

Migrant Labour in the Thames Valley Berkshire 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.

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 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 Thames Valley Berkshire area has a working age population of approximately 576,000 and an economic activity rate of 79.7%. The area has the most knowledge intensive business base outside of the City of London, which is largely built upon its strengths in the ICT, financial services, energy, defence and pharmaceutical & life sciences sectors. The ICT sector is particularly important within the area, employing three times the number of people in that sector in comparison with the UK average. The Thames Valley Berkshire LEP area is home to 42,000 businesses.

The area has a relatively well qualified workforce with approximately 56% qualified to Level 3 and over one-third (37.6%) qualified to NVQ Level 4 and above. This compares with a UK average of 31% of the workforce qualified to degree level.

The Thames Valley Berkshire area had a GVA³ of £22bn in 2010 and had the highest GVA per working resident in the UK outside of London. While the area is forecast to see employment growth of up to 70,000 by 2015 it faces three key challenges to sustained economic growth, which were recently identified by the LEP as: the transport infrastructure and congestion; problems with basic skills of residents, particularly amongst the young; and the adequacy and affordability of housing.

Section 4 – Migrant Worker Volumes

Between November 2008 and February 2012 approximately 10,437 non-EEA migrant workers were employed in the Thames Valley Berkshire LEP area. This represents an annual average of 3,131 migrants and equates to 0.7% of the economically active population in the area. This is substantially higher than the average across the greater South East⁴ which stood at 0.3%.

Since the previous analysis in April 2011, 2,957 more non-EEA migrant workers have been employed in the Thames Valley Berkshire LEP area (7,480 to 10,437). This is a 40% increase in approximately 14 months.

In total 537 companies operating in the Thames Valley Berkshire LEP area had recruited at least one person, with the number of migrant workers for an individual firm ranging from just 1 to 1,246. The total number of companies using non-EEA migrants has increased by 121 from 416 to 537.

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.

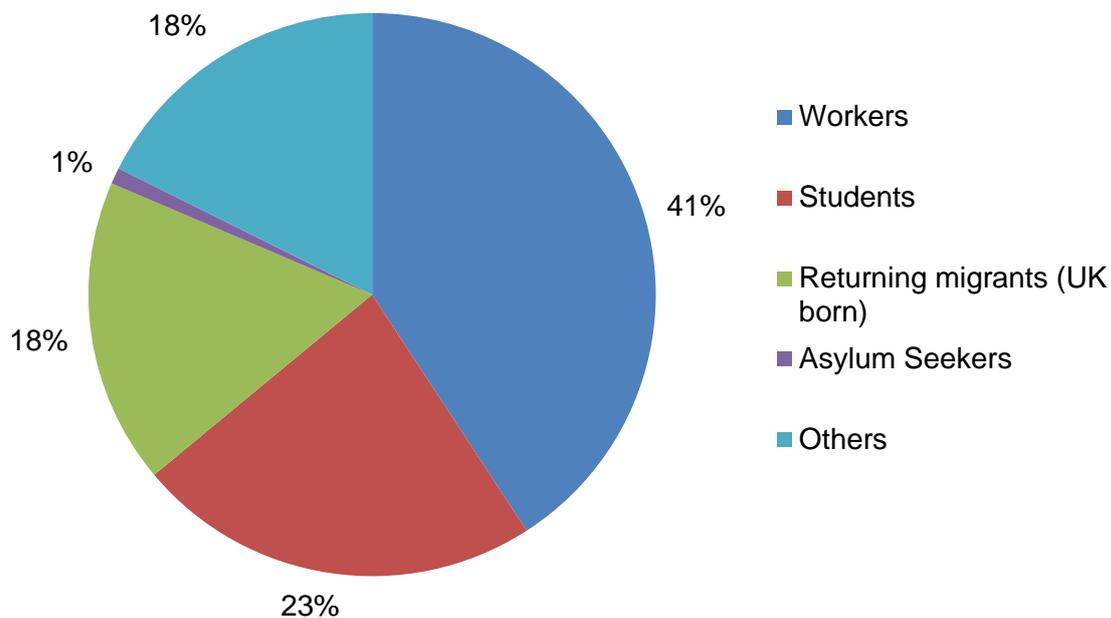
Data constructed by the Office of National Statistics using administrative sources, such as registrations for National Insurance Numbers, higher education student enrolments and

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

registrations at GP surgeries provides perhaps the most comprehensive estimate of the total inward migration to the Thames Valley Berkshire LEP area. Using this source an estimated 51,669 migrants of all ages entered the Thames Valley Berkshire LEP area between mid-2006 and mid-2010. This equates to an annual average of 12,917 migrants of all ages entering the Thames Valley Berkshire LEP area every year.

