Migrant Labour in the Greater South East[1]

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[2] 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[3] 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] References to the greater South East refers to the existing South East statistical region plus those additional local authority areas which form part of LEP areas covering elements of the South East.
[2] Workers from outside of the European Economic Area
[3] 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 Greater South East Region

The area is home to a population of around 12.6m people of which approximately 8.1m are of working age. Of those that are of working age, there is a 78.1% economic activity rate across the region, 2% higher than is seen country-wide. Also, encouragingly, the unemployment rate of the region is just 5%, which is 2.9% below the national average of 7.9%.

Broadly speaking the greater South East population is reasonably well-qualified with 32% qualified to degree level – in line with the national average. A total of 52% of the region's population are qualified to Level 3, around 1% more than was seen across England as a whole.

The area has a business base of approximately 446,000 companies, and an annual GVA[4] of £235 billion, which is equivalent to 22% of England GVA.

The former South East Regional Economic Strategy denotes three distinct economic contours, which may also apply to some of the areas outside of the South East statistical region which are parts of LEP areas: the Inner South East that abuts London and which exhibits strong economic vitality; the Rural South East which is diversifying its economic base into high-tech knowledge-based industries but which still has pockets of deprivation; and the Coastal South East which has continued to witness economic and social decline and needs support in areas such as skills, innovation and creativity if it is to capitalise on opportunities.

Section 4 – Migrant Worker Volumes

Between November 2008 and February 2012 approximately 53,921 non-EEA migrant workers were employed in the greater South East region. This represents an annual average of 16,176 migrants and equates to 0.3% of the economically active population in the area.

Since the previous analysis in April 2011, 22,655 more non-EEA migrant workers have been employed in the greater South East region (31,266 to 53,921). This is a 72% increase in approximately 14 months.

In total 3,177 companies operating in the greater South East region had recruited at least one person, with the number of migrant workers for an individual firm ranging from just 1 to 3,654. The total number of companies using non-EEA migrants has increased by 487 from 2,690 to 3,177.

Whilst the data source used to estimate non-EEA migrant volumes provides a useful picture of inward migration into the region, 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.

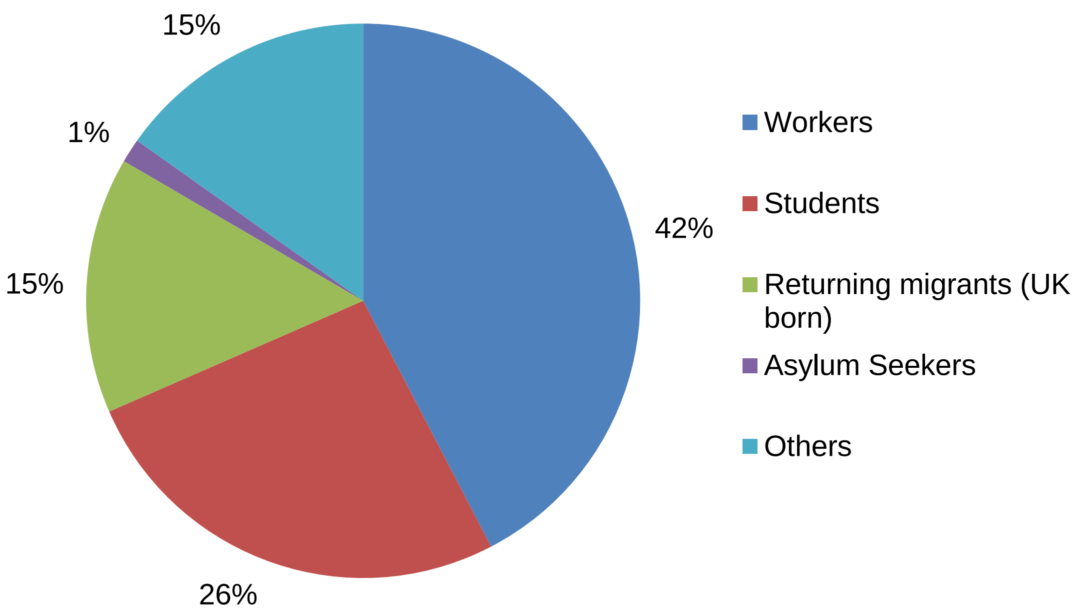
Data constructed by the Office of National Statistics using administrative sources, such as registrations for National Insurance Numbers, higher education student enrolments and

[4] Gross Value Added

registrations at GP surgeries provides perhaps the most comprehensive estimate of the total inward migration to the Greater South East region. Using this source an estimated 495,034 migrants of all ages entered the Greater South East region between mid-2006 and mid-2010. This equates to an annual average of 123,759 migrants of all ages entering the Greater South East region every year.

