces of information on immigration, 7% of which led to arrests and 2.5% led to a removal. In Q3 2013, they received 20,020 pieces of information, 6.6% of which led to an arrest and 1.5% led to a removal. The time lag between allegations and removal can take up to six or nine months.89

55. The Committee recognises that action on illegal immigration should be intelligence led. We have commented in the past about the risk of the Home Office developing communication strategies to encourage reporting but those strategies undermining confidence in the system if they do not lead to action being taken. At the moment only a small proportion of allegations are investigated. The Committee finds it completely unacceptable that only 1.5% to 2.5% of allegations lead to a removal. The Home Office should be clear whether this is because most allegations are unfounded or because they are not taking action. We are concerned that a whole unit exists to deal with these allegations, yet the results are so poor. The Government must clarify why this figure is so low, what is the cost of policing these allegations and what further action they are taking to improve the proportion leading to a removal.

HC Deb, 4 July 2013, col 784W

O48

#### **Foreign National Offenders**

#### **Operation Nexus**

56. Operation Nexus is an initiative between the Metropolitan Police and UKBA (now Immigration Enforcement) to speed up the removal of Foreign National Offenders in London. The two organisations cross check forensic evidence through what were UKBA databases. The operation has also helped establish relationships with police from the countries the offenders come from. UKBA officers have been stationed in 21 police custody suites across London to run identity data of those arrested through UKBA databases. (The immigration checks are made upon arrest rather than when the individual is charged with an offence.) Any intelligence gained can be put before an immigration tribunal as an indication of suspected criminality, and suggest the individual's presence in the UK is considered not conducive to the public good. Over an eight week period, Operation Nexus performed checks on 41,712 individuals, of which 10,312 were identified as foreign nationals, split approximately half and half between EU nationals and non-EU nationals. Of these, 1,432 individuals were identified as "high harm/prolific offenders".90 These figures were reported in February 2013.

57. We recommend that the Government publish further statistics on the operation of Operation Nexus; it is unhelpful that these figures are so out of date. In particular, we would like updated figures on the number of checks performed, the number of individuals identified as foreign nationals, the number identified as prolific offenders, and the number deported as a result of Operation Nexus. We are concerned that this good practice is only happening in London. If the Government is to get tougher on foreign national offenders these schemes ought to be undertaken elsewhere. The Committee recommends that the Home Office extend the scheme to other places in the UK with a high prevalence of foreign nationals offending.

58. Concerns remain around the ability of the Border Force to stop foreign national offenders from returning to the UK. Frontline Border Force staff check passenger passports against a database called the Warnings Index, which should alert them if the person should be detained or questioned, including by other agencies. A recent NAO Report expressed concern about the ability of Border Force to stop undesirable people entering the country, and said:

The Warnings Index went live in the early 1990s and was designed to have a sevenyear life span. It is now unstable and at risk of collapsing. It also contains a great deal of out-of-date information91

The NAO Report noted that while the Border Force does check all passengers arriving in the UK by scheduled services, it does not receive advance passenger information about more than one third of passengers entering the UK, and what it does receive is mainly from airlines arriving from outside the EU. About half of those identified by Operation Nexus were non-EU nationals.

Operation Nexus and Migrant Communities: questions and concerns, Migrants' Rights Network, 25 February 2013

NAO, The Border Force: securing the border, HC 540, September 2013, para 2.30

- 59. While not part of Operation Nexus, the example of Baksim Bushati, recently jailed for seven years after being found with £26,000 of cocaine and £14,000 of cash, is apposite. Baksim Bushati, originally from Albania, had been jailed and deported back to Albania in 2005, then in 2010, and again in 2013. Each time he re-entered the UK. Judge Richard Bray, sentencing Baksim Bushati at Northampton Crown Court, described the UK's defences to illegal immigration as "leaking like a sieve" and the Border Force as "powerless" and as "hopelessly undermanned".92
- 60. We are astonished that the Home Office has not learnt the lessons from the Raed Salah case. The Bushati case reinforces the necessity of ensuring that systems are put in place that can identify individuals that the UK does not want to allow in. If Baksim Bushati had been listed on the National Warnings Index, his re-entry and subsequent criminality could have been prevented. It is clear that the National Warnings Index is not being properly maintained. To allow Baksim Bushati back into the country was a serious and unacceptable failure. This should never be allowed to happen again. Despite the provisions made to prevent foreign offenders returning to the UK after deportation, it is clear more needs to be done. Further steps should be taken immediately to close the gaps in the process. There is a real possibility that other dangerous criminals may have been able to enter the UK in a similar way. The Home Office needs to publish its list of co-operation agreements with all other countries to enable convictions to be shared.

#### **Asylum**

61. The Committee published its Report on Asylum in August 2013. One of our concerns related to Government proposals to introduce a residence test for civil legal aid claimants, i.e. that they are lawfully resident in the UK and have been lawfully resident in the UK for the last twelve months. The Committee was concerned that an individual, on gaining asylum, would then become subject to the residency test and lose entitlement to legal aid for twelve months. The Government's Response to this recommendation said:

We have proposed that asylum seekers, children, and victims of domestic violence or human trafficking will be exempt from the residence test for all civil proceedings. This is because, by virtue of their circumstances, they tend to be amongst the most vulnerable in society. By an asylum seeker we mean a person seeking refuge from their country of origin and claiming rights described in paragraph 30(1) of Part 1, Schedule 1, Legal Aid Sentencing and Punishment of Offenders Act 2012. This includes rights to enter and to remain in the United Kingdom arising from the Refugee Convention.

62. The Children's Society welcomed the Government's response on this matter, but raised an inconsistency with the current position of the Ministry of Justice, where children were not exempt generally from the residence test for all civil proceedings, but only in very limited circumstances, for example care proceedings.

63. We recommend that the Home Office and the Ministry of Justice make clear that the exemption for children from the residency test does apply for all civil proceedings, and ask the Government to make clear as to when the change will be implemented.

# 3 Key indicators of the Immigration Directorate's performance

64. The Committee assesses the Home Office's performance on a quarterly basis against a number of indicators covering the major aspects of its work. This chapter looks at Quarter 2 and Quarter 3 2013. The chapter is split into two sections, reflecting how the work is divided in the Home Office.

#### 65. Part one covers the work of UK Visas and Immigration

- Visa applications
- Sponsors and licensing
- Asylum and immigration
- Appeals and tribunals performance
- MPs' correspondence
- Staff numbers and remuneration

Part two covers the work of Immigration Enforcement

- The Migration Refusal Pool
- **Enforcement action**
- Immigration detention
- Foreign national offenders

These lists are not definitive and the Committee may decide to add further indicators.

# 4 UK Visas and Immigration

#### **Visa applications**

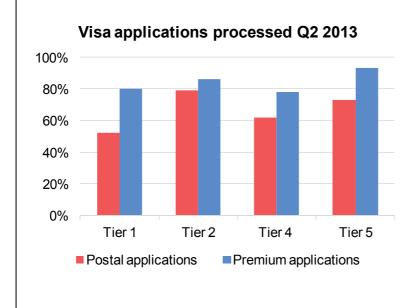
#### Visas issued

66. The UK point based system provides for visas in separate categories: Tier 1 is for "high value" individuals. Tier 2 is for skilled workers from outside the EU with a skilled job offer. (Tier 2 is subject to an annual upper cap of 20,700.) Tier 4 is for students and Tier 5 is for people whose reason to work in the UK is temporary and not for work reasons, e.g. artists. The service standard target for in-country postal visa applications is 90% in four weeks.<sup>93</sup> The service standard target for premium visa applications is 90% in 24 hours.

#### In country processing

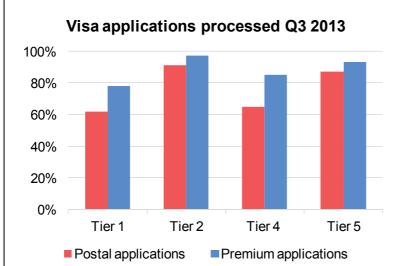
#### Q2 2013 - Worse Performance

The two charts below show the proportion of in country visas applications process within target by Tier for postal and premium applications for Q2 2013 and Q3 2013.



#### In country processing

#### Q3 2013 - Worse performance



For both quarters, performance on postal and premiums applications for all tiers are below target albeit a marked improvement from a year ago.1

#### Work in progress - worse performance

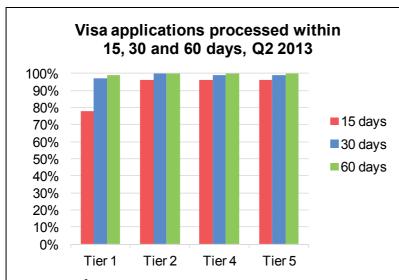
In Q3 2013, there were 141,005 in country visa applications which were work in progress of which 7% were un-input cases. This is up from 131,515 work in progress cases in Q2 2013 of which 2% were un-input cases

#### Out of country processing

#### **Worse Performance**

The chart below shows out of country visa applications processed within 15, 30 and 60 days by Tier in Q2 2013.

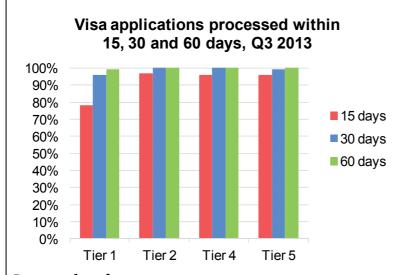
Performance in Tier 1 is below target.



#### Worse performance

The chart below shows out of country visa applications processed within 15, 30 and 60 days by Tier in Q3 2013.

Performance in Tier 1 is below target.



#### Improved performance

There are 67,078 out of country visas applications that are work in progress in Q3 2013. This is a decrease from 107,259 in Q2 2013 but an increase from 45,280 in Q3 2012.

#### Service standards

67. In our last Report we commented on the poor service standards on visa applications. Sarah Rapson told us that one of the reasons for creating UK Visas and Immigration (UKVI) out of the demise of UKBA was so that the directorate could adopt a more customer-focused approach to its work. The Immigration Minister later wrote to the Committee to set out new service standards for the UKVI. In his letter, the Minister said:

To date our customer service standards have been neither clear nor consistent. They fail to offer certainty to customers - it is not immediately apparent to someone making a straightforward application how long it will take to proceed.

The Minister said UKVI would "only meet the service standards if at least 98.5% of straightforward cases are dealt with within service timings."94 The new standards are set out in the table below.

| Customer service standard 1   |   |  |  |
|---|---|--|--|
| Overseas customers applying to come to the UK on a temporary basis including visitors, highly skilled migrants, skilled workers, temporary workers and students.  | 15 working days<br>(3-5 days priority,<br>1 day super-<br>priority) 1 |  |  |
| Customer service standard 2   |   |  |  |
| Overseas customers applying to enter the UK as the dependent of someone settled here or who is being admitted for settlement.   | 12 weeks <sup>1</sup>   |  |  |
| Customer service standard 3   |   |  |  |
| Customers applying in the UK to remain on a temporary basis   | 8 weeks (10 days  |  |  |
| including as a spouse, workers, Tier 1 General and entrepreneurs,   | priority postal and   |  |  |
| students and organisations seeking to sponsor a worker.   | same day  |  |  |
|   | premium)  |  |  |
| Customer service standard 4   |   |  |  |
| Employers applying in the UK for post license applications.   | 18 weeks  |  |  |
| Customer service standard 5   |   |  |  |
| Customers applying in the UK to remain permanently (or  |   |  |  |
| naturalise as British) and applicants from Turkey and Croatia to  | 6 Months <sup>2</sup>   |  |  |
| live, study or work.  |   |  |  |
| 1 For overseas applications until further notice we will continue to deal with 90% of all applications in these times.<br>2 All applications by EEA nationals and EEA family members will be decided in 6 months. |   |  |  |

68. A major reason for the creation of UKVI is so that it has room to create its own distinct culture, one with a customer focus. We welcome the clarity offered by the new service standards for UK VI. We also note that UKVI has said it will report quarterly on its performance against all applications. We look forward to assessing UKVIs performance against these new standards and will expect the UKVI to improve.

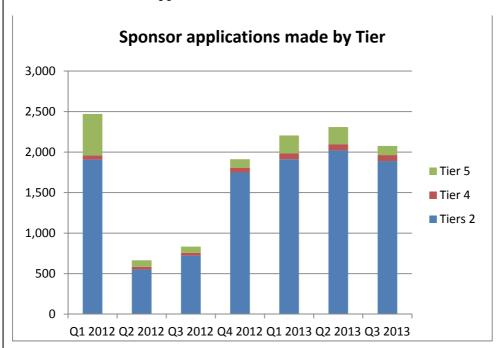
#### **Sponsors and licensing**

69. Applications under Tier 2, Tier 4 and Tier 5 require a sponsoring body. Under Tier 2 and Tier 5 (Temporary workers) the sponsor must be an employer based in the UK. Under Tier 4, the sponsor must be an education provider. Such organisations have to apply to UKVI to get sponsor status.

#### **Applications**

The chart below shows sponsor application made by Tier.

In Q3 2013 1,889 applications were made in Tier 2, 74 applications were made in Tier 4 and 113 applications were made in Tier 5.



#### Worse performance

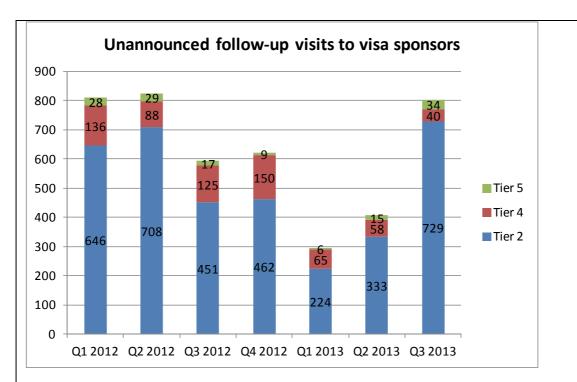
In Q3 2013, it took 26 days on average to process a sponsor application, up from 17 days in Q2 2013.

#### Follow up visits – Worse performance

In Q3 2012, 1,571 follow up visits were made to visa sponsors in Tiers 2, 4 and 5. This shows a steady decrease from 1,721 in Q2 2013 and 2,031 visits in Q3 2012.

#### **Unannounced visits – Improved performance**

The chart below shows the number of follow up visits that were unannounced.



In Q3 2013 there was an increase in the number and proportion of follow up visits that were unannounced

- 54% of Tier 2 sponsor visits were unannounced up from 24% in Q2 2013 and 31% in Q3 2012
- 38% of Tier 4 sponsor visits were unannounced up from 29% in Q2 2013 and 30% in Q3 2012
- 29% of Tier 5 sponsor visits were unannounced up from 14% in Q2 2013 and 11% in Q3 2012

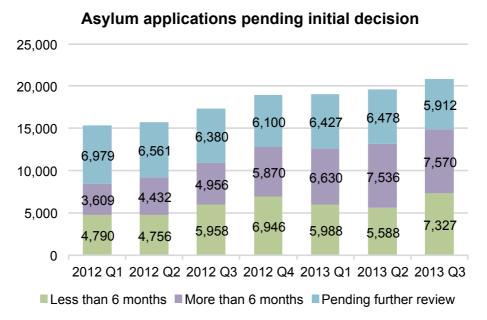
70. In our last report we commented on the significant decline in the proportion of post-license visits that were unannounced in all sponsor Tiers, and reiterate our previous recommendation that the Home Office must undertake 100% unannounced visits on sponsors where it suspects non-compliance as this is the most effective way of dealing with bogus student applications.

#### New asylum cases

- There were 7,219 applications were made for asylum (main applicant and dependents) in Q2 2013 and 7,643 in Q3 2013. These figures are in line with the same period last year (7,267 applications in Q3 2012).
- 5,421 initial decisions were made in Q3 2013 of which 37% were grants (some of these decisions may related to applications made in previous quarters).
- In Q2 2013 6,350 initial decisions were made of which 36% were grants. In Q3 2012 5,273 initial decisions were made of which 39% were grants.

#### Asylum applications pending initial decision - Worse performance

The chart below shows that 20,809 asylum applications were pending an initial decision in Q3 2013, up from 19,602 in Q2 2013 and 17, 294 from Q3 2012.



#### Asylum applications pending initial decision for more than 6 months - Worse performance

There has been a rise in the proportion of cases waiting more than 6 months for an initial decision. In Q3 2013 36% of cases had waited more than 6 months and in Q2 the figure was 38%. This is in line with an increase from 29% in Q3 2012.

#### Asylum backlog

71. We have repeatedly commented on the increase in the number of asylum cases having to wait more than six months for an initial decision. We raised the matter again in our Report on Asylum. This trend has continued throughout 2013. In its response to these concerns in our Report on Q4 2012, the Government said

Whilst still at historically low levels, asylum intake has been rising and this impacts on processing time. Intake in 2012 was 21,785—a 10% increase on 2011 (19,865) and a 20% increase on 2010 (17,916).95

The Government said that while the number waiting six months for an initial decision has increased, "conclusion rates within 12 months remained steady" and conclusion rates with 36 months are improving. As such, the Government said

Getting to grips with these older cases, which are often the most challenging, will allow us to focus more resource on the beginning of the process, and make decisions more quickly.96

- 72. This response relates to our report on performance indicators from one year ago. We have looked for evidence that the Government is getting to grips with the number of older asylum cases. The number of asylum cases in the Older Live Cases Unit (OLCU) that have been concluded has wavered in 2013, from 1,600 in Q1, down to 1,545 in Q2 and up again to 1,806 in Q3. The number of asylum cases in the OLCU has decreased through 2013, from 32,600 in Q1 to 31,407 in Q2 and 29,986 in Q3.
- 73. In our last Report we commented on the increase in the number of asylum cases waiting more than six months for an initial decision. This trend has continued throughout 2013. The Government told us that "getting to grips" with the older cases would allow more resources to be used to address new asylum applications and thus make initial decisions more quickly, but this is not currently happening. This must not happen at the expense of consistency in decision making.

