



PERMITS, POINTS AND VISAS

Securing practical immigration for post-Brexit London



In the early hours of 24 June as the outcome of the Referendum on EU membership became apparent, London Chamber of Commerce and Industry (LCCI) was unequivocal in our view that the new Mayor of London should have a seat at the table as the UK Government prepared for negotiations on the UK's future relationship with the EU - and the wider world.

After taking soundings over the summer of London business leaders - through roundtable discussions and polling - LCCI found that by far the issue of most concern to London's businesses is about workforce certainty; specifically access to non-UK migrant workers now and in the future. Yet media reporting and political commentary has suggested that - outside London - there is unease among the public over the presence of non-UK migrant workers in the UK economy.

Clearly there are challenges for the Government to face. However, in the post-Referendum landscape any move by Ministers to usher in a uniform reduction of immigration across the UK must be tempered by practical proposals from those concerned with maintaining London as an attractive location to do business.

Immigration has underpinned London's economic, social and cultural development over centuries - making it the great city it is today. The importance of non-UK migrant workers in the modern London economy is illustrated in the report we commissioned from the Centre for Economics and Business Research (Cebr) which notes that non-UK migrant employees currently constitute 25% of the capital's workforce, make an estimated £44bn GVA contribution and paid an estimated £1.3bn in direct tax revenues in the past year.

The Mayor of London recently expressed concern about the skills gap facing London.¹ There are a range of skills deficiencies across the London economy. A LCCI/KPMG study identified a 20% skills gap in the construction sector;² while Cebr reported 21% of financial services sector vacancies remained unfilled last year³ as not enough skilled workers could be found amongst the domestic workforce. Non-UK migrant workers help to minimise the capital's skills gap. To limit the role of such workers in the absence of a readily available pool of 'domestic' labour will create economic risk for London and in turn the wider UK.

As Mayor Khan engages with Prime Minister May on Brexit preparations, London has two pressing challenges:

- Firstly, how to practically treat the 771,000 EU nationals⁴ currently employed within London firms.
What will their legal status be after Brexit? How can business be reassured about existing employees?
- Secondly, how to realistically plan to process future migrant workers that London will need, in the short to medium term at least.
What form of 'controlled' entry could they have? Will business have access to talent?

Of course Whitehall will face similar challenges at the national UK-wide level, but Prime Minister May and her Ministers will be conscious that the UK's economic engine was the only English region to vote to remain and that London has significant ongoing labour and skills needs over and above any other UK region.

It is not the task of LCCI to stipulate how precise each provision of immigration law should be. Rather, as the capital's most representative, established business organisation, our role is to explore and highlight issues that could, potentially, hinder the future economic growth, success and prosperity of our capital city.

Moving towards a post-Brexit horizon, the UK will face a period of change and challenge - but also opportunity. This paper suggests practical proposals to review, renew and refresh the UK Immigration system to keep London, and the wider United Kingdom, globally competitive in the wake of Brexit.

Colin Stanbridge, Chief Executive, LCCI

RECOMMENDATIONS:

1. The Mayor of London should champion a single-issue '**London Work Visa**' granting 'indefinite leave to remain' to reassure current EU national employees and their London employers.
2. The Government should consider '**Targeted Migration Area**' designation for the London Region within the UK Immigration system to manage London's significant skills and labour requirements.
3. The Government should task the Migration Advisory Committee with maintaining a separate '**Shortage Occupation List for London**' (as Scotland has) to attract the skills and talent necessary to ensure the long-term sustainability of the capital's economy.
4. The Mayor of London should explore the potential for a dedicated '**Capital Work Permits system**' to provide controlled access for future migrant workers and meet London employers' need for skilled labour.
5. The capital's established business organisations (eg: LBAC) and the Office of Mayor together could seek UKVI licensing as the **Work Permit Sponsorship body for London Region**.