As can be seen by Chart 1, only 42% of the 123,759 estimated annual migrants come to work in the Greater South East region, with large proportions also studying or returning to the UK from periods abroad.

Chart 1: Estimated Composition of Migrants Entering the Greater South East region (% of all migrants)



Source: Immigration Estimates to Local Authority 2006-2010, Office of National Statistics.

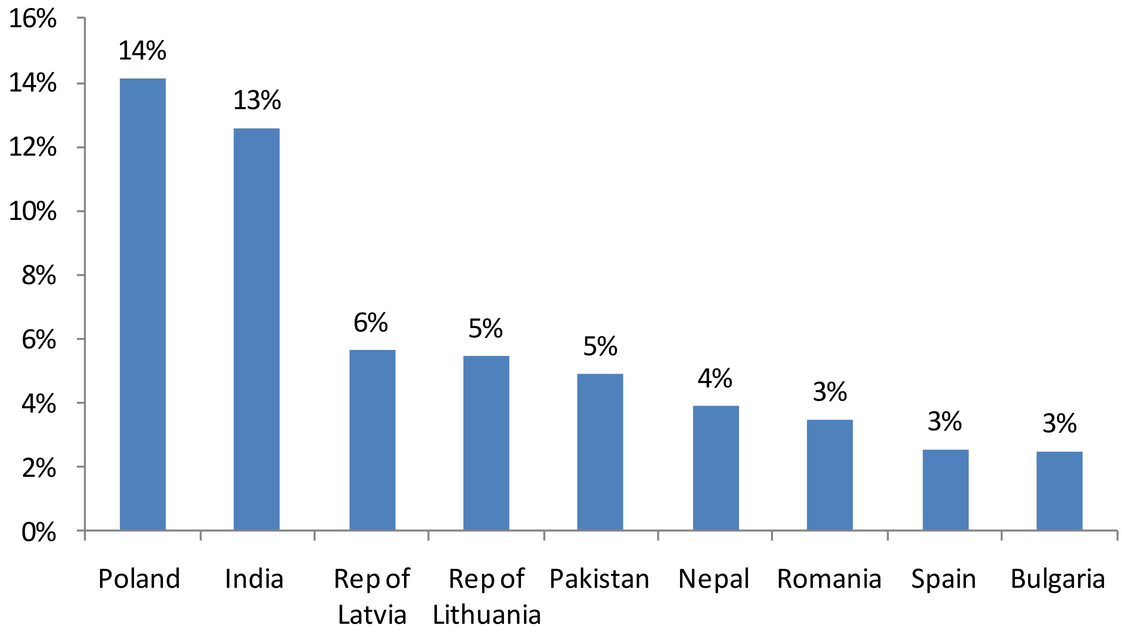
A number of local authorities within the Greater South East region had significant differences in their migrant composition to that shown in Chart 1. In Swale, for example, 69% of all migrants entered the borough as workers as compared with the average of 42%. Correspondingly, just 9% of Swale migrants were identified as students.

Whilst overall 26% of all migrants in the were students, in Canterbury and Guildford the proportions were significantly higher at 60% and 57% respectively. The proportion of migrants returning to the UK after periods overseas also ranged significantly from a low of 3% in Luton to a high of 47% in South Northamptonshire.

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 region. As can be seen from Chart 2, the largest proportion of migrants to Greater South East region came from Poland (14%) followed by India (13%) and Latvia (6%). 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 Greater South East region (2010)



Source: NINo registrations 2010, DWP

Section 5 – Occupational Patterns

Across the Greater South East region non-EEA migrant workers have been recruited into over 210 different SOC code[5] areas. However, a much smaller number of occupations account for the vast majority of all migrant roles (circa 75%). Table 1 provides details of the top 20 occupations filled by migrant workers together with the total number recruited.

