Migrant Labour in the Buckinghamshire Thames Valley Local Enterprise Partnership Area

Update 2012 – V3

Section 1 – Purpose and Uses

Commissioned by the South East Strategic Partnership for Migration (SESPM), this report updates research undertaken in 2011 on the volume, type and implications of non-EEA[1] migrant labour in the LEP area.

The report aims to assist local authorities, colleges, universities, the local enterprise partnership (LEP) 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;
- Explore the geographic dispersal of migrant workers across individual local authority areas.

A majority of the analysis presented in this report has been compiled using data for a 40 month period between November 2008 and February 2012 provided by the United Kingdom Border Agency. The data provides details of Certificates of Sponsorship used by companies when recruiting non-EEA migrant workers and seeks to provide an insight into both the industries and occupations using migrant labour and any changes that have occurred since April 2011.

Section 4 does, however, also draw upon indicative migration estimates produced by the Office of National Statistics that seek to provide an estimate of total migration into the area, i.e. those from both inside and outside the EEA.

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 2012 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 has closed. However, these limits do not apply to a category of workers who come to the UK in an "intra-company transfer" with their multi-national employer.

The Coalition also asked the Migration Advisory Committee[2] 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. This work was completed in February 2012.

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[1] Workers from outside of the European Economic Area
[2] The independent body which advises the government on migration issues

Together these changes in policy have the potential to significantly 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 Buckinghamshire Thames Valley LEP area has a working age population of 313,300 and an economic activity rate of 80.7%, which is the third highest in the greater South East region. The ILO[3] unemployment rate across the area is 5.5% which is around two percentage points lower than the national average.

The area's workforce is much more qualified than the UK as a whole, with 66% of the Buckinghamshire Thames Valley LEP area workforce holding qualifications at Level 3 and above. This is 13.3% more than the national average. 44% of the area's workforce is educated to NVQ Level 4 and above. Only 4% lack any qualifications at all.

The Buckinghamshire Thames Valley LEP area is known for being the Entrepreneurial Heart of Britain where more businesses have started here than anywhere else in the UK for more than a decade. A 2012 Review of Local Enterprise Partnership Area Economies states that Buckinghamshire Thames Valley is the only LEP area to be ranked in the tope five for each of the major domains: resilience, business, community, people and place.

LEP priorities for the area include: recent investments in East West Rail, accelerated deployment of Superfast Broadband, and plans for an Engineering Science Park on the M40 at High Wycombe. Key economic concerns include: losing medium and large employers within the area, variations amongst the skill levels of the population and the current infrastructure potentially constraining growth in the county.

Section 4 – Migrant Worker Volumes

Between November 2008 and February 2012 approximately 1,335 non-EEA migrant workers were employed in the Buckinghamshire Thames Valley LEP area. This represents an annual average of 401 migrants and equates to 0.2% of the economically active population in the area. This is the slightly lower than the average across the greater South East[4] which stood at 0.3%.

In total, 170 companies operating in the Buckinghamshire Thames Valley LEP area had recruited at least one person, with the number of migrant workers for an individual firm ranging from just 1 to 424.

Whilst the data source used to estimate non-EEA migrant volumes provides a useful picture of inward migration into the area, it can only provide a partial insight as it does not capture data on all migrants entering the area from EU nations or those arriving as asylum seekers (who are then given leave to remain) or UK nationals returning home after a period overseas.

Data constructed by the Office of National Statistics using administrative sources, such as registrations for National Insurance Numbers, higher education student enrolments and registrations at GP surgeries provides perhaps the most comprehensive estimate of the total inward migration to the Buckinghamshire Thames Valley LEP area. Using this source an

estimated 18,183 migrants of all ages entered the Buckinghamshire Thames Valley LEP area between mid-2006 and mid-2010. This equates to an annual average of 4,546 migrants of all ages entering the Buckinghamshire Thames Valley LEP area every year.

