

Mobility: Immigration alert

October 2023



United Kingdom

Migration Advisory Committee publishes its review of the Shortage Occupation List

Executive summary

On 3 October 2023, the UK's Migration Advisory Committee (MAC), an independent body that provides evidence-based advice to the government on migration issues, published its review of the Shortage Occupation List (SOL) and concluded, among other things, that the SOL should be abolished.

Background

The SOL is a feature of the existing Skilled Worker Visa route. It lists occupations where employers face a shortage of suitable labor and where the government considers it sensible to fill these shortages with foreign nationals. Organizations that employ individuals in positions included in the SOL may pay these employees 80% of the "going rate." The going rate helps protect resident workers from undercutting and reduces the potential exploitation of foreign nationals.

Key developments

The MAC's main recommendations include:

- ▶ Abolition of the SOL, as the MAC is not convinced that it provides a sensible immigration solution to shortage issues in low-wage sectors
- ▶ An alternative approach based on individual occupations or sectors where labor market issues seem particularly acute
- ▶ Preferential access to the Skilled Worker route as the SOL currently allows, or suggestions for alternative immigration routes such as the Youth Mobility Scheme, which requires no formal sponsorship from employers

- ▶ A focus on changes to wages, terms and conditions, training and education, and investment in technology, which are likely to be a more sustainable response to current problems
- ▶ Renaming of the SOL to the Immigration Salary Discount List (ISDL) to correctly reflect its function in the immigration system and help avoid the confusion that currently exists among stakeholders as to the purpose of the list

The MAC's review was conducted based on their recommendation that no employer should be able to pay below the "going rate," regardless of whether they are experiencing a labor shortage. This does not mean that these occupations are not facing shortages, but rather that the Skilled Worker Visa route already provides the appropriate immigration pathway to address these shortages.

The MAC's review focused on occupations where the going rate is below the binding general salary threshold of £26,200. Many occupations reviewed have a going rate of approximately £20,000 to £22,000. If they are excluded from the SOL, employers may not be able to recruit internationally because they would need to pay the general threshold of £26,200.

Alternatively, if the government wishes to continue with the operation of the SOL as it is, the MAC's review recommends eight additions to the UK-wide SOL and two additions to the Scotland-only SOL. These occupations include laboratory

technicians, pharmaceutical technicians, roofers, boat builders and several care sector roles.

Impact on employers

If the government decides to adopt the MAC's recommendations, employers may lose the benefits of having an occupation on the SOL, which will increase the costs of hiring foreign nationals.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

EY | Building a better working world

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2023 Ernst & Young LLP.
All Rights Reserved.

EYG no. 009249-23Gbl

2101-3682263
ED None

ey.com

Seema Farazi, Partner
Global Immigration
+ 44 207 951 7122
seema.farazi@uk.ey.com

Kellie Sullivan, Director
Global Immigration
+ 44 207 806 9707
kellie.sullivan1@uk.ey.com

Nikita Potdar, Director
Global Immigration
+44 20 7760 8208
nikita.potdar@uk.ey.com

Martin Maddocks, Senior Manager
Global Immigration
+ 44 207 806 9078
martin.maddocks@uk.ey.com

Charlotte Hall, Senior Manager
Global Immigration
+44 20 7951 4353
chall@uk.ey.com

Lisa Amos, Partner
Global Immigration
+ 44 778 715 1456
lisa.amos@uk.ey.com

Vicky Cregan, Director
Global Immigration
+44 20 7951 1897
vcregan@uk.ey.com

Charlotte Nicolas, Senior Manager
Global Immigration
+ 44 207 197 5228
charlotte.nicolas@uk.ey.com

Jodie Rogerson, Senior Manager
Global Immigration
+44 20 7951 8136
jodie.rogerson@uk.ey.com

Gowsi Ganeshalingam, Senior Manager
Global Immigration
+44 20 7951 7735
gganeshalingam@uk.ey.com