Migrant Labour in the South East 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.

[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 South East LEP area is home to a population of around 3.9m people of which approximately 2.5m people are of working age. Of those that are of working age, there is a 78.0% economic activity rate across the area, 1.9% higher than the national average. Also, the unemployment rate is 7.6%, which is 0.3% below the national average.

Almost two-thirds (65.6%) of the population of the South East LEP area are qualified up to NVQ2 and above, 46% of the population are qualified to NVQ3 and above, and 26.2% of the population of the area are qualified to NVQ4 and above. Overall, the LEP area is slightly less qualified than the UK population with, for example, the proportion of people in the South East LEP area qualified to NVQ4 and above being 5.1% lower than the national average.

The LEP area has a business base of approximately 156,000 companies, and an annual GVA[3] equivalent to 6% of England GVA. The South East LEP area benefits from strong economic resilience in manufacturing, environmental technologies, agriculture, tourism and creative industry sectors. The rural economies of East Sussex, Essex and Kent are the largest compared to other LEPs in the UK and are worth over £10 billion a year.

The South East LEP economic strategy expects the regeneration of the Thames Gateway to be completed in the near future. This will be a beacon for smaller and more deprived areas to make significant progress towards becoming thriving communities. As a national priority, the Thames Gateway will be a key provider of economic growth. Other areas of strategic growth include investment in coastal communities and the rural economy.

Section 4 – Migrant Worker Volumes

Between November 2008 and February 2012 approximately 5,063 non-EEA migrant workers were employed in the South East LEP area. This represents an annual average of 1,519 migrants and equates to 0.1% of the economically active population in the area. This is lower than the average across the greater South East region[4] which stood at 0.3%.

Since the previous analysis, 1,003 more non-EEA migrant workers have been employed in the South East LEP area (4,060 to 5,063). This is a 25% increase in approximately 14 months and represents the smallest percentage increase in any LEP area across the greater South East region.

In total 715 companies operating in the South East LEP area had recruited at least one person, with the number of migrant workers for an individual firm ranging from just 1 to 401. The total number of companies using non-EEA migrants has increased by 147 from 568 to 715 since November 2010.

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] Gross Value Added

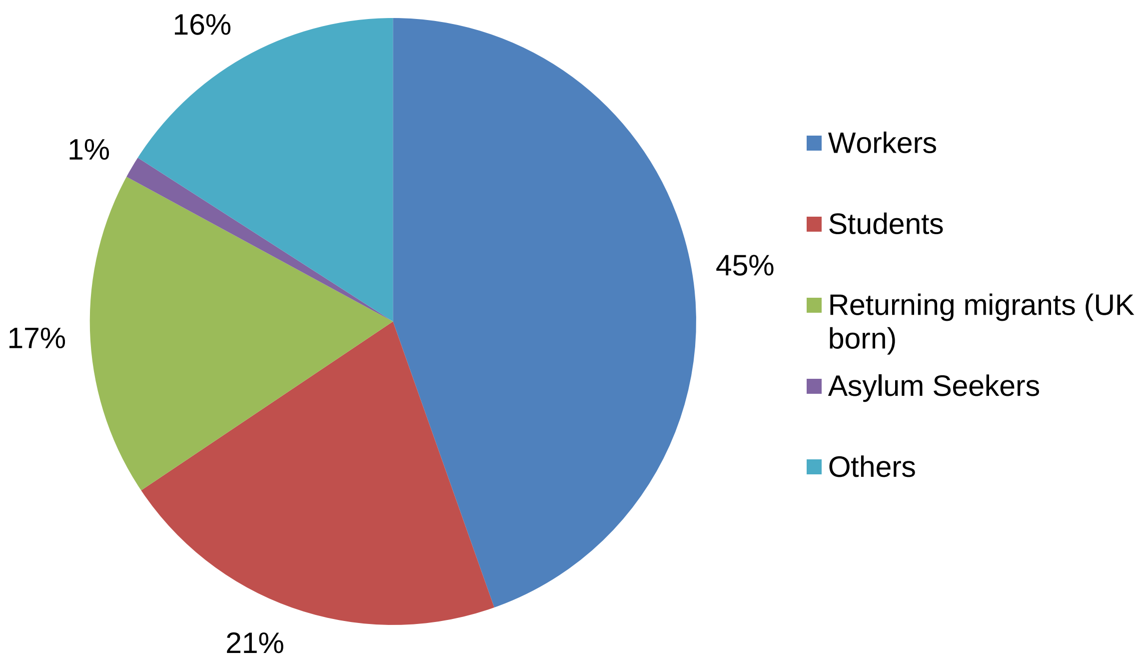
[4] The greater South East relates to the former South East statistical region plus those local authorities which belong to LEPs covering some part of the former South East

