



## ***Assessing the reliance on migrant labour in local labour markets:***

### **Migrant Labour in the Kent, Greater Essex and East Sussex 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;
- Identify priority skills which need to be addressed in order to mitigate the impact of changes in policy
- Assess the adequacy of existing local learning provision and shape 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 Kent, Greater Essex and East Sussex area has a working age population of approximately 2.43 million and an economic activity rate of 78.9%, which is around two percent higher than the England average. ILO<sup>1</sup> unemployment in the area is 7.3%, which is 0.5% below the UK average.

Overall the workforce has slightly fewer people qualified to higher levels than England as a whole, with 45.7% qualified to Level 3 and 25.6% qualified to degree level, as compared with 49% and 29.6% respectively across England. Approximately one-in-eight (12.3%) of the working age population lack any qualifications at all.

GVA<sup>2</sup> per head is below the UK average and there remains a dependency on London for high-value employment in some localities. The area has one of the largest business bases of any LEP area with 131,000 VAT registered businesses. The largest sectors in terms of employment in the area are: retail; health; education and manufacturing.

Emerging economic priorities for the area include: economic growth in the Thames Gateway area; better linking skills provision with employer demand; securing high-speed broadband connectivity; coastal and rural regeneration; and strategic transport developments.

### **Section 4 – Migrant Worker Volumes**

Since November 2008 a total of 4,060 non-EEA migrant workers have been employed in companies based in the LEP area. This represents 13% 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 0.17% of the total working age population in the LEP area, which is significantly lower than the regional average.

In total 568 companies operating in the area had recruited at least one migrant, with the number of migrant workers working for any individual firm ranging from just 1 to 322.

### **Section 5 – Occupational Patterns**

Across the area migrant workers have been recruited into 140 different SOC code<sup>3</sup> areas. However, as with industries, a much smaller number of occupations account for the vast majority of all migrant roles. Table 1 provides details of the top 20 occupations filled by migrant workers together with the total number recruited. Collectively the top 20 occupations account for 80% of all non-EEA migrant workers to the area.

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<sup>1</sup> International Labour Organization

<sup>2</sup> Gross Value Added

<sup>3</sup> Standard Occupational Classification Code

Table 1: Occupations filled by non-EEA migrant workers

Rank	Occupation	No. of Migrants	Rank	Occupation	No. of Migrants
1	Nurses	823	11	Higher education teachers	62
2	Care assistants & home carers	622	12	Sports players	51
3	Musicians	349	13	Marketing & sales managers	43
4	Medical Practitioners	274	14	Primary and nursery education teachers	38
5	Secondary education teachers	210	15	Directors and chief executives of major organisations	38
6	Chefs, cooks	171	16	Scientific researchers	37
7	Software professionals	148	17	Mechanical engineers	28
8	Clergy	98	18	Design and development engineers	28
9	Social workers	96	19	Physiotherapists	27
10	Artists	93	20	Educational assistants	25

Source: Certificates of Sponsorship, United Kingdom Border Agency

Nurses were the largest single occupational group recruited, accounting for one-in-five of all non-EEA migrant workers recruited in the area. Nurses were recruited by both the healthcare and residential care sectors, with the public sector accounting for around 60% of all recruitment. A further 15% of all migrant workers were employed as Care Assistants, the vast majority of which were employed in the private sector with many working in residential care settings.

Musicians were the third largest group of migrant workers, although data on employing organisations suggests that many of these were for either concerts or touring shows, with only the head office of the sponsor company based in the area.

