



National Audit Office

**Home Office: UK Border Agency**

# Immigration: the Points Based System – Work Routes

## Detailed Methodology

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**MARCH 2011**

# Detailed Methodology

**1** This Appendix outlines the research methods used in the course of our examination.

## Study scope

**2** The Home Office designed the Points Based System for immigration to meet the UK's needs for migrant workers through a simplified, more transparent scheme than the previous 39 different types of work visa. In 2008 the newly-created UK Border Agency (the Agency) became responsible for implementing the Points Based System (the System). The Home Office's objectives for the System were to:

- better identify and attract migrants (from outside the European Economic Area) who have most to contribute to the UK;
- provide a more efficient, transparent and objective application process; and
- improve compliance and reduce the scope for abuse.

**3** The System has three main routes for people to enter the UK to work, Tiers 1, 2 and 5, depending on their skills and qualifications, whether they have a job offer and whether the work is temporary. The report excludes student migrants (Tier 4), which we intend to examine in the future, and Tier 3 for low skilled workers, which was not implemented.

**4** The report looked at both the current performance of the System against its objectives and its adaptability to meet the changes required of it. We considered:

- the design and functioning of the System to meet the UK's changing needs for non-EU migrant workers;
- the efficiency and value for money for migrants, employers and the taxpayer of its processes and procedures; and
- the Agency's control over work-based immigration routes to protect resident workers and prevent abuse.

## Methodology

**5** The main methods used during the course of this study were:

- Review of key documents.
- Analyses of the Agency's management information.
- Analysis of the Agency's surveys of applicants, sponsors and staff.
- Internet survey of Tier 2 sponsors.
- Case file review of migrant applications.
- Review of casework processes.
- Observation of Visiting Officers.
- Stakeholder consultation.

### Review of key documents

**6** To inform our understanding of the System and managed migration more generally including the UK's skills requirements, we reviewed key documents produced by the Agency, the Migration Advisory Committee and other government and independent organisations.

**7** Key documents reviewed included:

- Academic work and Parliamentary reports on migration, skills and the economy and international reports on Points Based Immigration Systems around the world.
- Reports by the Office of the Chief Inspector of the UK Border Agency, Home Office internal audit, and Office of Government Commerce Gateway reviews.
- Reports from Government advisory bodies including Migration Advisory Committee reports and UK Commission for Employment and Skills reports.
- Agency internal policy guidance and procedural notes and research reports including the Migrant Journey and Tier 1 Operational Assessment.
- Agency business case, options appraisal and contract documentation.

**8** This review allowed us to triangulate findings from a range of sources, including those generated by our work.

## Analyses of the Agency's management information

**9** We analysed the Agency's management information to calculate key statistics for the Agency's performance.

**10** Where feasible we analysed data that the Agency uses to monitor its own performance, but this had to be supplemented with additional data extracted from the Agency's databases. We were disappointed with the amount and quality of management information available, for example the Agency is not able to produce data that would allow it or us to calculate accurate unit costs for each Tier. We were able, however, to use the existing management information and data extracted from the Agency's databases to produce a number of key statistics and to map trends (for example on time taken to decide applications).

## Analysis of the Agency's surveys of applicants, sponsors and staff

**11** The Agency has recently conducted surveys of applicants, sponsors and staff. We reviewed the technical notes of the surveys and discussed the methodology used and response rates with the Agency's Analysis, Research and Knowledge Management team. The methodology used and response rate can allow us to place confidence in the results of these surveys. We have not used the responses to questions where individual questions have produced very small response rates. The timing of the surveys and response rates are shown in **Figure 1**.

### Figure 1

#### Timing and response rates for UK Border Agency Surveys

Population type	Date of survey	Population size	Sample size	Number of responses	Response rate (%) <sup>1</sup>
Tier 1 applicants	Feb-April 2009	22,560	4,500	1,564	39
Tier 2 applicants	Feb-March 2010	14,548	3,211	1,467	50
Tier 5 applicants	Feb-March 2010	20,925	2,747	1,054	41
Sponsors	Feb-March 2010	10,627	5,930	2,212	40
Staff	April-May 2010	N/A <sup>2</sup>	N/A <sup>2</sup>	1,870	N/A <sup>2</sup>

#### NOTES

<sup>1</sup> After allowing for ineligible part of sample (e.g. returned by Post Office).

<sup>2</sup> The Agency did not have a full sample frame for the staff survey and used a cascade approach of Managers emailing the survey to their staff, it is therefore not possible to ascertain the sample size or response rate.

Source: UK Border Agency

**12** The sample frame for the Tier 1 applicant survey was stratified and applicants who were refused leave to remain were oversampled to obtain sufficient numbers of responses from refused applicants. The results were weighted to take account of this oversampling. The Tier 2 and 5 applicant surveys were not stratified and weighted.

### Internet survey of Tier 2 sponsors

**13** Whilst we have tried to rely on existing data where possible, our review of the Agency's survey of sponsors identified a number of areas where we required further information to inform our study. We therefore conducted a further survey of sponsors to fill the gaps in our understanding of how sponsors view the system.