Fifth Special Report of Session 2013-14, Government Response to the Committee's Fourth Report of Session 2013-14: the Work of the UK Border Agency (October - December 2012), HC 1023

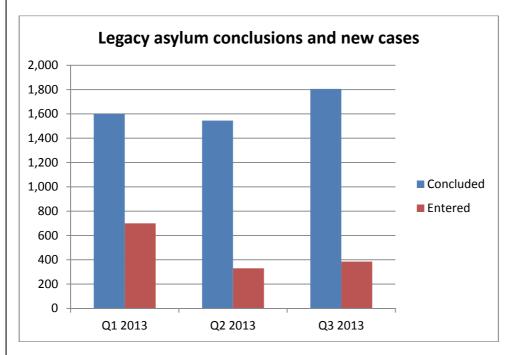
Fifth Special Report of Session 2013-14, Government Response to the Committee's Fourth Report of Session 2013-14: the Work of the UK Border Agency (October - December 2012), HC 1023

#### Asylum and immigration caseload

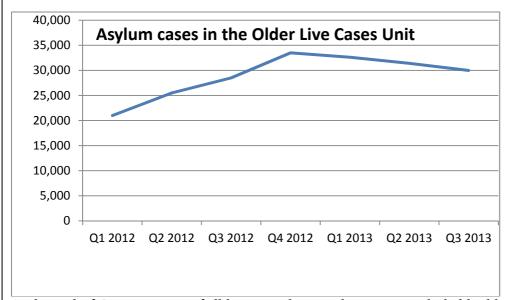
#### Asylum

#### Asylum cases concluded - Improved performance

The chart below shows that in Q3 2013 1,806 legacy asylum cases were concluded, up from 1,545 in Q2 2013.



The total number of asylum cases in the Older Live Cases Unit has reduced since Q4 2012.

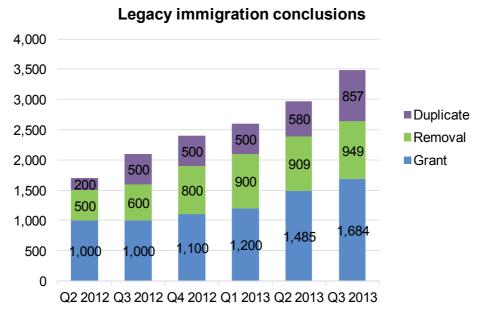


At the end of Q3 2013, 52% of all legacy asylum applications concluded had been granted leave to remain and 21% were found to be duplicates.

#### **Immigration**

#### Legacy immigration conclusions - Improved performance

The chart below shows the number of legacy immigration applications concluded in the last six quarters.



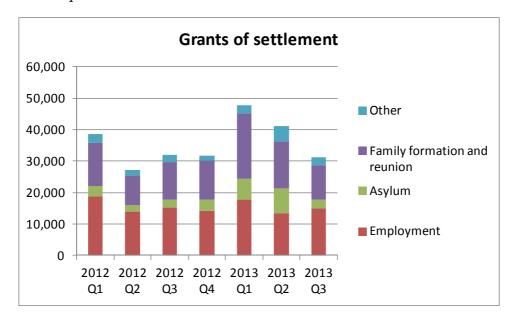
- 3,500 legacy immigration applications were concluded in Q3 2013, up from 2,982 in Q2 2013 and 2,100 in Q3 2012.
- At the end of Q3 2013 48% of all legacy asylum applications concluded had been granted leave to remain and 27% of applications were removed.
- 24% were found to be duplicates. Q3 2013 saw an increase in duplication from 19% in the previous quarter, and a fall in grants and removals.

#### New asylum and immigration cases

#### **Grants of settlement**

The chart below shows grants of settlement by category.

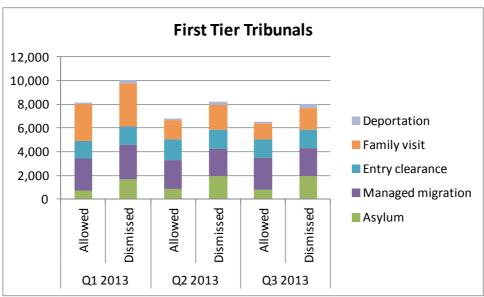
- There were 31,268 grants for settlement in Q3 2013, 48% of which were for employment and 35% for family formation and reunion.
- Grants for settlement in Q2 2013 were higher at 41,244, 33% of which were for employment and 36% for family formation and reunion.
- In Q2 2013, there were 7,770 grants of settlement for asylum, the highest figure in recent quarters.



#### Appeals and tribunals performance

#### First Tier Tribunal (immigration and asylum chamber)

The chart below shows First Tier Tribunal disposals that were determined. Cases can be either allowed or dismissed.



#### **Bundling performance**

#### Worse performance

The Home Office aims to get bundles to court five days in advance of the appeal hearing. The data shows that 65% of bundles met this target in Q3 2013, slightly down from 67% in Q2 2013 and down from 75% in Q3 2012. The Home Office say that in certain categories, such as deportation, performance far exceeds these averages.

#### Representation rates

#### Improved performance

In Q3 2013 the Home Office achieved a 98% representation rate at First Tier Tribunal, up from 97% in the previous quarter.

#### Immigration appeals

#### Worse performance

In Q3, 45% of the 14,546 First Tier Tribunal (Immigration and Asylum Chamber) appeals were allowed.

In Q3 2013, the number of successful asylum appeals at First Tier Tribunals was 28%.

#### Appeals success rate

74. In our Report on Asylum, we commented on the number of appeals that were allowed in Asylum cases—30% in 2012—and to what extent this represented poor quality of decision making in the initial decision.<sup>97</sup> We note that in Q2 2013, six individuals seeking asylum were recognised as refugees or given humanitarian protection by the UK following a previously unsuccessful claim and forcible removal from the UK. (The six were nationals from Eritrea, Iran and the Republic of Guinea.) In Q3 2013, eight individuals seeking asylum were recognised as refugees or given humanitarian protection by the UK following a previously unsuccessful claim and forcible removal from the UK. (These figures are made up of nationals of Eritrea, Iran, Iraq, China, Libya and Syria.)

75. One of the aims of the Immigration Bill, currently in Committee in the Lords, is to reduce the number of immigration decisions that can be appealed. The Impact Assessment for the Immigration Bill estimated that approximately 60% of allowed appeals are due to case working errors which, in the Government's view, could be addressed by an administrative review process. Administrative reviews are already in place for certain routes, for example Tier 4 student visas. There are clear concerns about reducing access to appeal where there is evidence of inconsistent decision making.

76. The Chief Inspector for Borders and Immigration has said that as part of his inspection of the Home Office's entry clearance operation in Dhaka, Bangladesh, he would "look in particular at the quality of decisions for applicants with no right of appeal."98 And when the Chief Inspector carried out an inspection of marriage and civil partnership applications, he compared decision making at four visa posts overseas-Moscow, Bangkok, Dhaka and Kingston—with decision making at two in the UK—Liverpool and Sheffield. While the Chief Inspector found that the majority of decisions on such applications were reasonable, he said:

The Home Office was not doing enough to learn lessons from appeals, despite the fact that a substantial proportion of its decisions on these cases were successfully challenged by applicants.99

77. In 2012-13, the Home Office's overall win rate was 56% (70% for asylum cases). In Q3 2013 the Home Office won 55% of appeals determined at the First Tier Tribunal.<sup>100</sup> In its response to our Report on Asylum, the Government said that UK Visas and Immigration approach to asylum should include taking steps to improve consistency of decision making. We have yet to see much evidence of this. There are ongoing questions about the quality of decision making across UK Visas and Immigration, as shown by the number of successful appeals.

78. The Committee expresses serious concerns about the removal of appeal rights whilst the quality of decision making continues to be so poor. We hope that the passage of the Immigration Bill through the House of Lords will allow for further scrutiny of the decision to remove these rights.

Seventh Report of 2013-14, Asylum, HC 71, para 20

Independent Chief Inspector of Borders and Immigration, Inspection Plan for 2013-14, March 2013, page 6

Independent Chief Inspector of Borders and Immigration, The Independent Chief Inspector Of Borders And Immigration: Annual Report 2012-13 Statement, Page 14

Home Office data Q3 2013 (DQ30005), para 49

## MPs' correspondence

The chart below shows the proportion of MPs emails and inquiries made via the MPs inquiry line responded to in target time.

#### Response to emails - Worse performance

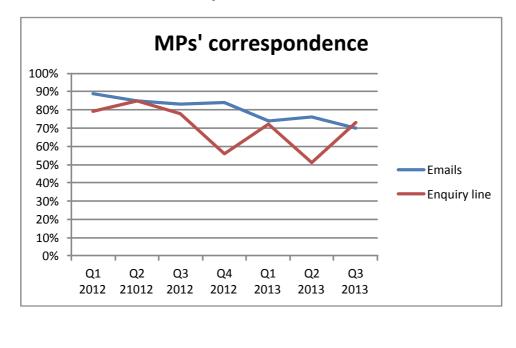
The Home Office aims to respond to 95% of emails within 20 days.

70% of emails were responded to within 20 working days in Q3 2013, a decrease from 76% in Q2 2013 and 83% in Q3 2013.

#### Response to the MPs inquiry line - Improved performance

The Home Office aims to resolve 90% of queries via the MP's inquiry line within 10 working days.

In Q3 2013 73% of queries were resolved in 10 working days, up from 51% in Q2 2013 but down from 78% in Q3 2012.



- 79. We have repeatedly commented on the difficulty MPs have in making inquiries to what was UKBA on behalf of their constituents. The general trend in response times for emails is still decreasing, and the performance on responding to inquiries on the telephone Enquiry Line has been variable.
- 80. One of the criticisms from MPs in the past has been the amount of work that has to be done assisting constituents chase lost documents. We received a letter from Mark Harper in November 2013 describing the creation of a centralised process for managing valuable documents and recording the loss of any such document. In it he said:

The central valuable document bank has been operating since June 2013 and all valuable documents are now required to be registers on the central tracking system. Where new documents submitted are to be retained, these are sent to the central store. Previous holdings of such documents held in local document banks are presently being catalogued and uplifted to the central bank with a target data for completion of 31 May 2014.<sup>101</sup>

81. We welcome the development of the valuable document bank and the centralised system for tracing documentation. We hope the document bank is appropriately resourced and able to respond to inquiries in a prompt and efficient way. We are however concerned that progress to improve the percentage of responses to MPs' correspondence remain slow. We expect there to be significant improvement in response rates to avoid creating extra work. We will revisit this subject.

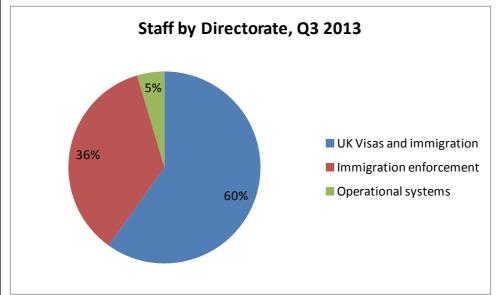
#### Staff numbers

## **UKVI** and Immigration enforcement staffing

The UK Border Agency ceased to exist on 1 April 2013. The 13,484 staff who worked for the Agency transferred into other parts of the Home Office. 12,751 full time equivalent staff transferred into one of the operational directorates. The remaining staff transferred into other parts of the Home Office.

The chart below shows that 60% of former UKBA staff are now based in the Visas and Immigration directorate in Q3 2013 (down from 61% in Q2).

There has been an increase in the proportion of staff working in the Immigration Enforcement directorate—36% of staff in Q3 up from 33% in Q2 2013.



Note, figures do not sum to 100% due to rounding

13% of the staff—or 1,566 full time equivalents—are agency staff.

Letter from Mark Harper, (DQ30001)

## **5** Immigration Enforcement

## **The Migration Refusal Pool**

### **Improved Performance**

- At the end of Q3 2013, there were 182,251 cases in the Migration Refusal Pool (MRP) down from 194,000 in Q2 2013. The size of the MRP in Q3 2012 was 181,541.
- By the end of the third quarter of 2013, Capita has assessed 196,200 cases. Of these, 34,500 (18%) cases were confirmed as departed.
- 83,400 (43%) of cases were assessed as having a barrier to removal and were passed back to the Home Office. A further 45,200 cases had the confirmed outcome that no contact can be made.

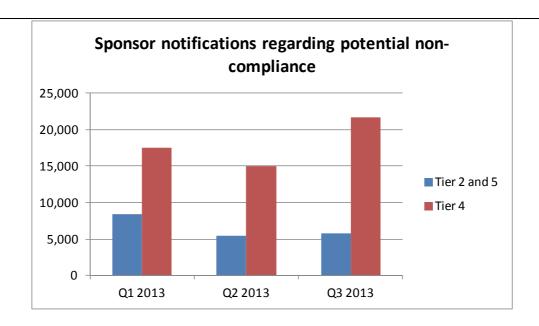
#### **Enforcement action**

82. Sponsors are required to inform UKVI if there is a change in certain circumstances regarding the migrant they have sponsored, for example if a person with a Tier 2 visa no longer works for the sponsoring employer. 102 If the information provided on change in circumstances suggest that the migrant is in breach of their visa then enforcement action can be taken against them. Employers that do qualify for a Tier 2 sponsorship licence are required to follow various procedures, for example maintaining accurate records. If the Home Office suspects that a sponsor is not acting according to the stipulated criteria then they may investigate the sponsor. This can lead to the licence being either suspended, downgraded or revoked.

## Suspension and revocation of sponsor licences

### Non-compliance notifications

The chart below shows the number of notifications of potential sponsor non-compliance received.



- 21,678 notifications of potential non-compliance were received in Q3 2013 for Tier 4, up from 15,027 in Q2 2013.
- 5,717 notifications were received in Q3 2013 for Tiers 2 and 5. This is a increase from 5,404 in Q2 2013.
- A total of 19,779 notifications of potential non-compliance were followed up in Q3 2013, down from 48,294 in Q2 2013.
- 174 Tier 2 sponsors had their licenses revoked in Q3 2013, up from 101 in Q2 2013 and 77 had their licenses suspended, up from 71 in Q2 2013.
- 23 Tier 4 sponsors had their licenses revoked in Q3 2013, down from 104 in Q2 2013 and 46 had their licenses suspended, down from 83 in Q2 2013.
- 18 Tier 5 sponsors had their licenses revoked in Q3 2013, up from 15 in Q2 2013 and 11 had their licenses suspended, up from 5 in Q2 2013.

## **Immigration detention**

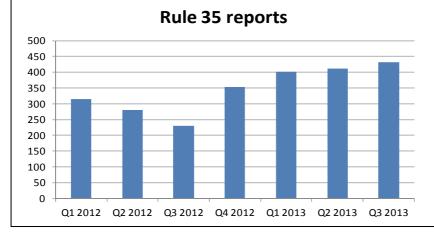
#### Rule 35 report

Rule 35 of the Detention Centre Rules states that medical practitioners are required to report to the Home Office any detainee whose health is likely to be injuriously affected by detention or any condition of detention and any detainee they are concerned may be a victim of torture.

#### **Worst Performance**

The chart below shows the number of Rule 35 Reports made to the Department since the beginning of 2012.

- 431 reports under Rule 35 were made in Q3 2013
- This is an increase from 411 in Q2 2013 and a considerable increase on the 231 reports in Q3 2012
- In Q2 and Q3 2013 only 9% of reports under Rule 35 resulted in the individual being released. This is small increase from 6% in Q3 2012



83. We are aware that Home Office has been criticised for not facilitating access to medical staff for individuals held in an immigration removal centre, and that individuals are moved from one removal centre to another to avoid being seen by medical staff. We are concerned that the number of Rule 35 reports has consistently increased over the past four quarters and note that these reports often involve extremely vulnerable individuals. The Committee seeks clarification from the Home Office on this increase and the actions taken in response to it. We will explore the subject in further detail in future evidence.

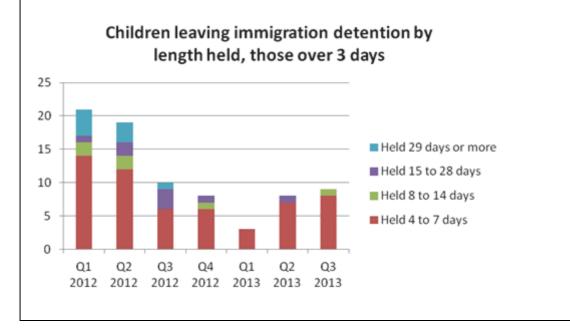
## Children in immigration detention

#### Worst performance

In Q3 2013, 65 children entered immigration detention, up from 37 in Q2 2013 and 48 in Q3 2012. 63 children left immigration detention in Q3 2013, up from 38 in Q2 2013 and 57 in Q3 2013.

Most children who leave detention do so within a short period—86% had been held for less than 3 days in Q3 2013, up from 79% in Q2 2013.

The chart below shows the number of children leaving immigration detention when they had been held for more than 3 days.



84. The Committee welcomes the fact that many fewer children are now detained than at the beginning of 2012, but is concerned that the numbers have increased in the last two quarters. The Committee notes that pre-departure accommodation in Cedars is different from immigration detention in Yarl's Wood, and calls for the government to clearly distinguish between (a) pre-departure accommodation, (b) short-term facilities at ports, and (c) other immigration detention.

## Foreign national offenders and ex-foreign national offenders (FNOs)

85. A FNO is someone who has been identified as an offender, not a British citizen, has been remanded in custody, convicted and given a custodial sentence in the UK, and who should be removed from the country at the end of the custodial element of the sentence.

### Foreign National Offenders released from prison and transferred to immigration detention

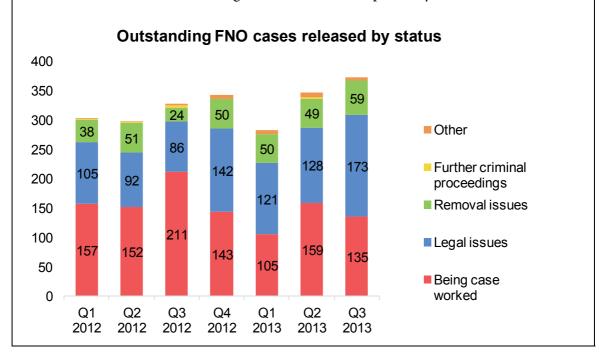
- In Q3 2013 1,050 FNOs were released from prison and transferred to immigration detention, up from 911 in Q2 2013.
- In Q3 2013, 4 were released without consideration for deportation and in Q2 2013, 6 were released without consideration for deportation.

## Foreign National Offenders released into the community

#### **Worse Performance**

- 395 ex-FNOs eligible for deportation were released into the community in Q3 2013, 94% of their cases were outstanding, i.e. the Home Office would still like to deport them.
- This is up from 383 ex-FNOs eligible for deportation released in Q2 2012, 91% of their cases were outstanding, and up from 340 ex-FNOs released with 93% of cases outstanding at the end of Q3 2012.

The chart below shows outstanding FNOs released from prison by status.