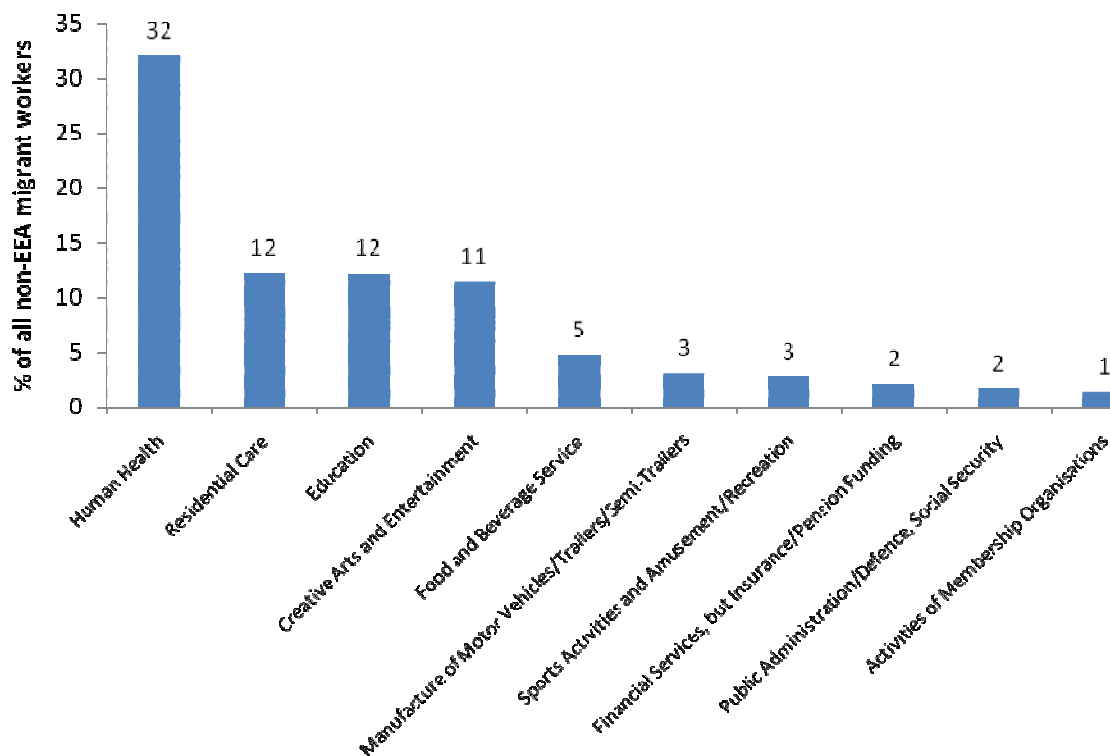
Medical Practitioners accounted for approximately 7% of all migrant workers, with the NHS being the only employer. The area recruited more Medical Practitioners than any other LEP covering parts of the South East.

The area accounted for approximately two-fifths of all secondary education teachers recruited by the seven LEPs covering parts of the South East, with both the state and private sectors providing employment to this occupational group.

## Section 6 – Sectoral Patterns

Whilst migrant workers have been employed by companies working in a very wide range of industries operating in the LEP area the 10 most common industries account for more than four-fifths (83%) 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 the Human Health Activities area (SIC code<sup>4</sup> 86). This covers a range of specific functions including hospital activities and medical & dental activities.

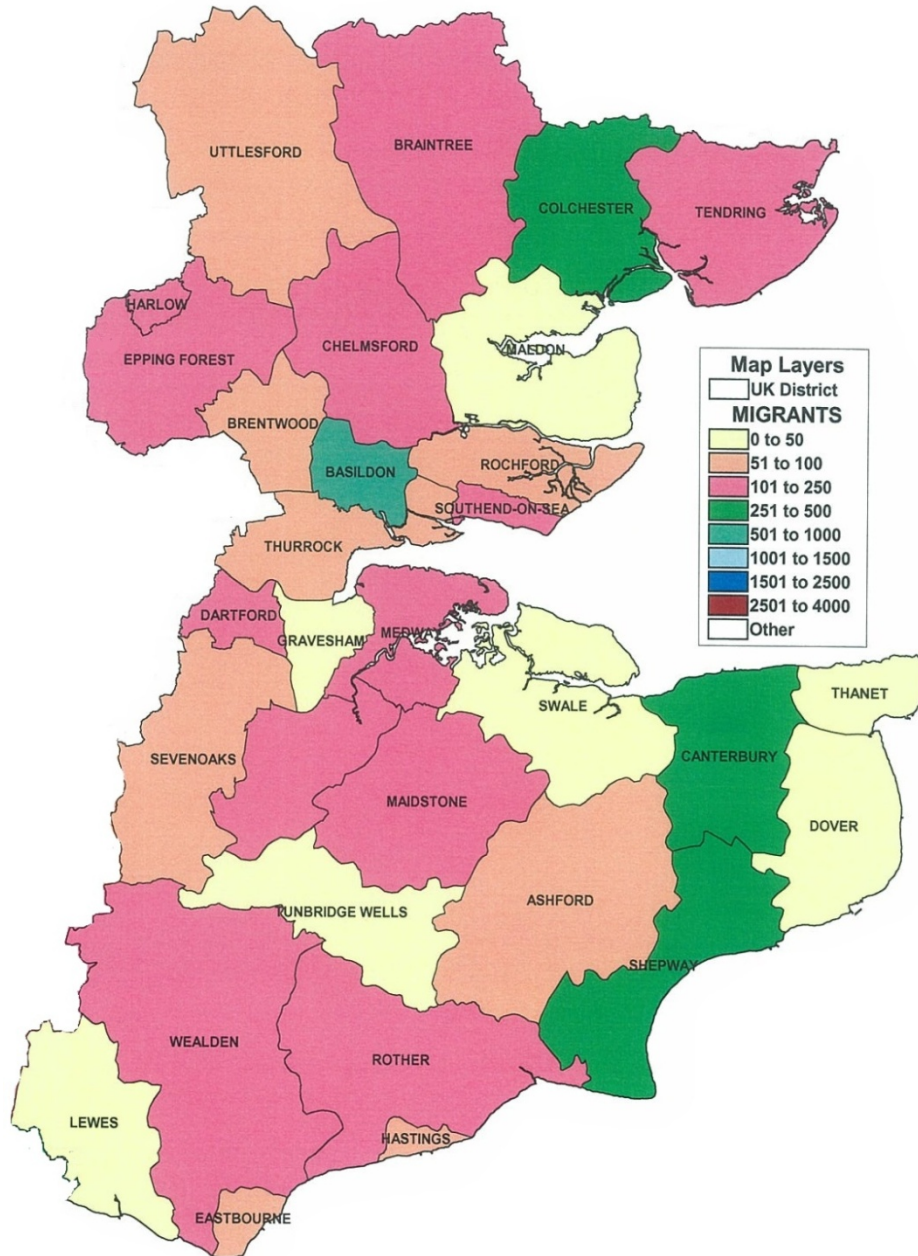
Residential care and Education industries both account for approximately 12% of all migrant workers (circa 500 workers). The Residential Care industry encompasses nursing care activities, as well as activities concerned with those with mental health conditions, the elderly and the disabled. The Education industry refers to all levels of learning from primary education through to university level teaching. Other forms of education, such as driving instruction and sports education are also covered by this industry code. The Creative Arts & Entertainment sector also accounted for more than one-in-ten migrant workers, of which the majority were musicians, dancers and other performing artists.

