



Assessing the reliance on migrant labour in local labour markets:

Migrant Labour in the Coast to Capital LEP Area

Section 1- Purpose and Uses

Commissioned by the South East Strategic Partnership for Migration (SESPM) and SEEDA, this report aims to assist colleges, universities, local economic partnerships (LEPs) and others to:

- Understand the scale and types of non-European Economic Area (EEA) migrants securing employment in a locality;
- Identify industries and occupations likely to be most affected by forthcoming changes in immigration policy;
- Assess the adequacy of existing local learning provision and shape the future curriculum offers in order to meet the needs of an economy with less access to foreign workers.

This report has been compiled using data for a two year period between November 2008 and November 2010 provided by the United Kingdom Border Agency. This data provides details of Certificates of Sponsorship used by companies when recruiting non-EEA migrant workers. The data provides an insight into both the industries and occupations using migrant labour.

Section 2 – Policy Context

The Coalition Agreement committed the government to introducing an annual limit on the number of non-EU economic migrants admitted into the UK. The immigration cap for non-EEA workers for the year from April 2011 is 21,700 - about 6,300 lower than in 2009. Of those, 20,700 are tier two skilled migrants entering graduate occupations with a job offer and sponsorship. The other 1,000 are people allowed in under a new "exceptional talent" route – such as scientists, academics and artists. The former tier one general route - open to highly skilled migrants without a job offer will be closed. However, these limits do not apply to a category of workers who come to the UK in an "intra-company transfer" with their multinational employer.

The Coalition has also asked the Migration Advisory Committee to undertake a full review of jobs and occupations skilled to Level 4 (degree level) and above to inform the Tier 2 shortage occupational list, where there would be a justification to fill roles using labour from outside the European Economic Area.

Together these changes in policy could, unless appropriate action is taken, have a significant impact upon areas and industries which have become reliant on non-EEA migrant labour to bridge key labour and skills shortages.

Section 3 – Economic Summary of LEP Area

The area is home to a population of around 1.7m people of which 1.07 m are of working age. The area has a business base of approximately 79,000 companies, and an annual GVA¹ of £32.5 billion, of which almost one quarter is generated by the public sector.

¹ Gross Value Added

The area has an above regional average number of businesses in sectors including: construction; retail; creative/knowledge industries; advanced engineering; aerospace; financial services; logistics and pharmaceuticals. The area also has a new business formation rate substantially above that of both the region and nation.

Key economic challenges include: pockets of low entrepreneurship; a perceived lack of engagement in export markets; areas with below average levels of productivity; slowing levels of investment even in the more successful areas; patchy transport and digital infrastructure, and low skills levels in some areas, particularly amongst young people.

Section 4 – Migrant Worker Volumes

Since November 2008 a total of 3,977 non-EEA migrant workers have been employed in companies based in the Coast to Capital LEP area. This represents 12.7% of the total number of non-EEA migrant workers recruited into the greater South East region over the period. In terms of as a percentage of the workforce, non-EEA migrant workers represent approximately 0.37% of the total economically active population in the LEP area, which is slightly lower than the regional average.

In total 459 companies operating in the Coast to Capital LEP area had recruited at least one person, with the number of migrant workers working for any individual firm ranging from just 1 to 192.

Section 5 – Occupational Patterns

Across the Coast to Capital LEP area migrant workers have been recruited into more than 150 different SOC code² areas. However, as with industries, a much smaller number of occupations account for the vast majority of all migrant roles (Circa 71%). Table 1 provides details of the top 20 occupations filled by migrant workers together with the total number recruited.

Table 1: Occupations filled by non-EEA migrant workers

Rank	Occupation	No. of Migrants	Rank	Occupation	No. of Migrants
1	Musicians	437	11	Medical practitioners	87
2	Sports & fitness occs NEC	313	12	Youth and community workers	75
3	Care assistants & home carers	302	13	Mechanical engineers	74
4	Software professionals	292	14	Civil engineers	73
5	Nurses	226	15	Secondary education teachers	51
6	Marketing & sales managers	131	16	Financial managers and chartered secretaries	50
7	Business and related associate professionals	128	17	Electrical engineers	45
8	Chefs, cooks	127	18	Sports players	45
9	Physicists, geologists & meteorologists	112	19	Production and process engineers	43
10	Engineering professionals not elsewhere classified	105	20	Mgt consultants, actuaries, economists & statisticians	42

Source: Certificates of Sponsorship, United Kingdom Border Agency

While Musicians and Sports & Fitness Occupations NEC are highlighted as the two largest occupational groups, this is likely to reflect the locality being home to head offices of firms which are based in the LEP area. It is believed that the individuals themselves work across the UK.