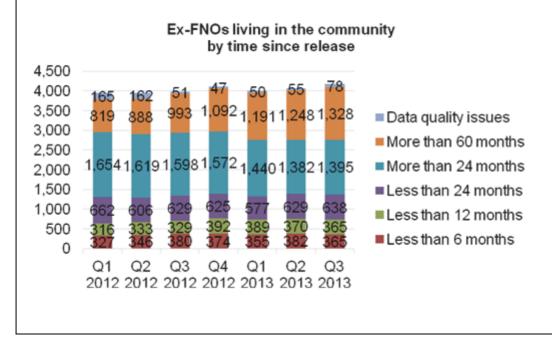
#### **Removing Foreign National Offenders**

#### Improved performance

- It took 99 days on average to deport an ex-FNO in Q3 2013, a decrease from 128 days from Q2 2013 and 118 days from Q3 2012.
- There were 265 failed removal attempts in Q3 2013, up from 236 in Q2 2013 and 165 in Q3 2012.
- 44% of removals were carried out during the Early Release Scheme in Q3 2013 compared with 39% in Q2 2013 and 45% in Q3 2013.
- 30% of removals were carried out under the Facilitated Returns Scheme in Q3 2013, the same as Q2 2013, but down from 38% in Q3 20013.

#### Ex foreign national offenders living in the community

The chart below shows there were 4,169 ex FNOs living in the community in Q3 2013, up from 4,066 (+103) in the Q2 2013 and up from 3,980 (+189) in Q3 2012. The proportion of ex FNOs living in the community over two years has remained the same at 65%.



86. We welcome the fact that the Home Office has managed to reduce the average length of time taken to deport an ex-FNO from 118 days in Q3 2012 to 99 days in Q3 2013. However we are concerned that failed removals have risen over the past two quarters. The Home Office must clarify exactly how much these failed removals cost the taxpayer and what steps they are taking to limit their frequency.

## **6** Border Agency Backlogs

|   | No. of cases<br>Q1 2013 | No. of cases<br>Q2 2013 | No. of cases<br>Q3 2013 | Difference<br>between Q1<br>and Q 3 | % increase<br>decrease since<br>Q1 |
|---|-------------------------|-------------------------|-------------------------|-------------------------------------|------------------------------------|
| Live asylum cohort  | 32,600                  | 31,407 <sup>103</sup>   | 29,986 <sup>104</sup>   | -2,614                              | -8%                                |
| Live immigration cases  | 7,500                   | 7,242                   | 6,824                   | -676                                | -9%                                |
| FNOs living in the community  | 4,002                   | 4,066 <sup>105</sup>    | 4,169 <sup>106</sup>    | +167                                | +4%                                |
| Migration refusal pool  | 182,500                 | 194,000 <sup>107</sup>  | 182,251 <sup>108</sup>  | -249                                | -0.1%                              |
| No of cases still to be loaded on CID   | 10,086                  | 3,143 <sup>109</sup>    | 9,490 <sup>110</sup>    | -596                                | -5%                                |
| Temporary and permanent migration pool  | 176,503                 | 134,572 <sup>111</sup>  | 131,515 <sup>112</sup>  | -44,988                             | -25%                               |
| Total   | 413,238                 | 374,430                 | 364,235                 | -49,003                             | -11%                               |
| Within the temporary and permanent migration pool                                     |                         |                         |                         |                                     |                                    |
| FLTR on basis of marriage or<br>civil partnership – cases<br>pending initial decision | 3,791                   | 1,806 <sup>113</sup>    | 1,874 <sup>114</sup>    | -1,917                              | -50%                               |

87. The Committee welcomes the reduction of 49,003 in the number of cases in the backlogs. We note that the largest backlog, the Migration Refusal Pool has barely shifted throughout 2013, yet this is the backlog which the Home Office specifically contracted Capita to address. We remain unconvinced that the Home Office is getting to grips with this issue. The backlog is still at an astonishing 364,235, about the same size as the city of Cardiff, and will take over 5 years to clear at the current rate of action. This assumes there are no new backlogs discovered. The Committee reiterates its previous recommendation made on numerous occasions that the backlogs must be cleared as a matter of priority.

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Q2 2013, (DQ30001), Para 16
104
    Q3 2013, (DQ30005), Para 13
    Q2 2013, (DQ30001), Para 11
    Q3 2013, (DQ30005), Para 9
107
    Q2 2013, (DQ30001), Para 22
    Q3 2013, (DQ30005), Para 19
    Q2 2013, (DQ30001), Para 41 [Total outstanding]
110
    Q3 2013, (DQ30005), Para 38 [Total outstanding]
    Q2 2013, (DQ30001), Para 40 [Total system WIP]
    Q3 2013, (DQ30005), Para 37 [Total system WIP]
113
    Q2 2013, (DQ30001), Para 40 [Spouse]
    Q3 2013, (DQ30005), Para 37 [Spouse]
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## Conclusions and recommendations

## **Migration statistics**

- It is a travesty that, despite successive recommendations of this Committee, the collection of data of people entering and leaving this country has not happened. The goal set by the Government of full exit checks by the General Election in 2015 is unrealistic. We repeat our previous recommendation that the Home Office set out immediately its timetable for documenting the identity and nationality of all those entering and exiting the UK. (Paragraph 8)
- The Committee continues to believe that the Government's decision not to 2. commission estimates on the number of Romanians and Bulgarians who would come here at the ending of transitional migration controls was wrong. We are concerned that the decision not to commission has increased anti-immigrant prejudice and has been commandeered by those who wish to inflame tensions about immigration for political gain. (Paragraph 15)
- 3. We recommend that the Government commission the Migration Advisory Committee to carry out research on the number of Romanians and Bulgarians in the UK with two strands. First to assess those who arrived during the transitional period (1 January 2007 to 31 December 2013), their social and economic impact upon the UK, and the balance between their contribution and their usage of the social security system. Secondly, to assess the number of those who have arrived since 1 January 2014, and, on the basis of this data, make an assessment of how many are likely to come in the near future. The Committee has seen no evidence to suggest that there has been an increase in migration from Romania and Bulgaria. It would appear rather more a trickle then a flood. (Paragraph 16)
- We recommend that for any future enlargements the Migration Advisory Committee be tasked by the Government to provide an estimate of the numbers arriving in our country, including how many people have already arrived from these countries under EU treaties. Had they done so for the 2007 enlargement, they would have discovered that 144,000 Romanians and Bulgarians were already working in the UK in December 2013. If the Government refuses to task the Migration Advisory Committee to commission estimates, we will request that they do so. (Paragraph 17)

## EU immigration and access to benefits

5. We accept that it is difficult to assess the actual impact of restricting access to benefits upon migration between individual countries in the EU and the UK, not least because we are unable to measure the nationality of individuals claiming benefits in the UK. The limited evidence that does exist suggests that the scale of so-called 'benefits tourism' is at much lower levels than claimed by the Government. (Paragraph 22)

## Seasonal Agricultural Workers Scheme

6. With the lifting of transitional controls on Romania and Bulgaria, it seems likely that there will be a shortage of labour in what were the Seasonal Agricultural Workers Scheme and the Sector Based Scheme (food processing) in the near future. It is not clear what the Government's position is on how to address this problem, particularly as there are no obvious alternative European accession countries that might provide sufficient workers. The previous immigration Minister told us that, where it has proven difficult to entice British workers to take on jobs, such as pizza delivery staff, the answer was for employers to offer better pay. The Government must explain how it intends to fill the void left with the end of the Seasonal Agricultural Workers Scheme so that farmers can find willing workers, or if it expects the void to be filled simply by farmers offering higher wages. (Paragraph 29)

## The Migration Advisory Committee

- 7. We are not convinced that the Government has got the right balance between restricting immigration and attracting skilled people in some sectors that have a skills gap. (Paragraph 36)
- 8. We are concerned that in areas such as restaurants, there are many small businesses that can neither afford the wage required under Tier 2, nor have enough time to train the chefs of the future. Skills level assessments must be based on realistic vocational knowledge. Otherwise this will lead, and has done so already, to the closure of businesses and negative effects on the economy. The Committee recommends that the Migration Advisory Committee and the Home Office should consult with industry, including caterers' associations and restaurateurs in order to better understand the affects of this policy, with a single focus on the Asian/Oriental restaurant sector. (Paragraph 37)
- 9. The Migration Advisory Committee is due to present the results of its study into migrants and low skilled work to the Minister by April 2014. We look forward to the publication of this research, and intend to take evidence from the MAC on the results as soon as possible afterwards. (Paragraph 39)
- The Committee was alarmed by Professor Sir David Metcalf's admission about the purchase of gilts for citizenship. The current evidence suggests that there appears to be very little benefit. While the Government considers the options for a system more beneficial to the UK, as outlined in the MAC report, we recommend the Home Office suspend the Tier 1 (Investor) visa route. The practice of other European Union Member States selling citizenship is extremely worrying. As the Minister for Immigration pointed out, the UK has neither power nor control over the policies of other EU States in this regard. We do not believe Britain should follow the example of Malta, for the reasons stated in evidence. The Committee recommends that the Home Office seek urgently to petition the European Commission about this practice. Otherwise Britain's immigration controls would be in danger of being sidestepped by those with sufficient wealth. (Paragraph 45)

We are perturbed at the new recommendation by the Migration Advisory 11. Committee to sell British settlement by auction. This process is riddled with difficulties and combined with the reduction in standards required of those gaining citizenship, including limited or no English or Welsh language skills, will be a recipe for disaster. A requirement to speak English or Welsh has been a cornerstone of the development of immigration policy under successive Governments. If the Home Office are to accept these proposals, there must be thorough and robust duediligence applied to these potential new citizens to ensure that they are fit and proper persons to be admitted to settle in this country and placed on the path of citizenship. We will examine the Home Secretary on this when she next appears before the Committee. (Paragraph 46)

## The Migration Refusal Pool and Capita

- We remain seriously concerned about the cost of outsourcing this contract to Capita. 12. The changes to the contract suggest that Capita are being remunerated for identifying those who have left and not for action leading to these departures. The Committee cannot understand why this work could not have been undertaken by the Home Office directly. We reiterate our call for the terms of the contract to be immediately made public. (Paragraph 51)
- The Home Office should make clear why changes were made to the contract with Capita regarding their work on the Migration Refusal Pool, and what led to the "significant increase" in the number of barrier cases being passed back to the Home Office. The barrier cases have to go back into the system to be addressed by Home Office staff, presumably back in to the established Migration Refusal Pool backlog. We welcome the fact that the Capita exercise appears to have been successful in removing duplicate and erroneous records. The next test is to see how quickly the cases which have been identified with barriers to removal are addressed and closed. (Paragraph 52)

## Allegations database

The Committee recognises that action on illegal immigration should be intelligence led. We have commented in the past about the risk of the Home Office developing communication strategies to encourage reporting but those strategies undermining confidence in the system if they do not lead to action being taken. At the moment only a small proportion of allegations are investigated. The Committee finds it completely unacceptable that only 1.5% to 2.5% of allegations lead to a removal. T (Paragraph 55)

#### **Foreign National Offenders**

15. The Committee recognises that action on illegal immigration should be intelligence led. We have commented in the past about the risk of the Home Office developing communication strategies to encourage reporting but those strategies undermining confidence in the system if they do not lead to action being taken. At the moment only a small proportion of allegations are investigated. The Committee finds it completely unacceptable that only 1.5% to 2.5% of allegations lead to a removal. The Home Office should be clear whether this is because most allegations are unfounded or because they are not taking action. We are concerned that a whole unit exists to deal with these allegations, yet the results are so poor. The Government must clarify why this figure is so low, what is the cost of policing these allegations and what further action they are taking to improve the proportion leading to a removal. (Paragraph 57)

We are astonished that the Home Office has not learnt the lessons from the Raed Salah case. The Bushati case reinforces the necessity of ensuring that systems are put in place that can identify individuals that the UK does not want to allow in. If Baksim Bushati had been listed on the National Warnings Index, his re-entry and subsequent criminality could have been prevented. It is clear that the National Warnings Index is not being properly maintained. To allow Baksim Bushati back into the country was a serious and unacceptable failure. This should never be allowed to happen again. Despite the provisions made to prevent foreign offenders returning to the UK after deportation, it is clear more needs to be done. Further steps should be taken immediately to close the gaps in the process. There is a real possibility that other dangerous criminals may have been able to enter the UK in a similar way. The Home Office needs to publish its list of co-operation agreements with all other countries to enable convictions to be shared. (Paragraph 60)

## **Asylum**

We recommend that the Home Office and the Ministry of Justice make clear that the exemption for children from the residency test does apply for all civil proceedings, and ask the Government to make clear as to when the change will be implemented. (Paragraph 63)

#### Visa applications

A major reason for the creation of UKVI is so that it has room to create its own distinct culture, one with a customer focus. We welcome the clarity offered by the new service standards for UK VI. We also note that UKVI has said it will report quarterly on its performance against all applications. We look forward to assessing UKVIs performance against these new standards and will expect the UKVI to improve. (Paragraph 68)

#### Sponsors and licensing

19. In our last report we commented on the significant decline in the proportion of postlicense visits that were unannounced in all sponsor Tiers, and reiterate our previous recommendation that the Home Office must undertake 100% unannounced visits on sponsors where it suspects non-compliance as this is the most effective way of dealing with bogus student applications. (Paragraph 70)

## New asylum cases

In our last Report we commented on the increase in the number of asylum cases waiting more than six months for an initial decision. This trend has continued throughout 2013. The Government told us that "getting to grips" with the older cases would allow more resources to be used to address new asylum applications and thus make initial decisions more quickly, but this is not currently happening. This must not happen at the expense of consistency in decision making. (Paragraph 73)

### Appeals success rate

- In its response to our Report on Asylum, the Government said that UK Visas and Immigration approach to asylum should include taking steps to improve consistency of decision making. We have yet to see much evidence of this. There are ongoing questions about the quality of decision making across UK Visas and Immigration, as shown by the number of successful appeals. (Paragraph 77)
- 22. The Committee expresses serious concerns about the removal of appeal rights whilst the quality of decision making continues to be so poor. We hope that the passage of the Immigration Bill through the House of Lords will allow for further scrutiny of the decision to remove these rights. (Paragraph 78)

### MPs' correspondence

We welcome the development of the valuable document bank and the centralised system for tracing documentation. We hope the document bank is appropriately resourced and able to respond to inquiries in a prompt and efficient way. We are however concerned that progress to improve the percentage of responses to MPs' correspondence remain slow. We expect there to be significant improvement in response rates to avoid creating extra work. We will revisit this subject. (Paragraph 81)

#### Immigration detention

- We are concerned that the number of Rule 35 reports has consistently increased over the past four quarters and note that these reports often involve extremely vulnerable individuals. The Committee seeks clarification from the Home Office on this increase and the actions taken in response to it. We will explore the subject in further detail in future evidence. (Paragraph 83)
- The Committee welcomes the fact that many fewer children are now detained than at the beginning of 2012, but is concerned that the numbers have increased in the last two quarters. The Committee notes that pre-departure accommodation in Cedars is different from immigration detention in Yarl's Wood, and calls for the government to clearly distinguish between (a) pre-departure accommodation, (b) short-term facilities at ports, and (c) other immigration detention. (Paragraph 84)

## Foreign national offenders and ex-foreign national offenders (FNOs)

We welcome the fact that the Home Office has managed to reduce the average length of time taken to deport an ex-FNO from 118 days in Q3 2012 to 99 days in Q3 2013. However we are concerned that failed removals have risen over the past two quarters. The Home Office must clarify exactly how much these failed removals cost the taxpayer and what steps they are taking to limit their frequency. (Paragraph 86)

## **Border Agency Backlogs**

The Committee welcomes the reduction of 49,003 in the number of cases in the backlogs. We note that the largest backlog, the Migration Refusal Pool has barely shifted throughout 2013, yet this is the backlog which the Home Office specifically contracted Capita to address. We remain unconvinced that the Home Office is getting to grips with this issue. The backlog is still at an astonishing 364,235, about the same size as the city of Cardiff, and will take over 5 years to clear at the current rate of action. This assumes there are no new backlogs discovered. The Committee reiterates its previous recommendation made on numerous occasions that the backlogs must be cleared as a matter of priority. (Paragraph 87)

## **Formal Minutes**

### Wednesday 19 March 2014

Members present:

Keith Vaz, in the Chair

Ian Austin Nicola Blackwood James Clappison Paul Flynn

Dr Julian Huppert Mark Reckless David Winnick

Draft Report (The work of the Immigration Directorates (April-September 2013)), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 44 read and agreed to.

Motion made, to leave out paragraphs 45 and 46 and insert the following new paragraph:

The Committee welcomes the MAC Report, which contains many good ideas. However, if the Home Office are to accept these proposals, there must be thorough and robust due-diligence applied to these potential new citizens to ensure that they are fit and proper persons to be admitted to settle in this country and placed on the path of citizenship. We will examine the Home Secretary on this when she next appears before the Committee.—(*Mark Reckless.*)

Question put, That the new paragraph be read a second time.

The Committee divided.

Aves, 1 Noes, 3 Mark Reckless Paul Flynn

> Dr Julian Huppert Mr David Winnick

Paragraphs 45 to 87 agreed to.

