

Migration Advisory Committee 1st Floor, Peel Building 2 Marsham Street London SW1P 4DF

Date: 28th January 2020

Rt Hon Priti Patel MP Home Secretary 2 Marsham Street London SW1P 4DF

Dear Home Secretary,

Today we published our report on a Points-Based System and Salary Thresholds for Immigration with our recommendations on these issues. Alongside the commission on salary thresholds, the previous Home Secretary asked for our views on the scope and timing of our first annual report and whether any changes to the composition of the MAC are required<sup>1</sup>.

We welcome the enhanced role of the MAC and the opportunity, in addition to undertaking Government commissions, to set our own agenda. As a data-driven, evidence-based, independent body, we will use this opportunity to establish a strategic analytical work programme to address some of the evidence gaps we have identified in our latest and previous reports. Throughout our work we have emphasised where further analysis and robust evaluation would be valuable to inform policy recommendations. The commission-based nature of our previous role has prevented us returning to some of the evidence gaps we have identified, meaning they can remain unfilled. In numerous reports, we have highlighted the need for better evaluation of migration policy, and whilst routine evaluation remains the responsibility of the Home Office, as part of our enhanced role, independent scrutiny of migration policy through evaluation by MAC will provide an additional level of understanding of what works.

Our current specific plans include undertaking work on the progression of migrants in the labour market and understanding more about the employers of migrants. Our report concludes that we know very little about how the system for settlement works and this project will contribute to our understanding of that. We will collect longitudinal data to help understand the drivers of migrant behaviour, increase the extent of primary research we undertake, and begin to evaluate some areas of migration policy, particularly those where we have made previous recommendations.

In our past three reports, including the one published today, we have emphasised the ongoing challenges we have faced accessing data and the significant untapped potential offered by linking datasets held across Government to enable improved analysis on migration. So much more could be done with existing data. We would appreciate the support of the Home Office and other government departments in assisting us to access the data we need to make

<sup>1</sup> https://www.gov.uk/government/publications/migration-advisory-committee-welcomes-salary-threshold-commission/the-home-secretarys-commissioning-letter-to-the-chair-of-the-migration-advisory-committee-on-salary-thresholds

recommendations based on the best available evidence, and to enable us to robustly evaluate how policy is working.

Turning to the scope of our annual report, the Office for National Statistics already publish detailed analyses of migration trends and we do not intend to duplicate this. We envisage our annual report will examine the effectiveness of immigration policies and make an ongoing assessment of their impacts, which could include making further recommendations. Whilst the exact form of this report may change over time, we anticipate that it will consider how impacts vary across regions and sectors. The MAC's objective is to maximise the welfare of the resident population and we will assess impacts through this lens. We anticipate our first annual report will be published in Autumn 2020, though this is dependent on the extent of any further commissions from the Government.

The letter from the previous Home Secretary suggested that our annual report should cover the composition of the Shortage Occupation List (SOL). In our report published today, we discussed the future role of the SOL and set out that if the proposals to remove the cap and Resident Labour Market Test are implemented, the main advantages of the SOL disappear. We do not believe that occupations on the SOL should have lower salary thresholds, as it exempts them from pressure to increase wages, or improve conditions, which could exacerbate any existing shortages. Any current analysis of shortages based on the existing data risks being irrelevant when the very different, new migration system comes into operation. We do not feel this is the right time to review the SOL and it may be that it has no place in the future immigration system, though any such review should wait until there is some data on how the new system is working.

The MAC is currently made up of six independent migration and labour market experts; our role is an advisory one and it is for the Government to then set policy informed by our recommendations. A core aspect of all our commissions is undertaking widespread stakeholder engagement coupled with a call for evidence to gather detailed information from employers, representative bodies and others. This evidence is used, alongside a range of sources, to inform our recommendations. As an independent body, we gather many different views from a wide variety of stakeholders across the UK. As such, we do not see the need for changes to the expert composition of the MAC. Given the significant transformation to migration policy with the introduction of the future immigration system and with the enhanced role of the MAC, we intend to engage with stakeholders and employers on a routine basis outside of specific commissions as part of a more formally constituted stakeholder panel.

Whilst the MAC secretariat has grown modestly in size, undertaking further commissions alongside proactive analysis, evaluation, more frequent stakeholder engagement and a bolstered annual report means we are constrained with our current resources and funding. We note that the commissioning letter highlighted changes may be required to the MAC's Framework Document to take account of our enhanced role. We look forward to engaging with the Home Office on these matters.

On behalf of the Migration Advisory Committee.

Yours Sincerely

Professor Alan Manning

Alan Manning

**Chair Migration Advisory Committee**