¹ Press release by Mayor of London, Sadiq Khan: *Mayor calls for more powers over skills to protect London's economy*, 20 October 2016

² LCCI (2014): *Skills to Build: Construction Skills index (London and the South East)*

³ Cebr (2016): *Working Capital: The role of migrant workers in driving London's economy*

⁴ *ibid.*

THE ROLE OF IMMIGRATION IN DRIVING LONDON'S ECONOMY

London has long been recognised as a hub for immigration, but new analysis by Cebr, commissioned by LCCI, demonstrates how migration provides a unique contribution to the London economy.⁵

London is far more reliant upon foreign labour than any other region in the UK. Non-UK nationals make up a quarter of London's workforce, compared to 8% in the rest of the country.

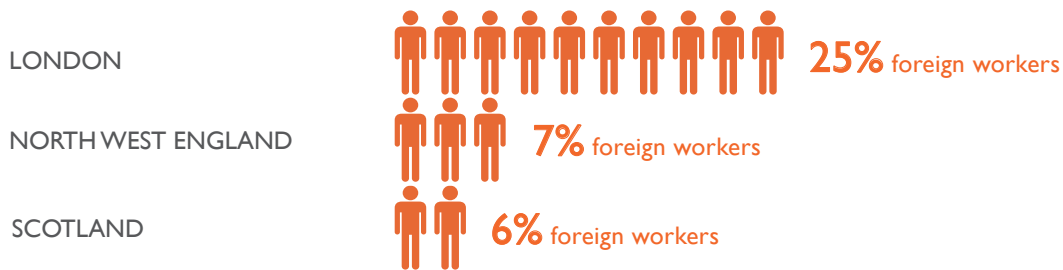
Immigration is vital to London, as migrant workers contribute heavily to the city's economic output. While non-EU nationals contribute over £17 billion to London's Gross Value Added (GVA), EU nationals contribute more than £26 billion to London's GVA. Similarly, migrant workers contribute substantially to direct taxes: around £7 billion per annum by EU nationals and £6 billion by non-EU nationals.

Migrants also fill substantial skills gaps in sectors vital to the success of the London economy. For example, 24% of positions in the financial industry, and 36% of construction jobs are currently filled by non-UK nationals. Restricting access to migrant labour will exacerbate already pronounced skill shortages in the capital.

London's businesses are currently more dependent on EU nationals (15% of the workforce), than non-EU nationals (9% of the workforce), which raises particular concerns around the impact of restricting the current freedom of movement of EU citizens post-Brexit. Given the substantial contribution of existing EU migrants to the London economy, it is clear that the departure of EU nationals in particular from the London workforce would be economically harmful, impacting upon various key industries, and putting pressure on public funds.

Looking at the future, it has been suggested that once Britain leaves the EU, EU immigrants will have to enter the UK under the same system (particularly Tier 2), that currently applies to non-EU nationals. This would again be highly detrimental to London: by 2020, London could have lost access to 160,000 migrant workers, and there would be a negative impact on economic output (estimated at £6.9 billion) and direct tax contributions (estimated at £2 billion).

LONDON IS 3 TIMES MORE RELIANT ON FOREIGN WORKERS THAN THE REST OF THE UK



MIGRANTS FILL SKILLS GAPS IN VITAL LONDON INDUSTRIES



IF WE EXTEND THE CURRENT TIER 2 VISA SYSTEM TO EU NATIONALS, BY 2020, LONDON COULD LOSE

160,000 migrant workers **£7bn** economic output **£2bn** direct taxes

IMMIGRATION OLD AND NEW: A PERENNIAL CHALLENGE

Business and academic arguments citing the economic contribution of immigration can often fail to resonate with members of the public anxious about perceived impacts on jobs, housing, healthcare and culture of local communities.⁶

It is unsurprising then when politicians with electoral term considerations gravitate towards stronger border controls. However, the consequence is an ever-shifting narrative and stance on an area of public policy of significant importance to the economy.

