

Migrant Labour in the Oxfordshire 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-EEA¹ 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 Committee² 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.

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 Oxfordshire LEP area has a working age population of around 425,000 and an economic activity rate of 81.1%, which is five percentage points higher than the England average. ILO³ unemployment is approximately 4% which was the lowest of any LEP area in the greater South East and 3.9% below the national average.

The latest data available suggests that the area has a GVA⁴ of approximately £18bn per year and is globally competitive in sectors such as high performance engineering, biotechnology and medical instruments. The area has a business base of around 26,000 VAT registered enterprises.

The area benefits from a more highly qualified workforce than either the UK or England averages, with approximately 60.8% qualified to at least Level 3 and 40.3% qualified to NVQ Level 4 and above. This compares with a UK average of 31% of the workforce qualified to degree level. Despite this, an estimated 8.7% of the Oxfordshire City Region population lack any qualifications at all.

LEP key priorities have been identified as: supporting innovation and growth through access to finance; infrastructure investment; addressing skills deficiencies; and tackling specific barriers to growth. In the future the area is looking to particularly focus on the following sectors: low carbon/green technology; advanced materials & engineering and other high tech areas where it is a world leader, such as healthcare and cryogenics.

Section 4 – Migrant Worker Volumes

Between November 2008 and February 2012 approximately 3,416 non-EEA migrant workers were employed in the Oxfordshire LEP area. This represents an annual average of 1,025 migrants and equates to 0.3% of the economically active population in the area. This is the same as the average across the greater South East region⁵ which also stood at 0.3%.

Since the previous analysis in April 2011, 994 more non-EEA migrant workers have been employed in the Oxfordshire LEP area (2,422 to 3,416). This is a 41% increase in approximately 14 months.

In total 233 companies operating in the Oxfordshire LEP area had recruited at least one person, with the number of migrant workers for an individual firm ranging from just 1 to 1,096. The total number of companies using non-EEA migrants has increased by 32 from 201 to 233.

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

³ International Labour Organization

⁴ Gross Value Added

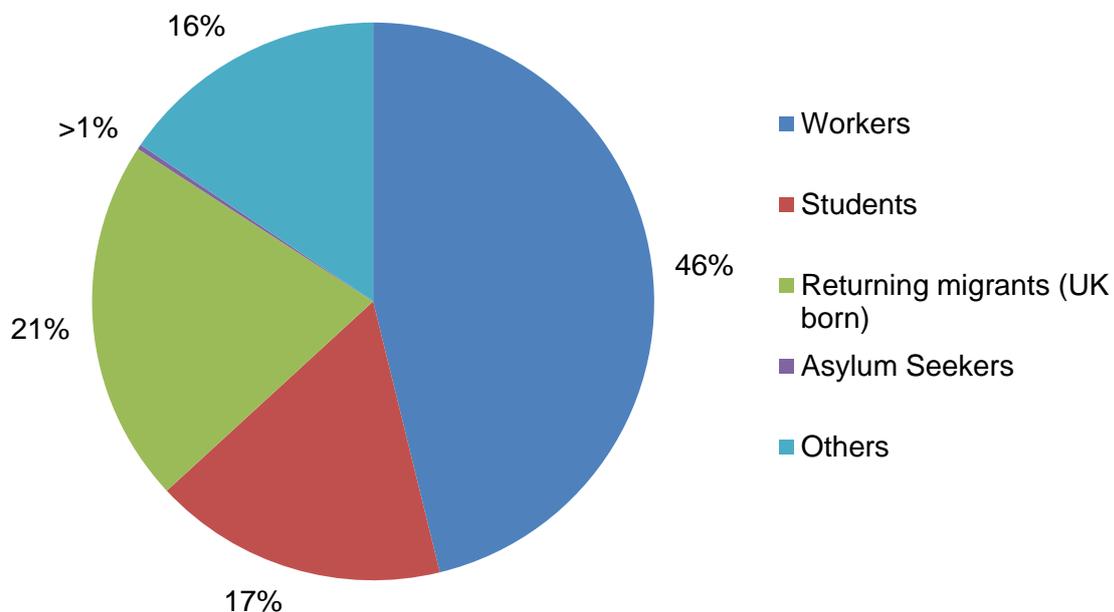
⁵ The greater South East relates to the former South East statistical region plus those local authorities which belong to LEPs covering some part of the former South East

(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 Oxfordshire LEP area. Using this source an estimated 44,998 migrants of all ages entered the Oxfordshire LEP area between mid-2006 and mid-2010. This equates to an annual average of 11,250 migrants of all ages entering the Oxfordshire LEP area every year.