² Standard Occupational Classification Codes

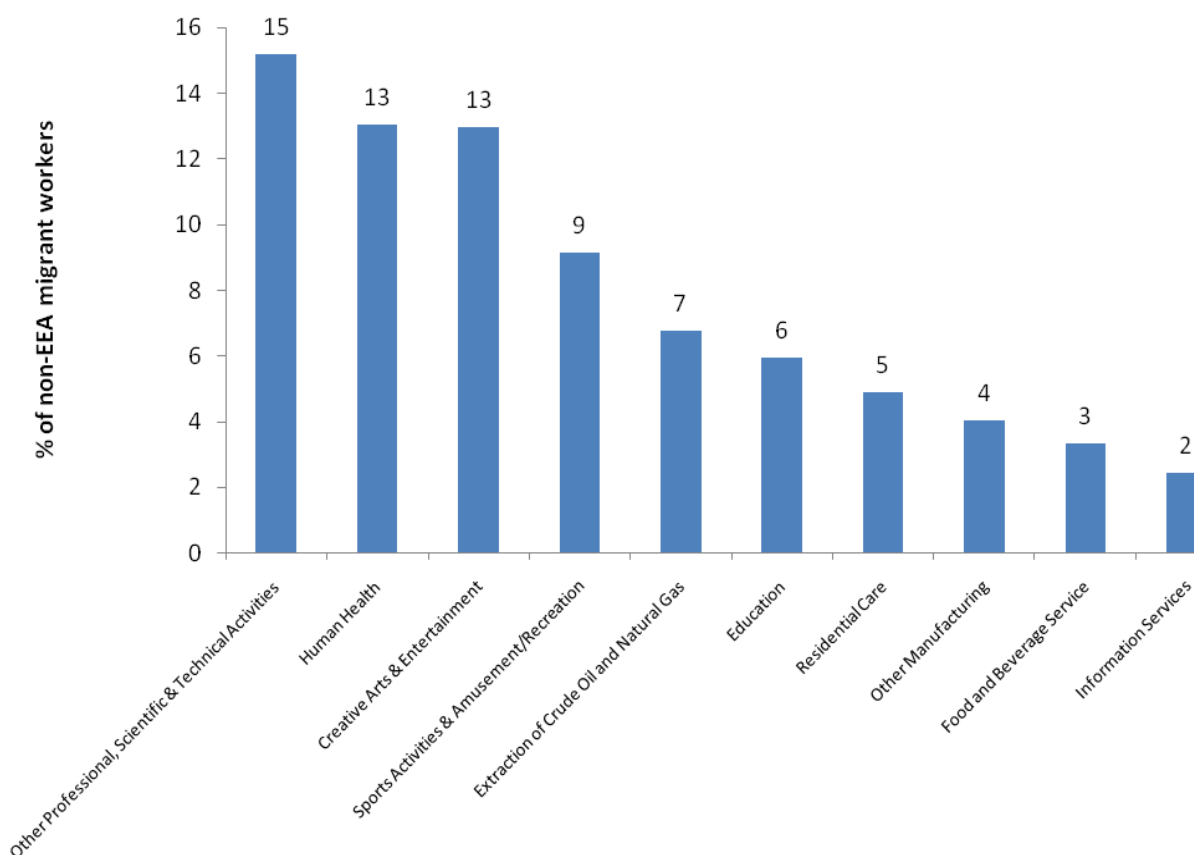
Care Assistants, Software Professionals and Nurse roles were also filled by a considerable number of migrant workers.

Approximately 300 engineers of differing specialisms are also amongst the top 20 professions. Many of the occupations listed in Table 1 play a key part in sectors identified as key to the area’s future growth plans, including Advanced Manufacturing, Pharmaceuticals and Financial Services.

Section 6 – Sectoral Patterns

Migrant workers have been employed by companies working in a very wide range of industries operating in the LEP area, from food & drink manufacturing to social work and from distribution to oil & gas exploration. However, the 10 most common industries account for more than three-quarters (78%) of all non-EEA migrant workers employed in the LEP area.

