

Immigration points system 'will cause chaos'

By David Litterick

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The Government's new immigration system will result in chaos and leave business facing extra costs, leading lawyers have claimed.

The Australian-inspired "points system" is intended to make it easier for businesses to hire skilled and qualified workers, but Sarah Linton, a partner at Bryan Cave and head of the firm's employment practice in London, believes the proposals are ill thought out.

"Far from introducing new controls, much of the responsibility for managing the system will be passed to employers, to be known as sponsors, who face onerous compliance and reporting obligations," she said.

And she criticized the Government for using the scheme as a way to boost Treasury coffers.

"Work permits used to be free," she said. "Now there will be a fee to register as a sponsor, a fee to renew the sponsorship, a fee to obtain a certificate of sponsorship and increased fees for entry clearance."

She said the system did not recognize the huge changes in the labour market.

"In the global marketplace, the question of where an employee works is increasingly difficult to pin down. The new immigration system does not address the needs of internationally mobile workers."

The value of migrants to Britain is a hotly contested subject. The Government claims immigration has added some £6bn to the economy and prevents labour shortages.

However, the House of Lords' Economic Affairs Committee recently stated that "the economic benefits of positive net immigration are small or insignificant."

The CBI has broadly supported the new points-based migration system, but has attacked the level of the charges which deputy director-general, John Cridland said could leave smaller business facing an increase of 580pc.

"Whether an employer needs just one skilled migrant or 50, they must pay a new flat registration fee. This only becomes cost effective the more people you hire, so smaller firms will take more of a hit.

"Business accepted last year's rise of 135pc in skilled work permit fees on the basis it would fund improvements to the immigration system. There's been little progress in developing better employer support, but the Government has imposed further cost increases at a time when it is also expecting employers to perform more rigorous checks on their employees as part of the system."