Bound by the EU's freedom of movement principle and unable to restrict EU migration,⁷ the primary immigration focus of David Cameron's Conservative Party from 2010 was on restricting non-EU migration, aiming to take net migration back to the tens of thousands a year.⁸ Mr Cameron's 2015 majority administration intended to make it harder for UK firms to recruit from outside the European Economic Area (EEA),⁹ with measures such as the Immigration Skills Levy.¹⁰

The Current UK Immigration System

As Figure 1 outlines, the UK has operated a points-based system (PBS) to regulate non-EEA immigration since 2008. To restore public trust in the immigration system,¹¹ the then Labour Government replaced various migration categories (notably a Work Permit Scheme) with a five-tiered visa PBS model where eligibility is determined through scoring a specified points total.

⁵ Cebr (2016): *Working Capital: The role of migrant workers in driving London's economy*

⁶ British Future (2014): *How to talk about immigration*, pp 11-13

⁷ Except for specified cases: see www.fullfact.org/europe/immigration-eu-referendum/ for more information

⁸ Conservative Party: *2010 General Election Manifesto*, p 21

⁹ Conservative Party: *2015 General Election Manifesto*, p 30

¹⁰ Press release by the Department for Business Innovation and Skills: *The Government's new Immigration Skills Charge to incentivise training of British workers*, 24 March 2016

¹¹ Patrick Wintour: *Smith seeks to restore trust in immigration system*, Guardian, 6 December 2007

Figure 1: Existing UK Immigration Tier System for non-EEA migrants (Eligibility via points-based assessment process)

Tier 1	'Exceptional talent' and high value migrant applications, entrepreneurs, investors
Tier 2	Non-EEA 'skilled workers' with job offer in UK, workers where proven UK shortages exist, intra-company transfers
Tier 3	'Low-skilled workers' for temporary labour shortages (tier closed by Government in March 2013)
Tier 4	Students from outside EEA with confirmed place at registered UK educational establishment
Tier 5	Six sub-tiers covering temporary workers, creative, sporting, charity, religious and youth schemes

The PBS has had various changes since 2008, reflecting both efforts to reduce immigration as well as changing labour needs. For example, the closure of two Tier 1 sub sections (General in 2010 and Post-Study Work in 2012) as the Coalition Government considered both had not been effective. Significantly - given today's Brexit climate - in 2013 the Prime Minister shut down Tier 3 (low skilled workers)¹² as it was assumed the need for these workers could be met from within the resident and EEA workforce.

Most businesses sourcing non-EEA skilled workers use the Tier 2 route, usually the 'General' sub-section or the 'Intra-company transfer' sub-section.¹³ A 'Resident Labour Market Test' requires skilled jobs to be first advertised to the domestic workforce unless the vacancy is listed in the Shortage Occupation List. A Tier 2 (General) annual limit of 20,700 visas is applicable to new hires earning under £155,300 per annum (those earning above are exempt).

Figure 2: Tier 2 Visas granted in selected years¹⁴

Tier 2 sub section	2009	2011	2013	2015
General	8,600	7,800	11,800	17,400
ICT	22,000	29,700	33,200	36,400
Other Tier 2	600	600	600	500
Dependents	15,500	26,800	34,200	37,700
Total	46,700	64,800	79,800	92,000

Under this route, non-EEA migrants must be sponsored by an employer before applying for a work visa in the UK. An employer must be listed in the Register of Licensed Sponsors held by UK Visas and Immigration. An electronic 'Certificate of Sponsorship' (CoS) must be held for each non-EEA employee, which requires the sponsor to undertake various administrative and legal duties. The visa holder's permission to stay is tied to the contract of employment approved under the CoS.