[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	19133	**11**	Medical practitioners e.g. doctors and surgeons	980
2	Nurses	2409	**12**	Technicians, IT operations	822
3	Care assistants and home carers	2203	**13**	Teacher, secondary education	775
4	Managers, information and communication technology	1848	**14**	Directors/chief executives of major organisations	665
5	Sports and fitness occupations n.e.c[6].	1723	**15**	Actors, entertainers	605
6	Musicians	1686	**16**	Consultants, actuaries, economists, statisticians	598
7	Managers, marketing and sales	1335	**17**	Researchers, scientific	584
8	Researchers n.e.c.	1276	**18**	Artists	536
9	Chefs, cooks	1238	**19**	Engineering professionals n.e.c.	483
10	IT strategy and planning professionals	1164	**20**	Technicians, IT user support	376

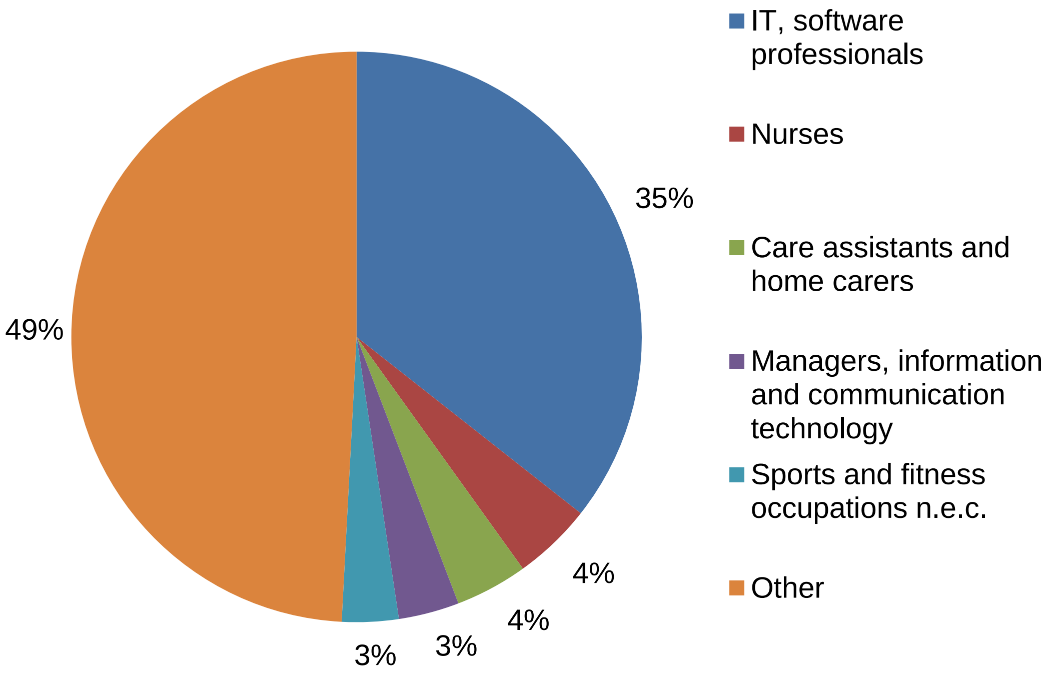
Source: Certificates of Sponsorship, United Kingdom Border Agency

As seen in the previous report, software professionals tops the list of occupations filled by migrant workers in the Greater South East region. In April 2011, this occupation accounted for 32% of all non-EEA labour employed. As of February 2012, this proportion has increased to 35% with 9,068 more migrant workers in this occupation.

A further 4% of migrant workers are employed as Nurses, 4% as care assistants and home carers, 3% as ICT managers and 3% in sports and fitness occupations. Chart 2 below demonstrates the proportion of non-EEA migrants in the top 5 most popular occupations.