(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 South East LEP area. Using this source an estimated 111,790 migrants of all ages entered the South East LEP area between mid-2006 and mid-2010. This equates to an annual average of 27,948 migrants of all ages entering the South East LEP area every year.

As can be seen by Chart 1, only 45% of the 27,948 estimated annual migrants come to work in the South East LEP area, with large proportions also studying or returning to the UK from periods abroad. The overall composition of the migrant population in the South East LEP is similar to that of the greater South East region as a whole.

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



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

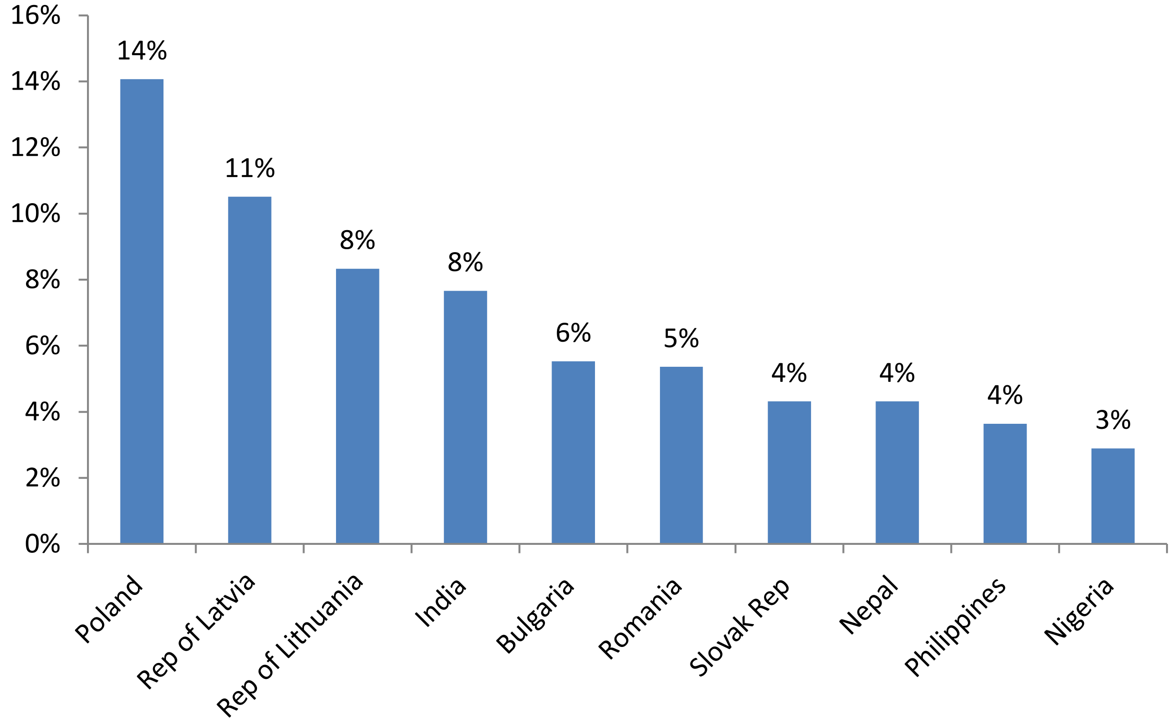
A number of local authorities within the South East LEP area had significant differences in their migrant composition to that shown in Chart 1. In Swale, for example, 69% of all migrants entered the borough as workers as compared with the LEP area average of 45%. Correspondingly just 9% of Swale migrants were identified as students.