The Challenge of EU Citizens

The Conservative Party's 2015 General Election manifesto said measures to regain control of EU migration would be an 'absolute' requirement in their planned renegotiation of EU membership that would be put to the British people in a straight in-out referendum.¹⁵ The decision by voters to leave the EU in June 2016 immediately raised questions about the status of the estimated 3.2 million¹⁶ EU nationals living within the UK.

In July 2016, the Government released a statement saying that it "fully expected" to protect the legal status of EU nationals working in the UK¹⁷ but ComRes polling over the summer found that 24% of London businesses (excluding sole traders) said the current immigration status of EU employees is causing uncertainty for their business.¹⁸

Ministers have not assuaged this uncertainty, with International Trade Secretary Liam Fox MP asserting that EU nationals' uncertain status could be a 'main card' in Brexit negotiations¹⁹ and Home Secretary Amber Rudd MP suggesting UK firms should publish details on how many non-UK workers they employ.²⁰

Suggestions that EU nationals resolve their legal status by claiming permanent residency is only viable for those who have been continuously living and exercising 'treaty rights'²¹ in the UK for at least five years. As the Migration Observatory notes, the Home Office could face a 'formidable' task if suddenly inundated with hundreds of thousands of applications as, between 2011 and 2015, officials have only been processing on average 25,500 permanent residency applications from EEA citizens annually. In addition, estimates suggest more than 500,000 EU nationals will not have spent sufficient time in the UK (5 years of continuous residence while exercising treaty rights) if Brexit negotiations are concluded within the official two-year timeframe after Article 50 is triggered.²²

As Cebr notes²³, the 771,000 EU nationals employed in London (15% of the total workforce) make significant contributions to the London economy - in terms of GVA, tax receipts and plugging skills gaps. Losing these workers would have serious repercussions for both the capital and the wider UK economy.

To harness their economic contribution and collective experience, and to safeguard London's economy, EU nationals currently employed within London could be invited to apply for a special UKVI single issue 'London Work Visa'. The Home Office should decide on eligibility (e.g. demonstrating employment in London from at least the June 2016 EU Referendum day or by the planned March 2017 triggering of Article 50) to mitigate against a sudden influx of new EU national arrivals. City Hall could convene a taskforce to assist. Applicants could also be required to show a contract and reference from a London employer, or classify themselves as a family dependent of an EU national worker.

Recommendation 1: The Mayor of London should champion a single issue 'London Work Visa' granting 'indefinite leave to remain' – to provide reassurance to current EU national employees and their employers.

¹² Speech by Prime Minister David Cameron at University Campus Suffolk, Ipswich, 12 September 2013, at www.gov.uk/government/speeches/david-camerons-immigration-speech

¹³ Home Office (2016): Immigration Statistics, Visas data tables volume 3

¹⁴ *ibid.*

¹⁵ Conservative Party: 2015 General Election Manifesto, p 30

¹⁶ Office for National Statistics (2016): Population of the United Kingdom by Country of Birth and Nationality, Table 2.1

¹⁷ Statement by Cabinet Office, Home Office, Foreign & Commonwealth Office and UK Visas and Immigration: The status of EU nationals in the UK, 11 July 2016

¹⁸ LCCI (2016): London Businesses and Brexit: Reactions, expectations and requirements

¹⁹ The Guardian: EU Nationals in UK, one of main cards, 4 October 2016

²⁰ Speech by Home Secretary Amber Rudd MP at Conservative Party Conference, Birmingham, 4 October 2016, at blogs.spectator.co.uk/2016/10/full-text-amber-rudds-conference-speech

