



BRIEFING PAPER
JOB CREATORS: 2023

The foreign-born founders building our fastest-growing businesses

EAMONN IVES

Head of Research,
The Entrepreneurs Network

DERIN KOCER

Researcher,
The Entrepreneurs Network

PHILIP SALTER

Founder,
The Entrepreneurs Network

Executive summary

Despite the foreign-born population of the UK standing at 14.5 per cent, we can reveal that **39 per cent of the 100 fastest growing companies in the UK have a foreign-born founder or co-founder**. These include companies such as Oddbox, Zapp, Synthesia, Kroo, and Zilch.

The foreign-born founders of the fastest growing companies in the UK are drawn from all across the globe, coming from 28 countries from five different continents. The USA was the most common country of birth for foreign-born founders in our sample, followed by Italy, France, Canada, India and Germany. Twenty-one of the 39 companies in the Top 100 have a founder born in an EU country.

Compared to our previous analysis of the data in 2019, **the number of foreign-born founders in the new Top 100 is down ten percentage points**, from 49 per cent. The number of countries the foreign-born founders come from has fallen by one.

Despite this fall, **the data still shows the hugely disproportionate role which international talent plays in the UK economy** – and underlines the importance of the UK remaining a welcoming and attractive destination for potential immigrants to want to relocate to.

To that end, **we set out a package of policy changes to make it easier for top international talent to come to the UK**, including:

- Build on the High Potential Individual visa by expanding the list of universities and higher education institutions it includes;
- Reform the Youth Mobility Scheme so that time spent on it can count towards an individual's Indefinite Leave to Remain;
- Include more countries with deep historical, cultural and economic ties with the UK in the Youth Mobility Scheme;
- Clarify the future of the Global Talent visa for tech professionals;
- Include innovators with a track record of success to come and work in the UK in the Global Talent visa;
- Trial a 'Global Talent Exam' to enable a cohort of talented young individuals to use to relocate to the UK;
- Copy the Canadian policy on H-1B visa holders and look for other visa schemes that grant people with extraordinary abilities the right to come to the UK;
- Integrate a simple artificial intelligence-powered chatbot on the GOV.UK website to ease the initial process of finding the right visa route, with clear instructions on how to apply for one;

- Urgently review visa fees to ensure they are, at a minimum, in line with other countries;
- Allow applicants to make use of the fast-track option for free when the Home Office fails to meet its own estimated times for approving applications.

Introduction

People are the lifeblood of any economy. While other factors of production are important, it is individual people who make an economy what it is – and will collectively determine its long-run success (or not).

When thinking about an economy's labour force, we can consider not just its 'quantity' (for instance, how many workers are available at any given time?), but also its 'quality' (for instance, how productive are workers on average?). Both of these will have important consequences for how much output an economy generates, as well as for other metrics, such as its rate of innovation, and ability to come up with new technologies and solutions for tackling societal problems such as climate change or health inequalities.

An economy's labour force can be influenced in different ways. One of the more obvious and immediate ways, however, is through immigration. Immigration can allow businesses to quickly fill employment gaps, both in terms of when they are looking for globally scarce skill sets, such as a scientist working in a niche field, as well as for when the 'native' population does not appear willing to take certain jobs – typically at the lower end of the skills spectrum, such as in the agricultural, care or hospitality sectors.

And it is not just existing businesses which hire immigrants that we should consider either. As we shall turn to later, a wealth of evidence shows that, on average, immigrants are disproportionately entrepreneurial people – and have founded some of the most successful companies in the UK today (and the same can be said for many other countries around the world as well).

An immigration policy which welcomes highly talented individuals, or those with particularly high potential, and enables them to move easily to our shores is a tried and tested way of fostering economic growth and pushing forward the boundaries of innovation.

Amid all of this, immigration policy has long been a contentious issue for politicians to grapple with in the UK. While immigration trended steadily down as an issue of primary importance to the British public in the years following the vote to leave the European Union, it has now started to creep back up again.¹ Recently released data, which show that net migration had reached 606,000 in 2022 led to calls for further restrictions from certain quarters – and measures to reduce immigration were announced by the Home Secretary in anticipation of these record figures,² while others too have since been announced, such as an increase in visa fees.³

1 YouGov (2023). [The most important issues facing the country](#).

2 Suella Braverman (2023). [Immigration update: Statement made on 23 May 2023](#).

3 John Glen (2023). [Public Sector Pay: Volume 736: debated on Thursday 13 July 2023](#).

At The Entrepreneurs Network, we have consistently championed immigration as a vital component of a strong and successful economy.⁴ On a daily basis, we engage with entrepreneurs who are themselves foreign-born founders, or whose businesses are critically dependent on talent from overseas. Indeed, the benefits of immigration to our country is something many of us see and appreciate in our everyday lives. But evidence of immigrants' economic contribution goes far beyond simple anecdotes or select case studies. Robust data also corroborate the positive impact of immigrants on Britain's entrepreneurial ecosystem.

