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Call for Evidence: EEA Workers in the UK Labour Market

July 2017 MAC Commission

Submission Date: 27 October 2017

Introduction

1. UK Finance welcomes the opportunity to provide views and evidence to the Migration Advisory Committee (MAC) as it seeks, through a Commission, to advise on the economic and social impacts of the UK's exit from the European Union (EU) and on how the UK's immigration system should be aligned with a modern industrial strategy.

2. Established on July 1st, 2017, UK Finance is a trade association representing 300 of the leading firms providing finance, banking and payments-related services in or from the UK. UK Finance has been created by combining most of the activities of the Asset Based Finance Association, the British Bankers' Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association. Our members cover the full breadth of the financial sector. Our members are large and small, national and regional, domestic and international, corporate and mutual, retail and wholesale, physical and virtual, banks and non-banks. Our members' customers are individuals, corporates, charities, clubs, associations and government bodies, served domestically and cross-border. These customers access a wide range of financial and advisory products and services, essential to their day-to-day activities, from our members. The interests of our members' customers are at the heart of our work.

Executive Summary

3. The UK has a world leading financial sector and makes a tremendous contribution to the UK economy, both directly through the level of taxation the sector pays to the Exchequer and the number of people employed by the sector, but also by supporting growth, innovation and UK businesses.

4. It is not possible to easily quantify the numbers of EEA nationals working in the sector, not least because whilst employers would normally need to identify, check and retain records on the right to work of non-EEA employees, and as Tier 2 sponsors would have to demonstrate that they are complying with sponsorship requirements, this is not something that they have had to do for EEA nationals. because of the fact there was previously no need to separate EEA nationals from UK nationals.

5. However, we note and would agree with estimates that 7% of those working in the financial sector are from the EU.[1] Whilst estimates these figures are not out of kilter with the view or experience of members.

6. The strong view of members is that EEA migrants make a vital contribution to the sector bringing innovative practices and skills and contribute to the UK being a global leader in financial services. EEA workers are often highly skilled and bring with them specific skills sets, industry knowledge, experience and client relationships, and are often the best fit for specific roles within the business, such as roles servicing international clients.

7. EEA nationals are also important in filling lower skilled but important roles such as support functions and customer facing roles, where the level of language ability, which is not traditionally a consideration of the MAC, has allowed banks to provide customer and business support functions within the UK that serve other locations in the EU and globally. That is something the MAC will need to consider as part of assessing the value of EEA migrants to the UK economy.

8. Our members strongly believe that the position on EEA nationals already here should be clarified swiftly. Outside of the policy decision, given the low risk any ratification or registration process for EEA nationals already here exercising Treaty rights should be as light touch as possible.

9. In the same way, any future immigration framework for EEA nationals is as light touch as possible in terms of delivering its objectives, and has one eye to achieving a positive implementation and transition deal with the EEA.

10. That flexibility needs to cover skilled EEA migrants working long-term as well as the ability to create the pipeline of future talent and leaders. The importance of EEA nationals filling contracts, or in short term roles, often as an Intra-Company Transfer (ICT) should not be forgotten. There is a need to preserve the ability of bring over EEA nationals for short term roles and the ease of bringing ICTs to the UK. Ideally any future policy framework would make it more straightforward for members to bring over third party contractors to carry out skilled work.

11. There is a wider ask for a future immigration system that allows the financial sector to easily recruit and retain the high skilled talent required for the UK to remain a world leading financial centre. The financial sector is a vital industry to the UK and immigration policy should support that.

12. There is a strong case for reforms to the sponsorship system and that the financial sector should, as a highly trusted sector, be one of those that are given greater flexibility on immigration policy, particularly around sponsorship requirements. Given banks help administer the immigration system it seems perverse to treat them in the same way as higher risk sectors.

13. The current proxy for assessing skill (salary and education level) remains the right one and the public and private sector remain on an equitable footing. However, as part of this we need to ensure FinTech and the technology sector can recruit the skills they need given the common use of equity in lieu of salary.

14. In a world where every country is competing for the ‘brightest and the best’ the UK needs to help promote growth and promote the UK is open for business by ensuring the immigration system is easier to understand, and easier and quicker for applicants.

15. Members would welcome the opportunity to engage further and in more detail with the MAC on this issue. As part of that UK Finance would to offer to arrange any meetings and visits that the MAC would find beneficial at a time suitable for your convenience.

