Migrant Labour in the Coast to Capital 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 area is home to a population of around 1.9m people of which 1.2m are of working age. Of those that are working age, there is a 78.4% economic activity rate. The area has a business base of approximately 79,000 companies, and an annual GVA[3] of £32.5 billion, of which almost one quarter is generated by the public sector.

Over half of the population of the Coast to Capital LEP area are qualified to NVQ Level 3 and above (56.2%), with over a third (36.9%) qualified to NVQ Level 4 and above. These figures are roughly five percentage points above the national average.

The area has an above regional average number of businesses in sectors including construction; retail; creative/knowledge industries; advanced engineering; aerospace; financial services; logistics and pharmaceuticals. The area also has a new business formation rate substantially above that of both the region and nation.

The LEP identifies that the key economic challenges include: pockets of low entrepreneurship; a perceived lack of engagement in export markets; areas with below average levels of productivity; slowing levels of investment even in the more successful areas; patchy transport and digital infrastructure, and low skills levels in some areas, particularly amongst young people.

Section 4 – Migrant Worker Volumes

Between November 2008 and February 2012 approximately 6,228 non-EEA migrant workers were employed in the Coast to Capital LEP area. This represents an annual average of 1,868 migrants and equates to 0.2% 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 in February 2011, 2,251 more non-EEA migrant workers have been employed in the Coast to Capital LEP area. This is a 57% increase in approximately 14 months. However, since April 2011 a new local authority has joined the Coast to Capital Local Enterprise Partnership (Epsom & Ewell). Therefore, direct comparisons are somewhat difficult.

In total 496 companies operating in the Coast to Capital LEP area had recruited at least one person, with the number of migrant workers for an individual firm ranging from just 1 to 345. The total number of companies using non-EEA migrants increased by 37 from 459 to 496 between November 2010 and February 2012.

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 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.

[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

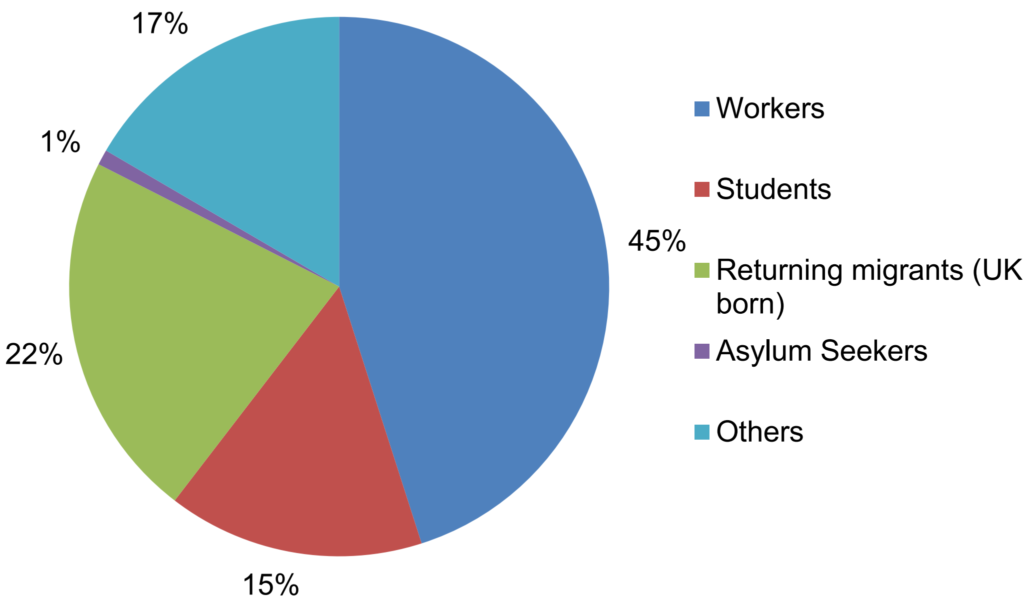
Data constructed by the Office of National Statistics using administrative sources, such as registrations for National Insurance Numbers, higher education student enrolments and registrations at GP surgeries provides perhaps the most comprehensive estimate of the total inward migration to the Coast to Capital LEP area. Using this source an estimated 83,385 migrants of all ages entered the Coast to Capital LEP area between mid-2006 and mid-2010. This equates to an annual average of 20,846 migrants of all ages entering the Coast to Capital LEP area every year.