Chart 1: Number of migrant workers by sector



Source: Certificates of Sponsorship, United Kingdom Border Agency

The largest employing industry of migrant workers is Other Professional, Scientific and Technical (SIC code³ 74). This covers a range of specific functions including specialist design, quantity surveying, environmental consultancy and scientific services.

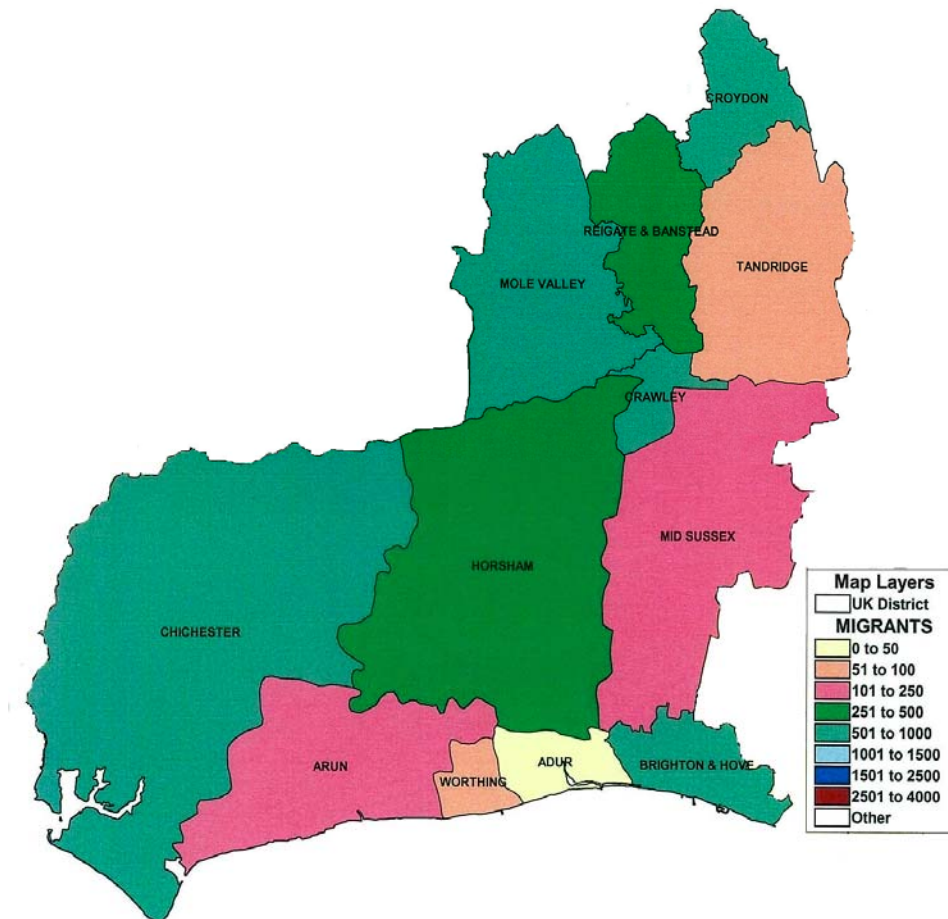
Human Health and the Creative Arts and Entertainment industries both account for approximately 13% of all migrant workers (circa 500 workers). The Human Health industry encompasses both the private and public sectors, with NHS employers accounting for approximately 40% of all migrant workers in the industry. The Creative Arts and Entertainment industry relates mostly to the music industry and international musicians.

³ Standard Industrial Classification Codes

Section 7 – Geographic Patterns

Using the postcodes of all companies employing non-EEA migrant workers it has been possible to map the distribution of migrant worker establishments across the Coast to Capital LEP area. As can be seen from Map 1, all local authorities in the LEP area have witnessed some degree of inward migration. Those with the greatest number of migrant workers were identified as: Crawley (652); Mole Valley (612); Brighton & Hove (580); Chichester (553); and Croydon (509). The Adur district had seen the fewest number of migrant workers, with just 16 migrant workers during the period concerned.

Map 1: Number of migrant workers by local authority



Source: Certificates of Sponsorship, United Kingdom Border Agency

Section 8 – Overall local reliance

Using DWP data on the number of unemployment claimants looking for work in different occupations it is possible to assess the capacity of the local economy to absorb the impact of reduced numbers of migrant workers in the future. Table 2 compares the number of migrant workers in each occupation to the number of unemployed people in the LEP area looking for work in that occupation.