As can be seen by Chart 1, only 46% of the 11,250 estimated annual migrants come to work in the Oxfordshire LEP area, with large proportions also studying or returning to the UK from periods abroad. The overall composition of the migrant population in the Oxfordshire LEP is similar to that of the greater South East region as a whole.

Chart 1: Estimated Composition of Migrants Entering the Oxfordshire LEP Area (% of all migrants)



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

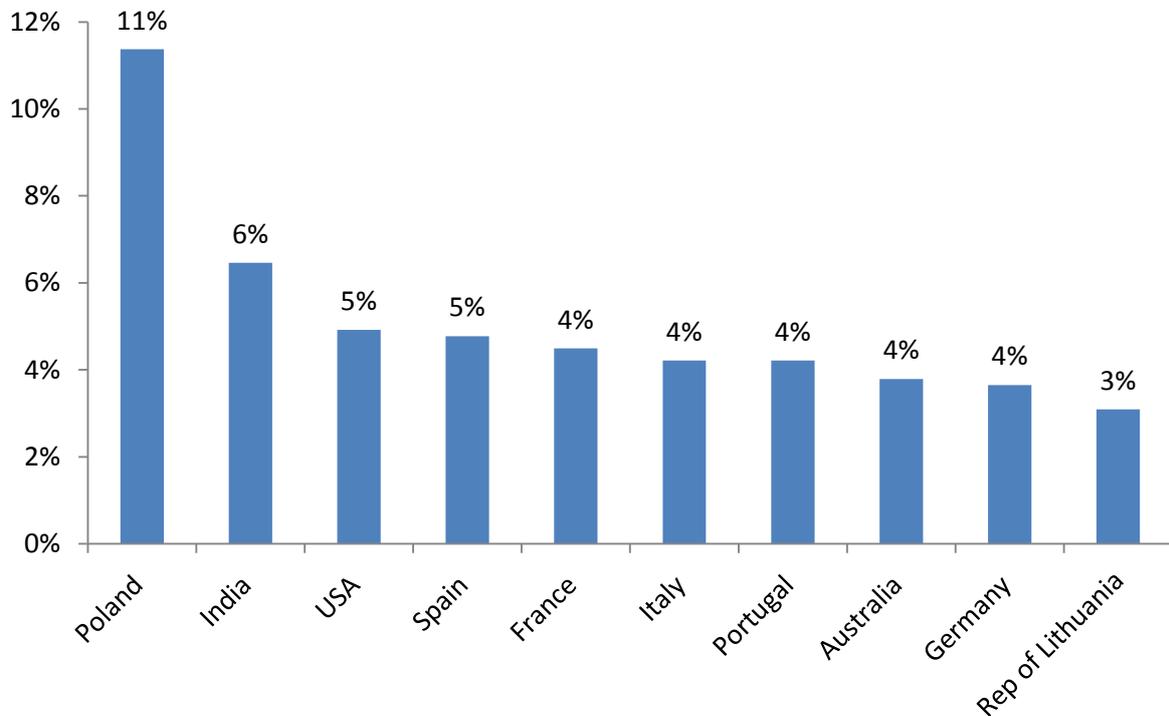
A number of local authorities within the Oxfordshire LEP area had significant differences in their migrant composition to that shown in Chart 1. In West Oxfordshire, for example, over half (54%) of all migrants entered the borough as workers as compared with the LEP area average of 46%. Correspondingly just 4% of West Oxfordshire migrants were identified as students.

Whilst overall 17% of all migrants in the LEP area were students, in Oxford the proportions were significantly higher at 44%. The proportion of migrants returning to the UK after periods overseas also ranged significantly from a low of 7% in Oxford to a high of 28% in Vale of White Horse.