As can be seen by Chart 1, only 36% of the 4,564 estimated annual migrants come to work in the Buckinghamshire Thames Valley area, with large proportions also studying or returning to the UK from periods abroad. The overall composition of the migrant population in the Buckinghamshire Thames Valley LEP is slightly different to that of the greater South East region as a whole with a 10% lower proportion of workers, but a 13% higher proportion of returning migrants being the most significant differences in composition.

Chart 1: Estimated Composition of Migrants Entering the Buckinghamshire Thames Valley LEP Area (% of all migrants)
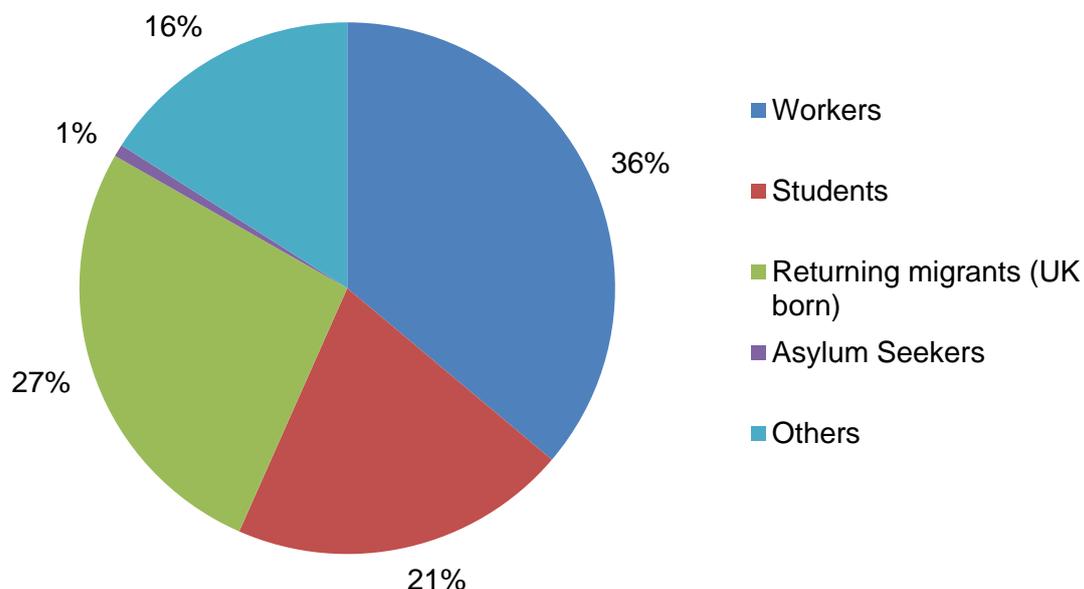
Source: Immigration Estimates to Local Authority 2006-2010, Office of National Statistics.

A number of local authorities within the Buckinghamshire Thames Valley LEP area had significant differences in their migrant composition to that shown in Chart 1. In Wycombe, for example, almost half (46%) of all migrants entered the borough as workers as compared with the LEP area average of 36%. Correspondingly 14% of Wycombe migrants were identified as students.

Whilst overall 21% of all migrants in the LEP area were students, in Aylesbury Vale the proportion was significantly higher at 52%. The proportion of migrants returning to the UK after periods overseas also ranged significantly from a low of 14% in Aylesbury Vale to a high of 36% in Chiltern.

Full details of the composition of migrant populations within individual local authorities are provided as an annex to this report.

Data from a third source which looks specifically at those overseas nationals requesting a National Insurance Number (NINo) provides some insight into the countries of origin of economic migrants to the LEP area. As can be seen from Chart 2, the largest proportion of migrants to Buckinghamshire Thames Valley came from Poland (17%) followed by India (14%) and Pakistan (10%). This data again demonstrates the importance of non-EEA labour to the area's labour market.