As can be seen by Chart 1, only 41% of the 12,917 estimated annual migrants come to work in the Thames Valley Berkshire area, with large proportions also studying or returning to the UK from periods abroad. The overall composition of the migrant population in the Thames Valley Berkshire LEP area matched closely that of the greater South East region as a whole. Chart 1: Estimated Composition of Migrants Entering the Thames Valley Berkshire LEP Area (% of all migrants)



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

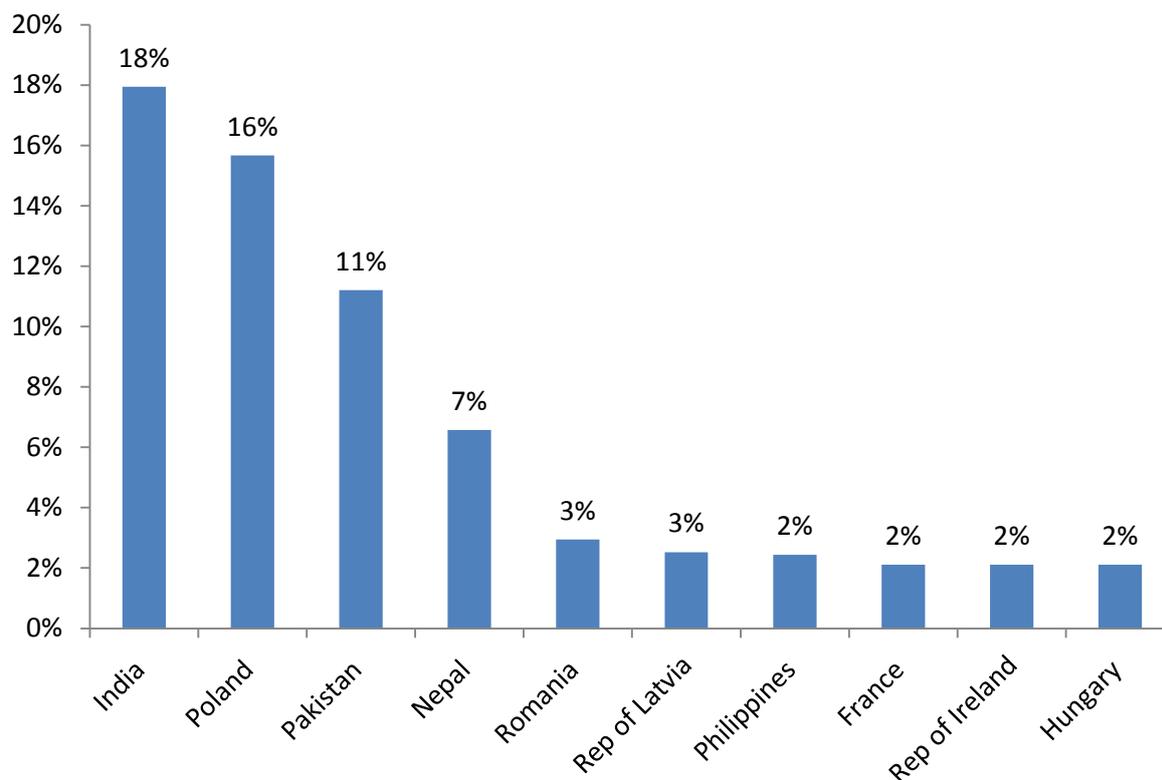
A number of local authorities within the Thames Valley Berkshire LEP area had significant differences in their migrant composition to that shown in Chart 1. In Slough, for example, almost two-thirds (64%) of all migrants entered the borough as workers as compared with the LEP area average of 41%. Correspondingly just 8% of Slough migrants were identified as students.