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 Oxfordshire came from Poland (11%) followed by India (6%) and USA (5%). 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 Oxfordshire LEP area (2010)



Source: NINo registrations 2010, DWP

Section 5 – Occupational Patterns

Across the Oxfordshire LEP area non-EEA migrant workers have been recruited into around 140 different SOC code⁶ 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.

⁶ Standard Occupational Classification Codes

Table 1: Occupations filled by non-EEA migrant workers

Rank	Occupation	No. of Migrants	Rank	Occupation	No. of Migrants
1	Researchers n.e.c. ⁷ .	1017	11	Medical practitioners e.g. doctors and surgeons	66
2	Care assistants and home carers	289	12	Business associate professionals n.e.c.	53
3	Nurses	273	13	Marketing associate professionals	49
4	Finance and investment analysts/advisers	147	14	Managers, Restaurant and catering	39
5	Musicians	106	15	Engineers, civil	38
6	IT, software professionals	100	16	Technicians, laboratory	35
7	Sports and fitness occupations n.e.c.	98	17	Educational assistants (teaching assistants)	35
8	Chefs, cooks	97	18	Managers, marketing and sales	32
9	Teacher/lecturer in higher education	81	19	Consultants, actuaries, economists, statisticians	31
10	Researchers, scientific	74	20	Directors/chief executives of major organisations	25

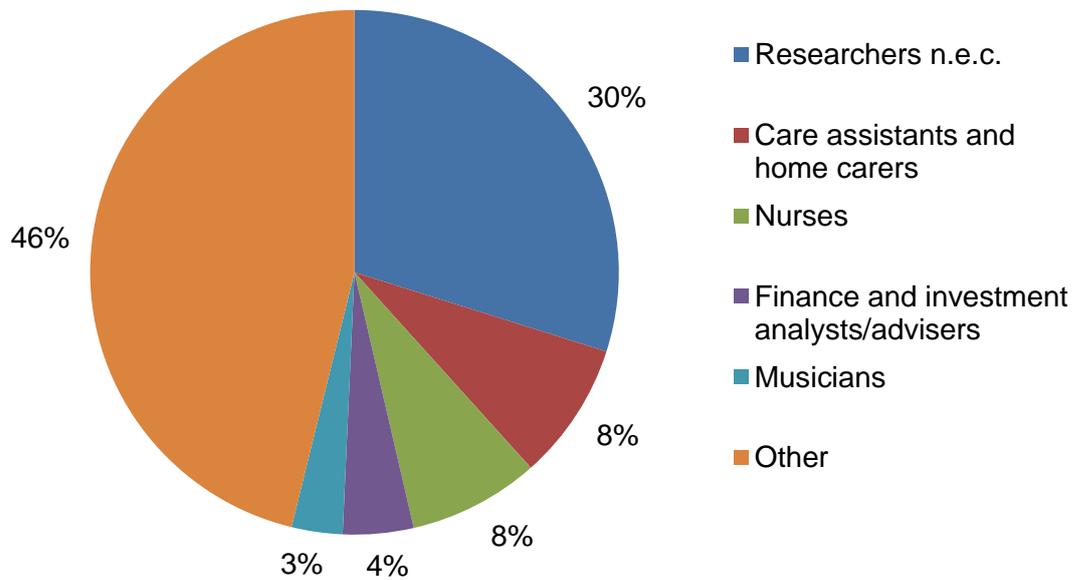
Source: Certificates of Sponsorship, United Kingdom Border Agency

As seen in the previous report, researchers n.e.c. tops the list of occupations filled by migrant workers in the Oxfordshire LEP area. In April 2011, this occupation accounted for 26% of all non-EEA labour employed. As of February 2012, this proportion has increased to 30% with almost 400 more migrant workers in this occupation.

A further 8% of migrant workers are employed as care assistants and home carers, 8% as nurses, 4% as finance and investment analysts/advisors and 3% as musicians. Chart 2 below demonstrates the proportion of non-EEA migrants in the top 5 most popular occupations.