[6] Not elsewhere classified

Chart 3: Top 5 Occupations Currents Filled by non-EEA Migrant Workers

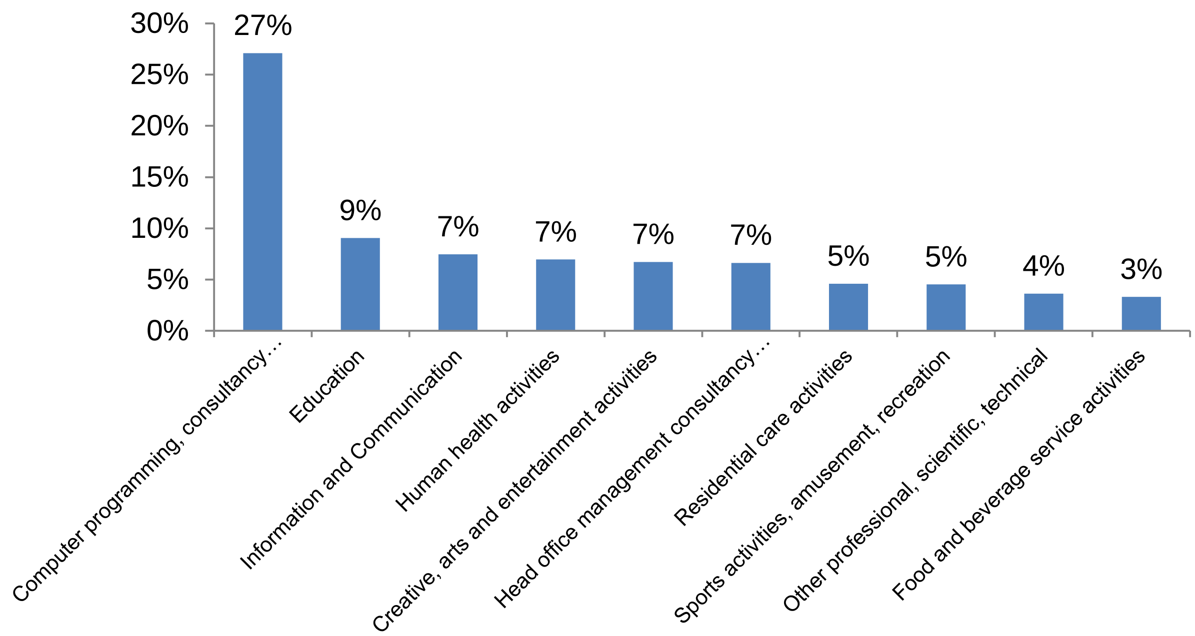


Source: Certificates of Sponsorship, United Kingdom Border Agency

Section 6 – Sectoral Patterns

While migrant workers have been employed by companies working in a wide range of industries operating in the region, just a handful account for most employees. Collectively, the 10 most common industries account for 80% of all non-EEA migrant workers employed in the region.

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 and consultancy 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 Education sector is the second largest employing industry (circa 4,820 workers). This industry code covers all levels of education from primary and nursery teaching through to university education. It also includes specialist teaching such as driving instruction and cultural education activities.

