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UK immigration cap causing problems for businesses

The temporary immigration cap is already causing problems for businesses in the UK. Under the Tier 2 visa scheme, businesses have had to significantly reduce the number of people they can employ, some businesses even threatening to leave the UK. Businesses have been given a zero allocation of certificates of sponsorship which means they will not be able to employ anyone new under the Tier 2 visa scheme.

On 28th June 2010, British Home Secretary Theresa May announced plans to cap UK immigration from outside the United Kingdom. The plan was to cap UK immigration for a short period of time and consultations have followed as regards to how limits should be set for the future.

The cap came into force because of unconstrained levels of immigration to the UK, which consequently put pressure on public services, schools and housing.

The aim of the government is to attract high net worth migrants as investors. Lowering UK tax rates could help to attract wealthy individuals from abroad which could subsequently result in fewer high net worth individuals leaving the UK.

The rise in net migration to the UK has been fuelled by an increase in the number of people coming to study in the UK. Chief executive of the Higher Education Action Group of Universities UK, Nicola Dandridge, claimed earlier this month that the success of UK universities could be at risk if further restrictions are placed on applicants.

Lib Dem Business Secretary, Vince Cable voiced his concerns over the governments immigration cap earlier this month. Cable branded it as “very damaging” to British industry because it prevents employers from hiring skilled workers. Cable openly expressed his objection to the cap. The UK immigration cap is an important part of the conservative manifesto that was reluctantly accepted by the Lib Dems when the coalition government was formed earlier this year.

Nick Clegg is supporting a rethink of plans to limit the number of UK work visas available to non-EU citizens. Clegg’s concerns were expressed at the liberal Democrat question and answer conference in Liverpool where he claimed that the UK visa cap was making life more difficult for British businesses.

The new coalition government in the UK aims to reduce annual net migration from 176,000 to “tens of thousands”, although no specific figure has been given. Although UK immigration wish to attract the brightest and best people to the UK, they do not wish to have uncontrolled migration.

By Jade Coleman