⁷ Not elsewhere classified

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

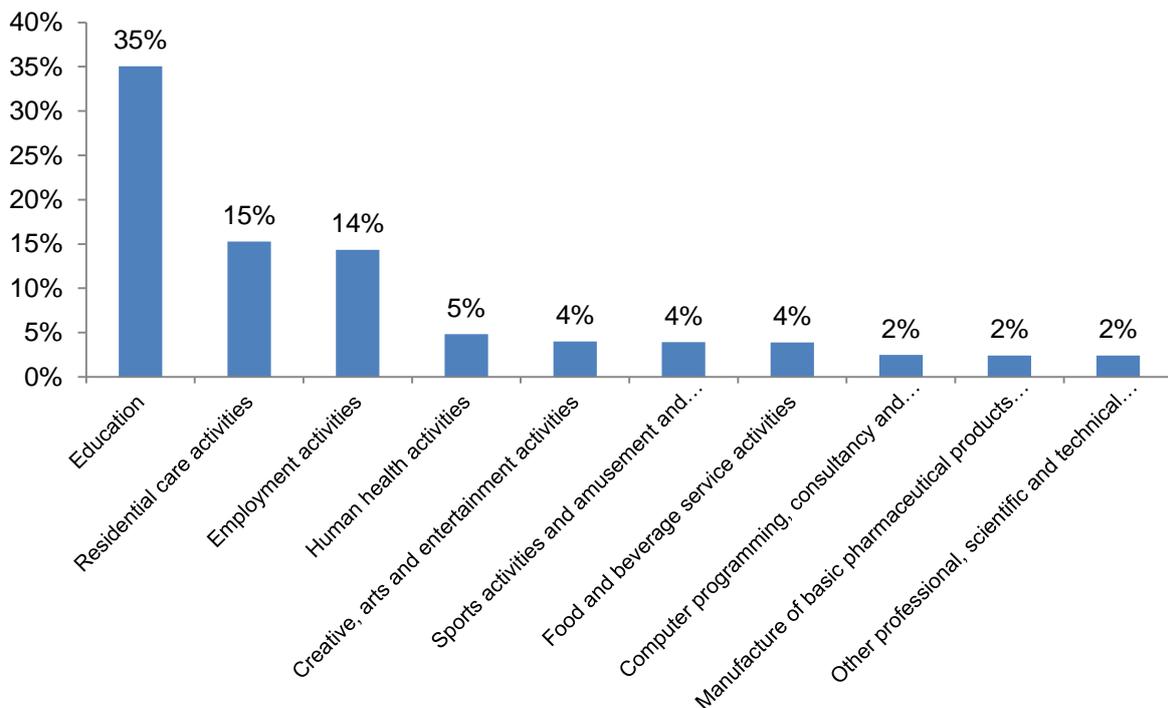


Source: Certificates of Sponsorship, United Kingdom Border Agency

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 89% 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 education sector (SIC code⁸ 85). This covers a number of types of education, from primary through to university levels, and covering wider areas such as driving instruction and cultural studies.

The residential care activities industry is the second largest employing industry (circa 522 workers – a decrease of 201 migrants from April 2011). The industry encompasses nursing care activities, as well as activities concerned with those with mental health conditions, the elderly and the disabled.