²¹ Being employed, self-employed, self-sufficient, studying, and/or job-seeking

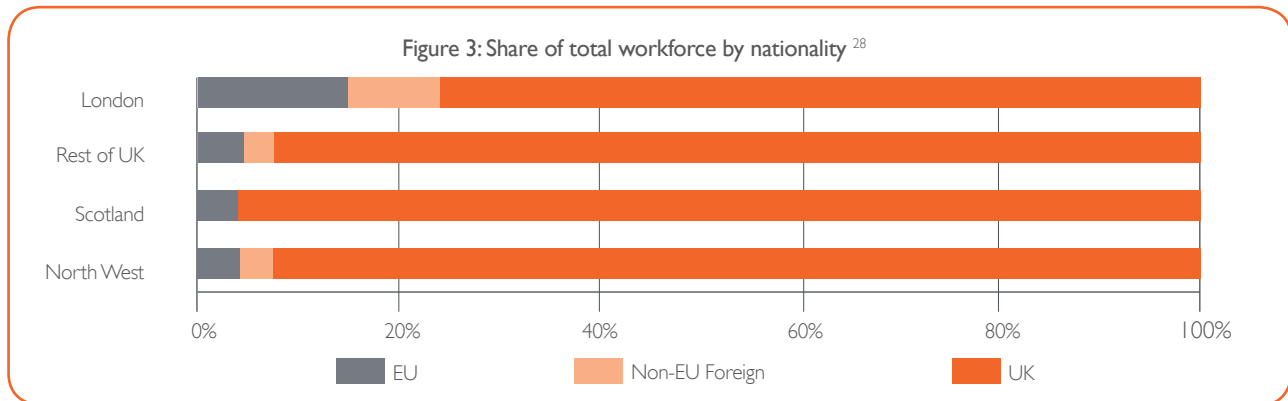
²² Migration Observatory (2016): Here today, gone tomorrow? The status of EU citizens already living in the UK

²³ Cebr (2016): Working Capital: The role of migrant workers in driving London's economy

SECURING PRACTICAL IMMIGRATION FOR POST-BREXIT LONDON

London's position as a national economic hub is well established. London added £364bn to UK GVA (23%)²⁴ and the same proportion income tax receipts in 2014.²⁵ The capital holds unrivalled status as a premier location to do business, attracting three times more international corporate headquarters than any other city in Europe, and head-quartering almost half the UK's leading businesses.²⁶

Cebr analysis²⁷ reveals that while all regions across the UK have their own particular skills requirements, none is as entwined and reliant upon migrant labour as the economy of London Region. Figure 3 shows the stark contrast between UK regional labour markets:



"There are two main reasons why we hire non-UK staff. These are the unavailability of British engineers and our philosophy to expand our business internationally. Non-UK staff have language capabilities, understanding of different engineering codes in other countries and different approaches to design, so that we can come up with the very best in our designs. This makes us more effective at winning work in other countries, some of which will be delivered in UK offices, to the benefit of all our staff."

David Dryden, Chairman and Partner, Cundall - international engineering consultancy

Aside from international examples such as Australia and Canada, **there are domestic precedents for tailoring immigration controls to specific regions and sectors of the economy.** From the inception of the current UK Visa PBS it was recognised Scotland had specific and differing labour needs to the rest of the UK. A separate 'Scotland Shortage Occupation List' is maintained by the Migration Advisory Committee.²⁹

Until 31st December 2014 when migration restrictions on Bulgarian and Romanian nationals were lifted, the UK Government operated a 'Seasonal Agricultural Workers Scheme' (SAWS). In recognition of the agricultural industry's reliance on eastern European labour (at the time, EU2 workers accounted for a third, and EU8 workers a further half of the seasonal agricultural workforce), the scheme allowed the industry to employ these migrants for up to six months.³⁰

Recognising the twin realities of where most economic migration adds demonstrable value to UK plc and how post-Brexit Britain can remain competitive, Government may wish to explore a different status for London (even for a temporary, transitional period) in its new Immigration policy. This would be a strategic move towards future safeguarding of the national UK economy.

Recommendation 2: The Government should consider 'Targeted Migration Area' designation for the London Region within the UK Immigration system to manage London's significant skills and labour requirements.