Table 2: Comparing migrant workers to the occupations sought by the indigenous population

Occupation	No of Migrants	No looking for work in Occupation	Ratio of unemployed / migrants	Occupation	No of Migrants	No looking for work in Occupation	Ratio of unemployed / migrants
Musicians	437	40	9%	Medical practitioners	87	0	0%
Sports & fitness occs NEC	313	10	3%	Youth & comm workers	75	130	173%
Care assistants & carers	302	800	264%	Mechanical engineers	74	70	94%
Software professionals	292	170	58%	Civil engineers	73	21	29%
Nurses	226	25	11%	Secondary education teachers	51	50	98%
Marketing & sales managers	131	300	229%	Financial managers and chartered secretaries	50	55	110%
Business and related associate professionals	128	50	39%	Electrical engineers	45	30	67%
Chefs, cooks	127	290	228%	Sports players	45	0	0%
Physicists, geologists & meteorologists	112	0	0%	Production and process engineers	43	5	12%
Engineering professionals NEC	105	15	14%	Mgt consultants, actuaries, economists & statisticians	42	50	119%
Under supply of local labour compared to migrant labour supply		Balance of local labour supply and migrant labour supply		Over supply of local labour compared to migrant labour supply			

Sources: Certificates of Sponsorship, United Kingdom Border Agency, & JSA Claimants, Sought Occupations, DWP Jan 2011

Table 2 demonstrates that in a number of occupations which currently employ substantial numbers of migrant workers, including Care Assistants, Marketing & Sales Managers, Chefs/Cook, Youth and Community Workers, there are substantial numbers of indigenous workers looking to move into these roles. This indicates that the indigenous workforce may be able to adjust relatively easily to a reduced supply of future migrant workers. However, there is no guarantee that the unemployed looking to move into these roles have either the skills or work experience to be a success in these roles, and many may require support to achieve them.

In the following eight occupations the number of unemployed indigenous workers looking to move into roles falls substantially below the number of migrant workers recruited. This data therefore suggests the area may find it difficult to fill any void generated by a reduced supply of migrant labour:

- Nurses
- Business & Related Assoc Professionals
- Physicists, Geologists & Meteorologists
- Engineering Professionals NEC
- Medical Practitioners
- Civil Engineers
- Electrical Engineers
- Production and Process Engineers

A substantial proportion of the migrant workers employed as Software Professionals and ICT Managers are brought into the UK as intra-company transfers (ICTs). While companies will continue to be able to use intra-company transfers under the new immigration cap, the level of inward migration into these professions may suggest that the domestic supply of these workers is inadequate to meet the overall level of demand.

Section 9 – Causes of Hard-to-Fill Vacancies

Using data from the National Employer Skills Survey it is possible to identify the causes of hard-to-fill vacancies amongst occupations which have historically been filled by migrant workers. By understanding the causes of hard-to-fill vacancies amongst indigenous workers it may be possible for local partners to better direct resources and effort towards resolving these issues going forward.

Table 3: Causes of hard to fill vacancies by occupations

Rank	Occupation	Causes of Hard-to-Fill Vacancies
3	Care assistants & carers	<ul style="list-style-type: none"> • Not enough people interested in this type of job
4	Software professionals	<ul style="list-style-type: none"> • Low number of applicants with required skills • Low number with required work experience
5	Nurses	<ul style="list-style-type: none"> • Lack of qualifications company demands • Job entails shift work/unsociable hours
6	Marketing & sales managers	<ul style="list-style-type: none"> • Low number of applicants with required skills • Low number with required work experience
7	Business and related associate professionals	<ul style="list-style-type: none"> • Low number of applicants with required skills • Lack of qualifications company demands
8	Chefs, cooks	<ul style="list-style-type: none"> • Low number of applicants with required skills • Poor terms and conditions offered for post • Low number of applicants generally
9	Physicists, geologists & meteorologists	<ul style="list-style-type: none"> • Lack of qualifications company demands • Low number with required work experience
10	Engineering professionals NEC	<ul style="list-style-type: none"> • Low number of applicants with required skills • Low number of applicants generally

Sources: National Employer Skills Survey 2007, Learning and Skills Council

Putting aside Musicians and Sports and Fitness Occupations NEC, which as discussed above relate primarily to international artists and sports people, the data provides a useful insight into what employers believe to be the main causes of recruitment difficulties amongst occupations which have benefited from significant numbers of migrant workers. Skills deficiencies are clearly key amongst: Software Professionals; Marketing & Sales Managers; Business & Related Associate Professionals, Chefs/Cooks and Engineering Professionals NEC.