Whilst overall 23% of all migrants in the LEP area were students, in Bracknell Forest and Reading the proportions were significantly higher at 35% and 34% respectively. The proportion of migrants returning to the UK after periods overseas also ranged significantly from a low of 4% in Slough to a high of 28% in Windsor & Maidenhead.

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 Thames Valley Berkshire came from India (18%) followed by Poland (16%) and Pakistan (11%). 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 Thames Valley LEP area (2010)



Source: NINo registrations 2010, DWP

Section 5 – Occupational Patterns

Across the Thames Valley Berkshire LEP area non-EEA migrant workers have been recruited into around 150 different SOC code⁵ areas. However, a much smaller number of occupations account for the vast majority of all migrant roles (circa 76%). 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	3886	11	Educational assistants (teaching assistants)	139
2	Sports and fitness occupations n.e.c. ⁶	484	12	Engineers, civil	118
3	Managers, marketing and sales	416	13	Nurses	110
4	Actors, entertainers	416	14	Teacher, secondary education	105
5	Arts officers, producers and directors	412	15	Consultants, actuaries, economists, statisticians	102
6	Artists	339	16	Chefs, cooks	97
7	Managers, information and communication technology	317	17	Managers and chartered secretaries, financial	91
8	IT strategy and planning professionals	294	18	Sports players	90
9	Directors/chief executives of major organisations	173	19	Researchers, scientific	85
10	Engineering professionals n.e.c.	153	20	Engineers, production and process	84

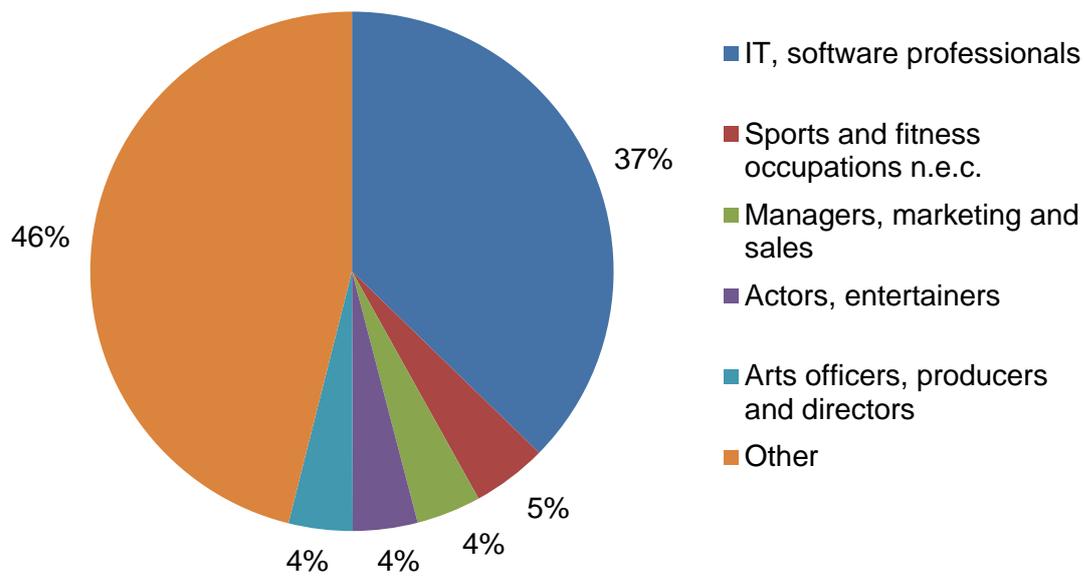
Source: Certificates of Sponsorship, United Kingdom Border Agency

As seen in the previous report, software professionals tops the list of occupations filled by non-EEA migrant workers in the Thames Valley Berkshire LEP area. In April 2011, this occupation accounted for 44% of all non-EEA labour employed. As of February 2012, this proportion has decreased to 37% despite 603 more migrant workers in this occupation.