A LONDON SKILLS SHORTAGE LIST

Currently the independent Migration Advisory Committee (MAC) publishes a Shortage Occupation List for the UK, and a separate List for Scotland, with specific roles that employers find difficult to recruit such as engineers, scientists, certain medical professions and IT workers.

A Resident Labour Market Test does not have to be applied before allocating a Tier 2 'General' COS if a job is on the Shortage Occupation List. Essentially such a 'shortage' job is given a fast-track under the current allocations cap of 20,700 annually.³¹

LCCI previously asked Government to task the MAC with reviewing the Shortage Occupation List and consider introducing regional variations where there were pronounced shortages of specific skills.³² However, aside from maintaining Scotland's separate list, the MAC has so far only focused on whether current minimum salary thresholds under Tier 2 should vary by region to reflect differences in average pay.³³

The UK's capital city must be able to quickly specify, and act, to fill employment vacancies of strategic importance in a similar way to Scotland.

²⁴ House of Commons Library (2016): *Regional and local economic growth statistics*, Briefing Paper 05795

²⁵ Office for National Statistics (2016): *Income and tax, by country and region: 2013 to 2014*

²⁶ Deloitte (2014): *London Futures – Globaltown: Winning London's crucial battle for talent*

²⁷ Cebr (2016): *Working Capital: The role of migrant workers in driving London's economy*

²⁸ Office for National Statistics (2016): *Labour Force Survey, Q1 2016*

²⁹ Migration Advisory Committee (2015) *Partial review of the Shortage Occupation Lists for the UK and for Scotland*, p 131

³⁰ Written statement by the Home Office: *Seasonal Agricultural Workers Scheme and the Food Processing Sectors Based Scheme*, 12 September 2013

³¹ Although other criteria must be met – e.g. that the role is for at least 30 hours per week, and an appropriate minimum salary is paid.

³² LCCI (2015): *Worlds apart: making the immigration system work for London businesses*

³³ Migration Advisory Committee (2015) *Review of Tier 2: Balancing migrant selectivity, investment in skills and impacts on UK productivity and competitiveness*, pp 80-84

In recent months London's Mayor has consistently said he wants to ensure that the capital's businesses are able to attract the skills and talent they need to succeed.³⁴ Any bespoke immigration solution for post-Brexit London must recognise the long established and unique footprint of economic immigration in the capital. A Shortage Occupation List for London with a broader definition than the UK-wide version would be an integral part of a new approach centred on Work Permits as outlined in Recommendation 4.

Scotland, for example, had medical sector roles added to the Scottish Shortage Occupation List in 2013 and 2015.³⁵

"Optimity has always focused on recruiting talent with great potential, which has resulted in more than 20% of our team being from the EU. The greatest risk of Brexit to our company is that we're not going to be in a position to recruit the talent we need, which will put the brakes on our rapid growth. The bigger issue is that Brexit will undermine London's reputation as a great place for young and ambitious people to come and build their careers."

Anthony Impey, Founder and CEO, Optimity - a tech sector company based in central London

Given that businesses are well placed to identify employment requirements and gaps, the body proposed in Recommendation 5 could play an advisory role here, for example through devising and conducting an annual London Skills Audit. This could assist the MAC with predicting emerging specific sector skills deficiencies in the capital.

The Government should task the Migration Advisory Committee with creating a separate 'Shortage Occupation List for London' (as Scotland has) to attract the skills and talent necessary to ensure the long-term sustainability of the capital's economy.

Recommendation 3: The Government should task the Migration Advisory Committee with maintaining a separate 'Shortage Occupation List for London' (as Scotland has) to attract the skills and talent necessary to ensure the long-term sustainability of the capital's economy.

A CAPITAL WORK PERMIT

Since spring 2014 Quarterly Economic Surveys undertaken by ComRes³⁶ have found at least half of London businesses looking to recruit consistently reporting difficulties in finding sufficiently skilled candidates. London firms do recognise that, long-term, the solution to close this skills gap must involve a major up-skilling of the resident labour force. However, for the foreseeable future, access to non-UK talent will remain critical to the capital's continued success.