Chart 2: Top 10 countries of NINO registrants in Buckinghamshire Thames Valley LEP area (2010)
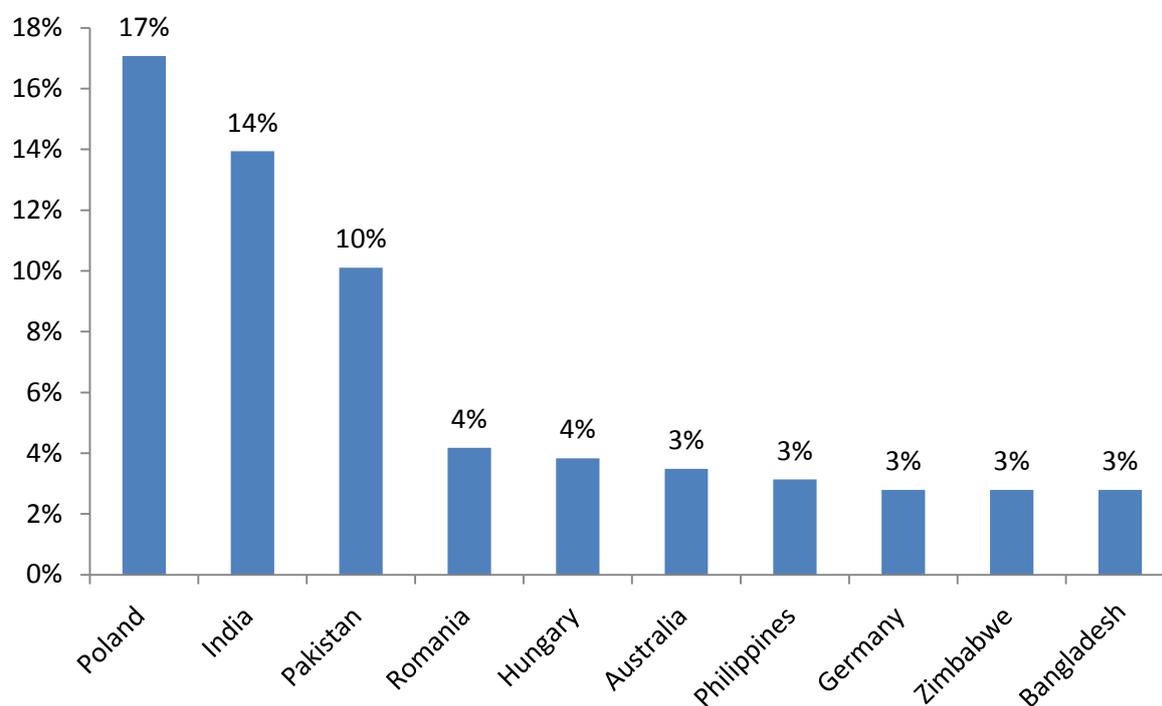
Source: NINo registrations 2010, DWP

Section 5 – Occupational Patterns

Across the Buckinghamshire Thames Valley LEP area non-EEA migrant workers have been recruited into almost 100 different SOC code[5] areas. However, a much smaller number of occupations account for the vast majority of all migrant roles (circa 79%). Table 1 provides details of the top 20 occupations filled by migrant workers together with the total number recruited.

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[5] Standard Occupational Classification Codes

Table 1: Occupations filled by non-EEA migrant workers

| Rank	Occupation	No. of Migrants	Rank	Occupation	No. of Migrants
1	IT, software professionals	400	11	Teacher, secondary education	32
2	Musicians	87	12	Directors/chief executives of major organisations	30
3	Medical radiographers	60	13	Engineers, design and development	29
4	Sports and fitness occupations n.e.c[6].	49	14	IT strategy and planning professionals	25
5	Nurses	46	15	Actors, entertainers	24
6	Managers, marketing and sales	43	16	Clergy	21
7	Chefs, cooks	41	17	Medical practitioners e.g. doctors and surgeons	19
8	Managers, information and communication technology	36	18	Photographers and audio-visual equipment operators	15
9	Technicians, IT operations	36	19	Artists	12
10	Care assistants and home carers	36	20	Sports players	12

Source: Certificates of Sponsorship, United Kingdom Border Agency

IT software professionals tops the list of occupations filled by non-EEA migrant workers in the Buckinghamshire Thames Valley LEP area with 400 workers (30%).