In 2019, we published *Job Creators* – which, using data from Beauhurst, analysed the 100 fastest growing companies in the UK at the time. Our headline finding was that of these companies, half were set up by an immigrant, either on their own or as a co-founder in a bigger team.⁵ These enterprising individuals came from all over the world – 29 different countries from five different continents, to be precise. We also found that of the UK's 14 unicorn companies at the time, nine had an immigrant founder (or, framed another way, 62 per cent did). Lastly, we discovered that immigrant founded businesses within the 100 fastest growing companies had collectively received £3.7 billion in investment.

Our analysis received significant coverage at the time,⁶ and has been referenced positively on multiple occasions by various politicians, not least the Prime Minister Rishi Sunak – including in a Budget Statement while he was Chancellor of the Exchequer,⁷ and most recently during London Tech Week in June 2023.⁸

Given the state of change in Britain – and indeed the world – since we first released *Job Creators*, we think the time has never been better to re-examine the data to see whether recent events have impacted the number of fast growing British companies being founded or co-founded by immigrants. This report begins with an update to the figures we previously published, and an analysis of how they have changed in the intervening years. We then detail a set of pragmatic policy reforms the Government could adopt to ensure that the UK remains a destination which is welcoming to the sorts of individuals who we know play a disproportionate role in building successful and innovative companies – which attract billions in investment, create thousands of jobs, and furnish consumers with the goods and services they demand.

4 Sam Dumitriu and Amelia Stewart (2019). *Job Creators*; Jason Sockin and Sam Dumitriu (2022). [True Potential: Improving the High Potential Individual visa](#); Bella Rhodes (2023). [Passport to prosper](#). In: *Operation Innovation: How to make society richer, healthier and happier* (Ed: The Entrepreneurs Network).

5 *Job Creators* also gives a detailed literature review on immigration and entrepreneurship both in the UK and globally, as well as case studies of immigrant entrepreneurs, and policy recommendations for achieving an immigration system more conducive to immigration. We will not repeat here what we covered there, so would encourage readers who are interested in learning more to consult *Job Creators* directly; Sam Dumitriu and Amelia Stewart (2019). [Job Creators](#).

6 The Entrepreneurs Network (2019). [Press Coverage: Job Creators](#).

7 Rishi Sunak (2021). [Autumn Budget and Spending Review 2021 Speech](#).

8 London Tech Week (2023). [Fireside chat with Demis Hassabis and Rt Hon Rishi Sunak](#).

Key findings

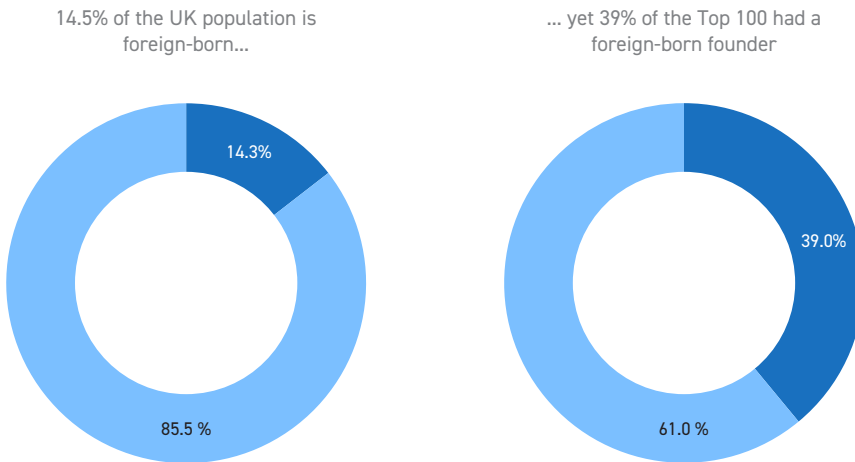
While 14.5 per cent of the UK population is foreign-born, 39 per cent of the UK's 100 fastest growing companies had a foreign-born founder.

Our headline finding is that of the 100 fastest growing companies in the UK (hereafter, the Top 100), 39 per cent had a foreign-born founder. Within this segment, 14 per cent were set up by a foreign-born founder or a team of foreign-born co-founders, and 25 per cent were set up as a joint venture of a British-born co-founder and a foreign-born co-founder.

According to the latest figures from the Office for National Statistics, the UK's foreign-born population stood at 14.5 per cent of the total population (9.6 million out of a total 66.3 million).⁹ As such, one can see the clear disparity between the proportion of founders in the Top 100 who are foreign-born versus foreign-born individuals in the population at large.