*Resolved*, That the Report be the Fifteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 25 March at 2.30 pm

## Witnesses

#### **Tuesday 10 December 2013**

Page

Mark Harper MP, Minister of State for Immigration, Sarah Rapson, Director General, UK Visas and Immigration Directorate, and David Wood, Director General, Immigration Enforcement Directorate

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Professor Sir David Metcalf CBE, Chair, Migration Advisory Committee

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## List of published written evidence

- Mark Harper MP, Minister of State for Immigration, 29 November 2013 (DQ30001) 1
- 2 Sir Andrew Green KCMG, Chair, Migration Watch UK, 5 December 2013 (DQ30002)
- 3 Adrian Berry, Chair, ILPA, 9 December 2013 (DQ30003)
- 4 Mark Harper MP, Minister of State for Immigration, 9 December 2013 (DQ30004)
- Mark Harper MP, Minister of State for Immigration, 19 December 2013 (DQ30005) 5
- 6 Mark Harper MP, Minister of State for Immigration, 9 January 2014 (DQ30006)
- 7 Mark Harper MP, Minister of State for Immigration, 13 January 2014 (DQ30007)

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| Second Report     | Child sexual exploitation and the response to localised grooming  | HC 68    |
| Third Report      | Leadership and standards in the police  | HC 67    |
| Fourth Report     | The work of the UK Border Agency (Oct-Dec 2012)   | HC 486   |
| Fifth Report      | E-crime   | HC 70    |
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| Ninth Report      | Pre-Lisbon Treaty EU police and criminal justice measures: the UK's opt-in decision                             | HC 615   |
| Tenth Report      | Leadership and Standards in the Police: follow-up   | HC 756   |
| Eleventh Report   | Khat  | HC 869   |
| Twelfth Report    | Drugs: new psychoactive substances and prescription drugs   | HC 819   |
| Thirteenth Report | The work of the Permanent Secretary   | HC 233   |
| Fourteenth Report | The Government's Response to the Committees' Reports on the 2014 block opt-out decision                         | HC 1177  |
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| First Report      | Effectiveness of the Committee in 2010–12   | HC 144   |
| Second Report     | Work of the Permanent Secretary (April–Dec 2011)  | HC 145   |
| Third Report      | Pre-appointment Hearing for Her Majesty's Chief<br>Inspector of Constabulary                                    | HC 183   |
| Fourth Report     | Private Investigators   | HC 100   |
| Fifth Report      | The work of the UK Border Agency (Dec 2011–Mar 2012)  | HC 71    |
| Sixth Report      | The work of the Border Force  | HC 523   |
| Seventh Report    | Olympics Security   | HC 531   |
| Eighth Report     | The work of the UK Border Agency (April–June 2012)  | HC 603   |
| Ninth Report      | Drugs: Breaking the Cycle   | HC 184-I |
| Tenth Report      | Powers to investigate the Hillsborough disaster: interim Report on the Independent Police Complaints Commission | HC 793   |
| Eleventh Report   | Independent Police Complaints Commission  | HC 494   |
| Twelfth Report    | The draft Anti-social Behaviour Bill: pre-legislative scrutiny  | HC 836   |
| Thirteenth Report | Undercover Policing: Interim Report   | HC 837   |
| Fourteenth Report | The work of the UK Border Agency (July-Sept 2012)   | HC 792   |

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| Second Report       | Policing: Police and Crime Commissioners  | HC 511  |
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| Seventh Report      | Student Visas   | HC 773  |
| Eighth Report       | Forced marriage   | HC 880  |
| Ninth Report        | The work of the UK Border Agency (November 2010-March 2011)   | HC 929  |
| Tenth Report        | Implications for the Justice and Home Affairs area of the accession of Turkey to the European Union | HC 789  |
| Eleventh Report     | Student Visas – follow up   | HC 1445 |
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| Twentieth Report    | Extradition   | HC 644  |
| Twenty-first Report | Work of the UK Border Agency (August-Dec 2011)  | HC 1722 |

## Oral evidence

## Taken before the Home Affairs Committee on Tuesday 10 December 2013

Members present:

Keith Vaz (Chair)

Michael Ellis Paul Flynn Lorraine Fullbrook Dr Julian Huppert

Yasmin Qureshi Mark Reckless Mr David Winnick

#### **Examination of Witnesses**

Witnesses: Mr Mark Harper MP, Minister of State for Immigration, Sarah Rapson, Director General, UK Visas and Immigration Directorate, and David Wood, Director General, Immigration Enforcement Directorate, gave evidence.

Q1 Chair: Minister, Mr Wood, Ms Rapson, apologies. Parliamentary democracy being what it is we had to all go and vote, but I am assured that there are no more votes after this.

I am sure you read the Financial Times and I am sure you know the Maltese Minister for Immigration. Were you cross when you saw the reports that the Maltese are selling EU passports for €650,000 each?

Mr Harper: Chairman, I generally don't have time to read the newspapers nowadays. It may surprise the Committee that I don't always believe every word I read in them, either. In this particular case what I would do is think about our position. It is generally the Government's position that decisions about citizenship of countries, including our own, are matters for national governments. I would not be very pleased if other European Union governments or the European Commission told the British Government who should be a citizen of the United Kingdom. I think those decisions are generally for member states.

Q2 Chair: You know about what the Maltese are planning to do. You can't stop the Maltese. If they wish to sell passports for £650,000 and give people access to the whole of the European Union, we can't really do much about it. You may not like it but that

Mr Harper: The decision about who is a citizen of Malta, as is the decision about who is a citizen of any other European country, is a matter for the governments of those countries, in the same way that decisions about who becomes a citizen of the United Kingdom is a matter for the United Kingdom's Government. I would not be very happy if other European countries tried to tell us who could be citizens of Britain. Those are matters for member states.

Q3 Chair: But you know the effect of all this. If passports are being sold for this kind of money, perfectly legally and according to local domestic law, it will possibly have an impact on the number of people who come here. That is the end product.

Mr Harper: Clearly if the Maltese Government decides that someone is eligible to be a citizen of Malta, then because they are a citizen of Malta, they are a citizen of the European Union and they do, therefore, have some rights to come to other European countries if they are exercising treaty rights, in the same way that if we decide that people become citizens of the United Kingdom the same rules apply.

Q4 Chair: Before we turn to Romania and Bulgaria, another thing that has come up is the number of cases where police forces and the courts here have access to previous convictions of EU citizens and others from outside the United Kingdom. The last figures that I have looked at are for 2011, where 35,000 EU citizens were convicted in Britain but information about their previous offences was only sought in 5,500 cases; that is 15%. I had a conversation this morning with someone in ACRO, which deals with information going backwards and forwards, and they said that they had 50,000 requests for information. Is there a problem in getting information to the courts for those who come from abroad?

Mr Harper: I would say two things. First of all, this is something where we are improving the system. It is the case that it does not happen in every single case where there is a foreign national the courts seek information about their previous convictions from overseas. In some cases outside the European Union it is because there is no ability to compel people to share it. Inside the European Union some systems are better than others. Since the particular person quoted in the newspaper reports left the Metropolitan Police, we have, as the Committee knows, implemented our Operation Nexus with the Met, which we are rolling out with other forces, where we are having closer working between the Home Office and police forces to share this sort of intelligence.

Q5 Chair: Is the problem that we don't ask? According to ACRO this morning, they said police constables don't realise that once they arrest someone, they can make a request for that information and the other EU countries are mandated to provide that information. Or is it just that we do ask and it does not arrive?

Mr Harper: I think probably there is some of both. The asking decision is for police forces, and I know work is underway to make sure that police forces are more aware of their rights in these areas, particularly if there are cases where there is more serious criminality. As the number of requests has increased, there can be some delays. I think there is work underway and certainly the United Kingdom Government is working with our partners in European countries to see whether there are things that we can do to help countries improve their information systems and have that exchange of information work more smoothly. I would not pretend it is all perfect but I think it is going in the right direction.

**Q6 Chair:** Let us turn to Romania and Bulgaria. You have been very fair about this. There has been a big debate raging out there about how many will come. You have made it very clear that there are no Government estimates. You have not sought estimates even though your predecessor, as spokesman for your party, said that it was the biggest failure of the last Government not to have estimates. Do you want to see Romanians and Bulgarians come into this country to fill the jobs that are available that nobody wants to have? Do you want to see more of them coming in or fewer of them coming in?

Mr Harper: On the first part of your question, I think my predecessor, if he was referring to the forecasts the previous Government made, must have been referring to the fact that they actually made forecasts but they just got them spectacularly wrong.

Chair: We are always reminded of this.

Mr Harper: I think even former Home Secretaries such as Jack Straw referred to spectacular mistakes, so I don't think I am being monstrously unfair by drawing attention to it. We sought some advice from the Migration Advisory Committee, and I know you have Professor David Metcalf before you next. Their advice was that because of the range of variables, the fact there are eight other European countries that have transitional controls and are removing them, as they have to under the accession treaties at the same time, trying to make an accurate forecast would simply not be practical. I have previously described it as a fool's errand. If you look at the various organisations that have made forecasts, the range of those forecasts suggest that it is indeed a very difficult task. I don't think that producing a forecast that proves to be completely erroneous is very helpful.

Q7 Chair: MigrationWatch put it at between 50,000 to 70,000 every year over the next five years. The Romanian and Bulgarian ambassadors in evidence to us earlier this year-you probably saw that-put it at much less than that. Mr Sedwill has told us that everyone is prepared. I am not sure whether or not you are going to have New Year's Eve off or you are going to be ready on 1 January at Luton Airport, but are you prepared? Are you waiting or are you just thinking that this is going to be pretty smooth and they are already here anyway so huge numbers are not going to come?

Mr Harper: As you know, Ministers never really are off duty at any time, for good or ill. First of all, I think it is worth reminding that these transitional controls are not anything to do with whether people can come here or not. Of course, Bulgarians and Romanians are able to come to the United Kingdom for up to three months and they have been since 2007. The transitional controls are about whether they are able to take employment in a completely unrestricted way whereas at the moment they can come and work but only where we give them permission.

**Q8** Chair: So you are happy for them to come in but we don't want them to go on benefits. Is that the issue?

Mr Harper: No. The position the Government has taken is that clearly they will have the right to come here to work once the transitional controls expire at the end of the year, as is the case in other European countries. We are very keen to make sure that if they come here they are working, paying taxes and contributing and they are not coming here for any other reason. We have robust rules already but we have looked to see where we can tighten them. Of course, those tightened rules will apply to all European Union citizens, not just citizens of Romania and Bulgaria. Some of those changes come into force in January and others during 2014.

Q9 Chair: But legally we can't do anything about it, can we? We can't stop this happening. It is going

Mr Harper: No. The accession treaties, signed by the previous Government, allowed for transitional controls to run for up to seven years, that is to the end of this year. That is the case for us and eight other countries, and then they expire. There is no power under the accession treaties to extend them.

Q10 Chair: You were very proud when you spoke in the House on the last occasion to say that the majority of jobs that had been filled in the UK-I think in the last year or maybe three years—were by British citizens rather than citizens from outside. You gave us a figure.

Mr Harper: The point I was making was that there was a concern in the past, under the previous Government between 2003 and 2008, that 90% of the employment growth benefited foreign nationals. I think that is why the previous Government felt frustrated that the benefits of what was then a growing economy were not feeding through to the British population. Since this Government came to office, since the second quarter of 2010, over three-quarters of that employment growth has benefited British citizens. That means that British citizens are getting a fair crack of the whip. We are also making sure that those coming from outside Britain, whether from the European Union or elsewhere, are able to take jobs where there are vacancies, but the bulk of those jobs are benefiting UK citizens.

Q11 Chair: What do you say to Lance Batchelor from Domino's Pizza who says that he has 1,000 vacancies that he could fill tomorrow, or Sir Stuart Rose, one of our most accomplished entrepreneurs,

who says we desperately need more migrants to come into this country when they can't fill their jobs?

Mr Harper: I looked carefully at what they said and they said different things. Mr Batchelor was talking about hiring people in his particular pizza chain. It seems to me that if you have jobs available and you can't fill them he perhaps ought to reflect on the salary package that he is offering.

**Chair:** So he should pay more?

Mr Harper: He should perhaps pay his staff a little more and then he might find it easier to recruit them.

Chair: Is that your message to him?

Mr Harper: It is a market. If he is having trouble recruiting labour, I don't think we should import relatively unskilled labour from outside the European Union just so that he can keep his wages low. He runs a profitable business. He should pay what the market demands.

I think Sir Stuart was making a different point. I heard the interview; I didn't look at the detail of what he said. I think what he was saying is that if there are vacancies and you have people willing to come and work, then you should give everyone a fair crack of the whip but you don't want to stop people coming to do valuable jobs. The Government's strategy has been to make sure that people can come here if they are bringing skills. We want skilled people to come to Britain; we want people to work hard; we want people to come here and start businesses. We don't want to stop them doing that, but we also have a responsibility—and I think the Government is doing this as well-to make sure that British youngsters come out of school with proper skills. We have increased the number of apprenticeships. We want to make sure that our young people are properly able to compete in the competitive labour market and we are working on that agenda as well.

Q12 Michael Ellis: Minister, the Home Secretary made a deportation order to send an Australian back to Australia after he had served a prison sentence here. Yesterday an immigration judge apparently overturned that deportation order on the grounds that Australia is a racist country, although we are still to see the full judgment. I have done some research into this matter. Apparently the number one source of migrants to Australia is now India, having overtaken the UK, and Australia is the most multicultural country in the world, along with Canada. Do you agree that if that is the basis of the ruling, if these press reports are correct, it is an affront to common sense, it is offensive to our Commonwealth allies and it is contrary to the public interest?

Mr Harper: Mr Ellis, as I said to the Chairman, I am always very careful not necessarily to believe everything I read in the newspapers. I would say two things. First of all, in that particular case, Mr Oldfield's case, the judge has remarks ascribed to him in the media. We have not yet received the full written judgment and there may be some legal consequences that flow from that, so I would prefer to wait until I see the written judgment before commenting on it. On the particular case, though, just to be clear, because I think the press reporting was inaccurate in one sense, it was not, of course, a deportation decision. It was that Mr Oldfield made an application for further leave to remain in Britain and the Home Office refused that leave on the basis that he had been convicted of an offence, sentenced to prison, and the judge at the time said that the offence was planned, deliberate, disproportionate and dangerous. That is why the decision was taken. In terms of making a comment on the appeal, we will wait for the written judgment to be received, which I understand will take place in about 10 days' time.

Q13 Michael Ellis: When the written judgment is produced, the Home Office will consider its position as to an appeal in this case?

Mr Harper: Yes, we will. We will look at the written judgment, the reasons that the tribunal judge made whatever decision he has reached, and see what our further avenues are if any are available to us. We will make the decision at that time.

**Q14 Yasmin Qureshi:** In light of the question put by Mr Ellis, do you think it is very wise for Ministers to be commenting on judicial cases, bearing in mind we have an independent judiciary?

Mr Harper: As you detected, I did not comment on the judge's decision.

Yasmin Qureshi: No, exactly.

Chair: I think she is trying to praise you for not doing so.

Mr Harper: Chairman, forgive me. The praise was well disguised.

**Chair:** She is very good at that.

Mr Harper: I will take that for what it is worth. No, I commented on the case because many of the details of the case have been put in the public domain. I was prepared to comment on the reasoning behind our decision, because it had been challenged, but I would prefer to see the judgment before thinking about whether it is appropriate to comment on it. Thank you for your praise.

Q15 Chair: Let us close this Romania and Bulgaria issue. Do you know how many people are on benefits who have come from the A8? Do we have figures? The last figures we had were that of the 2 million who came at the time of the accession, only 38,000 claim benefits. Do we have any figures on it?

Mr Harper: I don't, Chairman. I will check for you. I am not going to speculate. We don't have brilliant figures on foreign national claims of benefits because, as you know, the current system that the DWP has does not record, as a matter of course, people's nationality. That will change as we roll out universal credit but the current system doesn't, and as you know there was a particular exercise done. I think in 2012. to assess the level of foreign national claiming of benefits. Let me check the latest data. We did provide data to the European Commission this year as part of our evidence that we provided for abuse of the system, but let me look and get the accurate information and I will write to the Committee.

Q16 Chair: Yes, if you could do that. Can I check, the last time you and the Home Secretary were before us we asked you to visit Romania and Bulgaria to look

at the push and pull factors as to why people were choosing to migrate here. Did you manage to get to either Sofia or Bucharest?

*Mr Harper:* I am afraid I have not managed yet, Chairman. I have been rather busy with my duties in the House with the Immigration Bill that I am taking through Parliament, which you may come to later. I have not yet had the opportunity, I am afraid.

**Q17 Mr Winnick:** Taking up an earlier point that you made about wages, is it the message from the Government that employers should not use EU nationals, Bulgarians and Romanians as well as others, as cheap labour?

Mr Harper: It is the Government's position that all employers should follow the law and pay the minimum wage. The point I was referring to in the Chairman's question about Mr Batchelor was that he not only said he could not recruit sufficient workers from the resident population in Britain, he implied he could not get sufficient from anywhere in the European Union either. He was arguing that we should open up the labour force from outside the EEA. It seems to me that if out of what is a market of hundreds of millions of people you can't hire enough people to work in your restaurants, you perhaps should look at how much you are willing to pay people. That was the point I was making. Employers should comply with the law, they should pay the national minimum wage, and they should not try to undercut the legal arrangements we have in place. Where we see evidence of that, Mr Wood's Immigration Enforcement officers will take action and we will take action against those employers where we see them breaching the law.

**Q18** Mr Winnick: I take it from that response that it is accepted there are employers in this country who are only too willing to use EU labour in order to pay less than the minimum national wage, which is illegal as we know, but generally pay lower wages than they would probably have to do with people ordinarily residing in this country.

*Mr Harper:* On the first point, there are certainly employers who breach the law and HMRC is increasingly successful at recovering that underpaid pay and making sure that it goes to the employees who should have received it.

As for the question of what the impact is on overall salary levels, I do not have access to that. There is some academic evidence that there is some job displacement from EU jobs. I know the Migration Advisory Committee has done some work on that.

The evidence on wage pressure is mixed, depending on whether you are in an environment where the economy is growing or not. There is some evidence that suggests there is downward wage pressure. I think there have been some leading members of the Labour Party who have said so—Mr Cruddas, for example—but there is also evidence that it does not have a significant impact. As ever, the economists have different views.

**Q19** Mr Winnick: Presumably the TUC would give evidence on this issue, if required.

*Mr Harper:* They may well do. The Government's position is that all employers should follow the law: they should pay the national minimum wage and they should treat people properly in compliance with all of their legal terms and conditions. Where we find employers not doing that, we will take enforcement action against them to the full extent we are able.

**Q20 Mr Winnick:** On the Government's wish to reduce immigration, does it remain the position that the target remains the same, to reduce net migration to below 100,000 by the year after next, 2015?

Mr Harper: Yes, that is still what we are working towards.

Recently the Prime Minister highlighted that that is a challenging target. We have obviously made a considerable amount of progress on non-EEA migration where the number now is down to the level it was, I think in 1998. Clearly for EU migration, where we do not have the same policy levers, there is some pressure, interestingly not from eastern Europe or yet from Bulgaria and Romania. The challenge has been from some of the southern European countries. We have seen an increase, for example, in Spaniards coming to and staying in Britain, as a result, I suspect, of our relatively well-performing economy and their not-well-performing economy. relatively obviously presents us with a greater challenge but we remain focused on that agenda and we are trying to get towards it.

**Q21 Mr Winnick:** I ask because the latest statistics, which obviously you are also aware of, showed an increase in net migration to 182,000 in the year to June. Nevertheless you believe this target that Government has boasted about is likely to come about.

*Mr Harper:* That number reflects what I just said, which is that we saw the non-EEA number continuing to fall. The small increase was driven by an increase in EU nationals, which was largely driven by those from the more traditional member states where we saw both an increase in those arriving and a reduction in those leaving, which I suspect reflects the relative economic performance of our respective countries.

**Mr Winnick:** I noted the earlier question but I have put that because I wonder why the Government considers that next year's figures will be different.

*Mr Harper:* We continue to bear down on migration. We are making sure that the system is tougher. We have never hidden from the fact that it is a challenging target but that remains what we are focused on and what we are working towards.

**Q22 Chair:** The Prime Minister went further than what you have just said. When he was in China it seemed that he was making a statement that he was not going to meet the pledge. "I made the pledge of trying to get net migration down to the tens of thousands rather than the hundreds of thousands on the basis that actually over the previous period migration flows within Europe had been relatively balanced out, when it has been migration from outside Europe that has been topping up the numbers."