A lack of relevant work experience is, however, also a key factor for employers of Software Professionals; Marketing & Sales Managers and Physicists, Geologists & Meteorologists.

Reasons unrelated to skills, qualifications or work experience are however highlighted in relation to: Care Assistants; Chefs/Cooks and Engineering Professionals NEC. Tackling these non-skills issues will clearly be important if UK nationals are going to be persuaded to move into these roles as non-EEA migrant numbers fall.

Section 10 – Local Training Infrastructure

This section provides a top-level overview of the range of learning provision available in the LEP area relevant to the key occupations filled by migrant workers. Data relates to both FE college and university provision in the academic year 2009/10 and is based on approximations between subject areas and those occupations identified as having the most non-EEA migrant workers currently employed.

Table 4: Local FE & HE provision⁴ by broad occupation

Occupation	Level 2	Level 3	HE	Occupation	Level 2	Level 3	HE
Musicians	L	Y	Y	Medical practitioners	N/A	N/A	Y
Sports & fitness occs NEC	Y	Y	Y	Youth & community workers	Y	Y	Y
Care assistants & carers	Y	Y	N/A	Mechanical engineers	Y	Y	Y
Software professionals	L	Y	L	Civil engineers	Y	Y	L
Nurses	N	L	Y	Secondary education teachers	N/A	L	Y
Marketing & sales managers	L	L	L	Financial managers and chartered secretaries	L	L	L
Business and related associate professionals	L	Y	Y	Electrical engineers	Y	Y	L
Chefs, cooks	Y	L	N/A	Sports players	Y	Y	N/A
Physicists, geologists & meteorologists	N/A	Y	L	Production and process engineers	Y	Y	L
Engineering professionals NEC	Y	Y	L	Mgt consultants, actuaries, economists & statisticians	L	Y	Y

Y = Adequate provision

N= No provision

L = Limited provision

N/A = Not applicable

Sources: F05, Individualised Learner Record, Learning & Skills Council & HE Enrolments, Higher Education Statistics Agency

The data suggests that while there are significant numbers of people undertaking engineering related courses at levels 2 and 3, there may be more of an issue with the volume of provision at degree level, with less than 300 enrolments in all but one of the relevant engineering disciplines at local universities.

Across FE and HE institutions there appears to be only a limited amount of provision suitable for those employed as Marketing & Sales Managers and Financial Managers/Chartered Secretaries.

With the exception of Level 3, there appears to be only a limited amount of provision of relevance to those employed as Software Professionals. Local universities only recorded approximately 160 FTE enrolments on relevant provision in the most recent year.

While there appeared to be only a limited amount of provision relevant to Chefs/Cooks there seems an adequate supply of learning relevant to Care Assistants, Youth & Community Workers, Mechanical Engineers and those in Sport & Fitness Occupations NEC.

Section 11 – Issues for Consideration

While relatively small as a percentage of total employment in the area, non-EEA migrant workers have played an important part in a number of sectors in the local economy, particularly in higher end niche engineering, IT and health. Some important local companies have become used to being able to draw in international workers to bolster the domestic workforce and they may well face particular challenges once this source of labour is reduced or eliminated.

While all local authority areas have seen some inward migration over the last three years this has not been evenly distributed and some local areas may face particular shortages as the number of migrant workers reduces.

⁴ Level 2 = 5 A*s - Cs, Level 3 = 2 A-Levels, HE = Any degree level programme

The government's decision to only consider highly skilled migrant workers with degree level qualifications in the future is likely to cause particular issues for those employers which have historically recruited migrant workers as Chefs/cooks and carers. While there appears to be significant numbers of indigenous workers looking to work in these roles, there is evidence of both skills and non-skills barriers which have prevented these occupations being filled in the past.

It appears from the top-line analysis of learning provision that there may be a need to increase the number of training places in certain key areas such as: higher level provision for Software Professionals and engineers; both intermediate and higher level provision in marketing and sales; roles and intermediate level provision in cooking and food preparation.

Many of the issues faced by the LEP area in terms of key occupations and industries affected by the likely reduction in migrant workers are either the same or similar to those faced by neighbouring areas. It may therefore make sense for partners to discuss these issues with neighbours to see whether there are opportunities for collaborative action.

This research report was commissioned by the South East Strategic Partnership for Migration (SESPM) and the South East of England Development Agency (SEEDA) and undertaken by Worcester Research Ltd (www.worcester-research.co.uk).



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