[1] House of Commons Briefing Paper Number 8069, 3 August 2017

Considerations

16. Many recognise the important role that banks play in supporting the UK's economy – with this year's Total Tax Contribution (TTC) report for the UK banking industry estimating that the 511,000 people employed in banking across the country are responsible for contributing over £35 billion in tax.[2] The shape of immigration policy for both EEA and non-EEA workers post the UK leaving the EU is very important to members. We will as such be responding, on behalf of members, to the forthcoming White Paper on immigration to set out the need for any future immigration system to support the financial sector being able to easily recruit and retain the high skilled talent required for the UK to remain a world leading financial centre. The financial sector is a vital industry to the UK and so Government policy, including immigration policy, should support that, particularly given the need to support the UK retaining its position as a world leading financial sector post exit.

17. In response to this tranche of the MAC Commission we have been mindful of your briefing note on EEA-workers in the UK labour market accompanying the call for evidence. As this sets out, in making recommendations about migration policy the MAC generally assumes that the objective is to maximise *the total welfare of the resident population* focusing upon the welfare of people and how migration affects the lives of individuals.

18. We agree with this objective and in turn how this focuses the issue onto increases in GDP per capita, as opposed to simply increases in GDP. However, we think this lens should also consider the importance of a thriving business sector and the outcomes this delivers in terms of better services and products, lower costs, and employment opportunities. This is where, as set below, friction and barriers put into recruiting EEA nationals that the sector requires could lead to higher costs and less efficient services for UK customers and business.

19. Previous studies, including those by the MAC, have noted the different impacts upon GDP per capita and public services from different types of migrants, including if the migrant is in high or low skilled work, and whether a migrant is a *complement* or a *substitute* to residents.

20. This issue clearly also has wider links to the Government focus on productivity as migrants are thought to be complementary if they raise the productivity of resident workers by working with them, enabling them to be more productive and raising demand for their labour. This suggests that migrants are more likely to have beneficial economic effects when they are highly skilled and/or have different skills from the resident worker population, which is most notably demonstrated in the importance of the Shortage Occupation List.

21. The studies highlight that migration influences the welfare of the resident population and can provide benefits if for instance:

    - the presence of migrants in the labour market leads to lower prices or greater availability of some goods and services; or

    - they pay more in taxes than they receive in benefits and consume in public services i.e. their net fiscal contribution is positive.

22. We would say that the importance of both EEA and non-EEA migrants to the financial sector, and in turn the importance of the financial sector to the UK economy, fulfils both these criteria.

23. The MAC Commission requests evidence on the question of whether migrants, especially high-skilled migrants, lead to greater entrepreneurial activity, trade, innovation and, ultimately, productivity growth. We believe that our members can demonstrate benefits from their EEA

[2] 2017 Total Tac Contribution of the UK banking sector, prepared by PwC for UK Finance, October 2107 citing ONS data from UK level employment by 2 digit SIC 2007 for "64-Financial services activities; except insurance and pension funding".

workforce in all these areas and would like to invite the MAC to meet with our members either collectively and/or individually to discuss this in more depth to provide further qualitative evidence on this issue.

24. There is also a call for evidence on whether access to a large supply of migrant labour can be said to dis-incentivise employers from making production more capital-intensive. Whilst the financial sector is reliant on global talent, including from the EEA, we do not believe that there is any disincentive on capital and technology investment. Indeed, quite the reverse, there is a big focus on digital innovation across our membership, and EEA talent is playing a significant role in helping support that. Again, we would welcome the opportunity to facilitate the MAC meeting with, and visit our members, to see evidence of this for themselves.

25. We have set out below our response to the Call for Evidence structured around the broad themes requested: EEA migration trends; recruitment practices, training and skills; and on economic, social and fiscal impacts.

EEA Migration Trends

26. We are aware of the existing range of surveys and reports in this area, and the ONS article "*International immigration and the labour market 2016*"[3] estimates that 8% of those working in the UK in the financial and business services are EU nationals. Whilst broader than just financial services, that figure is broadly aligned to the House of Commons Briefing Paper "*Employment of other EU nationals in the UK*" which delves further into the ONS figures and estimates that 7% of those working in the financial sector are from the EU.[4] Whilst estimates these figures are not out of kilter with the view or experience of members.

27. Equally, it should be recognised that there are areas of the sector and the country where there will be greater reliance on EEA nationals. Here we would draw attention to the PwC and London First analysis which estimated that in 15% of those employed in the financial services in London are EU nationals. Again, this is not surprising given the importance of the City of London as a global financial centre and the need for the brightest and the best.