Whilst overall 21% of all migrants in the LEP area were students, in Canterbury and Colchester the proportions were significantly higher at 60% and 54% respectively. The proportion of migrants returning to the UK after periods overseas also ranged significantly from a low of 8% in Canterbury to a high of 47% in Rochford.

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 South East came from Poland (14%) followed by Latvia (11%) and Lithuania (8%). This data does, however, demonstrate the importance of non-EEA labour to the area's labour market with people from India, Nepal and Nigeria also amongst the top 10 nations.

Chart 2: Top 10 countries of NINO registrants in South East LEP area (2010)



Source: NINo registrations 2010, DWP

Section 5 – Occupational Patterns

Across the South East LEP area non-EEA migrant workers have been recruited into around 150 different SOC code[5] areas. However, a much smaller number of occupations account for the vast majority of all migrant roles (circa 81%). 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

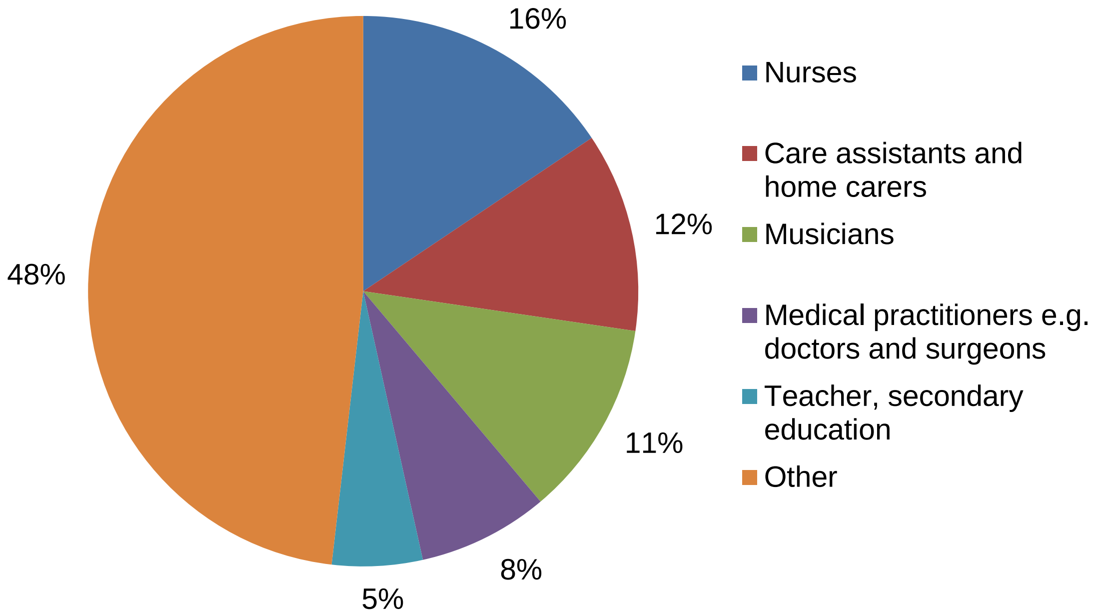
Rank	Occupation	No. of Migrants	Rank	Occupation	No. of Migrants
1	Nurses	787	**11**	Teacher/lecturer in higher education	97
2	Care assistants and home carers	591	**12**	Sports players	78
3	Musicians	582	**13**	Managers, marketing and sales	66
4	Medical practitioners e.g. doctors and surgeons	387	**14**	Managers, residential and day care managers	65
5	Teacher, secondary education	268	**15**	Educational assistants (teaching assistants)	56
6	Chefs, cooks	255	**16**	Directors/chief executives of major organisations	55
7	IT, software professionals	212	**17**	Sports coaches, instructors and officials	51
8	Clergy	179	**18**	Engineers, design and development	49
9	Artists	128	**19**	Teacher, primary and nursery education	46
10	Social workers	125	**20**	Researchers, scientific	42

Source: Certificates of Sponsorship, United Kingdom Border Agency

As seen in the previous report, nurses top the list of occupations filled by migrant workers in the South East LEP area. In April 2011, this occupation accounted for 20% of all non-EEA labour employed. As of February 2012, this proportion has decreased to 16%.