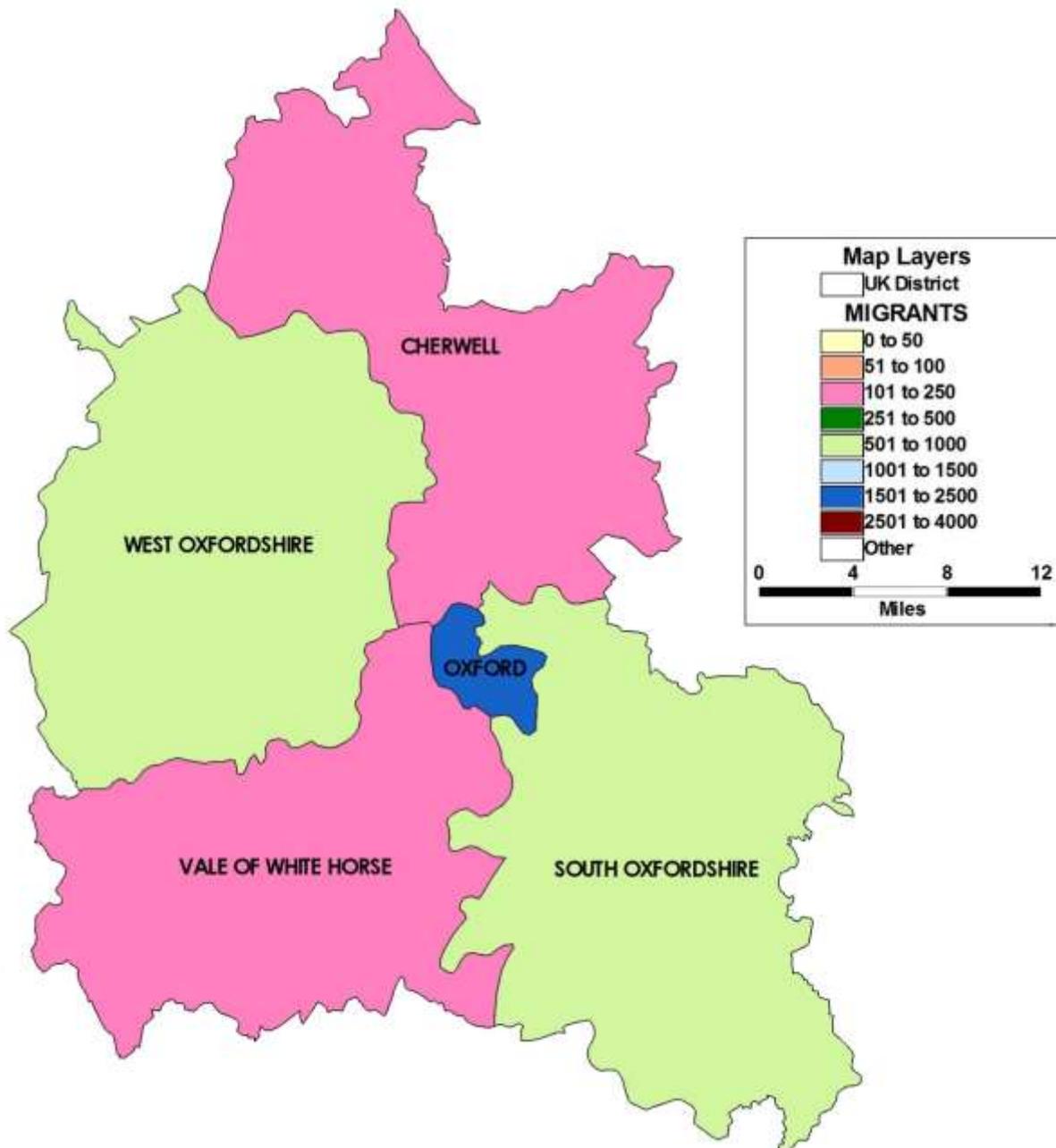
Section 7 – Geographic Patterns

Using the postcodes of all companies employing non-EEA migrant workers it has been possible to map the distribution of migrant workers across the Oxfordshire 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: Oxford (1,663), South Oxfordshire (767), West Oxfordshire (567). Vale of White Horse (204) 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 Oxford and South Oxfordshire have seen the largest increases in the number of non-EEA migrants.

⁸ Standard Industrial Classification Code

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



Source: Certificates of Sponsorship, United Kingdom Border Agency

Section 8 – Economic conclusions and issues for policy makers

This report has shown that the rate of increase in non-EEA migrants has remained fairly stable over the last year with new non-EEA migrants accounting for approximately 0.3% of the LEP area’s economic population in 2011-12. This is the same as the 0.3% average found across the greater South East region.

The number of local companies that have employed non-EEA migrants has continued to rise over the last year with over 230 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 just over two-fifths of all inward migration to the LEP area is related to work with an in-flow of students and UK national 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 education; health care; employment and media/creative 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 Oxford and South Oxfordshire.

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
Cherwell	1407	101	698	4	396	2607
South Oxfordshire	3000	733	1022	12	851	5619
Vale of White Horse	2120	505	1096	4	638	4362
West Oxfordshire	1407	101	698	4	396	2607
Oxford	1798	548	1249	15	801	4411

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
Cherwell	54%	4%	27%	0%	15%
South Oxfordshire	53%	13%	18%	0%	15%
Vale of White Horse	49%	12%	25%	0%	15%
West Oxfordshire	54%	4%	27%	0%	15%
Oxford	41%	12%	28%	0%	18%

Source: indicative Migration Estimates, ONS