28. For example, an international wholesale bank (with the majority of their UK presence in London) has provided evidence that EEA nationals make up a significant proportion of their workforce, over 20% of their total employees. That proportion varies across functions with EEA nationals accounting for more than 33% of revenue generating functions, and more than 50% of their banking function.

29. However, in terms of wider data on EEA migration, it is sadly difficult to definitively provide further qualitative evidence across the entire sector or segmented by type of financial institution. That is because whilst employers would normally need to identify, check and retain records on the right to work of non-EEA employees, and as Tier 2 sponsors would have to demonstrate that they are complying with sponsorship requirements, this is not something that they have had to do for EEA nationals. Indeed, legal requirements around ensuring community preference requires that EU nationals (with exceptions of roles which have professional qualification requirements around English language) must be treated, for employment purposes, in the same way as UK nationals.

30. That requirement has routinely translated into record keeping where for reasons of efficiency and cost, employment details have been broken down into checking right to work and separate requirements put in place to recruit and fulfil sponsorship requirements for non-EEA records.

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[3]https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/migrationandthelabourmarketuk/2016#how-skilled-were-non-uk-nationals-living-in-the-uk
[4] House of Commons Briefing Paper Number 8069, 3 August 2017

31. As explained to us by a medium-sized organisation, in common with most UK businesses, they have only recorded whether their employees have the legal right to live and work in Europe, in keeping with their legal obligations. There has been no requirement to capture whether the individual is from the UK, or from an EU or EEA country with unrestricted access rights, and as a result they are unable to say definitively how many European nationals they employ. Even if they did, they have no visibility of their marital status and as such, short of engaging in dialogue with each employee individually, they are unable to assess confidently those that might acquire the right to remain in the UK versus those that might not.

32. Another major UK bank has provided evidence that supported this, stating based on their own analysis, around 50% of their non-UK EEA nationals working for them had under 3 years' service so it possible that they would not have the required 5 years permanent residence to gain permanent right to remain by the time Brexit has been implemented. However, they acknowledge that this is an estimate as they do not have full sight of their employees previous residence in the UK or other factors that may lead to them being able to stay. However, it would require a lot of effort to be able to do this further analysis notwithstanding any other concerns of such an approach.

33. This view is echoed by many of our large and small members who say that they could not produce an accurate figure without incurring significant cost and time to do so. A large institution has said it would have to employ extra staff simply to produce a breakdown of EEA staff if this were to be required by the Government. We note that this is not an issue unique to the financial sector - indeed this is an area where parts of the public sector have also historically struggled to identify numbers of EEA nationals in employment.

34. In terms of trends, a larger organisation - also explaining that it does not capture nationality for employees as standard - has intimated that it has already seen the indirect impact since the referendum vote in favour of the UK leaving the EU in the lower availability of entry level staff for many of their roles. The more recent difficulties of attracting EEA staff has been noted by other members, and indeed is also reflected in the latest ONS IPS figures.

35. There is no single piece of evidence that explains this trend, but our members have noted the changes in exchange rates and the value of sterling relative to other European countries. Some members have assessed that the fall-off in availability of migrant workers in other industries has pushed those organisations to attract employees from other labour pools. They are concerned about the potential impact on their ability to retain the services of highly valued EEA employees.

36. There is also a concern about the perception of the UK to EEA nationals or employees with EEA family members working here which may have an impact on their decision to remain in the UK. Many our members have informed us of concerns raised by EEA employees to them, including uncertainty about their future status. A major UK bank has provided evidence that whilst they have not yet seen a slowing of hiring of EEA nationals or of greater attrition the longer the period of uncertainty around EEA national's status in the UK and around the post-Brexit regime around right to work, the greater the likelihood that both attraction and retention of EEA nationals will become an issue for us and across the sector. This is a view that has been expressed to us by a number of our members.

37. That is why a key ask of our members is that the position on EEA nationals already here, and those arriving ahead of the UK withdrawal from the EU, to be clarified swiftly and clearly. We also believe that outside of the policy decision, given the low risk of abuse, any ratification or registration process for EEA nationals already here should be as light touch as possible, especially as the Government already holds data on these individuals.