As can be seen by Chart 1, only 45% of the 20,846 estimated annual migrants come to work in the Coast to Capital LEP area, with large proportions also studying or returning to the UK from periods abroad.

However, some Local Authorities within the Coast to Capital LEP area have significant differences in their migrant composition to that shown in Chart 1. In Brighton & Hove, for example, only just over one third (36%) of all migrants entered the district as workers compared with the LEP area average of 45%. Correspondingly, 38% of Brighton & Hove migrants were identified as students.

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

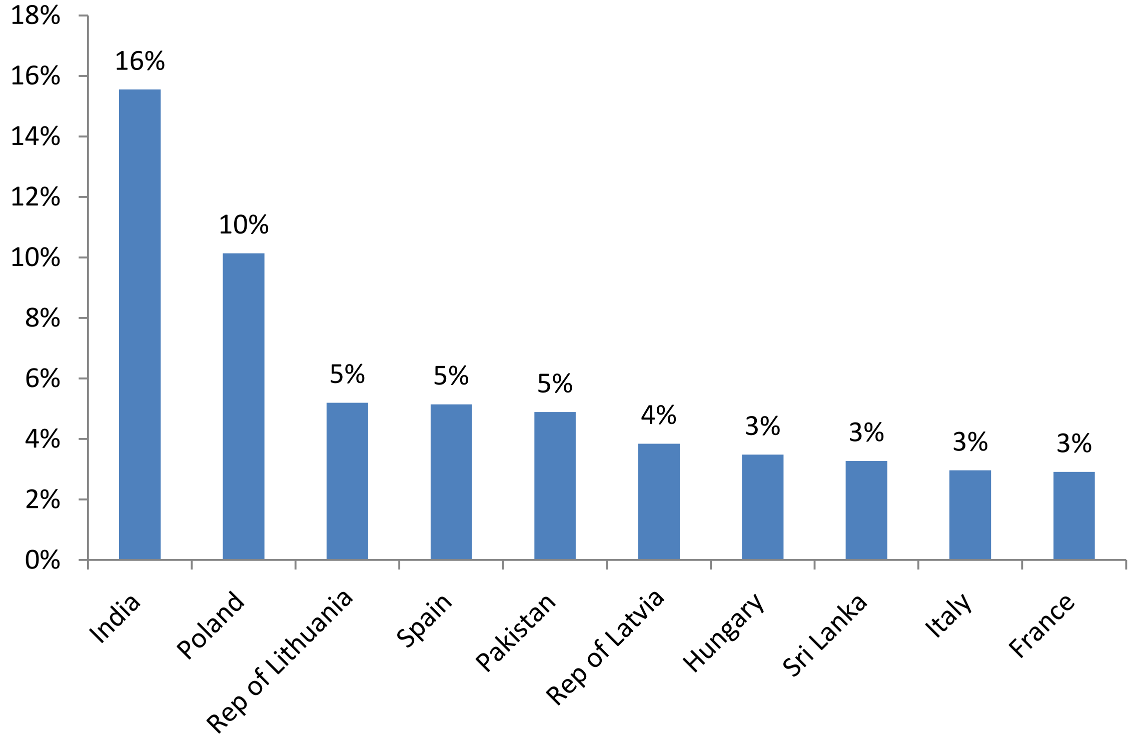
Chart 1: Estimated Composition of Migrants Entering the Coast to Capital LEP Area (% of all migrants)



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

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 Coast to Capital LEP area came from India (16%) followed by Poland (10%) and Republic of Lithuania (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 Coast to Capital LEP area (2010)



Source: NINo registrations 2010, DWP

Section 5 – Occupational Patterns

Across the Coast to Capital LEP area non-EEA migrant workers have been recruited into around 160 different SOC code[5] areas. However, a much smaller number of occupations account for the vast majority of all migrant roles (circa 65%). 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	Musicians	768	**11**	Medical practitioners e.g. doctors and surgeons	97
2	Sports and fitness occupations n.e.c.	637	**12**	Engineering professionals n.e.c.	94
3	IT, software professionals	373	**13**	Sports players	94
4	Care assistants and home carers	306	**14**	Engineers, mechanical	84
5	Nurses	274	**15**	Directors/chief executives of major organisations	72
6	Chefs, cooks	271	**16**	Consultants, actuaries, economists, statisticians	69
7	Physicists, geologists and meteorologists	206	**17**	Waiters, Waitresses	67
8	Managers, marketing and sales	197	**18**	Researchers, scientific	62
9	Business associate professionals n.e.c.	168	**19**	Engineers, civil	61
10	Youth and community workers	124	**20**	Engineers, design and development	52