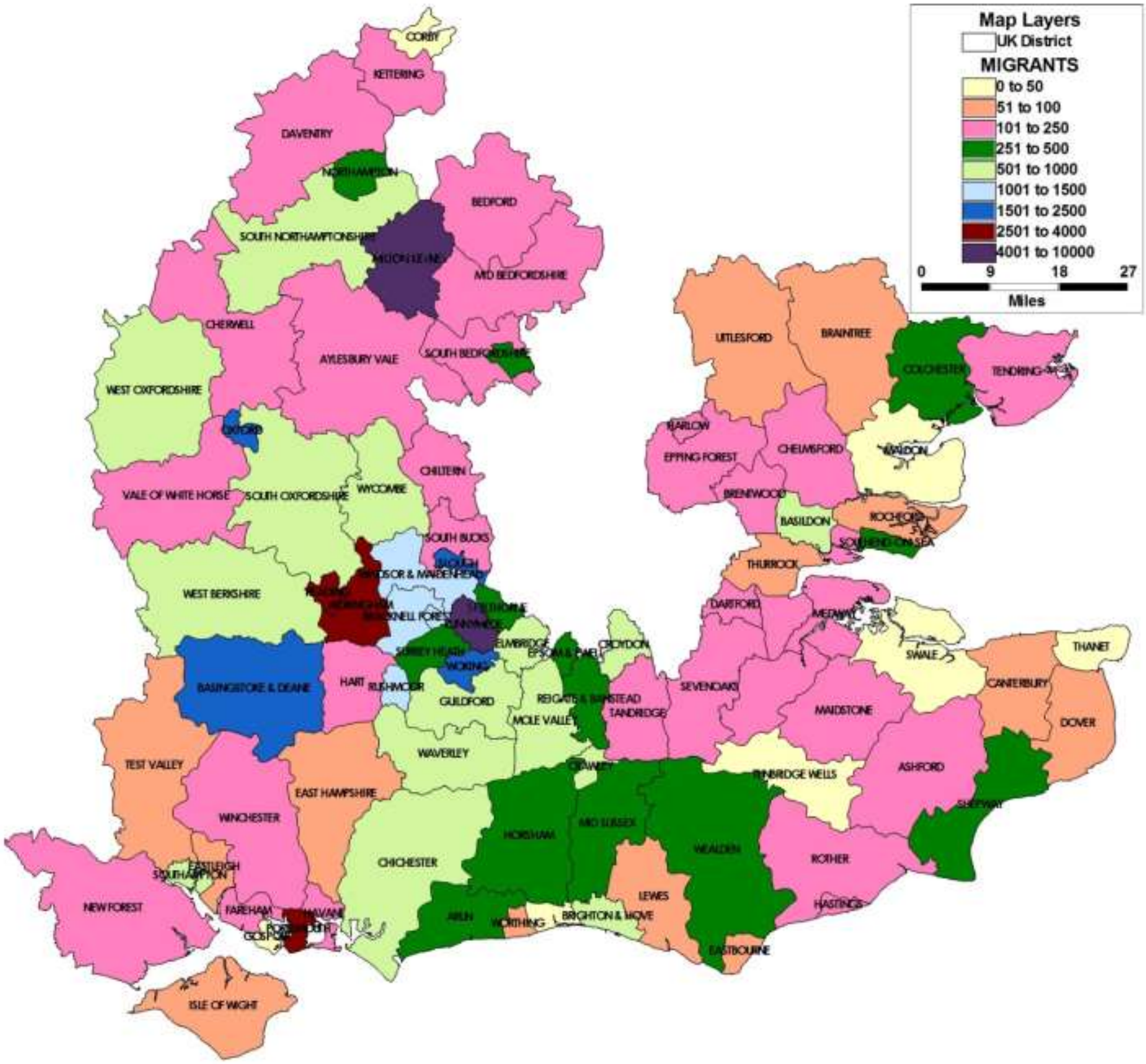
Section 7 – Geographic Patterns

Using the postcodes of all companies employing non-EEA migrant workers it has been possible to map the distribution of migrant workers across the Greater South East region. As can be seen from Map 1, all local authorities in the region had witnessed some degree of inward migration. Those with the greatest number of migrant workers were identified as: Milton Keynes (8,033), Runnymede (4,081), Portsmouth (3,881), Reading (2,777) and Wokingham (2,725). Corby (4), Maldon (7), Swale (23) and Adur (28) had the least number of migrant workers recruited between November 2008 and February 2012.

While issues to do with the allocation of companies by individual local authority areas make direct comparisons somewhat problematic, it would appear that since November 2010 Milton Keynes and Reading have seen the largest increases in the number of non-EEA migrants.

[7] Standard Industrial Classification Code

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



Source: Certificates of Sponsorship, United Kingdom Border Agency

Section 8 – Economic conclusions and issues for policy makers

This report has shown that the number of non-EEA migrants has increased by almost three-quarters over the last year with new non-EEA migrants accounting for approximately 0.3% of the region’s economic population in 2011-12.

The number of local companies that have employed non-EEA migrants has continued to rise over the last year with over 3,177 businesses having recruited at least one non-EEA migrant over the last four years despite the ratcheting-up of eligibility criteria over that period.

Data from the ONS has shown that over two-fifths of all inward migration to the region 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.

As identified in the previous report non-EEA workers are concentrated in a relatively small number of occupations and industries and are particularly important to the ICT; education, health care, creative arts and management industries. Many of these are industries identified as important to the region'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 Milton Keynes, Runnymede and Portsmouth.