A further 7% of migrant workers are employed as musicians, 4% are medical radiographers, 4% in sports and fitness occupations and 3% as nurses. Chart 3 below demonstrates the proportion of non-EEA migrants in the top 5 most popular occupations.

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[6] Not elsewhere classified

Chart 3: Top 5 Occupations Currents Filled by non-EEA Migrant Workers
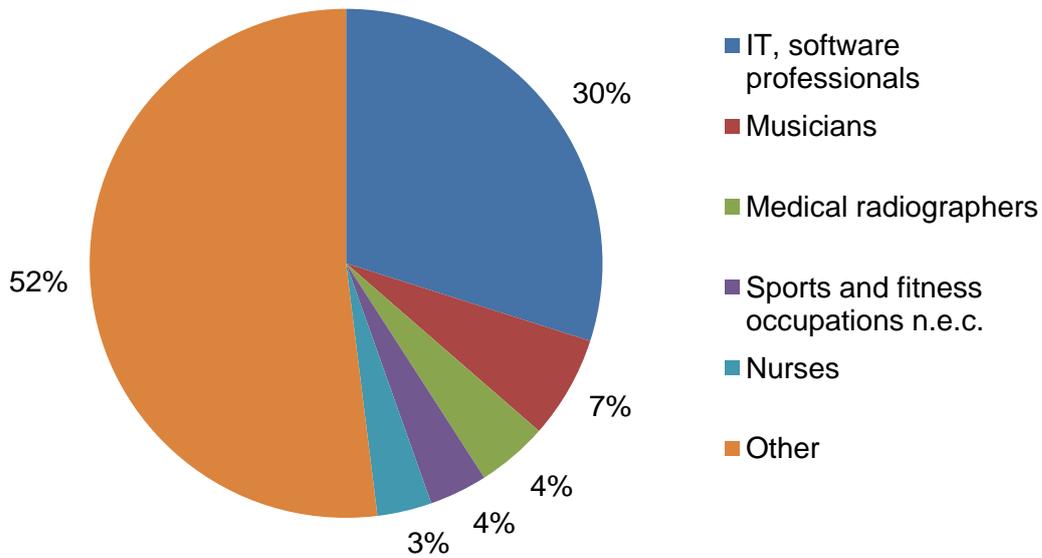
Source: Certificates of Sponsorship, United Kingdom Border Agency

Section 6 – Sectoral Patterns

While migrant workers have been employed by companies working in a wide range of industries operating in the LEP area, just a handful account for most employees. Collectively, the 10 most common industries account for 83% of all non-EEA migrant workers employed in the LEP area.