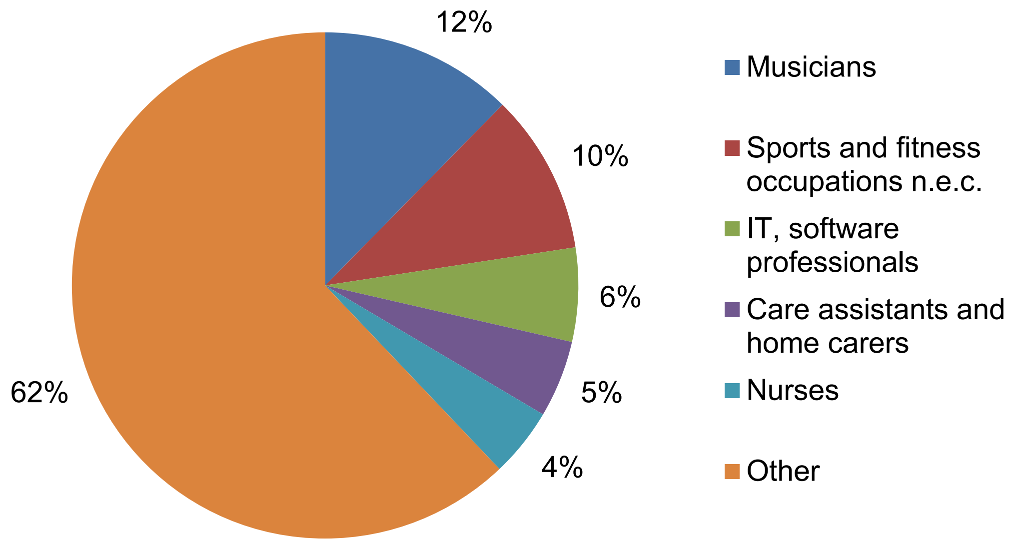
Source: Certificates of Sponsorship, United Kingdom Border Agency

While Musicians and Sports & Fitness Occupations NEC[6] are highlighted as the two largest occupational groups, this is likely to reflect the locality being home to head offices of firms which are based in the LEP area. It is believed that the individuals themselves work across the UK.

Software professionals (6%), care assistants/home carers (5%) and nurses (4%) were also filled by a considerable number of migrant workers. 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