## 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 Kent, Greater Essex and East Sussex area. As can be seen from Map 1, all local authorities in the area have witnessed some degree of inward migration. Those with the greatest number of migrant workers were identified as: Basildon (556); Colchester (300); Shepway (288) Canterbury (284); and Chelmsford (192). The Maldon district had seen the fewest number of migrant workers, with just 5 sponsored by local companies during the period concerned.

<sup>4</sup> Standard Industrial Classification Code

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
Nurses	823	50	6%	Higher education teachers	62	25	40%
Care assistants & home carers	622	1,875	301%	Sports players	51	0	0%
Musicians	349	35	10%	Marketing & sales managers	43	470	1093%
Medical practitioners	274	0	0%	Primary and nursery education teachers	38	90	237%
Secondary education teachers	210	105	50%	Directors and chief executives of major organisations	38	40	105%
Chefs, cooks	171	655	383%	Scientific researchers	37	0	0%
Software professionals	148	235	159%	Mechanical engineers	28	180	643%
Clergy	98	0	0%	Design and development engineers	28	0	0%
Social workers	96	65	68%	Physiotherapists	27	0	0%
Artists	93	45	48%	Educational assistants	25	575	2300%
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, UKBA, & 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, Chefs/Cook, Software Professionals, Education Assistants and Marketing & Sales Managers, there are substantial numbers of indigenous workers looking to move into these roles. This indicates that in relation to these roles the local economy 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 may require support to achieve them.

In the following six occupations<sup>5</sup> the number of unemployed indigenous workers looking to move into roles falls substantially below the number of migrant workers currently recruited. This data therefore suggests the area may find it difficult to fill any void generated by a reduced supply of migrant labour:

- Nurses
- Medical Practitioners
- Secondary Education Teachers
- Scientific Researchers
- Design and Development Engineers
- Physiotherapists

Given the historic volume of migrant workers employed as Nurses and Medical Practitioners any future significant reduction in availability would be a particular cause of concern for the area's healthcare sector.

<sup>5</sup> Musicians and Clergy have been removed from the list as they mostly relate to an international labour market.