Chart 4: % of non-EEA workers by industry
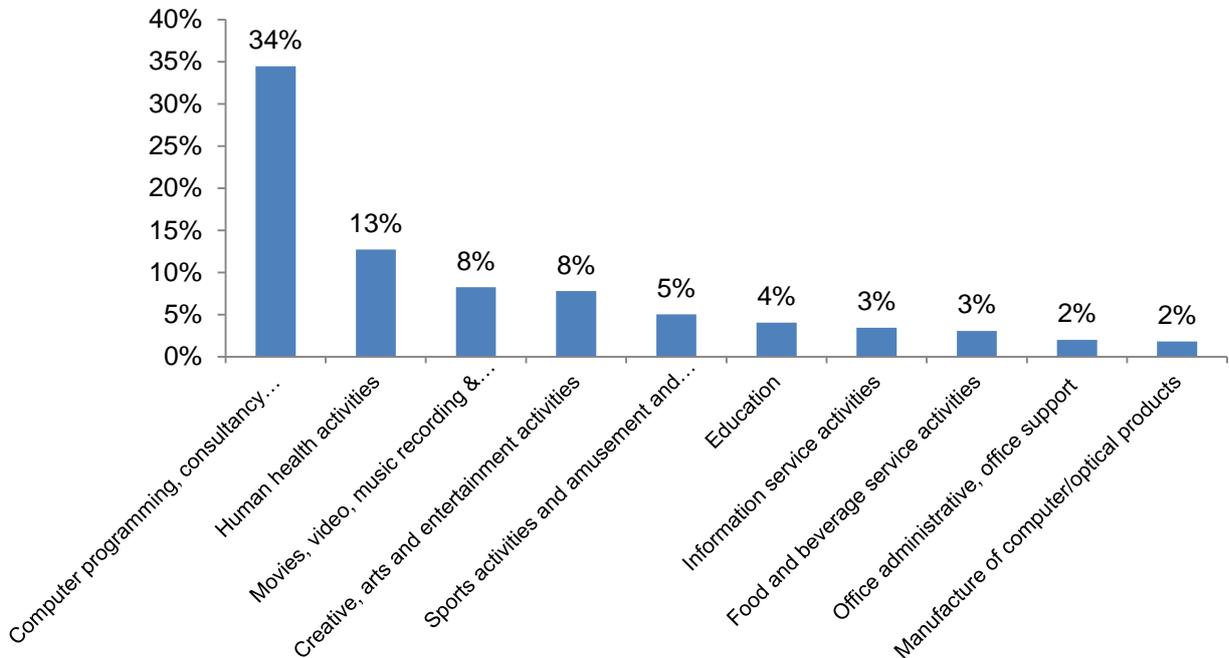
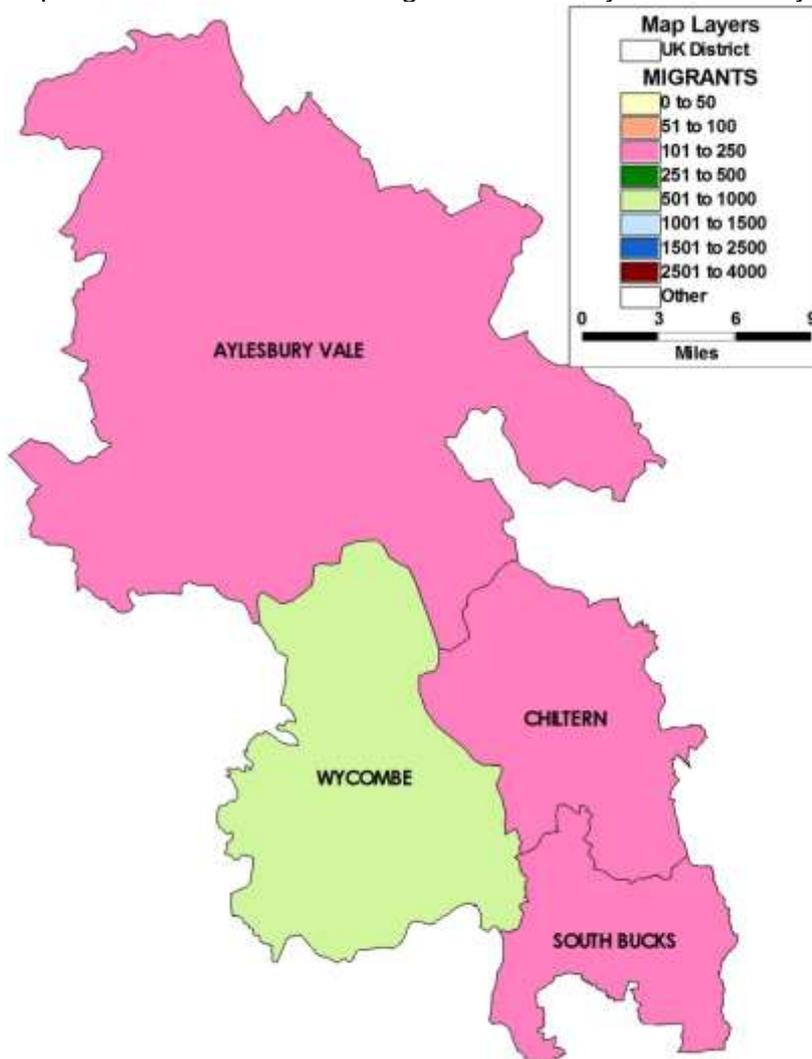Source: Certificates of Sponsorship, United Kingdom Border Agency