INFOGRAPHIC 1

Disparity between the percentage of the UK population that is foreign-born and companies in the Top 100 which have a foreign-born founder



The foreign-born founders in our Top 100 list hail from 28 different countries from five different continents. The most common nationality is American, with eight founders having been born in the USA. The next most common nationalities are Italian, French, Canadian, Indian and German – with four founders coming from each of these countries.

⁹ Office for National Statistics (2021). [Population of the UK by country of birth and nationality: year ending June 2021](#).

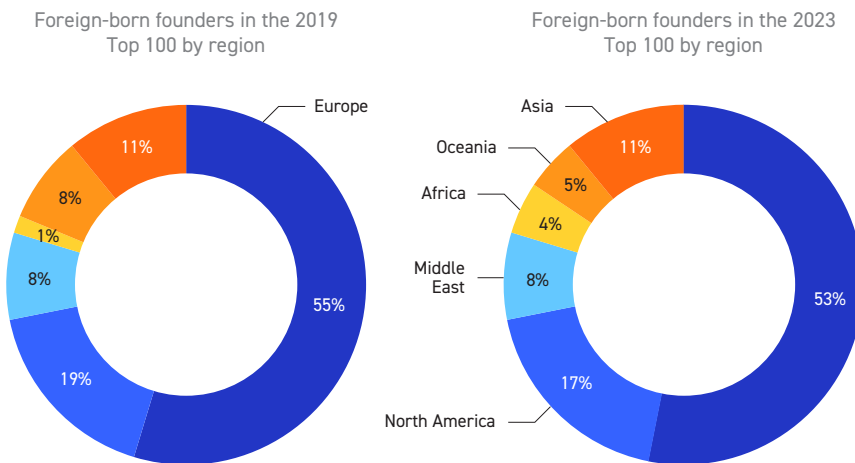
Twenty-one of the 39 companies with a foreign-born founder have a founder born in a current EU country.

Comparing our 2019 Top 100 list and our 2023 Top 100 list, we can see how the nationalities of the founders in our samples have changed over time. Our 2019 Top 100 saw founders drawn from 29 different countries, one more than our 2023 Top 100, which totalled 28. The USA remains unchanged as the biggest ‘contributor’ of foreign talent for each Top 100 list – with both the 2019 data and the 2023 data boasting eight American founders. France, Germany, India, Australia all retain strong positions too, while they are joined by the likes of Italy (four founders) and China (three founders), which previously didn’t feature at all.

Looking at the global regions of where foreign-born founders in the Top 100 come from, European countries dominate the 2023 Top 100, as they did the 2019 Top 100. This is followed by North American countries, and then those from Asia and then the Middle East.

INFOGRAPHIC 2

Global regions of foreign-born founders’ birthplaces



Perhaps the most conspicuous conclusion to draw from our new data is that the proportion of foreign-born founders of Top 100 firms has decreased – in percentage terms, it represents a fall of over 20 per cent. To what extent we should read into this is another question, however.

Since 2019, two obvious events have likely had a pronounced impact on the nationalities of individuals which will be setting up companies in the UK.

The first is Brexit. While the vote to leave the EU might have taken place in 2016, the UK did not officially withdraw from the bloc until 31 January 2020, and free movement continued to exist until 31 December 2020. When we conducted analysis for our 2019 Top 100, hundreds of thousands of EU nationals were still coming into the UK, even if their numbers were trending downwards.

While it is hard to be precise, new visa arrangements, plus a general sense among around the world that Britain was becoming a less welcoming place and a less attractive environment in which to start a business almost certainly will have caused some would-be Top 100 foreign-born founders to think twice about relocating to the UK.

The second factor is of course the Covid-19 pandemic. During the pandemic, many people were denied the ability to cross borders and come to the UK, and it stands to reason that this reduced the pool of potential foreign-born founders of a Top 100 company. Moreover, many immigrants within the UK returned to their nations of birth to be closer to their families and so forth. Again, it is not unreasonable to assume that this will have decreased the likelihood of a foreign-born entrepreneur scaling a business, or even simply a business idea.

Nevertheless, we still believe an interesting – and ultimately positive – message can be drawn from our updated data. Once again, we have clearly shown the benefits which immigration can have for the UK economy, and that immigrants play a hugely disproportionate role when it comes to founding and running some of the most dynamic, innovative, and wealth-creating companies in the country. To our minds, this ought to be the main message to take away from our research.

In the next section, we shall turn to what the Government can do to ensure even more international talent chooses the UK as the place they want to relocate to.

CASE STUDY: KROO

“It’s in the DNA of an immigrant to want to achieve things”

– Nazim Valimahomed

Nazim Valimahomed is the co-founder of Kroo – a fully licensed digital bank – which he set up with Tim Brown. Kroo now has over 100,000 personal current account customers, with more than three-quarters of a billion pounds in total customer deposits.