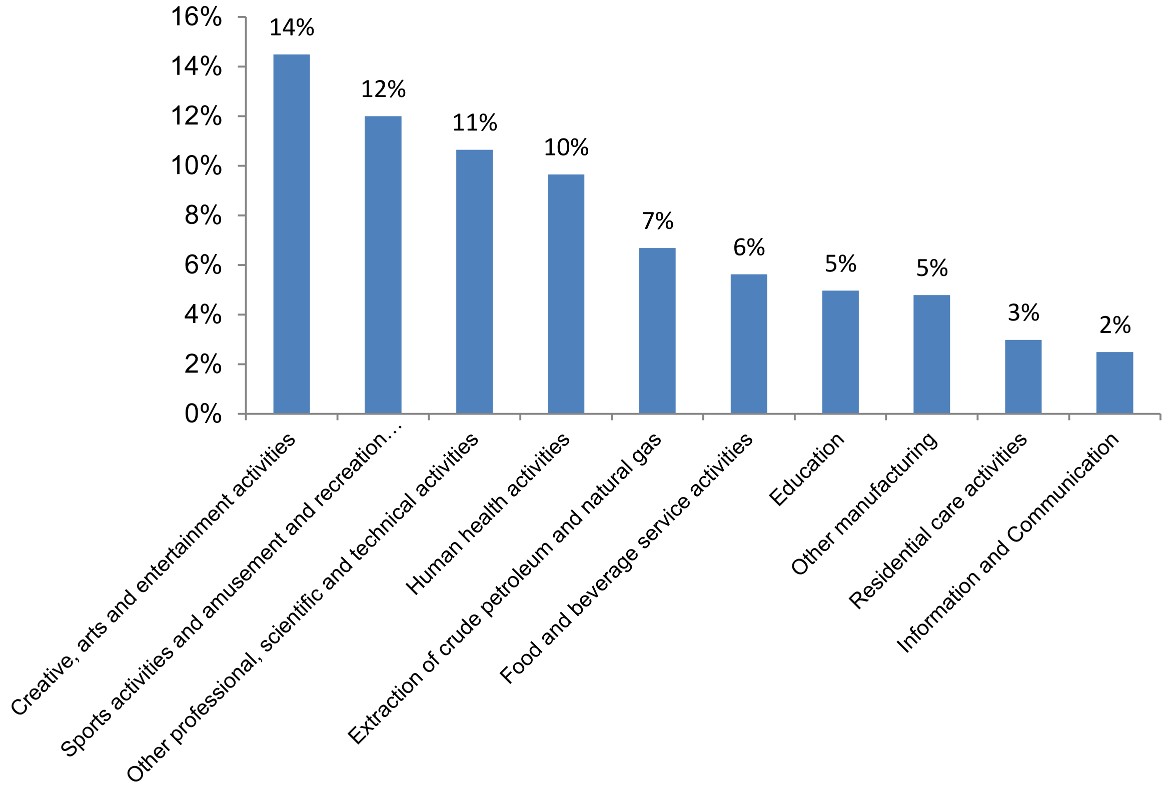


Source: Certificates of Sponsorship, United Kingdom Border Agency

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 74% of all non-EEA migrant workers employed in the sector.

Chart 4: Percentage of migrant workers by sector



Source: Certificates of Sponsorship, United Kingdom Border Agency

The largest employing industry of migrant workers is the creative arts and entertainment industry (SIC code[7] 90). This relates mostly to the music industry and international musicians.

The sports activities and amusement and recreation industry (SIC code 93) is the second largest employing industry (circa 747 workers – an increase of 383 migrants). This industry code covers a range of sports activities from sports clubs to fitness facilities, and also includes activities of racehorse owners.

The other professional, scientific and technical activities (which includes specialist design activities and environmental consultancy) as well as the health sector also each account for more than 10% of all migrants in the Coast to Capital LEP area.

