

BREXIT – Impact on Immigration & Recruitment



By Pritul Khagram – 3rd November 2016

Introduction

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Introduction

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Pritul Khagram (FCIPD) is CEO of People Force International – an HR, Recruitment & Immigration Consultancy. As Immigration is an integral part of Pritul’s business, he has clients (that employ overseas Nationals in the UK) feeling nervous about the impact of Brexit on their business. With the direction of future immigration policies unclear, Pritul will talk about two models that seem to be emerging: a ‘hard’ and ‘soft’ Brexit. Pritul will try to sketch out some scenarios developing from a “hard” Brexit, which if adopted, will see the biggest impact to UK Immigration.



Article 50

- Terms and Conditions under which negotiations will start once Article 50 is signed are unclear
- Two models emerging:
 - “hard” Brexit
 - “soft” Brexit

“Soft” Brexit

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- Some sort of free movement will continue to exist in exchange for access to the single market
- Very little change
- Could number of EU migrants coming to Britain fall?
 - Plummeting pound
 - Slowing of UK labour markets
 - Psychological impact of Brexit could make EU nationals feel less welcome.



“Hard” Brexit

- UK would no longer have access to the free market (at least on its current terms)
- Free movement of people to stop
- Prime Minister and other government officials stress that 52% of the population voted to stop immigration from the EU



Which one? “Soft” or “Hard” Brexit?

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- “Hard” Brexit would have the biggest impact = Britain leaves the EU and there is no free movement between EU countries and the UK
- Some scenarios developing from this can be suggested and sketched out. Two aspects - what happens to:
 1. EEA nationals not in the UK at the cut off date?
 2. EEA nationals already in the UK at the cut off date?
- Let’s look at each scenario in turn...

Scenario 1: EEA nationals not in the UK at the cut off date

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- Assumption: Article 50 signed in March 2017 and UK officially leaves the EU in June 2019
- What are the possible outcomes/solutions?
 - All EU Nationals become non-visa nationals and would be able to come to the UK and seek leave to enter as visitors (like how Americans, Brazilians & Malaysians are now, and how A8 countries were before they joined the EU)
 - This could result in a shortage of unskilled workforce in the UK (in particular in agriculture, food, hospitality etc)

Scenario 1: EEA nationals not in the UK at the cut off date

- What are the possible outcomes/solutions?
 - Resurrect Tier 3 of the Points Based System (PBS), which was never implemented. Envisaged as the Tier for unskilled migrants to replace low-skilled immigration programmes such as “Seasonal Agricultural Workers Scheme (SAWS)” and Sectors Based Scheme (SBS).
 - Open up Tier 3 and issue work permits to nationals of EU countries (there would be no need to open Tier 3 up to non-EEA nationals, or should we open this up for ALL nationals??)
 - Tier 3 system could be modelled on the Tier 2 visa, where a sponsor is required, however “bulk recruitment” would have to be permitted rather than single posts which are catered for under Tier 2

Scenario 2: EEA nationals already in the UK at the cut off date

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- When could the cut off date be? 1st June 2019?
- Setting a cut off date could create mass immigration for those nationals desperate to enter before the doors close
- What if the cut off date is 1st March 2017 (the day the UK signs Article 50)? This could still create mass immigration...
- The timing of the cut off announcement is crucial....this could be a deliberate attempt to limit “mass immigration” (Example: visa regimes for people from Yugoslavia, Kenya, Tanzania)

Scenario 2: EEA nationals already in the UK at the cut off date

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- If the cut off date is 1st March 2017, people entering between that date and the date the UK actually leave the EU (1st June 2019), may have no claim to remain after the latter date
- This could result in over stayers
- Very difficult to remove people, especially families that have settled. Some reports suggest that all 3.6 million EU Nationals currently in Britain “can stay after Brexit”
- Retrospective cut off date from referendum results (24th June 2016) – unfair? But solves mass immigration issue

Unforeseen eventualities

- What would be implications for immigration advisers?
- What would happen to the Home Office casework sections that are entirely devoted to EEA nationals?
- In the long-term they may close down, but in the short-term they may have more work than ever?
- Will the Home Office be able to cope with Tier 3 “Bulk Recruitment” visas?
- Number of refusals of entry may rise at ports
- Those who gain entry may over stay and/or work illegally

Changes to Tier 2 – Skilled Worker Category

- Changes to the some of the Tier 2 category rules are expected soon:
 - A higher minimum salary threshold for Tier 2 applicants (£25k in autumn 2016, and £30k in April 2017) – some positions exempt.
 - Simplified Tier 2 Intra-Company Transfer (ICT)
 - The inclusion of Tier 2 ICT applicants in paying Immigration Health Surcharge
 - The introduction of new measures to better facilitate the hiring of graduate migrants

Recruitment

- Recruitment of overseas nationals for specific jobs, in particular those that are listed on the Shortage Occupation List
- Increase in minimum salary thresholds will make it easier to attract people but will make it difficult for employers
- Bulk Recruitment under the Tier 3 Category (if introduced) will become key to attract unskilled labour.
- Delays in the Home Office processing time due to mass numbers may have an impact on organisations
- Niche skills that are unavailable or rare in the UK will still need to be sourced from the overseas labour market

Summary

- “Soft” Brexit will see very little change
- “Hard” Brexit would have the biggest impact
- Signing of Article 50 is key
- Cut off date and the announcement of the cut off date is key. This will create three sets of people:
 1. Those in the UK at the cut off date
 2. Those who come to the UK between the cut off date and the date the UK leaves the EU
 3. Those who come to the UK after the UK leaves the EU
- Most problematic group is likely to be group 2
- Changes in Tier 2 category
- Recruitment challenges

Thank You!