38. We can add that a number of domestic retail banks describing themselves as not employing significant numbers of EU or EEA nationals – estimating that they make up less than 5% of their workforce – have emphasised the critical role that highly skilled EU and EEA nationals have through customer facing roles. These members set out that they would face difficulties in the delivery of their future strategy and the operational, administrative and financial challenges should the UK introduce a migration regime prohibiting the free movement of labour. Therefore, members would request that in the same way as for those already here, any future immigration framework for EU and EEA nationals is as light touch as possible in delivering its objectives, and has one eye to achieving a positive implementation and transition deal with the EU.

Recruitment Practices, Training and Skills

39. We would discount the thought that EEA (and non-EEA) recruitment into banking and financial services takes place at the detriment of UK nationals. Investing in the future, the industry champions apprenticeships, creating over 3,700 opportunities across the country between 2014 and Q1 2016. For every banking apprenticeship in London, three more are created outside the capital, reflecting the sector's vital contribution to the UK's labour market.[5]

40. The general view from the sector was that, given the fast paced and competitive nature of this sector, and the position of the UK as a global hub there was a tremendous need to fill resourcing needs with the best talent and there is considerable resource is invested in upskilling and developing current and future talent.

41. This was a wider point made by many members, that the focus is not just on recruiting suitably skilled talent for current roles, but also creating a pipeline of future talent and leaders, where the ability to recruit EEA nationals has been important to graduate and development programmes.

42. One major International Wholesale Bank states that EEA hires account for 38% of all hired across the Campus recruitment function and 19% of those recruited as experienced hires. They invest significantly in upskilling the local workforce and offering opportunities to the brightest and best young talent including through programmes such as:
    - Summer Internships;
    - Work Experience;
    - Industrial Placement;
    - Return to Work;
    - Associate Programmes for new recruits and those promoted;
    - Analyst Programmes (both permanent and summer placements)
    - Associate Promotion Programmes

43. These training programmes across this company are normally between 2-12 weeks, and there is considerable investment into them. For example, each year, the costs incurred in running the Analyst Programme amounts to £1.5million for training and an additional £1.65 million for investment into continued development. The Summer Analysts and Industrial Placement programmes typically cost £130,000 to operate, whilst the Associate programmes (which covers new hires, promotions and interns) cost around £170,000. The company has noted that if they were unable to easily fill these programmes due to lack of available EEA national participants, these programmes may not be operated and therefore this would have a detrimental impact on the UK participants.

44. The general view is that where recruitment is necessary it instead takes place against a backdrop of a shortfall of suitably skilled individuals within the domestic labour market. Recruitment from EEA countries is filling this gap and should be viewed as a catalyst to business activity and

[5] [5] BBA Factsheet "Jobs in Banking" https://www.bba.org.uk/wp-content/uploads/2017/02/Jobs-factsheet-FINAL.pdf

domestic employment that would be impaired should impediments be put in the way of this source of employment. This is not just long-term roles but also short-term assignments or intra-company transfers.

45. One firm noted that if they were unable to recruit or retain EEA nationals for specific roles, it would take considerable time and investment in hiring and retraining UK nationals where there is a lack of skills or expertise which would need to be supported by the Government. Even then there is a risk that roles would need to be relocated outside of the UK if the company was unable to access the breadth and depth of skills to maintain business with international clients.

46. While modern apprenticeships and other policies may reduce some skills shortages over the medium to longer term, the MAC and Government should not underestimate the damage that could be done to the UK economy and the interests of the UK resident population because of undue restrictions placed on the retention and recruitment of EEA employees.

47. Members are keen that we underline that the need for the MAC and Government to appreciate the impacts and the detriment that would be caused if an equivalent to the non-EEA immigration processes were deemed necessary. One member has estimated the legal and application costs of a standard application for non-EU nationals is estimated at £16,500. There is a wide view that the process is cumbersome and the 20-week timeline is far from ideal. While the timeline can be shortened through the payment of a fee for a premium service, several members have commented that they do not consider the non-EEA process sufficiently agile for current recruitment needs let alone as a starting point for a system for recruiting from neighbouring European countries. They highlight also the ongoing monitoring of immigration documents and changes to conditions within the firm (such as salary change, or promotion) needed to comply with Home Office rules.

48. Members consider the lack of clarity concerning the immigration status of EEA nationals currently employed in various functions across their business as having a detrimental effect on retention which may in turn create operational challenges that could significantly impact their service delivery to customers within the UK marketplace.