Originally born in Uganda, Nazim and his family fled to the UK as refugees following Idi Amin’s seizure of power. They then moved to Canada, where Nazim spent the rest of his childhood growing up before going to university. After graduating, he relocated to Moscow as Russia was opening up economically, where he built a career in advertising with Publicis Worldwide, becoming fascinated with understanding consumer habits in the process.

In 2015, Nazim became a permanent UK resident using an Entrepreneur Visa. While he admits there was a lot of back-and-forth with paperwork, Nazim ultimately found it a smooth process. At the time he was applying, Kroo was receiving enough investment and creating enough new jobs to easily fulfil the relevant visa criteria, which made things more straightforward.

Reflecting on the current debate around immigration, Nazim describes it as "very emotional." He regrets "the vicious media cycle" around immigration, and wishes politicians would "take a step back" so as not to perpetuate it but instead focus on how to better support immigrants and their integration in the UK. Turning to the wider business environment, Nazim thinks we could be doing better. "The Government talks a lot about being open for business, but I'm not sure we're seeing the policies to match," he explains – citing the rise in corporate taxation and Brexit as reasons for lingering pessimism.

But it's not all bad. Nazim speaks effusively about the UK's success when it comes to multiculturalism – and notes how it keeps the economy competitive and dynamic. He also sees the talent pool, particularly in fintech, as "exceptional" – crediting the progress made in the last decade or two on education policy. And when it comes to his own industry, Nazim says the UK "is the gold standard of banking" and is "respected around the world" for how it does things. Nazim also mentioned the New Bank Start-Up Unit, an initiative of the Prudential Regulation Authority and the Financial Conduct Authority, for encouraging him, his co-founder Tim Brown and the current CEO Andrea De Gottardo to work hard and be persistent in their pursuit of obtaining a full banking licence.

Policy recommendations

Immigration policy in Britain has undergone a dramatic reshaping in recent years, prompted principally by the UK's withdrawal from the EU. Irrespective of one's opinion on Brexit, however, there is a definite opportunity for making changes to our overall immigration framework in a way there didn't seem to be previously.

In this section, we put forward a series of policy recommendations we believe can enhance the UK's offer to immigrants and businesses hiring from abroad, to ensure the world's most talented individuals are able to easily come to the UK and help grow our economy.

Some of our ideas aim to directly incentivise entrepreneurs to choose the UK as somewhere to build their businesses, while others recognise the pathway to becoming a successful founder isn't so straightforward – and aim more at welcoming in the sorts of individuals we know tend to go on to found dynamic and lucrative companies. Altogether, however, they combine to boost the attractiveness of the UK as a destination for international talent.

1. Build on the High Potential Individual visa

The High Potential Individual (HPI) visa was introduced in 2022 by Rishi Sunak when he was Chancellor of the Exchequer.¹⁰ It gives a pathway for recent graduates from 50 top international universities to come to the UK without a job offer for up to two years, and is regarded as an especially attractive element of the UK's overall immigration framework.

Yet, while the HPI visa certainly represents a step in the right direction for welcoming international talent, it is not without its flaws. With a handful of small tweaks, however, we believe the HPI visa can work to truly enable the brightest and best to easily move to the UK.

First, many of the world's best universities do not make the list of the 50 institutions eligible for their graduates to qualify to apply for the HPI visa. In order to be included in the list, a university must appear on at least two of three internationally recognised university rankings. Even though these rankings provide some information about these institutions, they do have limitations, and are not always reliable indicators of the wealth-creating potential of their graduates.

¹⁰ Home Office and HM Treasury (2022). [Points based system welcomes highly skilled graduates to the UK.](#)

In the Times Higher Education World University Rankings, for example, 60 per cent of the ranking is based on research and citations coming out of the universities, 30 per cent is based on teaching, 7.5 per cent is based on a university's 'international outlook', and 2.5 per cent is based on how much research income an institution earns from industry.¹¹ As such, it does not even consider students' post-graduation outcomes. The Quacquarelli Symonds World University Rankings meanwhile is based on nine variables, with only two related to students' outcomes.¹² While the Academic Ranking of World Universities does assign some of its methodology to graduates' achievements – those achievements are academic, rather than financial or entrepreneurial, and comprise only 10 per cent of the overall ranking.¹³

In June 2022, The Entrepreneurs Network published True Potential, which sets out another methodology which the HPI visa could use – one which more accurately captures those universities which produce talented graduates as defined by the economic output they go on to generate.¹⁴ By utilising Glassdoor data on graduates' earnings, we showed that many of the universities which produce high-earning graduates are not included on the HPI eligibility list. In fact, the majority of the top 25 global universities as measured by average earnings upon graduation are not eligible for the visa, including the eminent Indian Institute of Technology Ropar, which tops the list, or any international business school.¹⁵

Similarly excluded from the HPI visa list are most international business schools (whose graduates make much more than an average University of Cambridge graduate), many small but prestigious American liberal arts colleges (some of which have lower acceptance rates than the University of Oxford), and numerous STEM-focused technical universities, which are often too small, focused or young to score highly on the traditional university rankings currently used by the HPI visa.