It is quite clear that this target is not going to be met, is it not? I know you are working towards it. This is still a requirement. You want to do this. But was the Prime Minister not basically saying that it is not going to happen?

Mr Harper: I think he said what he said. He said that when we set the target, historically the position had been that the net EU number broadly balanced out with the flow of British citizens. So the impact on the number was largely from the non-EEA position. We have had considerable success on the non-EEA numbers where we have driven down the net migration number quite significantly and it continues to fall. It is being achieved by driving down the immigration numbers.

Chair: Yes. We understand that.

Mr Harper: He drew attention to the fact that the numbers have become more challenging, but I do not think he went quite as far as what you are suggesting. Chair: I am asking you to look at it. You are saying to us now that when you come before us in March 2015—I am confident that you will still be the Immigration Minister by then and the longest-serving Immigration Minister—

Mr Winnick: Not after May, I hope.

Chair: No. March, I said, Mr Winnick. Minister, you are telling us you think you can come back before the Committee and say, "We have done it. We have got to below 100,000".

*Mr Harper:* That remains our goal, or target: however you want to describe it. Clearly it is a challenge because it depends on what happens with other European economies. We will see. That remains our challenge and that remains what we are focused on.

**Q23 Dr Huppert:** One of the large groups of people within that number is of course students. We have discussed this before. I understand there is no policy intention to reduce our student numbers and there is clear agreement that abuse is not okay but they are a huge financial advantage to our country.

I met earlier with the Cambridge University Students' Union who are very concerned about the proposals in the Immigration Bill to increase the charges on students because it will tend to reduce the number of people here. As you know, I proposed an amendment to suggest that we could abolish those charges for students. Have you looked at that further and what assessment have you made of the effect it might have in reducing the number of overseas students coming here?

Mr Harper: I will reiterate your first point because we do welcome international students.

The number of students coming to our universities is up again in the figures that were published at the end of October: the same set of figures that Mr Winnick referred to. We see an increase—in fact an increasing increase, if I can put it like that—and we welcome

Our assessment is that we do not think the proposal to have what is a relatively modest charge for access to the National Health Service will make a significant difference, for the reason that markets we are competing with all require some kind of contribution.

If we look for example to the United States of America or Australia, students are required to have insurance policies that are more expensive than what we are suggesting. So our competitive advantage remains and perhaps there is an opportunity where we could just remind students what they are getting access to for what is a relatively modest contribution. I think our system remains very competitive.

It might interest you, Mr Huppert, also to know that a leading student union—I will not name them because I do not think we have their agreement—told us that in terms of the performance of the UK Visas and Immigration Organisation that Sarah Rapson manages, this year's student surge, the peak in the numbers of students, has been the best-ever-managed one. So in terms of starting to deliver that level of customer service, we are starting to deliver progress that has been noticed by the organisations we work with and which I hope will be recognised by both student unions and universities, including the one that you represent in your constituency.

Q24 Dr Huppert: More than one and indeed the international affairs officer did get his passport back this morning after four and a half months so I think there is some improvement.

But while I accept that there are different policies in different parts of the world, surely there is still a marginal effect that if you charge students—let us say they are coming for a few years and they may have a family—what can be thousands of pounds, that is a factor, whether we still have an advantage or not, that would reduce the advantage or increase the disadvantage and tend to push people somewhat overseas. Surely that is a marginal effect that is

Mr Harper: There are two questions. Firstly it is about fairness. It is about whether someone who is coming here on a course should have unrestricted access to a health service to which they do not make a direct contribution. I think the public would think it were reasonable that they at least make a modest contribution.

Whether the fee has an impact I suspect depends on some of the thought processes. If our universities are not reminding potential students of the fact that currently they get access to a free-at-the-point-of-use national health service with all of these benefits and that is a much better relative offer, and if we put in place a modest charge and universities do remind students that compared to the United States or Australia we competitively have a better offer, arguably there may not be any impact at all. Yes we are making a modest charge, but universities are doing a better job of reminding people of what they are getting in return for that modest charge. I suspect at the moment there is not very much of that marketing going on. It may remind our universities that they have a competitive tool compared with their international competitors when they making those offers. That would be my plea to them.

Q25 Chair: Thank you. We will just continue on the freedom-of-movement theme, then we will bring in Sarah Rapson and David Wood. I should explain that I agreed to your coming in to gate-crash the session that we had arranged for Ms Rapson and Mr Wood because I think it is important that we hear from the policy parts; they deal with the operational parts. So hang on. We will be coming to both of you.

Q26 Lorraine Fullbrook: My question is for the Minister. I would like to ask about the wider reform of the free movement of labour. To what extent do you think there is now a coalition among member states in favour of reform of the free movement of labour?

Mr Harper: Chairman, I am not going to avoid Ms Fullbrook's question but for the Committee's benefit I am going to say in response to your comment that I also thought it was helpful, given that Ministers are accountable to Parliament, to come myself with the two Director Generals. Indeed in future sessions-and you have very kindly offered me the opportunity, which I am very happy to accept, to come four times a year—if the Committee wants to widen it to include the other areas I am responsible for—Border Force, Her Majesty's Passport Office—I will be delighted. I am conscious that there are certain areas that are appropriate for civil servants to deal with but there are also areas where Ministers should respond. I know you and I are very comfortable with our arrangement and I think that is beneficial for the Committee and I am very happy to come.

Chair: We are very comfortable with that. I wish more Ministers would offer to come more often to see us.

*Mr Harper:* To Ms Fullbrook's question: yes, I do. The discussions the Home Secretary has been having at the Justice and Home Affairs Council: we started those earlier this year with extra vigour. As the Committee knows, the Home Secretary wrote with three of her colleagues—the Interior Ministers of Germany, the Netherlands and Austria. At that time those were the clear allies that we had. I think the last time we intervened on this at the Justice and Home Affairs Council we had 11 member states supporting our position. So I think while everyone accepts that free movement is an important principle-and of course many British citizens benefit from that—it is the case that we need to deal firstly with the abuse of it. That argument is starting to carry quite a lot of support. Even the Commission has now accepted there is abuse and it needs to be dealt with. Both the Prime Minister and Home Secretary have started discussing this: about how we deal with future accessions and whether a purely time-related accession period is sensible and whether you should look for example at relative income levels; whether it is sensible to allow countries to have effectively a backstop if the numbers are too significant. Both of those ideas are input by the Prime Minister and Home Secretary and clearly if there were a future Conservative Government after the next election, I am sure that would be one of things on the Prime Minister's list of items to negotiate. There is some evidence that we would have support to move in some of those directions as long as we were not trying to resile from the broad principle of free movement. I think there are other member states that would support some tightening and have some concerns themselves.

**Q27** Lorraine Fullbrook: Do you think a majority of member states would support our position eventually? Mr Harper: I would probably be a bit rash if I started to do that but I think there is a significant amount of concern about the abuse of free movement. A number of our partners are concerned about it. Our argument would be about putting some of those sensible changes in place to deal with abuse; to deal with future accession countries where there may be significant economic differentials. Our challenge will be to get either a majority of those or, if it is part of Treaty negotiations, obviously we have to land that with unanimity. But I certainly think the progress we have made demonstrates that is absolutely achievable.

Q28 Mark Reckless: Mr Harper, when you were taking the Immigration Bill through at Committee stage, you would have been aware of Nigel Mills' amendment, which expressly states that the transitional control should be extended, I think for another four years. That amendment was accepted as in order by the clerks and chair of that committee but you said that it is simply not legally possible. I was a little puzzled by your comment.

Mr Harper: Yes. Under the accession treaty signed by the previous Government, we are allowed to have transitional controls for a maximum period, which runs to the end of this year. Then there is simply no legal provision under the accession treaties and under the European legal framework to allow those transitional controls to be extended without amending the treaty.

Q29 Mark Reckless: But does not Nigel Mills' amendment make legal provision for such an extension, at least in our domestic legislation?

Mr Harper: No. Our assessment is that it does not do that. I am probably at risk of getting myself very confused in European legal matters but under the European Communities Act and the various treaties that we have signed and then brought into force, the provision for extending those controls is to the end of this year. If we wish to do anything more than that we would either have to go back and amend the European Communities Act or we would need to renegotiate the treaty, which would require a unanimous decision of all European countries, including the two affected by it. Our judgment—and I said this in the committee discussion—was that was not very likely or practical.

Q30 Mark Reckless: But would Mr Mills' amendment not act as an amendment to the European Communities Act?

Mr Harper: Our judgment was that it would not have that effect. No. It just would not be legally effective and that is what I think I said. I may not have said it in exactly those words but I think that is what I said in the debate at committee stage on Mr Mills' amendment.

Q31 Mark Reckless: Could I ask you to go back and read the judgment of Lord Justice Laws on the Metric Martyrs case. Nigel Mills would be the promoter of the relevant amendment. It states expressly in its terms that it is extending those transitional provisions. It is

clear that that is notwithstanding the European Communities Act but surely our courts would be bound to implement that. You said at committee that we would not even go to the European courts; the domestic courts would rule it was not compliant with our Treaty obligations. But surely what the domestic courts interpret is legislation as passed by this House and not treaties as entered into by the Government if they are contrary to the legislation this House has passed.

Mr Harper: Treaties are brought into force by legislation passed by Parliament. I remember sitting through very lengthy debates on the Lisbon Treaty, which was brought into force by an Act of Parliament in the previous Parliament. There are also other pieces of legislation that underpin European rules. The information I gave to the Public Bill Committee, which you have just accurately quoted, is the best advice that I have, and I was giving the Committee the best advice, which is that the provision would not be enforced by British courts and it is simply not possible for that amendment to have the effect that Mr Mills was seeking because of what the European Union accession treaties say.

O32 Mark Reckless: I find what you are saying absolutely extraordinary. If it is clear on the face of the Bill and from what the promoter of the Bill is stating that it should apply notwithstanding to an legislation—here of the European Communities Act—it seems to me clear and a key constitutional principle of ours that our domestic courts would implement it. I am amazed that you take a contrary view.

Mr Harper: I am not sure that the amendment that Mr Mills has tabled has the effect you are suggesting. You have mentioned a specific legal case and I will of course go away and look at that case to see whether it in any way changes my judgment.

Q33 Mark Reckless: There cannot be implied repeal by accident. If the promoter of the Bill-or in this case the amendment—is clear that it is intended to have the effect then one would expect the courts to implement the intention of Parliament.

Can I also just ask you why you have delayed our consideration of this until after 1 January? Surely it would be sensible for us to debate and vote this issue prior to the Bulgarians and Romanians having entry after 1 January.

Mr Harper: I say two things. First of all we have not delayed anything. We have not set out a timetable for the report stage and third reading of the Bill. As I think the Leader of the House set out in the exchange that you had with him at business questions, we have a very busy agenda between now and the end of the vear.

It is of course worth saying two further things. In any case, whatever was in it, the Bill is not going to get Royal Assent for some time because as well as completing its passage through our House, it has to progress through the other place and so it would not be in effect before the end of the year.

Secondly, as I said in my answer to the Chairman's question, the transitional controls are not about entry to the United Kingdom. They are about whether you can come here to take unrestricted employment. I think it is worth remembering that. A lot of discussion in the newspapers is around what might happen at the border. Of course Romanians and Bulgarians have been free to come to the United Kingdom for three months for any reason and to come as students, selfemployed or self-sufficient people in any event. All we are talking about is whether they can come here to take employment without having to first seek the permission of the Home Office. That is what we are talking about. It is worth remembering that when we have this discussion.

Q34 Mark Reckless: So there is no question of appeasing Commissioner Andor?

Mr Harper: No. I think I am accurately saying this: the Prime Minister has raised the comments of Commissioner Andor with the President of the Commission and drew attention to the fact that it was not really appropriate for unelected officials to be telling elected British Governments or any other governments whether or not they should be taking account of legitimate public concern. I think that point was made very strongly by the Prime Minister. I know that message was heard clearly.

Chair: Dr Huppert has a quick supplementary and then we move on.

O35 Dr Huppert: We were expecting balance of competencies study—the section particularly looking at freedom of movement—to be published yesterday and it has not been. According to the *Independent* that is because the Home Secretary feared it was too positive about the benefits of free migration, a £25 billion net benefit that has been suggested.

When do we expect it to come out?

Mr Harper: I do not think the Government had published a date by which we should expect it. I have seen a number of comments. I would revert to what I said to the Chairman: I do not always believe everything I read in the newspapers.

Q36 Dr Huppert: So when should we expect it? Mr Harper: It will be published in due course when it is ready.

Q37 Chair: I hope you believe everything you read in the briefs given by officials. If I could now turn first to Mr Wood? When the Home Secretary abolished the UKBA she said it was "closed, secretive and defensive". Of course you were one of the survivors of the old regime, if I might put it like that. When do you think you will be confirmed in your post? What is happening in respect of your post? When are the final decisions to be taken?

David Wood: There is a process going on at the moment. I do not know when the final decision will be taken. It will be a matter for the Permanent Secretary in consultation with Ministers and I believe the Prime Minister.

Q38 Chair: It does not affect the way in which you do your work?

David Wood: Absolutely not. As far as I am concerned, at the moment I am the director general of the organisation.

Q39 Chair: Let us turn to that because of course it was you who suggested the idea of the immigration vans. Was it a disappointment that the vans were scrapped in the end?

David Wood: Can I correct that, Chairman? It was not my idea. It was not me that suggested that. It came into force-

Q40 Chair: Whose idea was it?

David Wood: I do not know whose idea it was. It did not come through me. It was a submission put to the Minister from the UKBA when UKBA was in existence. It was implemented on my watch.

**Q41 Chair:** You were the director in charge? **David Wood:** When it was implemented, indeed I was.

Q42 Chair: But not the director when the submission was made.

David Wood: Correct.

Q43 Chair: You had to implement it. David Wood: That is correct, Chairman, yes.

Q44 Chair: Did you think it was a bad idea? David Wood: I think you have to look at that as one part of a large strategy. This was a one-week pilot with those vans going round London. Obviously I did not think it was a completely bad idea at the time, no.

Q45 Chair: Otherwise you would have said so? David Wood: The Minister would also have said so. But no: it was part of a wider strategy in order to get the message out. People can go home voluntarily. I stress that it is better for people to go home voluntarily than to have them incarcerated, detained and taken home compulsorily. We have been very successful in that. Our voluntary removals are 39% up on last year. Overall we are getting through and being successful. You will be aware of what the Home Secretary subsequently said about those vans. They are not something we are now running. It was a one-week pilot.

Q46 Chair: What concerns me is this. I put down a parliamentary question asking how many allegations were made in September and how many people were removed as a result of the allegations that were made to the allegations database. Do you have any figures for this Committee other than what we have already put in our last report as to the number of people who have been removed from this country as a result of allegations made?

David Wood: You are talking about the allegations database now.

Chair: Yes. The one you showed me two weeks ago. David Wood: Indeed, you did come and see it.

I think the best way of answering that is to look at it overall. The allegations databaseQ47 Chair: No. We want figures here. The point of you coming here is to give us answers on operational issues, not policy. That is why we have the Minister here. So we need some figures from you.

The last figures you gave this Committee, which came from the Minister in a written answer, was that of the allegations made, only 1.5% were subsequently removed. Has that improved since the last figures you gave to this Committee?

David Wood: I do not have those figures. They would improve.

**Q48 Chair:** When can we have those figures? "They will improve" is not sufficient for our scrutiny.

David Wood: If I am permitted to explain, Chairman? There will have been people arrested in September. Allegations made in September may not result in arrests until well into October, even slightly later. The removals that come from those take up to six or nine months.

Q49 Chair: When can you let us have the latest figures? The last figures you gave us were earlier this year. They were not contained in the letter that Sarah Rapson sent us. When could you let us have the figures as to the number of people who have been removed from this country since the last figures you gave us? That is all I want to know. Will you write to me with those figures?

David Wood: I can indeed, Chairman.

Chair: When do you think I can have those figures? David Wood: I am sure you could have those figures within a couple of weeks.

**Chair:** We would like them next week. A couple of weeks will take us to Christmas and after the recess.

David Wood: It would indeed. **Chair:** So by Friday midday.

David Wood: The point I would like to make— Chair: Mr Wood, do you understand that?

David Wood: Yes.

**Q50** Chair: The reason I am stressing it is because we have in the past said to both you and Ms Rapson that we would like figures on a certain date and they have not arrived. This is not the way in which we can scrutinise effectively. Can you let us have those figures by midday next Friday?

David Wood: I can, Chairman. They go through a long checking process to try to make absolutely sure we give you accurate figures. That is why there are delays sometimes, rather than the personal failings of myself or indeed Sarah Rapson.

Chair: It is not about the personal failings, Mr Wood, because if it was about personal failings you would not be sitting before us. It is about the system, which the Home Secretary described as closed, secretive and defensive. We want to help the Home Secretary to show that this organisation works.

Q51 Chair: Ms Rapson, in respect of the migrationrefusal pool—and I appreciate this pre-dates you as the head of Visas and Immigration—the contract for Capita was given out by your predecessor, I understand. Is that right?

Sarah Rapson: I think this might be a question for

Q52 Chair: Who gave out the contract to Capita? Was that someone else?

David Wood: It was not me. It was someone within UKBA.

Chair: I understand that. But UKBA is a very large organisation, Mr Wood.

David Wood: It was not me personally. I do not know who dealt with the contract.

Q53 Chair: Was it Mr Whiteman? David Wood: He was the chief executive.

Q54 Chair: You cannot tell this Committee who gave out the contract to Capita? Just that it was somebody in the UKBA?

David Wood: It was not something I dealt with. No, I cannot tell you precisely.

Q55 Chair: But you are now in charge of it. David Wood: I am now in charge of the contract. Yes. It certainly comes in my area.

Q56 Chair: Right. But you do not know who gave the contract out. Were you aware that the contract is worth £40 million over four years?

David Wood: That is the ceiling cost of it. It will not necessarily cost that. But yes.

Chair: You are aware that it is worth £40 million. David Wood: Yes.

Q57 Chair: What sort of benchmarks are you putting on Capita to make sure that they clear this pool?

David Wood: First of all their task is not to clear the pool. Their task at this stage is to go through that pool: to contact everyone; to cleanse it to some extent, because there are duplicates and errors within it because these are records, of course; to check as far as they are able to do so through various systems whether people have gone home and to try to make contact with those who may still be in the UK. Then they pass them back to us to take further action as appropriate.

**Q58 Chair:** Mr Wood, that is not the understanding of this Committee.

Damian Green gave evidence to us and told us of the existence of the migration pool, which the Committee did not know about. I am sure you are aware of that evidence. It is not some swimming pool to be cleansed: this is a migration-refusal pool that is going to be completely removed. The only cases that would come in are cases that would normally come in under a certain period of time. The ambition of this Committee-and I thought the ambition of the Government and your staff as the head of enforcement—was to get that number down. Is it not? David Wood: It is indeed, Chairman.