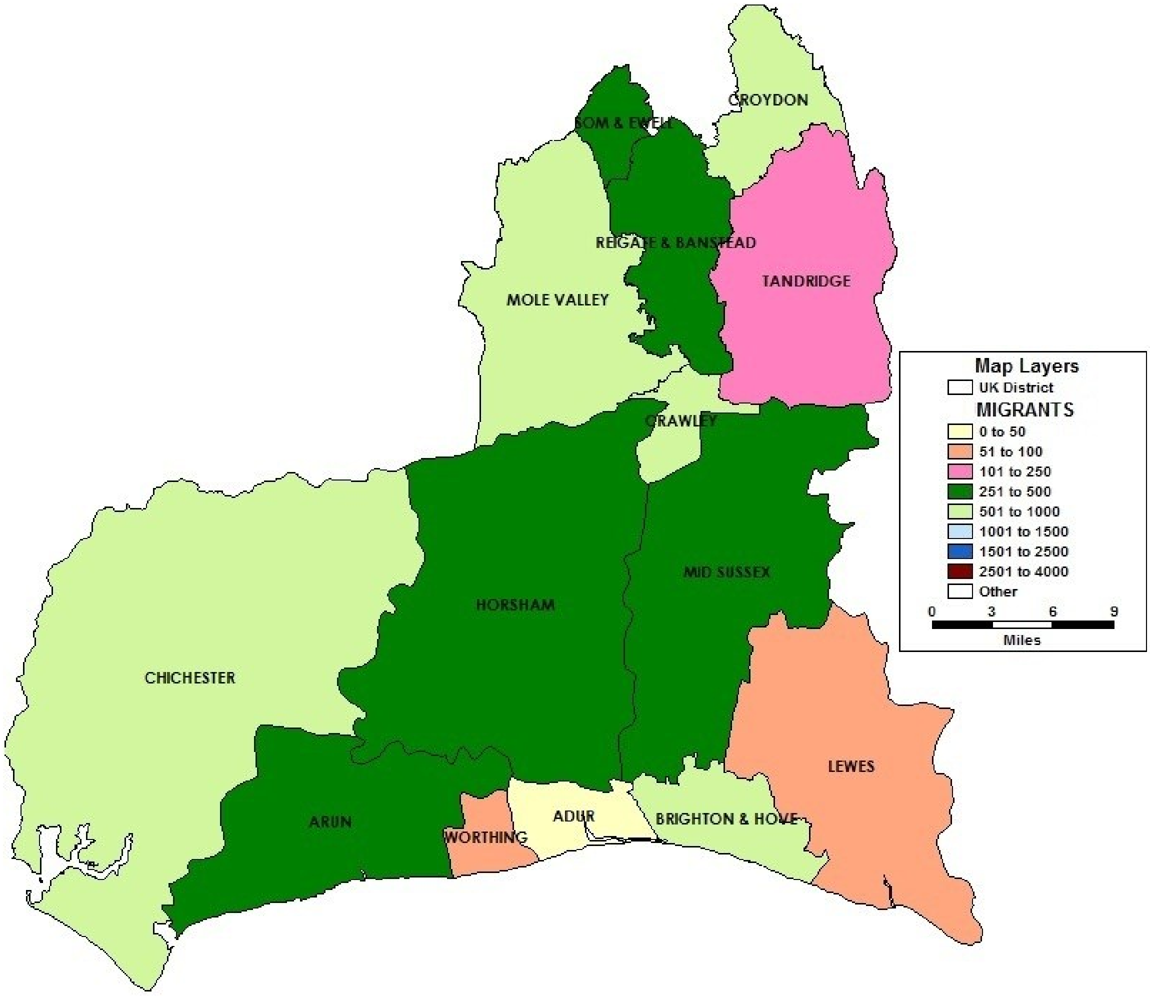
Section 7 – Geographic Patterns

Using the postcodes of all companies employing non-EEA migrant workers it has been possible to map the distribution of migrant workers across the Coast to Capital 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: Chichester (997), Mole Valley (965), Brighton and Hove (936), Croydon (759) and Crawley (587). Adur (28) and Worthing (85), Lewes (85), and Tandridge (112) have seen the fewest number of non-EEA 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 Chichester and Mole Valley 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 (November 2008 - February 2012)



Source: Certificates of Sponsorship, United Kingdom Border Agency

Section 8 – Economic conclusions and issues for policy makers

While overall the number of new non-EEA migrants entering the Coast to Capital area is lower than the average for the greater South East region, numbers have in fact increased over the last year.

The number of local companies that have employed non-EEA migrants has also continued to rise over the last year with almost 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 less than half 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 creative arts, sports, specialist design and health 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 not equally distributed and therefore any reduction in future numbers would be felt particularly in areas such as Chichester, Mole Valley, Brighton & Hove, Croydon and Crawley.

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**
Brighton & Hove	7413	7792	2359	219	2993	20774
Chichester	2090	740	822	0	525	4177
Mid Sussex	1517	389	1070	29	624	3628
Horsham	1126	423	884	6	527	2965
Adur	316	133	230	10	182	870
Arun	2933	917	729	1	702	5282
Crawley	3959	2087	567	172	1068	7853
Worthing	1076	176	635	6	474	2368
Croydon	11730	3670	1375	1283	4322	22379
Reigate & Banstead	2175	421	992	15	668	4271
Tandridge	812	134	578	4	319	1848
Mole Valley	1092	264	803	6	416	2581
Lewes	772	149	619	3	291	1834
Epsom and Ewell	1174	419	483	13	466	2555

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**
Brighton & Hove	0.36	0.38	0.11	0.01	0.14
Chichester	0.5	0.18	0.2	0	0.13
Mid Sussex	0.42	0.11	0.29	0.01	0.17
Horsham	0.38	0.14	0.3	0	0.18
Adur	0.36	0.15	0.26	0.01	0.21
Arun	0.56	0.17	0.14	0	0.13
Crawley	0.5	0.27	0.07	0.02	0.14
Worthing	0.45	0.07	0.27	0	0.2
Croydon	0.52	0.16	0.06	0.06	0.19
Reigate & Banstead	0.51	0.1	0.23	0	0.16
Tandridge	0.44	0.07	0.31	0	0.17
Mole Valley	0.42	0.1	0.31	0	0.16
Lewes	0.42	0.08	0.34	0	0.16
Epsom and Ewell	0.46	0.16	0.19	0.01	0.18

Source: indicative Migration Estimates, ONS