Some 47% of London businesses believe looser immigration restrictions on workers coming from outside the EU should be a medium or high priority for the UK.³⁷

Clearly the status quo as regards existing immigration rules will not be an option. A formidable challenge lies ahead for Whitehall policymakers and decision-takers.

Attempting to apply the existing national PBS to all EEA migrants first day post-Brexit could have a detrimental impact on the London region: if national immigration controls were brought in today and immigration fell into line with Government targets, by the year 2020, Cebr estimates the capital would have lost access to 160,000 migrant workers. Total immigration for London would be below 38,000 annually, drastically capping the labour London relies upon, and leading to further skills shortages, particularly in lower-paid jobs.

Responsibility for all UK immigration of course lies with the Home Office. However; London City Hall and London businesses can offer a supportive role in devising future immigration controls for the capital that pay regard to the prevailing national public mood on migration yet offer practical solutions to the region's labour and skills requirements.

With the prospect of a relatively short Brexit on the horizon, considerable national benefit could be derived from reviewing and amending provisions of the existing tiered PBS to provide for London's distinct migration profile with a new system of regional work permits.

With London, ideally, designated as a Targeted Migration Area and a London Shortage Occupation List in place (as outlined in Recommendations 2 and 3), the Office of Mayor of London and established Business Organisations, as per the London Business Advisory Council (LBAC), could together seek to form a 'Work Permit Sponsorship Body' for the London Region.

The Body would be licensed by UKVI to act as a broker with London employers on certificates of sponsorship and with non-UK applicants for work permits. The Body would issue Certificates of Sponsorship and Capital Work Permits under specified Home Office immigration criteria.

It is not the task of LCCI to stipulate how precise each provision of immigration law should be. Careful consideration would need to be given to the precise relationship of regional 'London Certificates of Sponsorship' and regional Capital Work Permits within any new national immigration caps that Whitehall may decide to introduce in the post-Brexit era.

However, a new process does not necessarily have to constitute a *radical* departure from the existing system.

- In order to be issued a Capital Work Permit, the applicant would be required to have a job offer by a London employer with a valid 'London Certificate of Sponsorship' (LCoS) for the role in question, granted by the Work Permit Sponsorship Body for the London Region.
- One requirement for obtaining a LCoS would be submitting proof of having conducted a London version of RLMT. The London version of the RLMT (LRLMT) would have amendments making it more responsive to modern recruitment methods.³⁸ Applications for roles appearing on the London Shortage Occupation List would not be required to go through the LRLMT.

³⁴ LondonIsOpen campaign, at www.london.gov.uk/about-us/mayor-london/londonisopen

³⁵ Migration Advisory Committee (2013): *Skilled Shortage Sensible: Full review of the recommended shortage occupation lists for the UK and Scotland*; Migration Advisory Committee (2015): *Partial review of the Shortage Occupation Lists for the UK and for Scotland*

³⁶ LCCI: *Capital 500 Quarterly Economic Survey*, series available at www.londonchamber.co.uk/Capital500

³⁷ ComRes survey for LCCI of 504 London businesses, August 2016

³⁸ LCCI (2015): *Worlds Apart: Making the immigration system work for London businesses*, Recommendation 2, p 4

- Holders of a Capital Work Permit would only have permission to work within London as defined by the capital's 33 local authority areas. In order to enforce this, a prefix could be added to the National Insurance number they are issued.
- The Capital Work Permit would be time limited and tied to a contract of employment in the London region (minimum of 6 months, maximum of 5 years). Holders would be required to live in the London region. After five years, the permit holder would be eligible to apply for permanent residency under the current system, with no restrictions on the location of their work or settlement in UK.
- As is the case under the current Tier 2 visa system, UKVI would be required to be notified (in this case via the Work Permit Sponsorship Body) if employment had been terminated. Work permit holders could be allowed 60 days to seek to apply for a new permit with an alternative London employer; in liaison with the Work Permit Sponsorship Body, before facing deportation.
- The number of permits granted and prioritization of applications could be informed by an annual skills audit, so that the Capital Work Permit was truly responsive to the changing labour and skills requirements of the capital.