A further 12% of migrant workers are employed as care assistants and home carers, 11% as musicians, 8% as medical practitioners and 5% as secondary education teachers. Chart 2 below demonstrates the proportion of non-EEA migrants in the top 5 most popular occupations.

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

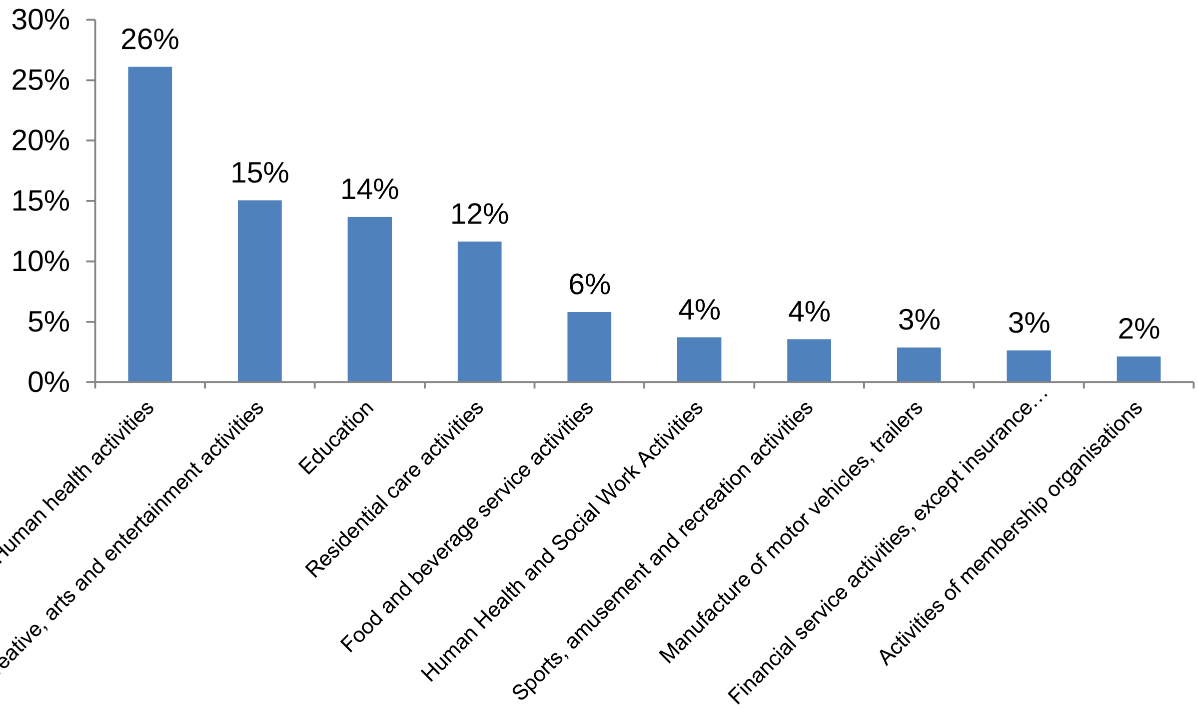


Source: Certificates of Sponsorship, United Kingdom Border Agency

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 87% 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 human health activities sector (SIC code[6] 86). Human Health Activities refers to a range of nursing and medical work located in hospitals, clinics or nursing homes.

The creative arts and entertainment industry is the second largest employing industry (circa 762 workers – an increase of 298 migrants from April 2011). The industry encompasses performing arts and its support activities as well as the operation of arts facilities.