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**
Adur	316	133	230	10	182	870
Arun	2933	917	729	1	702	5282
Ashford	1544	480	655	93	638	3410
Aylesbury Vale	1967	4179	1119	51	741	8058
Basildon	1467	204	719	36	558	2984
Basingstoke & Deane	2504	560	919	20	964	4969
Bedford	3980	1793	831	100	1255	7961
Bracknell Forest	1640	1833	923	12	769	5178
Braintree	1239	113	602	5	400	2358
Brentwood	646	44	531	1	300	1523
Brighton & Hove	7413	7792	2359	219	2993	20774
Canterbury	2150	6868	915	21	1453	11407
Castle Point	223	36	235	6	90	588
Central Bedfordshire	1660	4228	1345	20	724	7979
Chelmsford	1775	914	942	10	562	4202
Cherwell	3000	733	1022	12	851	5619
Chichester	2090	740	822	0	525	4177
Chiltern	848	182	800	18	389	2237
Colchester	2583	5952	1086	22	1383	11026
Corby	1624	522	116	50	483	2794
Crawley	3959	2087	567	172	1068	7853
Croydon	11730	3670	1375	1283	4322	22379
Dartford	1233	543	247	97	409	2529
Daventry	684	257	462	0	225	1627
Dover	1337	349	588	38	541	2852
East Hampshire	1022	451	1097	0	388	2959
Eastbourne	1468	571	605	73	637	3354
Eastleigh	677	381	657	9	302	2026
Elmbridge	2598	646	1427	22	1411	6104
Epping Forest	1082	244	632	46	442	2445
Epsom & Ewell	1174	419	483	13	466	2555
Fareham	469	322	633	0	201	1624
Gosport	395	38	311	9	184	937
Gravesham	2073	471	336	81	739	3701
Guildford	3882	8912	1466	3	1470	15731
Harlow	1638	136	290	34	437	2535
Hart	977	167	945	2	395	2486
Hastings	988	109	333	297	408	2135
Havant	421	77	477	5	168	1149
Horsham	1126	423	884	6	527	2965
Isle of Wight	1144	34	676	4	297	2156
Kettering	1074	501	317	4	350	2246
Lewes	772	149	619	3	291	1834
Luton	9903	9778	631	597	2931	23840
Maidstone	2988	1167	652	22	701	5531
Maldon	323	15	346	0	91	774
Medway	5175	2094	908	14	1343	9533
Mid Sussex	1517	389	1070	29	624	3628
Milton Keynes	6117	615	1328	292	2135	10487
Mole Valley	1092	264	803	6	416	2581
New Forest	1564	947	1161	4	398	4073
Northampton	8742	3549	978	258	1853	15381
Oxford	9566	12257	1967	169	4041	27999
Portsmouth	3602	4693	1074	899	1509	11777
Reading	7039	5791	1214	151	2953	17148

Reigate & Banstead	2175	421	992	15	668	4271
Rochford	220	22	288	4	82	616
Rother	442	74	571	5	391	1483
Runnymede	1857	3093	784	3	853	6590
Rushmoor	2365	250	505	63	902	4085
Sevenoaks	963	408	756	1	445	2572
Shepway	1370	114	591	17	579	2671
Slough	7758	987	525	454	2481	12204
South Bucks	793	165	717	6	456	2136
South Northamptonshire	356	101	563	2	174	1196
South Oxfordshire	2120	505	1096	4	638	4362
Southampton	8365	10525	1316	423	2549	23179
Southend-on-Sea	2899	349	745	136	922	5050
Spelthorne	1681	376	581	5	455	3097
Surrey Heath	1474	208	862	7	547	3098
Swale	2319	304	371	20	350	3364
Tandridge	812	134	578	4	319	1848
Tendring	939	139	615	12	231	1936
Test Valley	1102	859	832	7	389	3190
Thanet	2004	428	503	45	724	3703
Thurrock	3269	274	445	142	786	4915
Tonbridge & Malling	1231	243	763	0	375	2611
Tunbridge Wells	1759	414	960	10	643	3786
Uttlesford	875	32	575	0	296	1778
Vale of White Horse	1798	548	1249	15	801	4411
Waverley	1517	682	1661	10	657	4526
Wealden	843	249	926	8	558	2584
West Berkshire	1859	1003	1102	3	753	4721
West Oxfordshire	1407	101	698	4	396	2607
Winchester	1110	836	1101	2	474	3523
Windsor & Maidenhead	2624	614	1798	23	1365	6423
Woking	2813	1206	1057	57	919	6053
Wokingham	1704	1836	1475	19	960	5995
Worthing	1076	176	635	6	474	2368
Wycombe	2623	794	1323	44	967	5752