Q59 Chair: How can you explain that it has gone up by 11,500 from 182,500 to 194,000? How could it have gone up when everyone has gone in? We are paying them a large amount of money to get this backlog down but the backlog is going up,

David Wood: Because there has been a backlog clearance in Sarah Rapson's area, which means that the cases going into that are four times the volume than there would be normally. So it has gone up a bit. That is absolutely correct. It is because of that and they take time to work through the system.

Q60 Chair: So your explanation as to why the migration-refusal pool has gone up is that Sarah Rapson is clearing her cases: not clearing them out completely but sending them from her pool into your

David Wood: She clears a lot of them out completely, granted. But those who are refused leave to remain in the country then come to the pool. They might have gone home, lots of them, and it is Capita's job to check whether people go home; to contact them. If they cannot make contact and it appears they have not gone home, then it is passed into my area and further casework and action is taken.

**Q61 Chair:** Then when it is finished it goes back to Sarah Rapson?

David Wood: Only if further applications are made for further products, like asylum or things like that. This is what the Bill is designed to improve to some extent.

Q62 Chair: Mr Wood, I think this is most unsatisfactory. It is certainly different from what members of this Committee were told by the previous Minister and Rob Whiteman, which is that the ambition of everyone is to get these pools down, not for it to go from Ms Rapson to you and then from you

David Wood: No. That is correct, Chairman. I am not saying anything different from that. You are asking me can the case go to-

**Q63 Chair:** What have you said to Capita? What are their benchmarks? We have written to Capita to ask them, "What happens if you don't get this pool down?" Capita says, "Sorry, we can't deal with you, Home Affairs Select Committee. You have to deal with Mr Wood". So we are asking you now today, since you have come here. What have you said to Capita about the fact that this pool has gone up rather than down?

David Wood: Capita's clear task was they were given a large number of cases, records on systems. Their task, as I have explained, because their records—some of these records are five or six years old.

Chair: We know.

David Wood: They are to go through them, "Are these people still in the UK or are they not?" They have found, I think, up to now, up to today, about 38,000 of the cases are not in the UK. They have confirmed they are abroad, so they come out of the system. They then find there are duplicates in the system so they take those out of the system. They then find there are

That is the cleansing, when I talk about cleansing. Then they get down to people they think they should contact and they try to contact those people. The

people they cannot contact, or the people they do contact who do not go home, are then passed to us to take further action, which may be removal. It may be they have applied for other things.

**Q64** Chair: This is not what we intended when we asked you to provide this information. We are going to have to seek evidence from Capita on this. We think it is unsatisfactory that this pool is going up. We want the backlog to go down not up and we need sufficient benchmarks to ensure that Capita are doing their job effectively.

If I could turn to you, Ms Rapson. Could you give an explanation to the Committee why your last letter to this Committee was two and a half months overdue? *Sarah Rapson:* First let me apologise to you for being tardy in some of the responses to you. It is a consequence of wanting to make sure that the content and the numbers are correct, so we do a lot of work to make sure that the numbers are right. There are a lot of approvals that need to happen, but I do think we should do a better job of getting information to you more quickly and that is what we would like to do going forward.

**Q65 Chair:** What worries this Committee—and we were very grateful to the Home Secretary for the action that she took, and indeed the Minister—is we feel that officials perhaps are not working to the same agenda to try to get this information out as quickly as possible.

Sarah Rapson: We are doing everything we can to get numbers out to you as quickly as we can. I accept we need to do a better job of it, though. The Permanent Secretary is also taking a personal interest in making sure that we get the numbers out to you more quickly. I think the Minister has agreed that we will get the quarterly numbers out to you in January. We have a personal commitment to you to do that and then quarterly thereafter. I accept there have been some issue in getting the numbers out to you. It is just a case of wanting to make sure they are absolutely right. I would prefer to get them out late and right than on time and wrong, so that is a consequence of that. Chair: Absolutely, but two and a half months. I appreciate your apology. As far as this Committee is concerned and the way in which we do our work, we do have faith in you. You do come to this job with an excellent record in the Passport Office. As I reminded you, we never had to call you before this Committee in the six years that I was Chair. But we do ask that this is done in a timely way. We don't want to disturb the Minister over this, but had it not been for his intervention, frankly this exchange would have been quite different. We are grateful to you for your apology and the way in which you deal with requests for meetings, unlike Mr Wood and his section, who seem to be unwilling to have the Committee visit or me visit. You certainly have been extremely open whenever we have requested meetings and visits to Sheffield and other places.

**Q66 Mr Winnick:** Ms Rapson, with regards the backlog, someone came to see me at my surgery on Saturday, a not unusual sort of case. The person has

been here nearly 12 years. He came as a visitor and overstayed. I am not making any justification for doing that. That goes without saying. I am against everyone who breaks our laws, but the circumstances seem rather strange. No decision has been made by the Home Office, despite letters from the solicitors, some of which are not answered, hence the reason, like other Members of Parliament, I am seen. The question arises because this person is in abeyance. It is unlikely he will be sent out of the country, because he is married, he has his children born here and the rest of it. But one way or the other, the Home Office, after 10, 11, nearly 12 years, should be able to give an answer. Do you agree on that?

Sarah Rapson: Firstly, I am very happy to look at the particular case if you haven't already sent it through to me. I will certainly look at the particular case. However, we do have, as I know the Committee is very aware, a significant number of cases that we need to deal with in our Older Live Cases Unit, and I would anticipate that that case that you have just described is probably one of those. We do have plans to review all of those cases and we are making progress. I entirely agree that it is not acceptable the amount of time that some of those people have had to wait. That said, some of those people have had a number of decisions from us over many years, so it won't be the case that we have done nothing on that case for 12 years. I do accept, though, that there are a number of cases, for people who have been here for some time, who we owe a decision to and we are working through those.

**Q67 Mr Winnick:** I won't ask for this case to be considered other than in the usual way in which I write. That would be totally unfair. Whoever I wrote about will go through the normal process; I want no special preferential treatment, for the reasons I have just stated. You said, if I understood correctly, it is somewhat unusual. Would you not agree there are quite a number, substantial numbers of cases, going back that period of time and perhaps more, which have been accumulating, and this has been the subject of many, many questions to Ministers and people like your predecessors, where no decision has been reached?

Sarah Rapson: We have a number of cases in our Older Live Cases Unit and we are—

**Q68 Mr Winnick:** What is called now?

Sarah Rapson: It is called the Older Live Cases Unit. Mr Winnick: Yes, because the designation changes. Sarah Rapson: Because it deals with older live cases. Mr Harper: If you remember, Mr Winnick, you were the inspiration for giving it a more transparent and clearer name. It was in the interactions you made, a perfectly sensible point, that the previous name was a bit obfuscatory. We tried to make it a bit more transparent and clearer.

**Q69** Mr Winnick: It is nice to be given the credit for something. You were saying, Ms Rapson? *Sarah Rapson:* There are a number of cases in there. We have a plan to work through them and we are working through them systematically. Our expectation

is—it is not a published target but it is an internal plan-to have worked through all of those cases by the end of next year. We have a plan to do that.

Q70 Mr Winnick: With the Chair's permission, can we work, therefore, on the assumption that next year—so it can be placed on record and the Minister is here—there will be no outstanding cases over four or five years?

Sarah Rapson: What we are intending to do is to work through all of the cases that we have in the Older Live Cases Unit by the end of next year. What we will do with each of those cases is make a decision. It may well be that some will get granted, it may well be that some will be refused, it may well be that we won't be able to remove all of those people if they are refused. To say we have finished them all—

Mr Winnick: That was not quite my question, with respect.

Sarah Rapson: No, but I draw a distinction. We will have looked at every single one of those cases and made a decision by the end of next calendar year.

**Q71 Mr Winnick:** The answer to my question is that by the end of next year, the end of 2014, a decision will be reached, one way or the other, whatever it may be, on every case so no one will be waiting over five years, yes?

Sarah Rapson: All of the cases that we have in that Older Live Cases Unit workload, which we believe to be all of the cases that you can describe like that, will have had a decision by the end of next calendar year. I will put one more caveat in, because I want to be totally transparent with the Committee. I am not, with the Minster's permission, planning to make that a target as opposed to an internal indicator of when I want those decisions to be made by, because I think that the organisation sometimes races towards a target and we get odd outcomes. I want us to make good quality decisions, and our plan is to have looked at all of those cases and to make a decision by the end of next year. I am not going to make that a published target because what I would not want is for some bad decisions to be made nearer the time just to meet the target.

Mr Harper: I think in the Committee's report on this subject the Committee agreed that it did not want us to behave like that. It wanted us to take the time to get the decisions right. Ms Rapson is right that we want to-

Q72 Mr Winnick: Of course we want the decisions right and we do not want bad decisions. It is a question of how many years people have to wait.

Mr Harper: Yes, and I think we have made considerable progress. We inherited around 500.000 old asylum decisions and we worked through those. We have the Older Live Cases Unit and we have been as transparent as possible and Ms Rapson's team is working through those. I have given that commitment to make those decisions by the end of next year as well and we will continue to give the Committee indicators of progress when we give the quarterly statistics, which we have been doing and I know in the latest set we do as well.

Q73 Chair: Very helpful. Ms Rapson, for the record could you confirm the number of cases still to be loaded on CID? How many are there now? There were 61,000.

**Sarah Rapson:** We are in a much better position. <sup>1</sup>

**Q74 Chair:** Do you know the figure?

Sarah Rapson: It is about 3,000, which is a couple of days' work. You would always expect for us to be opening the post, but there is not a problem with cases being not on the system at the moment.

Q75 Chair: So it is down from 61,000, which is what we were told originally, to about 3,000, which is the number of cases that you have in a working week. Is that right?

Sarah Rapson: Yes. I think just generally on the whole permanent and temporary migration, the amount of work that we have in the system, we have made significant progress in that.

Q76 Chair: What is the level of the temporary and permanent migration pool now?

Sarah Rapson: It is a total of 138,000 as at the end of June, because of course these are the figures that we have issued. At its peak in December 2012 you will remember it was up at 225,000, so it is a significant improvement.

**Q77** Chair: In the last figures it is down by 40,000. Sarah Rapson: Indeed, and it was 190,000 in the last quarter. What I would say, though, is what I think is equally important is understanding the proportion of cases that consists of that work that is inside service standard: how old are those cases. What we can see is that we are getting better at being in service standard for those cases. There may be times of the year where those numbers go up, because demand is not flat across the year. For example, when the students come in you would expect us to get more cases in, but what I want to see and the Minister will want to see is that underlying performance is better—that is that more of those cases are being dealt with in service standard, and we are seeing that.

Q78 Chair: In terms of the migration refusal pool, we have heard Mr Wood's explanation, which I do not find particularly satisfactory, because that is not why Capita were brought in. What is your explanation for a rise in the migration refusal pool?

Sarah Rapson: Mr Wood has already answered the question, but it is true to say that the consequences of our clearing the backlogs in both temporary and permanent migration is that the work flows through the system. On one level it will flow into the migration refusal pool but it will also flow into the appeals and litigation system, so the courts are very busy at the minute with these cases. Also, for those people who are refused and who go into the appeals system, some of them also flow into the asylum system. It is on some level a route of last resort for them.

Note by Sarah Rapson: The figures given in response to Questions 73-75 relate to the end of Quarter 2, the latest set of data that had been assured and placed in the public domain at the time of the session

Q79 Chair: You come in from the outside, although you have been part of the Home Office. Have you been able to bring in your own team? I go back to what the Home Secretary told the House: closed, secretive, defensive. This is pretty damning account from the Home Secretary herself. She was obviously not impressed. When you arrived there have you been able to appoint your own staff and your own people? Sarah Rapson: I believe that we have built in UK Visas and Immigration a very strong management team.

**Q80 Chair:** Since March? Sarah Rapson: Since March.

**Q81 Chair:** How many new people have come in? Sarah Rapson: This year all five of my directors are new and I have created new directors in the post of asylum because it is a very complicated, challenging area. It is a brand new post and I have appointed to that. There is also a new director responsible for performance, customer and change. That is another area that the Home Secretary and Ministers have asked us to put specific focus on. There are five directors who report to me in UK Visas and Immigration.

**Q82** Chair: We have had dealing with Simon Hayes and Lisa Killham in particular, and both of them were excellent in matters that have been sent to them. Mr Wood, how many people have you changed since you took over as interim director?

David Wood: I believe I am right in saying 10 out of 14, so there is a whole new management team.

Q83 Chair: Are they from outside or are they from internal promotions?

David Wood: Some are from internal promotions, some are from outside, some from outside the civil service and some are from other parts of the civil service.

Q84 Chair: Out of the 10, how many came from outside?

David Wood: I believe it is four.

Q85 Chair: Have the others all been promoted internally or have they just changed jobs like you did? David Wood: Some of them have come from other jobs internally and some of them have been promoted internally.

**Q86 Chair:** Is that process now over? When the Minister comes back before us next year will he be able to say there has been a massive change in the two keys areas of the work that you do?

David Wood: I think there has been a massive change in my area and Sarah Rapson's area too. There has been a massive change in culture and how we approach things and indeed how we operate, so I hope the Minister could say that now; I should not speak for the Minister here. There is one more appointment to be made.

Q87 Chair: What is the number one change in culture? You are a UKBA man; you have survived the old system. What is the biggest change you have seen since March of this year? Ms Rapson obviously has come in from the Passport Office. What is the biggest change in culture? Reassure the Committee that this is moving in the right direction.

David Wood: I think reassuring the Committee would be the objective of the assessment of culture, because there is a staff survey that is done. That has gone up five points, which is the most it has ever gone up, I think. These are all-round cultural issues about their attitude, about their understanding of the vision of the organisation. There is an objective assessment. The staff themselves fill these forms in. That is a five-point leap, so I think that is a fairly objective assessment of where culture is.

Chair: Staff morale.

David Wood: It is staff morale and other issues: understanding the vision of the organisation, understanding the purpose of the organisation, about leadership of the organisation. Staff are asked a whole range of questions.

O88 Paul Flynn: I would like to come back to a point that was made, which was this report to the Minister, the Whitehall Balance of Competences study. Is it finished and have you read it, Minister? *Mr Harper:* The report is still being worked on. When it is finalised the Government will publish it.

**Q89 Paul Flynn:** It is not finished? Mr Harper: No, it is still being worked on.

Q90 Paul Flynn: The suggestion came from the Times, who appear to have read it, saying that it does not ring in tune with what the Government's rhetoric is at the moment and that it is likely to be positive about the effects of EU immigration. Is that true of what you know of the report?

Mr Harper: You are quoting reports that sound very similar to the ones that Mr Huppert quoted.

**Q91 Paul Flynn:** They are two different papers. The *Times* and the *Independent* cannot both be wrong.

Mr Harper: They were two different papers but with broadly the same reports in them. As I said, I don't believe everything I read in the newspapers.

Paul Flynn: We know that.

Mr Harper: It is worth repeating.

Paul Flynn: Yes, I know, but they are two respectable newspapers. We are not talking about a rag like the Daily Mail. These are newspapers that cater for intelligent readers, and they are saying that the Government are suppressing a report because it is politically unpalatable and does not match their rhetoric that is going to be part of the general election campaign to frighten people about immigration. Can you absolutely deny that when this report comes out it will not be something that the Government will object to in any way? That would not be the reason it would be coming out.

Mr Harper: We certainly will not object to it. It is a piece of work being done by the Government. The Balance of Competences review is a piece of work

that the Government is doing to bring together an analysis of the state of play, if you like, about our position.

Q92 Paul Flynn: That is your answer, is it? What does that answer have to do with my question? Mr Harper: It is the answer that I am giving you to your question. You can make a judgment about whether you think it is a good answer or not?

**Q93 Paul Flynn:** I am inclined to listen to it because I think it is not relevant to the question anyway. Can we ask you about e-Borders briefly? In Australia, in South Africa, in Saudi Arabia, e-Borders are working very well. In this country, although we have had them for a long time now, they only cover about 65% of passenger booths. Why is that?

Mr Harper: That figure, of course, is in the process of going up. We have just had another large carrier come on board, so we are moving in the right direction.

**Q94 Paul Flynn:** What is it now? *Mr Harper:* We still have some work to do.

**Q95 Chair:** Could you just tell us the figure now? Mr Harper: On the same basis of the figure you were given, I think we are closer to 80% now, on the same basis that Sir Charles Montgomery set out to the Committee.

**Q96** Chair: That is the figure we have here.

Mr Harper: We still need to make some improvements. I know you spoke to the Permanent Secretary about our plans around exit checks that we are planning on bringing in force, particularly for those areas where we do not have advanced passenger information, so we are moving in the right direction, which I think is what we want to do.

Of course it is worth remembering—you mentioned two or three countries, Mr Flynn—we have a better system of border control, a more robust system of border control than most countries in the world and we have more sophisticated advanced passenger information than most other European countries, so I think the border is very secure. Can it be improved? Yes, it can, and we have some robust plans to do that, including the introduction of exit checks.

Q97 Paul Flynn: You several times mentioned the last Government and put the blame on them. Sometimes it is the civil servants, sometimes the European Union. Could you give us the precise date when this Government will take responsibility for its own decisions?

Mr Harper: We take responsibility for our decisions, but the fact is you cannot fix all of the problem we inherited in five minutes. We are very happy to take responsibility for our decisions but not terribly happy to take responsibility for the decisions that we inherited.

**Q98 Paul Flynn:** Will the date be before 2015? Mr Harper: We have set out what our plans are. We will have introduced exit checks. We will set those out in more detail as we run through, and we are very happy to take responsibility for those. We are improving the system. The system at the next election that we hand on, hopefully to a future Conservative majority Government, but that we hand over to whatever Government the voters decide to have, I think will be an awful lot better than the system we inherited from the last Government.

O99 Paul Flynn: Three and a half years in Government and still 20% in e-Borders is not working. That is hardly satisfactory.

Mr Harper: The position is an awful lot better than the position we inherited when we came into Government. We need to keep making those improvements. As I said, the legacy that the next Government gets from this hone—hopefully it will be a Conservative majority Government-will be a lot better than this Government got from its predecessor.

Paul Flynn: You are obviously a supreme optimist. Mr Harper: I am indeed an optimist, but I don't think I need to be in this particular matter.