Both the education and residential care activities sectors also account for more than 10% of all non-EEA migrant workers operating within the LEP area.

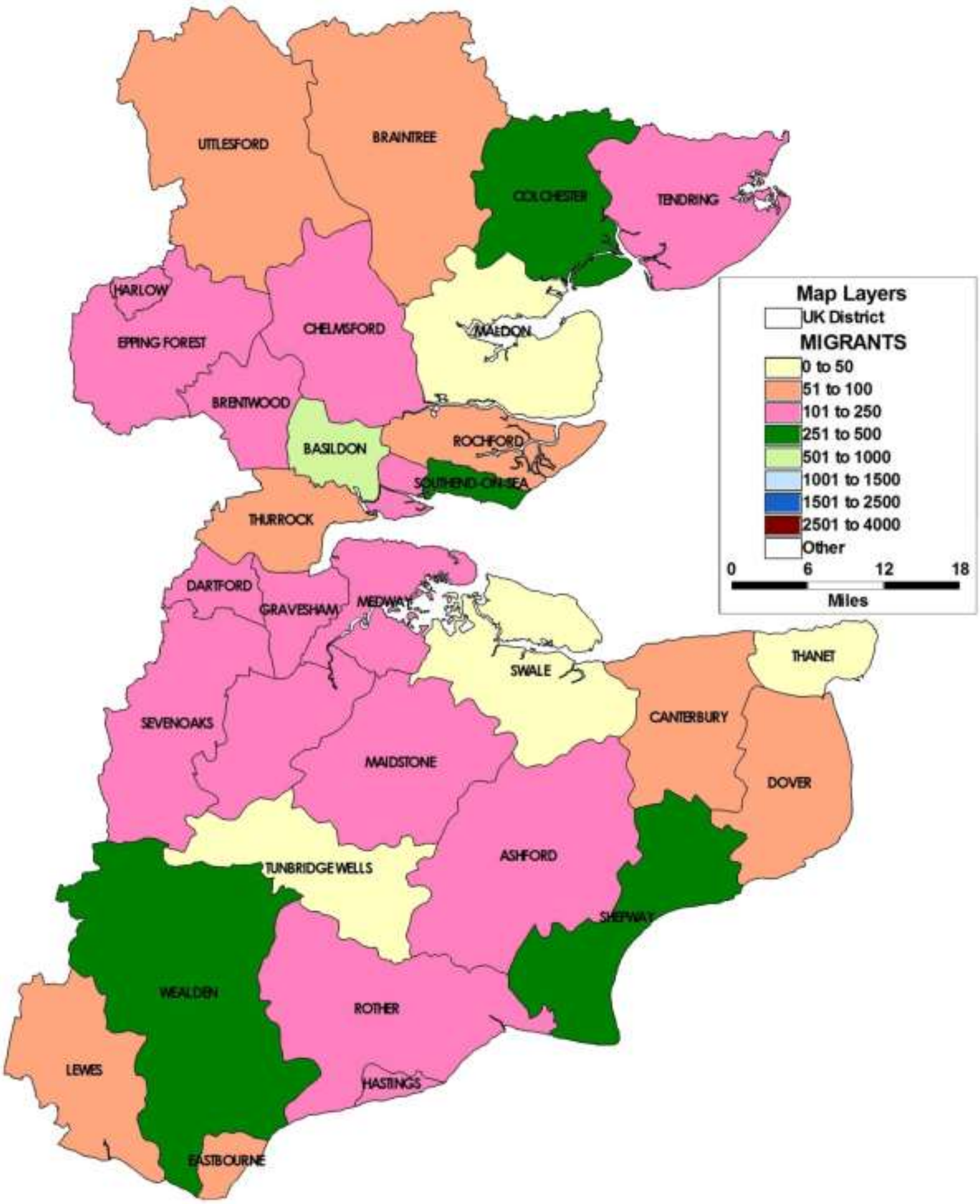
Section 7 – Geographic Patterns

Using the postcodes of all companies employing non-EEA migrant workers it has been possible to map the distribution of migrant workers across the South East 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: Basildon (533), Shepway (471), Colchester (405), Wealden (326) and Southend-on-sea (254). Maldon (7) and Swale (23) 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 the local authority areas of Shepway and Wealden have seen the largest increases in the number of non-EEA migrants.