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**
Adur	36%	15%	26%	1%	21%
Arun	56%	17%	14%	0%	13%
Ashford	45%	14%	19%	3%	19%
Aylesbury Vale	24%	52%	14%	1%	9%
Basildon	49%	7%	24%	1%	19%
Basingstoke & Deane	50%	11%	19%	0%	19%
Bedford	50%	23%	10%	1%	16%
Bracknell Forest	32%	35%	18%	0%	15%
Braintree	53%	5%	26%	0%	17%
Brentwood	42%	3%	35%	0%	20%
Brighton & Hove	36%	38%	11%	1%	14%
Canterbury	19%	60%	8%	0%	13%
Castle Point	38%	6%	40%	1%	15%
Central Bedfordshire	21%	53%	17%	0%	9%
Chelmsford	42%	22%	22%	0%	13%
Cherwell	53%	13%	18%	0%	15%
Chichester	50%	18%	20%	0%	13%
Chiltern	38%	8%	36%	1%	17%
Colchester	23%	54%	10%	0%	13%
Corby	58%	19%	4%	2%	17%
Crawley	50%	27%	7%	2%	14%
Croydon	52%	16%	6%	6%	19%
Dartford	49%	21%	10%	4%	16%
Daventry	42%	16%	28%	0%	14%
Dover	47%	12%	21%	1%	19%
East Hampshire	35%	15%	37%	0%	13%
Eastbourne	44%	17%	18%	2%	19%
Eastleigh	33%	19%	32%	0%	15%
Elmbridge	43%	11%	23%	0%	23%
Epping Forest	44%	10%	26%	2%	18%
Epsom & Ewell	46%	16%	19%	1%	18%
Fareham	29%	20%	39%	0%	12%
Gosport	42%	4%	33%	1%	20%
Gravesham	56%	13%	9%	2%	20%
Guildford	25%	57%	9%	0%	9%
Harlow	65%	5%	11%	1%	17%
Hart	39%	7%	38%	0%	16%
Hastings	46%	5%	16%	14%	19%
Havant	37%	7%	42%	0%	15%
Horsham	38%	14%	30%	0%	18%
Isle of Wight	53%	2%	31%	0%	14%
Kettering	48%	22%	14%	0%	16%
Lewes	42%	8%	34%	0%	16%
Luton	42%	41%	3%	3%	12%
Maidstone	54%	21%	12%	0%	13%
Maldon	42%	2%	45%	0%	12%
Medway	54%	22%	10%	0%	14%
Mid Sussex	42%	11%	29%	1%	17%
Milton Keynes	58%	6%	13%	3%	20%
Mole Valley	42%	10%	31%	0%	16%
New Forest	38%	23%	28%	0%	10%
Northampton	57%	23%	6%	2%	12%
Oxford	34%	44%	7%	1%	14%
Portsmouth	31%	40%	9%	8%	13%
Reading	41%	34%	7%	1%	17%

Reigate & Banstead	51%	10%	23%	0%	16%
Rochford	36%	4%	47%	1%	13%
Rother	30%	5%	39%	0%	26%
Runnymede	28%	47%	12%	0%	13%
Rushmoor	58%	6%	12%	2%	22%
Sevenoaks	37%	16%	29%	0%	17%
Shepway	51%	4%	22%	1%	22%
Slough	64%	8%	4%	4%	20%
South Bucks	37%	8%	34%	0%	21%
South Northamptonshire	30%	8%	47%	0%	15%
South Oxfordshire	49%	12%	25%	0%	15%
Southampton	36%	45%	6%	2%	11%
Southend-on-Sea	57%	7%	15%	3%	18%
Spelthorne	54%	12%	19%	0%	15%
Surrey Heath	48%	7%	28%	0%	18%
Swale	69%	9%	11%	1%	10%
Tandridge	44%	7%	31%	0%	17%
Tendring	49%	7%	32%	1%	12%
Test Valley	35%	27%	26%	0%	12%
Thanet	54%	12%	14%	1%	20%
Thurrock	67%	6%	9%	3%	16%
Tonbridge & Malling	47%	9%	29%	0%	14%
Tunbridge Wells	46%	11%	25%	0%	17%
Uttlesford	49%	2%	32%	0%	17%
Vale of White Horse	41%	12%	28%	0%	18%
Waverley	34%	15%	37%	0%	15%
Wealden	33%	10%	36%	0%	22%
West Berkshire	39%	21%	23%	0%	16%
West Oxfordshire	54%	4%	27%	0%	15%
Winchester	32%	24%	31%	0%	13%
Windsor & Maidenhead	41%	10%	28%	0%	21%
Woking	46%	20%	17%	1%	15%
Wokingham	28%	31%	25%	0%	16%
Worthing	45%	7%	27%	0%	20%
Wycombe	46%	14%	23%	1%	17%

Source: indicative Migration Estimates, ONS