49. They are also concerned that any move towards an immigration system that prohibits or unduly impedes the free movement of labour has the potential to quadruple the administrative burden associated with recruiting EEA nationals and increase considerably the time it takes to fill business critical roles. Many members have highlighted they would need to recruit additional staff to manage this, and the costs would have to be passed onto business and customers. At its most extreme, an onerous system could, all other things being equal, be a disincentive for investment in the UK as opposed to other European hubs.

50. Others noted that for some type of roles there is a limited talent pool, especially for very specialised roles (such as some in the FinTech industry) so even if companies could deal with increased administrative burdens and the extra costs, which is more difficult for smaller companies and start-ups, competition for these people is fierce and global. This needs to be reflected in the UK's approach if the financial sector is to remain world leading.

51. We would also wish to draw attention to the fact that when considering future immigration reforms, our members recognise the idea of salary and qualification as a proxy for highly skilled. We would support that continuing as opposed to a system of the UK Government 'picking winners'.

52. However, we would emphasise the need to manage impacts on labour flows by not creating a cliff edge where there is a sudden block on access to EU nationals filling important but lower skilled roles such as customer facing roles. Equally we would also highlight that previously the MAC has not had to give widespread consideration to the necessity of being able to target recruitment of individuals with specific language skills, particularly for businesses who have established

customer service hubs serving the rest of Europe within the UK. That is because within the wider EU labour pool it was relatively easy to find employees who could speak the necessary languages. Post exit, and depending on any future immigration system, the MAC will need to consider how UK businesses can recruit individuals with the language skills they may need.

53. For example, one medium sized international bank has a business contact centre within the UK which deals with business accounts across Europe where there is a very high reliance on EU nationals to ensure the bank can serve their customers. It would not be as easy to fill those roles without being able to rely on EU nationals and so the bank would have to consider where this function is based.

54. Members have also requested that we impart:

- That they believe there is a need for the MAC and Government to appreciate that salary levels may not always be a sufficient measure of 'value added'. This is particularly true of start-up businesses, and FinTech and the technology sector given the common use of equity stakes in lieu of salary. We would ask that given the focus of the Government on making the UK a global hub for digital innovation and FinTech that further thought is given to how equity can be used in lieu of salary.

- The possible case for EEA employment in respect of trusted sectors to be managed on a trusted partner basis, with a cut back in bureaucracy for all concerned. One way of doing this would be to entrust a tier of very highly trusted sponsors to issue and manage permits.

- The need, in any case, for reforms to the sponsorship system as the current 'one size fits all' approach that treats all companies and all sectors as the same does not work. This is something in need of reform in order to better align responsibilities and requirements with factors such as risk. Given that banks are heavily and effectively regulated, and are trusted and indeed required by the Government to help support administration of the immigration system through the Immigration Act, there is a case for the financial sector to be one of the sectors that benefit from a lighter touch sponsorship system.

Economic, Social and Fiscal Impacts

55. We believe that the MAC and Government should conclude, with relative ease, that there are very significant economic, social and fiscal benefits from EEA migration to the UK economy, particularly in the case of financial services, and that these outweigh any counterbalancing costs. Whether at a leadership or senior executive level, or in highly specialised niche roles, EEA employees do contribute significantly to the ability of our members to provide services upon which the UK resident population rely. This includes people working in highly specialised, niche roles on investment projects aimed at innovating service delivery. These projects, in particular, are the means by which a growing number of small-to-medium sized companies are seeking to bring services to the marketplace and in doing so, enhance competition to the benefit of UK consumers.

56. Examples of strategically important EEA recruitment provided to us include:

- The recruitment of an executive leadership team where the majority of individuals concerned are British citizens, and a minority drawn from EEA and non-EEA sources. The experience has led this organisation to conclude that the free movement of labour within the EEA is integral to its ability to attract executive talent and that any inhibition would impair its ability to grow its retail and commercial services.

- An organisation related to us that, whilst they have on EEA workforce of less than 2% and only limited presence in London, they have corporate functions that require technical and specialised skill sets which are often sourced from outside of the UK - Treasury and Corporate

Development are two examples cited. They would be concerned if circumstances arise where it became difficult to recruit, attract or retain talented individuals in such areas. They would be equally concerned should the UK adopt an immigration policy that sees existing talent that they have nurtured in these fields having to return home and believe that this would work against UK business investment.