To ensure the UK is as accessible as possible to all exceptionally talented graduates, **the Government should build on the HPI visa by expanding the list of universities it includes**, especially by considering individual elements of these niche but high-calibre universities, and the earnings potential of their graduates.

11 Times Higher Education (2023). [World University Rankings 2023: methodology](#).

12 Quacquarelli Symonds (2023). [QS World University Rankings](#).

13 ShanghaiRanking (2023). [Academic Ranking of World Universities Methodology 2022](#).

14 Jason Sockin and Sam Dumitriu (2022). [True Potential: Improving the High Potential Individual visa](#).

15 Paolo Martellini, Todd Schoellman and Jason Sockin (2022). [The Global Distribution of College Graduate Quality](#). *Federal Reserve Bank of Minneapolis*, Working Paper 791.

2. Reform and expand the Youth Mobility Scheme

The Youth Mobility Scheme is another successful initiative that allows 18-30 year-olds from Australia, New Zealand, Canada,¹⁶ San Marino, Monaco and Iceland to easily come and work in the UK for up to two years.¹⁷ Young applicants from Hong Kong, Japan, South Korea and Taiwan can also use the scheme if they are selected in the Youth Mobility Scheme ballot.

All in all, this represents another attractive route by which young and aspirational people from like-minded countries can enter into the UK. However, it is another plank of our immigration system which is under-delivering on its potential.

First, the two-year time limit serves as a barrier to individuals putting down deeper roots than they otherwise would – whether that is progressing further within companies, or considering setting ones up of their own. Anecdotally, many immigrants on Youth Mobility visas use them more as a chance to come to the UK and enjoy it as a place to live in and experience, than as a place to seriously progress in their professional life or build a business. To reverse this, we believe **the Youth Mobility Scheme should count towards an individual's Indefinite Leave to Remain**. In this way, the visa holders would be encouraged to make longer-term decisions on work, potential entrepreneurial activity and – more generally – building a life in the UK.

Secondly, **the Youth Mobility Scheme should include more countries with deep historical, cultural and economic ties with the UK**. We view the recent inclusion of India, via the India Young Professionals Scheme, as a positive step, but argue that the Youth Mobility Scheme can and should go much further. Adding the likes of the US, Singapore and other European countries, with which the UK shares deep ties and strong trading relationships, would make a great difference.¹⁸

3. Offer certainty on Global Talent visa for tech professionals and expand it to search for more talent

The Global Talent visa, which was introduced in February 2020, is one of the most important visa schemes for the UK in attracting high-skilled talent in the fields of arts, technology and research.¹⁹

16 Applicants from New Zealand can be aged up to 35, and from 2024 so too can applicants from Australia and Canada.

17 GOV.UK (2023). [Youth Mobility Scheme visa](#).

18 The Entrepreneurs Network and Coadec (2022). [Tech Startup Manifesto 2022](#).

19 GOV.UK (2023). [Apply for the Global Talent visa](#).

To be considered for this visa, applicants must seek endorsement from one of six endorsing bodies chosen by the Home Office, which include institutions such as the Royal Academy of Engineering, the Royal Society and UK Research and Innovation. Rejections are much more common under this visa scheme compared to most others, but successful applicants can do almost anything in the UK upon receiving one – whether that’s being employed or setting up a company of their own.

However, the Global Talent visa has long been accused of lacking clarity, especially in the past few months since Tech Nation, the independent endorsement body for technology professionals, closed down. Even though they are continuing to give endorsements “while the Home Office identifies a new endorsing body to take over,” the post-Tech Nation process is still unclear.²⁰ **The Home Office urgently needs to clarify the future of the Global Talent visa for tech professionals.**

This should also be seen as the moment to reform and expand the Global Talent visa. Right now, the UK does not have a visa scheme specifically designed for innovators with a proven track record. Singapore and Taiwan, on the other hand, grant flexible entrepreneur visas to individuals with quality patents and intellectual property. Similarly, **The Global Talent visa should include innovators with a track record of success to come and work in the UK**, without making them go through the bureaucratic hurdles of other visa routes.

4. Introduce a Global Talent Exam to spot and recruit the brightest minds worldwide

The Global Talent visa, described above, is mostly given to professionals who have already demonstrated their exceptional talent. However, this is not the only way in which we should understand ‘talent’. Sometimes the most talented individual is not an executive of a multinational company, but a young person in an economically disadvantaged country, who can nonetheless build great machines without an engineering degree.