Q100 Yasmin Qureshi: I want to ask Ms Rapson and Mr Wood about the issue about the deportation and removal of people from the UK once the relevant decisions have been made that someone should be removed, and the removal procedures, especially in light of the case of Isa Muaza recently, where he was sent back. I have checked this, Minister, because I agree with you in the sense that I don't believe everything I read. I checked with the Committee clerks. He was put on a charter flight, a private plane, with only him and his escorts on board and taken to Nigeria, where then we are told the plane was not able to land or he was not able to come off the plan.

Can I ask a couple of questions around that? Does the Home Office know what was the reason given by the Nigerian Government or the Nigerian airport facilities or whoever made the decision that he could not come into the country? What was the reason?

Mr Harper: Yes, it was very clear. The Nigerian Government had issued us an emergency travel document so that Mr Muaza could fly. They had agreed that he should be returned to Nigeria. There was what one could describe as a bit of a bureaucratic cock-up with the organisation that deals with the landing rights for flights. By the time that was cleared up-and it was cleared up-the flight had diverted and we did not have enough flying hours to continue the flight, which is why he then returned to the United Kingdom. It was very much in the cock-up rather than conspiracy class of events, if I may say so. There was a member of the Nigerian High Commission on the flight observing matters, so we were doing this with their full blessing, if I am not overstating matters.

Q101 Yasmin Qureshi: My next question in relation to that was the fact that somebody cocked up on the landing issue, as you say, but of course it cost a lot of money didn't it?

Mr Harper: It is clearly not desirable that it did not go well. The principle of the issue here is that somebody who has no right to be in the United Kingdom—and I am not going to say any more about

the specific case because you will know that there are some legal proceedings underway—should not be able to remove themselves from detention by deliberately refusing food and fluids. That position has been supported all the way through by the courts.

That is the most humanitarian decision. We do not want people putting their health at risk in order to try to secure a release from detention, and it is very clear that that is a policy that the Government means to sustain.

**Q102 Yasmin Qureshi:** I was not going to go into the details of this case or the issue about feeding themselves or not. My question is regarding the costs involved in moving people from the country, and the cost of hiring a private plane and sending things out. How much has the cost of deporting Mr Muaza come to in total so far?

Mr Harper: Firstly, I do not have those figures to hand.

Yasmin Qureshi: I was asking Mr Wood this.

Mr Harper: The process has not finished and we still have legal proceedings underway. The general point is we do not make a habit of doing it but sometimes it is necessary to charter a flight. One has to weigh up a range of factors, for example the cost of legal proceedings versus the cost of removing somebody. We use charter flights for more than one person on a regular basis. We use scheduled airlines where appropriate and we make decisions on a case-by-case basis as seems sensible.

**Q103 Dr Huppert:** It is good to have a second Member of Parliament raising this particular case of Mr Muaza. I am currently awaiting a written answer about the total cost. If you or Mr Wood do not have it to hand, then I look forward to seeing that.

I would like to turn to issues about unaccompanied children and asylum. I will resist the urge to talk to the Minister about child detention. We have discussed that and I thank you for those conversations. John Vine's report about two months ago looked at how asylum applications from unaccompanied children were being dealt with. I think this is Sarah Rapson's area; we established this at the last meeting. He found a huge inconsistency of treatment and outcomes. London decisions took an average of 64 days, more than twice as long in the Midlands. In London they were less than half as likely to be granted asylum in London as in the Midlands, and the Home Office offered no clear explanation for this. There is a real concern if there is poor decision-making. What has happened so far? The Home Office did say there would be some work to look at this. How far have you got?

Sarah Rapson: Firstly, it was really helpful to have John Vine's report. I am quite interested in vulnerable people in the asylum system anyway. We talked about that the last time I was at the Committee, so it was good to get the report. Broadly I thought the report was pretty fair and very positive about the way that my staff deal with children, how they would want their children to be dealt with if they were alone and overseas. There was a lot of good information from that report.

But you are right; he did highlight some inconsistencies between a number of our offices, firstly in terms of timeliness and also in terms of the nature of the decision. Our response to that is to continue with the work that we are doing to create more of a national operation as opposed to regionalised—I announced some of the differences—and to build centres of expertise so that we can offer consistent decisions and we can do it in a timely way. I think that will really help.

**Q104 Dr Huppert:** I hope there will be that improvement, and thank you for following up on some of the meetings that we discussed at the last session. You have also presumably seen our asylum report.

Sarah Rapson: I have.

**Dr Huppert:** Some of these are policy issues for the Minister, and I am trying not to direct every question at the Minister, but some of them are operational issues where there were various aspects of bad practice. Have you started to look at the response to those?

**Sarah Rapson:** Yes, we have, and we owe the Committee a response to your asylum report. We have quite a bit of time looking through some of those. I have lots of responses, so is there a specific aspect?

**Q105 Dr Huppert:** If the response is imminent, by which I mean within the next few weeks, I won't press you on that.

Sarah Rapson: Yes, it will be.

Mr Harper: Just for the benefit of the Committee, I think we owed the response to you by Monday. We are a little bit behind that but not ever so much. It is certainly within your window of several weeks. It might be helpful, Mr Huppert and Chairman, on that specific issue we will respond to that report in a comprehensive way and perhaps at the next session if people want to delve into some of the detail we would be delighted to answer questions.

**Q106 Dr Huppert:** That would be helpful. One last policy question that I think the Minister has to answer. Countries around the world are offering to take refugees from the Syrian conflict. There are many millions of people displaced there and there is a target I think of 30,000 from UNHCR. Some of our neighbouring countries, France and Germany, have offered to take large numbers. So far the UK has not offered to take anybody from Syria. We could obviously make a huge difference by taking people who are disabled, who are multiply refugeed, and women and girls at risk of violence. Would you reconsider the Government's decision not to take any? Mr Harper: Mr Huppert, in a sense the way you have set the question out helped to answer it. Frankly, trying to deal with the millions of people who have been displaced by what is a relatively minor adjustment I don't think is the right solution. The British Government's position has been that we think the solution should be dealt with in the region, and we have put our money where our mouth is. We have made a pledge of £500 million, which I have to say is more than all other EU member states combined, on to this issue. It is a really positive use of our international

development spending and we are supporting the neighbouring countries to Syria, where they have had some massive population inflows, in Jordan and Turkey, for example. We think that is the right solution.

Of course, what we want to see is a solution in Syria and then we want to see those people being able to return home to help rebuild their country and get it back on its feet. We think that is the right solution. As I said, I think we are absolutely stepping up to do that work in the region and it would be fair to say we are leading on some of that work. I think that is the right solution and that is where we think the solution is. Taking what are relatively small numbers of people out of the millions of people who have been displaced I don't think is a solution to the problem.

Q107 Dr Huppert: Certainly the Department for International Development have done a fantastic job and I think you are right in the tribute you paid there, but the Home Office could play a role in the people who are particularly difficult to deal with in those conditions in refugee camps, people who are, for example, heavily disabled. That is why UNHCR has identified a small group of people who are very hard to look after in a refugee camp. I am not expecting a commitment now, but if you could reflect on whether we could make some contribution in the way that Germany has, in the way that France has, in the way that Scandinavia has, I think that would be doing our bit here as well as the very substantial work we are doing elsewhere.

Mr Harper: Your point is noted.

Q108 Chair: Let us end with this: is it difficult for you when you know you have to be very tough in respect of people coming in, in order to meet targets? The Prime Minister goes to China and encourages a whole lot of people to come from China into our country and then he turns up-I know you like curry—at the British Curry Awards a couple of weeks ago. In response to a lot of lobbying in our British Curry Awards about shortages of chefs, which we will raise with Sir David Metcalf, he said this, "Let me promise you this: we will work through this together. We will continue to get you the skilled Asian chefs that you need and we will also work with you to train up the next generation of home-grown chefs, of course, which takes some time."

As we are getting towards the election, immigration is going to be a very important issue. Getting the balance right between encouraging people to come here but also making sure that the numbers stack up and realising that as far as the EU is concerned we do not seem to have any control over who comes in is a big challenge, isn't it?

Mr Harper: It is a challenge, but I think the Prime Minister, who I am always delighted to agree with in every way, set out the position very clearly. We welcome people. Ministers always say this. We welcome people who want to come to Britain to make a contribution. I said to you, Chairman, in the House, we want Chinese students to come-probably not every Chinese student all at the same time, which might overwhelm us slightly, but we want Chinese students to come here. In fact, we have seen a very significant growth in the number of Chinese students in our universities. It is one of the biggest nationality populations of students. We want to see them come here and study. Most will return home, some may stay to create a business or whatever. We want to see that. I don't think that is at variance with our wish to keep the overall numbers under control.

I looked at the Prime Minister's pledge very clearly he made at the curry awards, and that is the Government's policy. For very skilled chefs, either where there is a shortage or where they meet the rules, we want them to be able to come to the United Kingdom across a range of nationalities, but we also think that for those chefs at a lower skill level, the industry needs to bite the bullet and train.

Q109 Chair: But it takes years. You know the difference between curries. Therefore, to get a good curry you need a very specialist chef. What restaurants are saying to us, presumably all of us when we go to our constituencies, and to you, is, "We can't bring them in any more because we are going to have to pay them £30,000 each".

Mr Harper: That is for very skilled ones, but I do not accept that we should accept that when we have 1 million young people unemployed and we have the EU labour market, that it is not possible to recruit people and train them in the lower-skilled occupations. I accept for very skilled people, and we accept in our immigration rules that skilled chefs can come here to work and to get visas for a period. That is absolutely acceptable and exactly what the Prime Minister said at the curry awards. I do not accept that every culinary establishment should be able to recruit people from around the world when they could train people locally.

We have had good conversations with some of the organisations who have taken on the challenge and are starting to look at training the local work force in the UK. That is the right thing for them to do.

Q110 Chair: Ms Rapson, we will be looking at the work of the account manager next year, and we have heard what the Minister says that when the account manager writes he or she needs to be treated in the same way as if the Minister had written. When Mr Flynn and I entered the House we used to be able to write to Ministers and they replied to all the letters. We understand why you cannot sign 50,000 letters, but for that to succeed the account manager needs to be given the power and the resources to get a decision in many of the cases that we deal with on correspondence and enforcement when the allegations are made. People need to know, and they only come to Members of Parliament because the system is not working. If the system was working, they would not even come to us. I hope that you look at the account manager system carefully because we will be looking at that in the near future.

*Mr Harper:* Just before we close can I say one thing? I picked up on a point you were mentioning about visits for Committee members. I want to be clear, because you said there was a difference between Ms Rapson's organisation and Mr Wood's part of the

organisation. For the Home Office, I am very pleased for us to host visits by members of the Committee, and indeed the Clerks are very welcome as well. I am very happy to facilitate those and I hope members are very keen to do that. I want us to try to welcome members of the Committee so that you are better informed about what we are doing and you can ask questions and so forth. If we do that, my officials will work with the Clerks to facilitate those, but we were very pleased to welcome members of the Committee to parts of the operation.

Q111 Chair: I don't want this to sound like a lovein, but certainly whenever we have come to you with requests, and to Mr Sedwill, they have been very supportive. We cannot all come at once because we are not guppies. Individual members like Dr Huppert want to go to Yarl's Wood. We won't all go with him, but we will come and see the operation. When we see it for ourselves it means less appearances for you and the officials before the Home Office Select Committee.

Mr Harper: Good. Even better.

**Chair:** Thank you all for coming in today.

#### **Examination of Witness**

Witness: Professor Sir David Metcalf CBE, Chair, Migration Advisory Committee, gave evidence.

Q112 Chair: Sir David, first of all may I apologise for keeping you waiting? We had a vote and we also had a fairly heavy session. Can I most warmly congratulate you on the knighthood that Her Majesty has bestowed upon you for your exceptionally good work in the job that you are doing?

We are going to give you quick questions and I know you will give us quick answers. Perhaps we could start with Romania and Bulgaria. Why haven't we been able to provide the Government with estimates? We have a number of organisations that have provided estimates. When Mr Reckless, Mr Clappison and I went to Bucharest we came across an organisation, an academic organisation—I know you have a lot of academics on your committee—who were prepared to give estimates. Surely this is a job that you ought to have done?

Professor Sir David Metcalf: No, with respect. We do not set our own homework. The whole modus operandi of the Migration Advisory Committee, the MAC, is that the then Government, whichever Government, sets the tasks, and we have never been tasked to make estimates of the numbers coming from Romania and Bulgaria. We have done three reports to do with Romania and Bulgaria, two recommending that the transition controls continued after year 2 and after year 5, and now they are coming off shortly. Then we did a major report on the Seasonal Agricultural Workers Scheme.

**Q113 Chair:** You needed to have been asked? If Ministers had said to you, "Sir David, could you please give us some estimates about the number of people coming in after 31 December", you would have happily obliged?

**Professor Sir David Metcalf:** Yes, that is the role of the Migration Advisory Committee. The then Labour Government and following up with Coalition Government I think is very brave to have set up the Migration Advisory Committee, which in some sense contracts out quite a lot of its immigration policy. Obviously they can reject their recommendations. Therefore, if we were tasked by the Government to make such an estimate, it would be absolutely our job to do that, yes.

Q114 Chair: We regret the fact that you were not asked to do it, because this Committee has been asking for some time for estimates. Do you have any anecdotal evidence to put before this Committee, obviously not a glossy report that you can produce today, that would help the Committee in its deliberations?

**Professor Sir David Metcalf:** No. We have made no estimates. Obviously I read the experts in the paper from MigrationWatch and others. It would be surprising, with free movement, if there was not some probably modest increase in the numbers. There will be quite a lot of people who will be already here who are of course ostensibly self-employed.

**Q115** Chair: Would you know how many Romanians and Bulgarians are here?

**Professor Sir David Metcalf:** Of the order of 150,000 in total.

**Q116 Chair:** Would you know how many, if any, were claiming benefits?

**Professor Sir David Metcalf:** No, sorry. I was here when you asked that question before and I don't know the answer to that, no.

**Q117** Chair: In respect of EU migration, is this an area that you feel it would be helpful to conduct some research? If somebody asked you to do this, do you think, looking back at the enlargement process, it would be useful to have that information?

**Professor Sir David Metcalf:** We have two remits currently. One is to do with investors, the second one is to do with the low-skilled labour market, which in part is EU migration, particularly from the A8, so we currently are indeed investigating that. It is going to be quite a major report; there are a lot of issues to cover. One substantial element will be the fiscal impact of the EU migrants.

There has been an excellent study by a person who of course gets all the criticism for the 13,000 forecasting, Christian Dustmann at UCL, setting out some of the details of the fiscal things.

Q118 Chair: Very helpful. A final question from me. Lance Batchelor, the chief executive of Domino's Pizza, who you may have seen, said he had 1,000 vacancies. He could fill them tomorrow but nobody wants these jobs and that is why we need more migrants coming from the EU and other countries. Obviously those outside the EU will not be able to come and do the job, because post-work study has been ended, perhaps on your recommendation, I can't remember.

Professor Sir David Metcalf: No.

Chair: Do you get his point that the only people who he could possibly get are people with PhDs, and PhDs, as he says, do not need to do the work?

Professor Sir David Metcalf: No, I don't get his point. I agree partly with what the Minister said that probably there may be a case for raising the wages. It beggars belief that in a labour market of 500 million or so in the EU that first of all if you can't get the Brits, which does surprise me, that in the rest of the EU you cannot get enough people. What is he wanting, Ukrainians or something? It beggars believe. So, no, I think he should look to his own human resources and do something about that.

Interestingly, there is another organisation, which I would rather not name because we were asked to keep anonymity but it is very much always the one that comes to the fore in these sorts of debates, have done excellent initiatives to get British workers—they are often accused of not having British workersincluding Saturday jobs to get people involved, including working with homeless people and giving the homeless people mentors and so on. Maybe Domino should take a leaf out of this particular organisation's book.

Q119 Chair: Let us be clear, then. You are telling this Committee that the Government—this astonishes me—never asked the Migration Advisory Committee to conduct any research or give any estimates as to the number of Romanians and Bulgarians coming to this country after 31 December? Had they asked to you to do so, you would have been very happy to do that research?

Professor Sir David Metcalf: Both the points you have just made are absolutely correct, yes.

Q120 Paul Flynn: What are the main changes that resulted from the recommendations of committee?

Professor Sir David Metcalf: Let me go through the three areas since the Coalition Government has come in. There are three main areas I can point to. Of course, in part we are the humble technicians. The Government, in some sense, sets the parameters. The first major issue that we have done is on selectivity. The non-EU work immigration, but also to some extent family and students, has become much more selective. In terms of the work, the skill level has been ratcheted up, on our advice in terms of how to measure this, from NQF3, which is two A-levels, to degree level, and the pay thresholds that you have to meet from outside the EU for the job have been raised quite substantially. So the system has become more selective.

The second is we advised on the work limits, non-EU. As the Minister said, when you are dealing with this you have a three-by-three matrix. You have work, family, study and you have EU, Brits, non-EU. You have nine cells. Each of those has an inflow and an outflow. The limit only deals with one of those 18 flows: it is the inflow non-EU work. We were not asked, "Is the limit as sensible idea?" What we were asked is, "Please advise on the limit". We set the limit and that seems to have worked very successfully, alas in part because of the recession, but the limit has not been hit and therefore there has not been pressure from firms to be raising the limit. I think, as the Minister said earlier, that immigration is very much under control.

The third thing I would point to is that the regulatory impact assessments, when they were dealing with immigration previously, were done, with hindsight, in the most remarkably inept way. Basically it was what the output is from the immigrant. Of course, any immigration that increases gives you more output and any decrease in immigration gives you less output. We set out how it should be done and essentially we pointed out that the main metric should be the welfare of British residents.

Then that gets you into what are the dynamic effects of productivity and knowledge sharing, what are the fiscal effects, is there any job displacement, what are the congestion costs on the health service and on the education service, what is the effect on the distribution of income. In the longer term, that report will have quite an important influence on how the migration policies are evaluated within Government.

Q121 Paul Flynn: Were you reporting to this Government in 2016, what would give you pleasure to report to us?

Professor Sir David Metcalf: The pleasure comes in being able to have challenging questions set from within the Home Office but with cross-Government agreement and doing good work as far as possible on that. The MAC has a very good committee and a very good secretariat and thus far I think we have been able to do that. The pleasure is ongoing and it would not be just one thing.

Q122 Mark Reckless: Professor Metcalf, thank you very much for the work you do. As an ex-professional economist myself I am really appreciative of your reports and role in Government now.

You mentioned that your committee had done two studies on the Bulgaria and Romania transition controls and recommended that at both two and five years they should be extended. There is a degree of legal dispute with Home Office Ministers of whether a further extension might be possible if Parliament so expressly provided. What would be your view, looking back on the analysis you did before as to whether your committee would likely consider a further extension to be appropriate?