## 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 below provides details of the causes of HTF vacancies.

Table 3: Causes of hard to fill vacancies by occupations

Rank	Occupation	Causes of Hard-to-Fill Vacancies
1	Nurses	<ul style="list-style-type: none"> <li>Lack of <b>qualifications</b> company demands</li> <li>Job entails <b>shift work/unsociable hours</b></li> </ul>
2	Care assistants & home carers	<ul style="list-style-type: none"> <li>Not enough people <b>interested</b> in this type of job</li> </ul>
3	Musicians	<ul style="list-style-type: none"> <li>Low number of applicants with required <b>skills</b></li> </ul>
4	Medical practitioners	<ul style="list-style-type: none"> <li>Poor <b>terms and conditions</b> offered for post</li> </ul>
5	Secondary education teachers	<ul style="list-style-type: none"> <li>Not enough people <b>interested</b> in this type of job</li> <li>Low number of applicants with required <b>skills</b></li> <li>Low <b>number of applicants</b> generally</li> </ul>
6	Chefs, cooks	<ul style="list-style-type: none"> <li>Low number of applicants with required <b>skills</b></li> <li>Poor <b>terms and conditions</b> offered for post</li> <li>Low <b>number of applicants</b> generally</li> </ul>
7	Software professionals	<ul style="list-style-type: none"> <li>Low number of applicants with required <b>skills</b></li> <li>Low <b>number of applicants</b> generally</li> </ul>
8	Clergy	<ul style="list-style-type: none"> <li>Poor <b>terms and conditions</b> offered for post</li> </ul>
9	Social workers	<ul style="list-style-type: none"> <li>Poor <b>terms and conditions</b> offered for post</li> </ul>
10	Artists	<ul style="list-style-type: none"> <li>Low number of applicants with required <b>skills</b></li> </ul>

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

Putting aside Musicians, which in the main relate to international artists, 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: Secondary Teaching Professionals; Chefs/Cooks; Software Professionals and Artists.

Reasons unrelated to skills, qualifications or work experience are however highlighted in relation to: Care Assistants; Chefs/Cooks and Social Workers. 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. 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 provision<sup>6</sup> by broad occupation

Occupation	Level 2	Level 3	HE	Occupation	Level 2	Level 3	HE
Nurses	L	L	Y	Higher education teachers	N/A	Y	L
Care assistants & home carers	Y	Y	N/A	Sports players	Y	Y	N/A
Musicians	L	Y	Y	Marketing & sales managers	N	L	Y
Medical practitioners	N/A	N/A	Y	Primary and nursery education teachers	N/A	Y	Y
Secondary education teachers	N/A	Y	Y	Directors and chief executives of major orgs	Y	Y	Y
Chefs, cooks	Y	Y	L	Scientific researchers	L	Y	N/A
Software professionals	L	Y	L	Mechanical engineers	Y	Y	L
Clergy	N	L	L	Design and development engineers	Y	Y	L
Social workers	Y	Y	Y	Physiotherapists	L	L	Y
Artists	Y	Y	Y	Educational assistants	L	L	N/A

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

Within FE there is a limited amount of provision for those wishing to work within medicine, nursing or physiotherapy.

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 195 FTE enrolments on relevant provision in the most recent year.

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 each of the relevant engineering disciplines at local universities.

There seems an adequate supply of learning relevant to Chefs/Cooks, Care Assistants, Social Workers, Sports Players and Artists. There is, however, apparently only a limited supply of provision for education assistants despite the large numbers of indigenous people looking for work in that occupation.

## Section 11 – Issues for Consideration

While they account for a smaller than average proportion of all employees, non-EEA migrant workers have historically played an important part in a number of industries, particularly Health. Any reduction in the supply of migrant workers could have serious implications for these sectors going forward.

While there appears to be a good supply of indigenous workers looking for employment in a number of roles historically filled by migrant workers, such as Care Assistants, Chefs/Cooks, there are well known non-skills/qualifications barriers that have prevented local people taking up these roles in the past, which will need to be overcome if they are not to become hard-to-fill vacancies. The supply of intermediate level provision to support key roles in the health sector appears to be relatively limited and may not be sufficient to fill any gap produced by a lower level of migrants in the future.

<sup>6</sup> Level 2 = GCSE 5 A\*-Cs, Level 3 = 2 A-Levels, HE = Any degree level programme



There appears to be only limited provision in engineering related provision at Level 4 and above available in the area. This may be particularly important as the area seeks to develop its high-end engineering sector.

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](http://www.worcester-research.co.uk)).



If you have any comments or questions regarding this research please contact either:

Jay Hunt  
Head of Employment and Skills  
SEEDA  
01483 500 752  
[jayhunt@seeda.co.uk](mailto:jayhunt@seeda.co.uk)

Roy Millard  
Partnership Manager  
SESPM  
01304 872186 / 07881521092  
[roymillard@secouncils.gov.uk](mailto:roymillard@secouncils.gov.uk)