As Tyler Cowen and Daniel Gross argue, “a world of rampant inequality and insufficient opportunity” is a world “failing to recognize and mobilize talent.”²¹ For that reason, policymakers should not only look out for people who have already proven their talent, but proactively search for blossoming talent around the world.

To achieve this, **the Government should trial a ‘Global Talent Exam’, open to everyone worldwide, designed to understand the applicants’ skills, talents and intelligence.** It shouldn’t resemble ordinary school tests that people can prepare for, but rather test for more fundamental skills, such as problem-solving, cognitive abilities and analytical thinking.

20 Tech Nation (2023). *Tech Nation Visa*.

21 Tyler Cowen and Daniel Gross (2022). *Talent: How to Identify Energizers, Creatives, and Winners Around the World*. St. Martin’s Press.

The high-achievers on this ‘exam’ should then be interviewed by designated ‘talent searchers’ who will be responsible for making the decision on these candidates’ final outcomes.

Initially, the UK could accept a few hundred candidates a year, and support them with settling into life in Britain, introducing them to the right networks, and incentivising them to fulfil their potential – including launching their own businesses or projects, if appropriate.

Owing to the novelty of this idea, it should initially be run on a trial basis with a rigorous analysis of its effectiveness, in terms of what the successful candidates go on to do – though it must be noted that many of the potential gains will take time to materialise, even if they are substantial once they do.

5. Utilise other advanced economies’ innovative immigration systems

Canada is *the* outlier in the Western world when it comes to immigration. Despite having a birth rate lower than the UK, the Canadian population is growing at nearly double the rate of Britain – with high-skilled immigration behind much of this growth.²² This has been achieved without major political backlash, with the Canadian people standing behind this policy of controlled mass inward migration.²³

One thing Canada has done well is picking the right people and granting them easier visa routes than other nations. For instance, the H-1B visa allows high-skilled professionals the opportunity to come to the US for work. However, it has time restraints and poses conditions on its holders, since it makes it more difficult to change jobs or launch their own businesses. Canada, however, has recently started granting visas to H-1B visa-holders to accept work and launch their own businesses in the country.²⁴ In this way, the Canadian Government spends almost no bureaucratic capacity in granting visas to skilled workers – it simply ‘piggybacks’ on American bureaucracy which does the job for them.

The UK should copy the Canadian policy on H-1B visa holders, but it could also go further and look for other visa schemes that grant people with extraordinary abilities the right to migrate. For instance, the O-1 Extraordinary Ability Visa gives scientists, artists, entertainment professionals, inventors and athletes with a proven track record the right to come to the US.

22 Noah Smith (2023). [Maximum Canada is happening](#).

23 Derek Thompson (2018). [Canada's Secret to Escaping the 'Liberal Doom Loop'](#).

24 Stuart Anderson (2023). [Canada's Immigration Rules Boost Companies And H-1B Visa Holders](#).

All applicants go through a significant amount of scrutiny by the US government to prove their talent and acclaim, yet only get a three-year work visa, which is reviewed annually after the initial period.²⁵ The UK could introduce a way to automatically grant the recipients of this visa much more generous and easier routes to work and live in Britain.

Similarly, the UK could offer visas to migrants who hold Global Talent or Business Innovation and Investment visas from Australia. The Australian Government grants these visas to either exceptionally talented individuals or entrepreneurs with a track record of success. Singapore's Overseas Networks and Expertise visa scheme, on the other hand, is specifically tailored for international businesspeople and artists, and is granted extremely cautiously. By offering these sorts of visa-holders easy access to the UK, the British Government can open the door to lucrative individuals without much bureaucratic effort on its part at all.

6. Simplify immigration bureaucracy, reduce costs, and end delays

Even though there are many paths employers and future migrant workers can take to come to the UK, finding the right route for the right person by the right employer isn't always straightforward. Small and medium-sized businesses and startups – which mostly don't have the know-how or the legal and human resources departments to take care of the processes – are exposed to this headache all the more acutely, and bringing talent over can become such a challenge that business owners simply do not want to undertake it in the first place.

Spending hours scouring the GOV.UK website or feeling obliged to pay law firms for external advice is counterproductive yet common, but is also a problem that could be eased with only a few technological additions. For instance, **a simple artificial intelligence-powered chatbot could ease the initial process of finding the right visa route, with clear instructions on how to apply.** Partnering with leading British firms in developing this tool would be straightforward, since the information is already available and much more complex language models are open-sourced. This would save both time and money for migrants and employers, at little extra cost to the Government.

The second thing that disincentivises employers from bringing overseas talent into the UK is the sheer cost of doing so. Currently, companies must pay for: a sponsorship licence to employ non-UK nationals, with fees ranging from £536 to £1,476 depending on the employer's size and the type of visa; a visa application fee; an annual health surcharge for the employee and their dependents; and often, there's also an ongoing immigration skills charge, levied at £364 for smaller companies and £1,000 for medium-sized and larger companies.