**14** As part of their sponsorship duties, sponsors have to use the Agency's online sponsor management system and provide the Agency with an up to date email address. We decided, therefore, that an internet survey would be the most suitable method of reaching sponsors. We expected a fairly low response rate due to the nature of the survey and the target population. We therefore, designed the survey to provide the views of a wide range of businesses of different size, sector and experience of bringing in migrant workers rather than to provide a representative set of responses.

**15** The Agency sent an email from us to all 19,775 Tier 2 sponsors containing a link to the internet survey. We received 938 responses, a response rate of 4.7 per cent.

**16** The survey has provided a valuable, although not fully representative, view of sponsors' perspectives on the System. It has covered a range of sponsor size, business sector and experience of sponsorship:

- 23 per cent were in the public sector, 66 per cent in the private sector and 11 per cent in the charity sector;
- respondents were spread across all types of work – ranging from 25 per cent in public administration/other to 2 per cent in both agriculture and transport;
- 12 per cent had up to 10 employees and 16 per cent over a thousand; and
- 44 per cent employed up to five non-EU workers and 13 per cent over 100.

## Case file review of migrant applications

**17** We were unable to obtain population-wide data on various characteristics of cases, despite these data being collected on each case, because the Agency is unable to extract these data from the legacy casework database. We therefore conducted a case file review to establish information, including on the time take to decide cases; reasons for refusal; and basic demographics of applicants including occupation, salary, number of dependents, country of origin, age and gender.

**18** We stratified employment route cases and reviewed a randomly selected sample from each stratum, as shown in **Figure 2**. In total we reviewed 510 cases from across the employment routes.

**Figure 2**  
Sampling for case file review

Tier	Application type	In-country	Out of country	Total
1	General	70	70	140
1	Post-study work route	60	N/A	60
1	Entrepreneur (extensions)	30	N/A	30
1	Investor (extensions)	30	N/A	30
	<b>Total Tier 1</b>	<b>190</b>	<b>70</b>	<b>260</b>
2	General (shortage occupations)	50	50	100
2	General (resident labour market test)	50	50	100
2	Intra-company transfers	N/A	50	50
	<b>Total Tier 2</b>	<b>100</b>	<b>150</b>	<b>250</b>
	<b>Total</b>	<b>290</b>	<b>220</b>	<b>510</b>

Source: National Audit Office

## Review of casework processes

**19** To develop our understanding of the processes involved in making decisions and to identify scope for efficiency savings we observed the processes for making decisions and interviewed caseworkers.

**20** We observed the processes for deciding Tier 1 applications; Tier 2 and 5 applications, sponsor licence applications; and whether to re-rate, suspend or revoke sponsor licences in response to inspection visit reports. We also observed the process for suspending and revoking sponsor licences.

**21** We interviewed:

- Two Tier 1 caseworkers and a Tier 1 casework manager (Higher Executive Officer).
- Two Tier 2 and 5 caseworkers and two Tier 2 and 5 managers (Higher Executive Officer and Senior Executive Officer).
- Two Operations Managers.
- Two sponsor licensing unit caseworkers and a sponsor licensing unit manager (Senior Executive Officer).
- Two sponsor management caseworkers and a manager (re-rating, suspensions and revocations).

### Observation of Visiting Officers

**22** To ascertain the role of visiting officers and inspection visits in advising sponsors and ensuring compliance, we accompanied visiting officers on six inspection visits. We accompanied visiting officers conducting both pre-licence visits (conducted to help the Agency decide whether to grant a licence) and post-licence visits (conducted to check existing sponsors' compliance with sponsorship requirements) to a range of sponsor types and industry sectors in three regions. We accompanied visiting officers on the following types of visit:

- Pre-licence visit to a jewellery manufacturer and retailer in the London and South East region requesting a Tier 2 sponsor licence.
- Pre-licence visit to a manufacturer and retailer of display equipment in the London and South East region requesting a Tier 2 sponsor licence for an Intra-Company Transfer.
- Post-licence visit to a care home in the London and South East region with a Tier 2 licence.
- Post-licence visit to a clinical research company in the North West region with a Tier 2 sponsor licence.
- Unannounced evening post-licence visit to a restaurant and takeaway in the Wales and South West region with a Tier 2 sponsor licence.
- Post-licence visit to a polo club in the North West region with a Tier 5 licence.

## Stakeholder consultation

**23** To develop a wider understanding of the impact of the Points Based System outside the Agency we consulted a number of stakeholders in addition to conducting an internet survey of Tier 2 sponsors.

**24** The Migration Advisory Committee is responsible for developing and updating the UK Shortage Occupation List and has produced reports on both Tiers 1 and 2. We therefore liaised with the Committee as well as reviewing their reports to obtain the Committee's views of the Points Based System and to develop an understanding of how the UK Shortage Occupation List was developed and updated.

**25** We interviewed nine migrant applicants who had applied in person through the Public Enquiry Office at Croydon to extend their leave to remain or to switch between Tiers. Whilst these are, by no means, a representative group of applicants it did allow us to develop our understanding of some of the issues affecting applicants.

**26** We also obtained views from:

- The Highly Skilled Migrant Programme Forum
- Migrationwatch UK
- The Immigration Law Practitioners' Association