The largest employing industry of migrant workers is the computer programming, consultancy and related activities sector (SIC code[7] 62). This covers a range of specific functions including programming, software development and consultancy activities for both the domestic and business markets.

The human health activities industry (SIC code 86) is the second largest employing industry (circa 170 migrants). Human Health Activities refers to a range of nursing work located in hospitals or nursing homes.

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 workers across the Buckinghamshire Thames Valley LEP area. As can be seen from Map 1, all local authorities in the LEP area had witnessed some degree of inward migration. Those with the greatest number of migrant workers were identified as: Wycombe (811), South Bucks (247) and Chiltern (150). Aylesbury Vales (127) has seen the least number of migrant workers recruited between November 2008 and February 2012.

Map 1: Number of non-EEA migrant workers by local authority (Nov 2008 - February 2012)

Source: Certificates of Sponsorship, United Kingdom Border Agency

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[7] Standard Industrial Classification Code

Section 8 – Economic conclusions and issues for policy makers

This report has shown non-EEA migrants account for approximately 0.2% of the LEP area's economic population in 2011-12. This is slightly lower than the 0.3% average found across the greater South East region.

The number of local companies that have employed non-EEA migrants stands at 170 businesses having recruited at least one non-EEA migrant over the last four years.

Data from the ONS has shown that over a third of all inward migration to the LEP area is related to work with an in-flow of students and UK nationals returning to the UK also accounting for fairly substantial inward flows.

Information on the country of origin of NINo applicants demonstrates the importance of non-EEA labour to the local labour market with two non-EEA nations amongst the top five countries of origin of new NINo applicants.

Non-EEA workers are concentrated in a relatively small number of occupations and industries and are particularly important to the computer programming; health care industries and the creative arts industries. Many of these are industries identified as important to the LEP area's future economic prosperity and therefore any reduction in future migrants which is not compensated by an increase in the supply of highly skilled indigenous individuals would be a particular concern.

While all local authorities have seen some inward migration of non-EEA nationals this has not been equally distributed and therefore any reduction in future numbers would be felt particularly in areas such as Wycombe and South Bucks.

Annex 1: Indicative Migration Estimates (mid 2006 to mid 2010)

Local Authority estimates in England and Wales by broad stream						
Local Authority	**Workers**	**Students**	**Returning migrants (UK born)**	**Asylum Seekers**	**Others**	**Total**
Aylesbury Vale	1967	4179	1119	51	741	8058
Wycombe	2623	794	1323	44	967	5752
Chiltern	848	182	800	18	389	2237
South Bucks	793	165	717	6	456	2136

Source: indicative Migration Estimates, ONS

Appendix 2: Indicative Migration Estimates (mid 2006 to mid 2010) percentages

Local Authority estimates in England and Wales by broad stream					
Local Authority	**Workers**	**Students**	**Returning migrants (UK born)**	**Asylum Seekers**	**Others**
Aylesbury Vale	24%	52%	14%	1%	9%
Wycombe	46%	14%	23%	1%	17%
Chiltern	38%	8%	36%	1%	17%
South Bucks	37%	8%	34%	0%	21%

Source: indicative Migration Estimates, ONS