25 Sarah J. Hawke (2023). [The National Law Review. The O-1 Extraordinary Ability Visa: An Attractive Alternative to the H-1B.](#)

All of these charges conspire to make employing immigrants a costly financial decision.

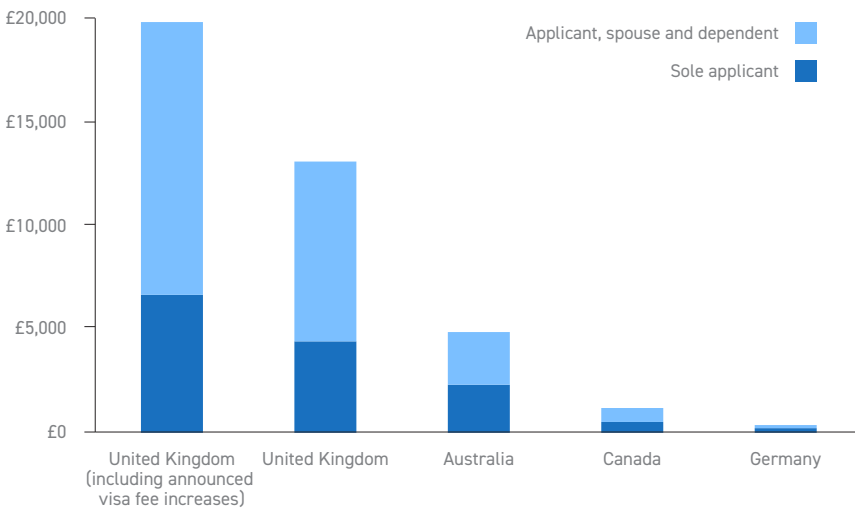
To make matters worse, it was recently announced that visa fees will rise to fund public sector pay rises.²⁶ The planned policy update includes a 15 per cent increase for work and visit visas, and a 20 per cent increase for certificates of sponsorship, study visas, settlement, citizenship, Leave to Remain and wider categories.²⁷ The health surcharge is also expected to increase by 66 per cent. Not only is this a policy non-sequitur, if implemented, these increases will simply compound the impact of years of rising immigration costs, since fees for some visas have already gone up as much as 500 per cent in the past decade.²⁸

Compared to similar economies, British visa fees are far more expensive – for instance, for skilled workers on a path to permanent residency, they can cost nearly three times what they would in Australia, around 12 times what they would in Canada and around 43 times of what they would in Germany. All these countries are already more popular destinations for potential migrants yet despite this, effort is not being made to make the UK’s visa fees more competitive.

The Government should urgently review visa fees to ensure they are, at a minimum, in line with other countries to which productive immigrants may wish to move.

INFOGRAPHIC 3

Cost comparison for 5-year skilled worker visa



Source: Authors' analysis of the costs associated with the UK’s Skilled Worker visa, Australia’s Skilled Employer Sponsored visa, Canada’s Federal Skilled Worker visa, and Germany’s Work visa for qualified professionals.²⁹

26 John Glen (2023). Public Sector Pay: Volume 736: debated on Thursday 13 July 2023.

27 Fragomen (2023). United Kingdom: Immigration Visa Fees, Health Surcharge to Increase.

28 The Entrepreneurs Network and Enterprise Nation (2023). Access All Areas: People.

It is worth noting how this set of circumstances have arisen. The Treasury and the Home Office seem to agree that the visa system should pay itself; however, this does not factor in the possibility that high-potential individuals can create much more wealth for the UK than they ‘cost’ – by paying taxes, establishing companies, and so on.³⁰

As if these barriers are not steep enough already for startups and small or medium-sized businesses, there is also the issue of Home Office delays. Skilled Worker and Scale Up visas can take up to eight weeks to be processed, even though they may be for time-sensitive jobs.³¹ During our research, we heard how it can take longer than six months for some applicants for the Innovator Founder visa to receive their visas. For many entrepreneurs, startups and scaleups, these timeframes are simply unworkable – their businesses are fast-growing and dynamic, and they typically cannot afford to wait months to bring in the right candidate.

Simplifying bureaucracy in line with what we have suggested above should help to reduce these delays, but more should also be done to ensure visas are issued in a more timely process. Accordingly, **when the Home Office fails to meet its own estimated times for approving applications, applicants should be able to make use of the fast-track service for free.**

29 According to official [UK](#) guidance, the Skilled Worker visa's application fee for more than three years costs £1,235 per person and the health surcharge stands at £624 per year. An applicant's spouse and child must pay the same fees as well. In [Australia](#), a sole applicant for a Skilled Employer Sponsored visa needs to pay £2,275, while the total fees for their spouse and child stand at £2,585. [Canada's](#) official immigration guidance, on the other hand, puts visa fees for a sole applicant at £502, excluding a charge for the permanent residency – which are also excluded in others – while dependents need to pay £637 in total. For [Germany](#), a sole applicant's visa application fee is £65 and the residence permit costs £86. [Dependants](#) also need to pay the same fees. These visa schemes were selected for their similarity in what they entitled holders to do, although we accept that no two visa schemes from different countries will be exactly comparable. Local currencies were converted to pound sterling using the exchange rates of 25 July 2023.