[6] 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 dipped slightly over the last year with new non-EEA migrants accounting for approximately 0.1% of the LEP area's economic population in 2011-12. This is lower than 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 with over 715 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 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 one non-EEA nation 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 health; creative arts; and education 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 Basildon and Shepway.

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**
Canterbury	2150	6868	915	21	1453	11407
Colchester	2583	5952	1086	22	1383	11026
Medway	5175	2094	908	14	1343	9533
Chelmsford	1775	914	942	10	562	4202
Maidstone	2988	1167	652	22	701	5531
Dartford	1233	543	247	97	409	2529
Eastbourne	1468	571	605	73	637	3354
Sevenoaks	963	408	756	1	445	2572
Ashford	1544	480	655	93	638	3410
Gravesham	2073	471	336	81	739	3701
Thanet	2004	428	503	45	724	3703
Dover	1337	349	588	38	541	2852
Tunbridge Wells	1759	414	960	10	643	3786
Epping Forest	1082	244	632	46	442	2445
Wealden	843	249	926	8	558	2584
Swale	2319	304	371	20	350	3364
Tonbridge & Malling	1231	243	763	0	375	2611
Lewes	772	149	619	3	291	1834
Southend-on-Sea	2899	349	745	136	922	5050
Basildon	1467	204	719	36	558	2984
Tendring	939	139	615	12	231	1936
Thurrock	3269	274	445	142	786	4915
Castle Point	223	36	235	6	90	588
Harlow	1638	136	290	34	437	2535
Braintree	1239	113	602	5	400	2358
Hastings	988	109	333	297	408	2135
Rother	442	74	571	5	391	1483
Shepway	1370	114	591	17	579	2671
Rochford	220	22	288	4	82	616
Brentwood	646	44	531	1	300	1523
Uttlesford	875	32	575	0	296	1778
Maldon	323	15	346	0	91	774

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**
Canterbury	19%	60%	8%	0%	13%
Colchester	23%	54%	10%	0%	13%
Medway	54%	22%	10%	0%	14%
Chelmsford	42%	22%	22%	0%	13%
Maidstone	54%	21%	12%	0%	13%
Dartford	49%	21%	10%	4%	16%
Eastbourne	44%	17%	18%	2%	19%
Sevenoaks	37%	16%	29%	0%	17%
Ashford	45%	14%	19%	3%	19%
Gravesham	56%	13%	9%	2%	20%
Thanet	54%	12%	14%	1%	20%
Dover	47%	12%	21%	1%	19%
Tunbridge Wells	46%	11%	25%	0%	17%
Epping Forest	44%	10%	26%	2%	18%
Wealden	33%	10%	36%	0%	22%
Swale	69%	9%	11%	1%	10%
Tonbridge & Malling	47%	9%	29%	0%	14%
Lewes	42%	8%	34%	0%	16%
Southend-on-Sea	57%	7%	15%	3%	18%
Basildon	49%	7%	24%	1%	19%
Tendring	49%	7%	32%	1%	12%
Thurrock	67%	6%	9%	3%	16%
Castle Point	38%	6%	40%	1%	15%
Harlow	65%	5%	11%	1%	17%
Braintree	53%	5%	26%	0%	17%
Hastings	46%	5%	16%	14%	19%
Rother	30%	5%	39%	0%	26%
Shepway	51%	4%	22%	1%	22%
Rochford	36%	4%	47%	1%	13%
Brentwood	42%	3%	35%	0%	20%
Uttlesford	49%	2%	32%	0%	17%
Maldon	42%	2%	45%	0%	12%

Source: indicative Migration Estimates, ONS