- An organisation, also estimating that its employment of EEA nationals amounts to less than 2% of its overall workforce, related concerns about the development of their digital platform should they be unable to rely on the retention of EEA nationals. They describe the platform as being customer-centric, data-driven, with cutting edge analytical capability and see its development as core to their ability to grow the business by meeting customer need in a modern, efficient way. Of the small dedicated design team, 6 out of 26 – 23% - are EEA nationals and 5 of the 6 are described as having critical domain knowledge. The organisation has emphasised the extent to which they believe that their ability to develop a contemporary digital experience for current and future customers is reliant upon the focus and continuity of this team. They consider that any short-term insecurity or medium to long term restrictions on eligibility of the EEA members of the team to work in the UK will have a negative impact on the organisations ability to deliver for customers and shareholders.

- A medium-sized domestic bank estimates that only 1.5% of their overall workforce is made up by EU nationals. Of these, they believe 35% to be Irish, 17% Polish and 46% from other Member States. Of the 'other' population, approximately 70% are from countries that joined the European Union before 2004 (for example Spain, Italy, Germany) and the remaining 30% after 2004 (including Latvia and Romania). What they are seeking to illustrate is the diverse nature of even their small number of EEA employees and the extent to which they arise from the UK's longstanding relationships with neighbouring countries.

57. It is also relevant to note that UK Finance commissions an annual survey of the Total Tax Contribution (TTC) made by the UK banking industry and has just published its latest version. While this has not been devised with an EEA migrant sub-division in mind, the survey distinguishes between domestic and overseas firms and, based on the differing nature of their activity (or concentrations of activity), inferences may be drawn about the extent to which certain business areas employ a higher proportion of non-UK nationals. Businesses such as corporate and investment banking, where non-UK nationals concentrate, provide high value jobs that make a positive net fiscal contribution and as a result benefit the welfare of the UK resident population.

58. The survey provides arguably the most detailed source of information about employment and other taxes paid by UK and overseas banks. This year's survey, published this week, estimates the TTC of the banking industry at £35.4bn, breaking this down as £18.1bn being paid by UK banks and £17.3bn by foreign banks. The survey shows the average amount paid into public finances in employment taxes per employ to stand at £34,981 - which approximates to six times the national average of £5,856. It should be appreciated, however, that this overall figure is lifted to a very considerable degree by the salary levels enjoyed by EEA and non-EEA nationals working within the industry, in particular, in corporate and investment banking roles.

59. The survey is based upon a granular information gathering exercise spanning 36 organisations that represent 78.9% of the employment taxes paid by the sector. If the MAC would find it helpful, we would be happy to explain the survey findings in more detail.

Policy imperatives

60. Immigration is seen by our members as contributing to innovation and is a positive, dynamic factor in opening up competition in the provision of financial and other services. EEA (and non-EEA) labour within financial services is unambiguously a net contributor to the UK economy and public finances.

61. Members have been clear in expressing to us their concern about the detrimental effect on their business – and hence the welfare of the UK resident population – if they are unable to attract talent from neighbouring European countries through a seamless immigration process.

62. They see this as a matter not only of the numbers of people that they are permitted to employ, but the need to avoid the administrative burden associated with non-EEA immigration and ongoing compliance requirements. They have asked us to ensure that the MAC and Government are fully aware of the detriment that would arise for UK interests should the future regime not retain lighter controls for employment by the financial services sector.

63. They therefore believe that MAC and Government should find the means of administrating EEA immigration within trusted sectors on a 'trusted partner' basis as part of wider reforms of the sponsorship system.

64. Notwithstanding the current state of UK-EU negotiations, they have serious concerns relating to the retention of existing EEA employees and stress the need for the position of EEA nationals already here being clarified with a minimum of further delay and with as light touch a process as is possible. This extends not only to employees but their families.

65. There is also a wider point that in a world where every country is competing for the 'brightest and the best' the UK needs to help promote growth and promote that the UK is open for business by ensuring the EEA and non-EEA immigration system is easy to understand, and easy and quicker for applicants. There are good precedents for reforms elsewhere to the immigration system, such as the visitor routes, which provide a good example to build upon.

66. We hope this submission is helpful, and stand ready to assist the MAC in their important role where we can. We are happy to be contacted with further queries, and would like to invite the MAC to meet with ourselves and our members to provide more depth and qualitative evidence. We would also be happy to help facilitate visits by the MAC to members to see the importance of EEA nationals to the sector first hand.

For further information on this submission please contact Paul Chisnall, Executive Director, Financial Policy & Operations, UK Finance: paul.chisnall@ukfinance.org.uk