30 Joe Owen, Maddy Thimont Jack, Adela Iacobov and Elliott Christensen (2019). [Managing migration after Brexit](#).

31 Smith Stone Walters (2023). [June 2023 Update on UK Visa Processing Times](#).

Summary of our policy recommendations to reduce the bureaucracy, expense, and delays within the UK immigration system

- Build on the HPI visa by making it more inclusive, by expanding the list of universities it includes;
- Reform the Youth Mobility Scheme so that time spent on it can count towards an individual's Indefinite Leave to Remain;
- Include more countries with deep historical, cultural and economic ties with the UK in the Youth Mobility Scheme;
- Clarify the future of the Global Talent visa for tech professionals;
- Include innovators with a track record of success to come and work in the UK in the Global Talent visa;
- Trial a 'Global Talent Exam' to enable a cohort of talented young individuals to use to relocate to the UK;
- Copy the Canadian policy on H-1B visa holders and look for other visa schemes that grant people with extraordinary abilities the right to come to the UK;
- Integrate a simple artificial intelligence-powered chatbot on the GOV.UK website to ease the initial process of finding the right visa route, with clear instructions on how to apply for one;
- Urgently review visa fees to ensure they are, at a minimum, in line with other countries to which productive immigrants may wish to move;
- Allow applicants to make use of the fast-track option for free when the Home Office fails to meet its own estimated times for approving applications.

Conclusion

The data in this report makes a powerful case for keeping Britain open to international talent. That's what we wrote in the first edition of this research in 2019, and it's still applicable four years later. While the proportion of foreign-born founders setting up Top 100 companies has admittedly fallen slightly, that somewhat buries the lede. To our minds, the correct conclusion to draw from this research is that immigrants continue to play an enormously disproportionate role in founding the sorts of companies which will be essential for pushing the UK economy forward, creating decent jobs and funding our public services.

We should be proud that the UK is a magnet for international talent. But that does not mean we should rest on our laurels. While many countries are looking enviously at how the UK manages to attract brilliant minds and successful entrepreneurs, and are trying their level best to tempt them away from choosing Britain, countries like Canada are leading the way. If the UK is to keep on benefiting from foreign-born talent, we need to continually innovate. To this end, we have outlined a number of ways in which the UK can improve its visa offerings, minimise bureaucracy, and reduce the cost of immigration to immigrants and employers alike.

Immigrants are among some of our nation's greatest wealth creators. Let them come, and they will build it.

Methodology

This research uses data from Beauhurst. With their data, we established a list of the 100 companies which had experienced the greatest growth in valuation between January 2022 and March 2023. The list excludes companies that had raised in total less than £25,000, had a pre-money valuation of less than £1 million at the end of 2021, or that gave away a majority stake in their pre-January 2022 equity transaction.

From this list, we established who the founders of those companies were, and their respective nationalities. We cross referenced this with further research and analysis of Companies House data, and finally reached out directly to the companies to verify the information was accurate.

While we recognise that any metric designed to identify the UK's fastest-growing companies will have drawbacks, we nonetheless believe the Top 100 is a useful snapshot of the UK's most innovative and high-growth startups and scaleups.



ACKNOWLEDGEMENTS

We are especially grateful to Henry Whorwood and the wider team at Beauhurst for supplying the data, without which this research would not have been possible. We would also like to thank Augusto Fiorenzi Granero for his assistance in processing the initial data. Any errors of fact or judgement are the authors' alone.

The Entrepreneurs Network is a think tank for Britain's most ambitious entrepreneurs, with an aim to make Britain the best country in which to start and grow a business.

WE SUPPORT ENTREPRENEURS BY:

- Producing cutting-edge research into the best policies to support entrepreneurship;
- Campaigning for policy changes that will help entrepreneurship flourish;
- Hosting regular events to bridge the gap between entrepreneurs and policymakers;
- Updating entrepreneurs on how policy changes will impact their business;
- Making the case in the media for entrepreneurs' contributions to society.

APPG FOR ENTREPRENEURSHIP

We are the Secretariat of the All-Party Parliamentary Group for Entrepreneurship, which was set up to encourage, support and promote entrepreneurship and to engage with entrepreneurs; and to ensure that Parliament is kept up to date on what is needed to create and sustain the most favourable conditions for entrepreneurship.



The Entrepreneurs Network
Thomas house
84 Eccleston Square
Pimlico, London
SW1V 1PX