Professor Sir David Metcalf: That is a very interesting question. Forgive me not completely answering just like that off the top of my head, because in some senses we had a proper investigation. But your point is well taken, because the main reason for recommending that the transitional controls continued was that the labour market was seriously disturbed within the recession with very high levels of unemployment and so on. The labour market is less seriously disturbed now, which would make the case a bit weaker, but we can see there are still high levels of unemployment. Employment has held up better than many of us expected in this recession and I think probably the case would be finely balanced. I don't want to answer off the top of my head but I can see that you could make the argument both ways and it would be a rather interesting question to investigate, but of course we have not.

Q123 Mark Reckless: I was hoping there might have been a very interesting answer from you, but thank you for moving at least towards that. On another issue, how do you see the horticultural industry adapting to the end of the Seasonal Agricultural Workers Scheme? **Professor Sir David Metcalf:** I spent a lot of happy hours down in Kent and your area and in Hereford and so on, seeing celery cut at 5.00 am. You have to bend down in your shift 4,000 times to cut the celery, 4,000 bits. It is a remarkable industry. What we were told consistently by the growers, by the workers, by the gangmaster people and so on and by the person who has been running SAWS in the Home Office, the Seasonal Agricultural Workers Scheme, is that the Romanians and Bulgarians will continue to come for the next little while and continue to work in the seasonal labour-they can work longer now-once the transitional controls are lifted. But after a couple of years it would be very unusual to get them to keep working there if there are nicer jobs, say, in hospitality or in retail or whatever it is.

Therefore, the horticultural industry may find a little bit of difficulty, but we should remember that the Seasonal Agricultural Workers Scheme was only 22,000 out of a seasonal workforce of 63,000-odd, so it was about a third of the seasonal workforce. There is plenty of labour from Poland and Lithuania and so on. It is very difficult to get the British workers to do this. The British workers will very much work in the pack houses, they will drive the forklift trucks and so on, but they do not like the seasonal jobs, partly because of benefits and partly because of having to live on the farm, because often you have to start very early in the morning. The growers, to an employer, show this chapter and verse of attempting to get the British to do the seasonal work, but the British, for whatever reason, are very reluctant to do that.

How will horticultural adapt? There is not technology off the shelf just like that. We have had quite a lot of technical changes in horticultural, with table-top strawberries and what are called concept orchards, and basically the trees are grown in lines. So there have been technical changes but the technical changes that they were talking about were robot fruit pickers but they are 10 years away and probably are not good soft fruit.

To the extent, Mr Reckless, that your question is should there have been a scheme for Ukrainians, say, which was what the NFU's proposed scheme was at the ending of SAWS, this is not a matter for me it is a matter for the Minister. What the Government has

done is to say, "We will take stock after a little while. We think on the basis of the MAC advice there will be enough labour for two years but in the medium term we are not quite sure". I would have thought that was the sensible thing to do.

**Q124 Mark Reckless:** Will the adaption, at least to a degree, do you think involve a solution the Minister proposed to the pizza chain of some increase in salaries?

Professor Sir David Metcalf: If there is a shortage of labour, it may very well do that. That raises an alternative form of adaption that of course in due course the supermarkets, who exercise considerable power in the chain, may decide that they want to import. In rough and ready terms, the labour is half of the growers' costs and then the price of the strawberries—say the labour is 50 pence a punnet and the strawberries sell for £1 from the grower and sell for £2 in the supermarket. If your labour costs were to go up 20%, that would put 5%, 10 pence or so, on a punnet of strawberries. We talk to all the major supermarkets and they would never put, as it were, a tipping point where they would start importing, but they said, "We have to be price sensitive because of our customers". It may be one of the adaptions in due course would be that we would import more.

**Mark Reckless:** Some greater imports rather than go wholly to imports.

Professor Sir David Metcalf: Yes.

**Q125 Dr Huppert:** Two brief questions, firstly about the Tier 1 Investors route. You are currently looking at the thresholds within that. What have you found so far and also how does it interact with the entrepreneur routes?

**Professor Sir David Metcalf:** We haven't been asked to look at entrepreneurs, so I do not have much to say about that.

**Q126 Dr Huppert:** There is presumably some overlap between the two. I am just asking about the Investors route.

Professor Sir David Metcalf: Let me say something that we found, which is peculiar, but perhaps you have heard many more peculiar things. Nobody can tell us why we have the Investors route. It is not anywhere set out whether we have the Investors route. We basically had to start with a blank sheet of paper. Interestingly, when you talk to a lot of the stakeholders they think it is self-evidently a good thing. It is not self-evidently a good thing. It may be a good thing but it is not self-evidently a good thing. What we have done is to quiz people about why they think we have this. Of course, you have to remember it is posting a bond. It is not a gift. Most of the people buy gilts, so they are buying gilts. Sometimes they borrow the money and then they keep the gilts for five years. They get their indefinite leave to remain, and then they sell them. We do not need their money. We are selling £300 million of gilts every day to fund the deficit, so we do not need their money for that.

Therefore, you start asking what is the purpose of this route. It may very well be some of these people are very high net worth people who are going to be

spending a lot so we will get some VAT returns for that. In some cases they may be providing employment, although employment is not just from the demand side it is also from the supply side. They may be providing employment. In some cases, and this is where Dr Huppert's point comes in, they will presumably—we are trying to pursue this to find out a bit more about it; it is very elusive—be doing entrepreneurial activity. The productive efficiency is surely the real gain for Britain.

If there are 500 investors in the last figures, say that 50 or 100 of those really do do proper entrepreneurial activity, that I think is where the benefit for Britain is. But you are right there is also the Entrepreneurs route. The Government has made some changes to the threshold of that and it seems to me that that is a very good route that we have. There are some people who are clearly entrepreneurs but are using the Investors route to come in and then do their entrepreneurial activity. But if I may say, while you have asked me about investors, I do think that we need to think a little bit more creatively instead of just buying gilts. There surely are better ways that we can get people investing in Britain; I repeat it is only a loan, it is not a gift-including in venture capital or so-called angel investment funds. We have talked to the GLC about-I won't call it a Boris bond, but an infrastructure bond, for example. In our report we will be setting out some plausible alternatives. Two of my LSE colleagues suggested that maybe we should-you have been talking about Malta—do some auctioning.

Q127 Chair: On the question of Malta, if I may intrude for a second, have you seen the report in the Financial Times that the Maltese are selling passports? Professor Sir David Metcalf: Yes.

**Q128 Chair:** What do you think about that?

Professor Sir David Metcalf: That is a matter for Malta, but let me link it back to the Investors route. Two LSE colleagues suggested that what is happening is we are giving indefinitely to remain after five years and you can get citizenship after that. We are, in inverted commas, selling that rather cheaply, because it is only a loan.

Q129 Chair: Just remind the Committee how much is it for an Investors route?

Professor Sir David Metcalf: It is £1 million for five years but you can get accelerated indefinite leave to remain if you go for £5 million and if you go for £10 million.

Q130 Chair: Basically you are saying it is selling citizenship?

Professor Sir David Metcalf: It could be citizenship in due course.

Q131 Chair: Selling indefinite leave.

Professor Sir David Metcalf: It is selling indefinite leave to remain.

Q132 Chair: Is it a cheaper price to go to Malta? Professor Sir David Metcalf: Yes, and this will be a difficulty for the Government. There is also, as you mentioned, Portugal and there is also something going on with Latvia. It may very well be that if the Government, when it gets our report, thinks this is a good system, it is going to then have to ponder-will go into this in the report as well-what the competitors are doing. It may very well be that we should be auctioning some of these slots.

#### **Q133 Chair:** We should or we should not?

Professor Sir David Metcalf: It may very well be that we should. We should not just rule it out that we should auction it. There should be a proper discussion about. Equally it may very well be that we should be letting people in if they endow Cambridge, LSE, with £10 million.

**Chair:** Especially the LSE.

Professor Sir David Metcalf: Yes, absolutely. My point is that because people-

Q134 Chair: What you are saying is there needs to be a proper debate and a proper decision before this is taken any further, and that is what you would like to see happen.

Professor Sir David Metcalf: Yes. I think on the basis of our report it will set out exactly the possibility of such a debate.

Q135 Dr Huppert: There is lots we could clearly get into. When is the report likely to come out?

Professor Sir David Metcalf: Towards the end of February.

Q136 Dr Huppert: Can I ask about the skills shortage list? You will be aware that the number of people employed on that has fallen very substantially from the original version to now. What is the future of the skills shortage list in your opinion?

Professor Sir David Metcalf: The number of people coming through it is tiny; it is only 1,500. The number of workers who are in the jobs on the list is-before the MAC it was well over 1 million; now it is down to about 170,000. That obviously partly reflects the recession but it also reflects that we have gone about it with rather more rigour than it was done previously. If the limit was being hit, the 20,700 limit for Tier 2 was being hit, the people on the shortage list would have the priority. Therefore, that is quite an important consideration, to have a list such that if the limit was hit you would give the priority to the maths and science teachers and the oil and gas engineers and so on who are on the list. It also sends a signal about where other arms of Government need to look for their skills policy. That was done on the basis of our last report. We said in our last report that the health sector has done remarkably well because we had put a lot of money into health but we did not have the people, and then the health services gradually trained up the nurses and trained up the consultants and they came off the list. In engineering that was not the case, so it sends a signal, and BIS, partly on the basis of MAC saying there is an issue in engineering but partly to do with other things, set up their own reviews of this and they have reviews going on about how to increase the supply of engineering graduates.

I think that the list fulfils some quite useful functions. It remains the case, though, that if we continue with a limit in some sense it is not absolutely obvious that you need the shortage list, because the limit is 20,000, full stop. But the fact that the shortage list gives you the priority on the list is probably quite useful.

**Q137 Dr Huppert:** Do you think the Government is going to hit its target of keeping its migration below 100,000?

**Professor Sir David Metcalf:** That is a matter for the Minister to say.

**Q138 Dr Huppert:** What is your view? Do you think it will?

Professor Sir David Metcalf: What I would say is to reiterate—forgive me for talking like an economist or a statistician—this point about the three-by-three matrix. The only real levers that the Government has are on non-EU. It is really on the inflow. It does not have so much even on the outflow of that. It has some but not complete control. It may very well be that it does all the right things in its eyes—as it happens it is in my eyes as well—on family and on study and on work, but if emigration falls, as has been happening, it may then not hit the target. It is quite difficult, but I would not want to predict whether it will hit the target.

**Q139** Chair: On skills shortage you are not held in huge regard by my constituents and others who own Indian restaurants, because, of course, you have to pay your chef £30,000 if you bring them in, and many of these are going out of business as a result of what you have recommended.

**Professor Sir David Metcalf:** Recommended in terms of the parameters set by the Government. The parameter set by the Government is that we want to make the system more selective. They initially ratcheted up from NQF3 to A levels to foundation degree level and subsequently to NQF6, which is degree level.

**Q140 Chair:** These are chefs in specialist restaurants. *Professor Sir David Metcalf:* No, for everybody. Our committee then took the view what is the equivalent degree level for the chefs. It was the head chefs and the one notch down and the earnings threshold of, I thought, £28,600, but whatever it is, around £30,000. **Chair:** £30,000, yes.

**Professor Sir David Metcalf:** I am sorry that I am not popular. I did present an award once at the Bangladeshi Association, but I have not been asked in the last couple of years.

**Chair:** The Prime Minister was at the curry awards and he promised to work with them to try to resolve this. He is obviously missing his curries.

Q141 Mark Reckless: You are very popular with many in my constituency who want to cut immigration. You say the Government has no levers in terms of emigration, but isn't the statistical evidence suggesting that a stronger exchange rate and higher house prices are both significantly strongly correlated with the emigration rate? Is it not possible the Government could help hit its target through the

increase in house prices and strengthening in the currency that we are seeing?

Professor Sir David Metcalf: It definitely is possible. I did not mean to overstate the point. For example, on the income threshold for settlement for work, which we did recommend some time ago of £35,000, you therefore have to get the £35,000 otherwise you cannot stay. Take the student issue, for example, the student inflow. The student can get a job here quite legitimately. That does not count towards the target as long as it a graduate-level job. Maybe they get married here.

**Q142 Mark Reckless:** It helps towards the net migration target, though, does it not?

**Professor Sir David Metcalf:** No, not if a student— **Mark Reckless:** Surely it does if that person is not going home?

**Professor Sir David Metcalf:** I beg your pardon. It does not count towards the 20,700. That is my point. It counts towards the net migration target because the person does not go back home and therefore it makes it more difficult. The inflow of students, 150,000, may not be matched three years later by an equivalent outflow because the student has a job and stayed. That is why I am saying—

Q143 Mark Reckless: The Government's initial proposal was to get rid of the post-study work altogether. I am not sure whether your committee was asked for your view on this, but it was then changed or watered down to allow graduates to stay, was it not? *Professor Sir David Metcalf:* My committee's view was that the post-study work should have been made more selective. It should not have been completely got rid of. We would have probably suggested stem subjects and Russell Group and that sort of thing but there would be room for debate about that.

**Q144 Mark Reckless:** But narrower than it is transpired after the Liberal Democrats got to it. *Professor Sir David Metcalf:* Narrower than it was previously, yes.

Q145 Lorraine Fullbrook: The review that you are conducting of the employment of low-skilled labour. Why do you think employers actively choose to employ migrant workers? I have to say I come from and my constituency is a growing area in central Lancashire—potatoes, brassicas, carrots, and so on—and gives hundreds of millions of pounds to the central Lancashire, so I probably know the answers to some of these questions.

**Professor Sir David Metcalf:** This is such a major issue. It does not do justice to it to do it with one-line, piecemeal statements, but that is probably all I can do right now. There are issues about the British education system. The Ofsted incentive structure is to get A to Cs in GCSE. That means that you don't challenge the people at the top and you don't give the resources to the people at the bottom. You are focused in the middle, for example.

Q146 Lorraine Fullbrook: Are you saying that employers, for low-skilled jobs, are actively employing migrant workers who are better educated? Professor Sir David Metcalf: In some cases. I was going to say education, vocational training benefits, work motivation and so on. All of this is very important re the British. Many of the migrants are doing low-skilled work but are themselves much more highly educated, yes.

Q147 Lorraine Fullbrook: Yes. Do the jobs they do match the skills they have?

Professor Sir David Metcalf: Oftentimes they are more highly qualified than the job, but they will be in this job while they are feeling their way, particularly if their English is not very good. In some senses, from an employer's perspective, it is quite understandable. This company that I am reluctant to name but which everybody knows, in London 10% of its applicants are Brits and 10% of the jobs are filled by Brits. Basically, it isn't getting the applicants.

That is also true when we did the Seasonal Agricultural Workers Scheme. It is clear that the whole issue about work motivation, what people's expectations are-we want our youngsters to have high expectations but we want them also to be realistic and to see what the expectations are. The whole question has been touched on previously about the enforcement of the minimum wage and whether the minimum wage is at the right level, for example. All of this comes into the picture.

Q148 Lorraine Fullbrook: My growers, for example, are paying above agricultural wages, but they cannot get British people locally to do the job of picking carrots in January.

**Professor Sir David Metcalf:** Partly that will be to do with the benefit system, because if you come off benefits it is tricky then to get back on. I am afraid that the universal credit is not going to be a panacea for that. One was hoping that it would be but it is not going to be.

Q149 Lorraine Fullbrook: Is the benefit system the reason why British-born people do not go for these types of jobs, these low-skilled jobs?

Professor Sir David Metcalf: No, that is one among many. If they are on benefits and then they come off just for a seasonal job, it may cause difficulties getting back on to benefits subsequently. But it is the whole system of education, training, motivation and so on. For quite understandable reasons they do not necessary like living on the farms and the rural transport won't be quite what we wish it to be.

Q150 Chair: Two quick final questions. Migration, the £18,600 limit for a spouse coming into this country, which is now the subject of an appeal. Was that your recommendation?

Professor Sir David Metcalf: Yes, it was our recommendation. We were asked, "Please provide us with a figure such that the new family unit will not be a burden on the state". We went through three ways of calculating that, partly neutral fiscal impact. The one that the Government chose, the £18,600, was where you get the withdrawal of income-related benefits.

**Q151 Chair:** But this is one-off. I have constituents who do not meet £18,600, obviously, because average income in Leicester is much lower than London. But they then go and get a second job in order to get over the limit. There is no guarantee that they will then stick to that second job after the person comes into the country, is there, because it is a one-off, "Yes, you are on £18,500" or, "No, you're not"?

Professor Sir David Metcalf: My understanding is that, yes, that is correct. It is a matter for the Government not a matter for us but I would put the question back the other way. I think that the previous income threshold was remarkably low.

**Q152 Chair:** What was the previous threshold? **Professor Sir David Metcalf:** It was done through income support. It was £5,200 excluding housing.

Q153 Mark Reckless: Is not the £18,600 the lowest of the three that your committee proposed rather than the central estimate?

Professor Sir David Metcalf: It was the lowest, although if there are children—there are not usually children involved—the £18,000 is then boosted by £2,400 or so per child.

Q154 Chair: Finally, we have had a lot of people who have written in about the MAC who have said you are doing a great job. To get both ILPA and MigrationWatch supporting your work must be quite an achievement. One or two concerns were raised about the composition of the committee. Obviously you are a research body, but there seems to an awful lot of professors of economics on it. This may be a good thing, I am not saying it is a bad thing, but have you looked at possibly extending it beyond, and in whose remit? We are writing an assessment of you; that is one of the reasons why you are here. Can you get more people on, or who sets this?

Professor Sir David Metcalf: We have a sponsoring group within the Home Office and it would be a matter for the Home Office and the Minister. My understanding is it was deliberately designed like this, because you will recall that originally there was a parallel body, which was called the Migration Impacts Forum, which was going to deal with the social and sociological side, but that never got off the ground. It was not properly resourced and it never got off the ground. In fact, we are doing quite a lot of that material now. In the low-skilled work we are looking at housing. We will try to do a little about cohesion, for example, looking at transport, policing, crime and so on in this low-skilled reference. The committee, dare I say it, works very well but there are only four other people properly on it as well as me and then two ex-officio. I would always be very open if you, the HAC, were minded to recommend that it had some other expertise, to considering that.

Q155 Chair: Presumably you would go out to get that expertise if you need it.

Professor Sir David Metcalf: That is precisely what we do do, yes. On the low-skilled reference we have had people who are experts on the ground in hospitality and so on and they have been doing some research for us. So I am very happy with what we have, but if your Committee was minded to say it should somehow be widened out a bit, we, together with the Home Office, would be very happy to look at that.

Chair: We are not saying that at all at the moment, we are just asking the question, and you have been extremely open and forthright in your answers. I am most grateful to you, Sir David, for coming here today. We might write to you again about other issues, but we look forward to receiving a copy of that report that you mentioned.