To be clear, this proposal is for a degree of regional variation of the visa process in recognition of the fact of where economic migration is concentrated in the UK economy. However, the Home Office, principally through UKVI, would always retain ultimate control (although the London Assembly could offer an additional platform for regular public scrutiny and accountability).

Of course the UK has experience of exiting another Union – that with Ireland. A Common Area Travel arrangement accorded special status and freedom of movement to their citizens has existed, in varying forms, since 1923, in recognition of their long-standing historical ties.

Political pragmatism may suggest that Ministers could consider provision being made for two types of Capital Work Permits - recognising that the forty-year plus relationship between the UK and EEC/EC/EU will undergo a transitional phase as Brexit unfolds – with EU/EEA permit applicants having a different access status even for a certain defined period after Brexit. A separate Capital Work Permit for EU/EEA citizens (with less stringent qualifying criteria) would, for a time, allow London firms to adapt to the loss of freedom of movement of EU citizens and could also provide leverage as the Government negotiates trade deals with the EU Bloc and individual EU states.

Recommendation 4: The Mayor of London should explore the potential for a dedicated 'Capital Work Permits system' to provide controlled access for future migrant workers and meet London employers' need for skilled labour.

Under current UK visa rules, 'sponsors' have to be of good character and have ability to competently discharge administrative and legal duties linked to certificates of sponsorship. The Mayor of London and the business organisations within LBAC are long established entities with collective experience, expertise and resources that adequately equip them to seek Home Office permission to act as a Work Permit Sponsorship Body for the London Region.

In existence for several years to provide quarterly engagement between the Mayor of London and the four business organisations (CBI, FSB, London First and LCCI), LBAC enables a constructive dialogue on London businesses' priorities, concerns and matters of interest.

In a new situation, LBAC could be expanded to include other business focused entities such as the IOD, City of London Corporation, Tech City and MedCity to ensure all aspects of the London economy were represented. As previously outlined, the Work Permit Sponsorship Body could support the MAC with undertaking annual skills surveys to provide accurate information and identify trends in the London labour market. This audit could also be used to inform how Capital Work Visas are allocated, as well as the design of any national cap (or decision to exempt the London region from national targets).

Recommendation 5: The capital's established business organisations (eg: LBAC) and the Office of the Mayor collectively could seek UKVI licensing as the 'Work Permit Sponsorship body' for London Region.

Following the Referendum LCCI, along with the other main business groups, met with City Hall officials to discuss priorities for the capital going forward. LCCI undertook to probe the views of London businesses about expectations and requirements arising from the UK's vote to leave the EU. LCCI hosted roundtables with business leaders from a wide range of industry sectors and company sizes to discuss reactions and highlight potential impacts. LCCI commissioned polling agency ComRes to survey business leaders about Brexit. ComRes interviewed 504 business decision-makers in August 2016. Data was weighted to be representative of all businesses by company size and broad industry sectors. Full data tables are available at www.comresglobal.com

For further information on this report, please contact

London Chamber of Commerce and Industry
T: +44 (0)20 7248 4444
E: research@londonchamber.co.uk
W: londonchamber.co.uk/research

Sean McKee
 Director of Policy and Public Affairs
E: smckee@londonchamber.co.uk
T: +44 (0)20 7203 1882

Victoria O'Brien
 Research Manager
E: vobrien@londonchamber.co.uk
T: +44 (0)20 7203 1817

Thomas Wagemaakers
 Policy Research Officer
E: twagemaakers@londonchamber.co.uk
T: +44 (0)20 7203 1925

