

Assessing reliance on migrant labour in local labour markets



1. New research by SESPM and SEEDA, assesses the reliance on non-EU migrant labour in local labour markets across the South East.
2. The interim limit on non-EU migrant labour introduced in July 2010, and the forthcoming long-term limit, are both likely to exacerbate skills shortages and gaps, unless action is taken to train resident workers in the skills required. Our research aims to provide local authorities and education & training providers with the information they need to respond to this challenge. A series of localised documents will help local authorities, colleges, universities, local economic partnerships (LEPs) and others to:
 - i) Understand the scale and types of non-EU migrants employed in a locality
 - ii) Identify industries and occupations likely to be most affected by changes in immigration policy
 - iii) Assess the adequacy of existing local learning provision and shape the future curriculum offers to meet the needs of an economy with less access to foreign workers.
3. The research was commissioned from Worcester Research Ltd, and is based on sponsor data between November 2008 and November 2010 provided by the United Kingdom Border Agency. Findings will be sent to:
 - Seven LEPs with a South East footprint
 - Further Education Colleges via the Association of South East Colleges
 - Higher Education via Higher Education South East
 - Migration Advisory Committee to inform an occupations shortage list
 - Home Office and BIS officials
 - Local authority leaders and chief executives in the South East.

Policy context

4. The new annual limit on the number of non-EU workers admitted into the UK in 2011-12 is 21,700 - about 6,300 lower than 2009.
5. Of those, 20,700 will be skilled migrants entering graduate occupations with a job offer and sponsorship. The other 1,000 will be people allowed in under a new "exceptional talent" route – such as scientists, academics and artists. The former general route – open to highly skilled migrants without a job offer – will be closed. Limits do not apply to workers who come to the UK on an "intra-company transfer" with their multinational employer.
6. Government has asked the Migration Advisory Committee to undertake a full review of jobs skilled to degree level and above. This will inform a 'shortage occupation' list, where there would be justification to use non EU labour.
7. Unless action is taken to bridge labour and skills shortages, there could be major impacts on areas and industries which have become reliant on non-EU labour.

Headline findings

8. Since November 2008 a total of 31,266 non-EU workers have been employed in companies based across 7 LEP areas with a South East footprint.
9. The three largest groups are Software Professionals, Nurses and Care Assistants. Software Professionals account for almost a third (32%) of all non-EU

workers. Nurses and Care Assistants account for 7% and 6% respectively. Table 1 provides details of the top 20 occupations filled by non-EU workers.

Table 1: Occupations filled by non-EU workers in South East LEP areas

Rank	Occupation	No. of Migrants	Rank	Occupation	No. of Migrants
1	Software professionals	10,065	11	IT strategy & planning professionals	635
2	Nurses	2,093	12	Medical practitioners	614
3	Care assistants & home carers	1,857	13	Secondary education teachers	515
4	ICT managers	962	14	IT operations technicians	393
5	Musicians	908	15	Scientific researchers	349
6	Sports & fitness Occs NEC	855	16	Actors/entertainers	343
7	Researchers NEC	788	17	Engineering professionals NEC	336
8	IT user support technicians	737	18	Artists	330
9	Chefs/Cooks	665	19	Directors and chief executives of major organisations	325
10	Marketing & sales managers	652	20	Sports players	249

Source: Certificates of Sponsorship, United Kingdom Border Agency

Potential for local economies to adapt

10. Using DWP data on the number of unemployment claimants looking for work in different occupations it is possible to assess the capacity of local economies to respond to reduced numbers of migrant workers.
11. In some occupations which currently employ substantial numbers of migrant workers – such as Care Assistants, Marketing & Sales Managers, Chefs, IT User Support Technicians and IT Operations Technicians – there are substantial numbers of indigenous workers looking to move into these roles. However, there is no guarantee that the people have the required skills or work experience and many may need help to achieve them.
12. Some LEP areas – such as Solent and Kent, East Sussex & Greater Essex – have an oversupply of indigenous workers to migrant labour in some occupations. However, Thames Valley Berkshire currently has no occupations with an oversupply of indigenous workers, which may be problematic once caps on non-EU workers come into force.

Training

13. To allow indigenous workers to fill gaps in the labour market, there needs to be an increase in training places in certain key areas such as:
 - higher level provision for Software Professionals and Engineers
 - intermediate and higher level provision in Marketing & Sales
 - provision for Chefs/cooks.