A further 5% of migrant workers are employed in sports and fitness occupations, 4% as marketing and sales managers, 4% as actors/entertainers and 4% as arts officers/producers/directors. Chart 3 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

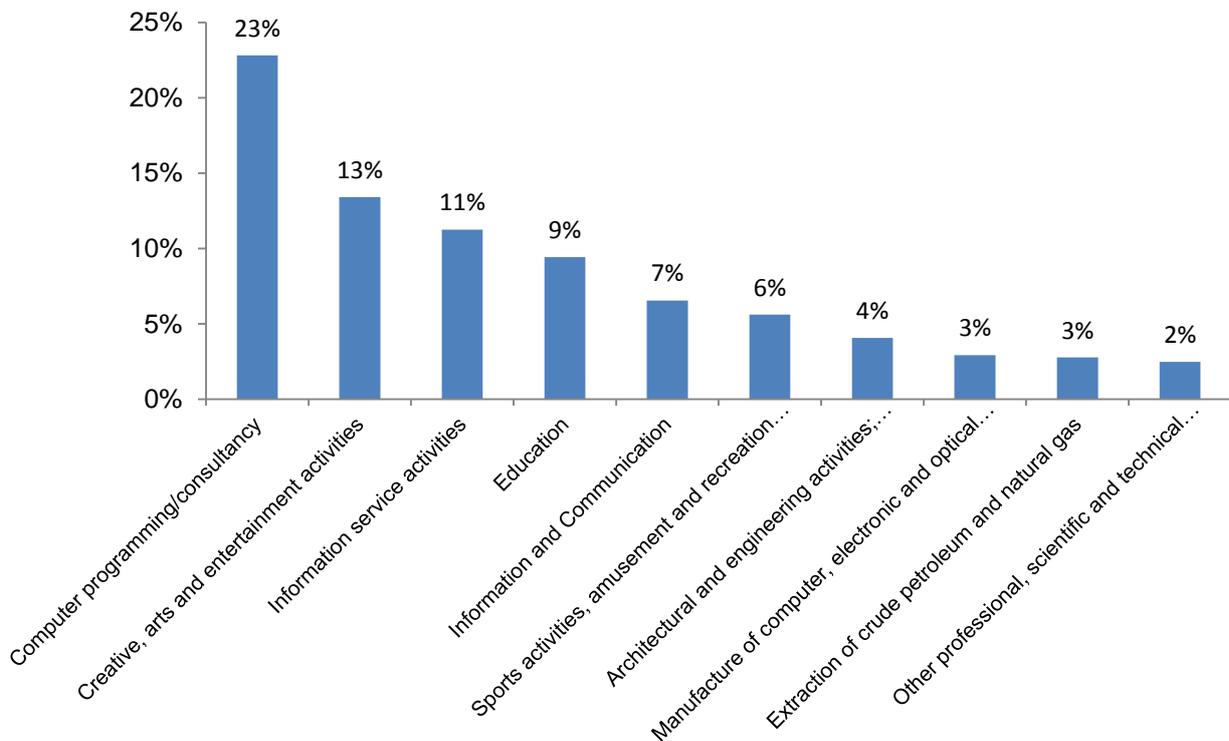


Source: Certificates of Sponsorship, United Kingdom Border Agency

Section 6 – Sectoral Patterns

While migrant workers have been employed by companies working in a wide range of industries operating in the LEP area, just a handful account for most employees. Collectively, the 10 most common industries account for 81% 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 remains the computer programming, consultancy and related activities sector (SIC⁷ code 62). This covers a range of specific functions including programming, software development and consultancy activities for both the domestic and business markets.

The creative arts and entertainment industry is the second largest employing industry (circa 1,399 workers – an increase of 752 migrants) relating mostly to the entertainment industry and the employment of producers, directors and actors. Whilst there appears to be a high number of migrants working within this industry in Thames Valley Berkshire, this is somewhat misleading as it is only the head offices of firms recruiting these actors/entertainers which are based in the LEP area. It is believed that the individuals themselves work across the UK.

The information service activities industry has also seen a large increase in migrant workers (employing approximately 737 more migrants to bring its total to almost 1180). This industry includes services not classified specifically elsewhere, such as computer-based telephone information services, news clipping services, and general information search services.

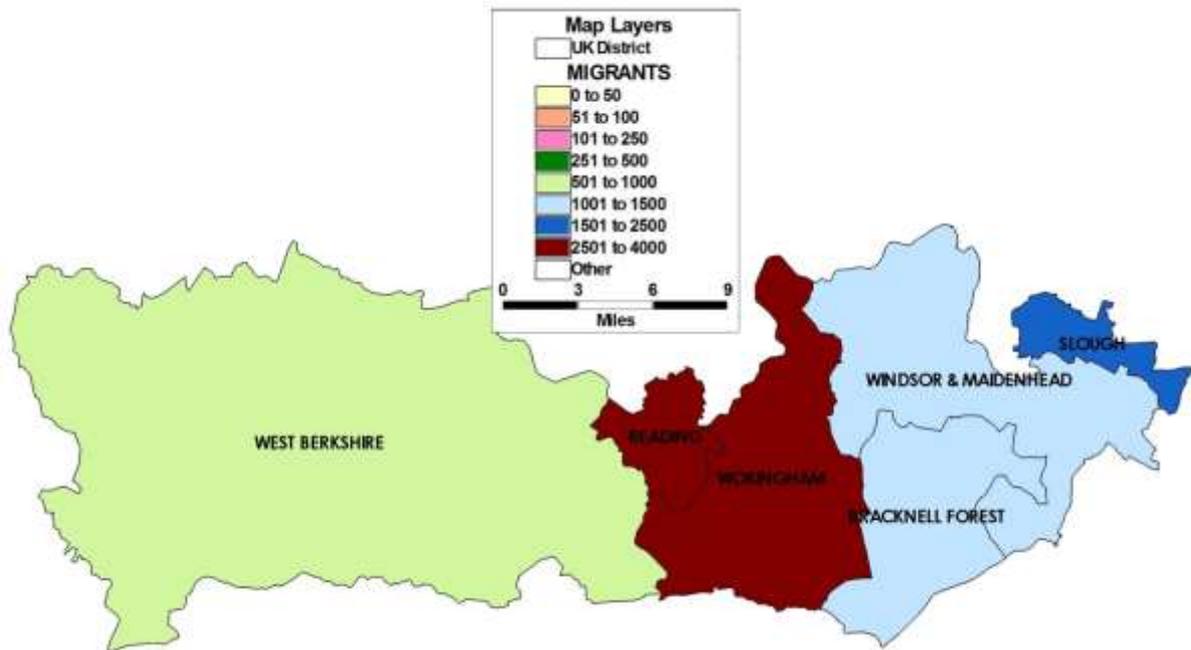
Section 7 – Geographic Patterns

Using the postcodes of all companies employing non-EEA migrant workers it has been possible to map the distribution of migrant workers across the Thames Valley Berkshire 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 non-EEA migrant workers were identified as: Reading (2,777), Wokingham (2,725), Slough (1,644) and Windsor & Maidenhead (1,296). Bracknell Forest and West Berkshire have seen the fewest number of migrant workers, with 1,134 and 861 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 Reading and Wokingham have seen the largest increases in the number of non-EEA migrants.

⁷ Standard Industrial Classification

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 0.7% of the LEP area's economic population in 2011-12. This is, however, substantially higher 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 over the last year with over 500 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 only around 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 three 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 software/ICT; media/creative industries and education sectors. 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 Slough, Wokingham and Reading.

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
Bracknell Forest	1640	1833	923	12	769	5178
Reading	7039	5791	1214	151	2953	17148
Wokingham	1704	1836	1475	19	960	5995
West Berkshire	1859	1003	1102	3	753	4721
Windsor & Maidenhead	2624	614	1798	23	1365	6423
Slough	7758	987	525	454	2481	12204

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
Bracknell Forest UA	32%	35%	18%	0%	15%
Reading UA	41%	34%	7%	1%	17%
Wokingham UA	28%	31%	25%	0%	16%
West Berkshire UA	39%	21%	23%	0%	16%
Windsor and Maidenhead UA	41%	10%	28%	0%	21%
Slough UA	64%	8%	4%	4%	20%

Source: indicative Migration Estimates, ONS