

Report of Assistant Chief Executive Citizens and Communities

Report to Scrutiny Board (Citizens and Communities)

Date: 13 March 2017

Subject: Migration Update

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1.0 Summary

- 1.1 At the Scrutiny Board on 9 January 2017 there was a request to explore issues relating to immigration in Leeds in light of the European Union referendum result.
- 1.2 It is recognised that whilst clarity is required from Government in terms of what immigration changes it would wish to put into place post-Brexit, Members of Scrutiny Board nevertheless considered it appropriate that early consideration be given to any key issues that may need to be considered.
- 1.3 This paper therefore seeks to provide some initial thoughts on the issues that need to be considered in the context of migration in light of the referendum outcome and its potential impact on Leeds. The paper is broken down into the impact on key services but clearly there is considerable overlap between some areas, and therefore the overall paper needs to be considered holistically.

2.0 Recommendation

- 2.1 Members of Scrutiny Board are recommended to:
 - note the contents of this report, and;
 - consider the potential implications, and provide comment.

3.0 Purpose of this report

3.1 To provide information in response to the request for information made by Citizens and Communities Scrutiny Board, in January 2017.

4.0 Background

4.1 In June 2016 there was a referendum which resulted in action being taken by Government to formally leave the European Union. For a number of people, migration was seen to be at the heart of the debate and the government has made a clear commitment to reduce migration.

4.2 There are a number of different labour migration models which could be adopted to manage migration in the future, ranging from free movement within a quota or cap; temporary short term permits; through to stringent work permit requirements. It is also possible that this may cover all migrants rather than those from specific countries.

4.3 Commentary on this subject suggests that it is likely that low and middle-skilled work is most likely to be the main target of any policies to reduce EU labour migration. In 2015, 22% of EU born UK workers were in the least skilled occupational categories¹.

4.4 Whilst there is considerable lack of clarity about what will happen, it is envisaged that there will be impacts on the UK, on Leeds and the lives of people in Leeds.

4.5 The following tries to go some way to raising what some of the issues may be for Leeds from a migration perspective. The structure of this report looks at key services and the potential questions and impacts raised for them.

5.0 Main Issues

5.1 Employment and Skills

5.1.1 The impact of Brexit on local labour supply could potentially be of some significance and may necessitate changes in employment and skills provision. European Economic Area migrants make up a significant proportion of the current local labour force and employers in some sectors have a strong dependence on EEA migrants to do particular types of job. The greater the restrictions on immigration the greater the risk that we could see skills shortages in important sectors such as digital, construction, and manufacturing, and for public services such as the NHS and the council. In addition, it could also impact on the ability of universities to attract and retain the best academic staff, with the knock on implications this might have.

5.1.2 Whilst a significant proportion of EEA migrants work in unskilled and semi-skilled jobs, in some sectors (such as information and communication)

¹ <http://www.migrationobservatory.ox.ac.uk/resources/reports/labour-immigration-brexit-trade-offs-questions-policy-design/>

migrants are likely to be employed in higher skilled jobs. In relation to these higher skilled jobs, we will need to see what the Government's proposals are, however, there is the possibility that any future application process could include the need for employers to pay fees or to demonstrate that they have attempted to recruit UK workers before sponsoring a worker from overseas. Dependent upon the rules and process adopted, some employers may consider such to be more expensive and onerous.

5.1.3 For those businesses with the greatest dependence on migrant workers, potential business responses to reduced access to EU migrants include:

- increased investment in automation;
- increased training provision of local people – both in schools and in the skills system;
- potentially relocation of activities outside the UK.

5.1.4 The LEP / West Yorkshire Combined Authority offers a range of skills and business support services, all of which could have new demands placed on them as a result of Brexit so are commissioning research to explore 'EEA Migrant Labour in the City Region'. This will assess business and skills implications for City Region employers from a potential reduction in access to EEA migrant workers and to identify opportunities to develop relevant business support services. It is hoped that this research will be completed by May 2017.

5.1.5 It is difficult to say how Brexit might impact the council's own workforce, and what changes or reassurances may be necessary. Currently we do not believe that we have a high number of highly skilled migrant workers in the council that would potentially be affected, and it is most likely that any changes will have the greatest impact on care staff. EEA information is currently not recorded and so it is not possible to give an accurate position. Whatever direction the government takes in the negotiations, we are clear that our council values will apply throughout any changes and we will be 'Treating people fairly' throughout.

5.2 Health and Social Care

5.2.1 EU workers have played an increasing role in social care, with some 10% of the UK's health and social care workforce coming from the EEA countries. This enables care providers to keep prices low (usually at or just above the minimum wage) and potentially increasing the availability of a service which vulnerable people rely on. This potentially also reduces costs to tax payers as a substantial share of social care is local authority funded.

5.2.2 The care sector faces significant challenges in recruiting to both nursing and care staff and so any actions that potentially impact on the availability of such expertise will have a negative impact on availability of staff and as such quality (more so than any impact on cost). With fewer workers in key roles including nursing, midwifery and domiciliary care, the supply of care services would need to be carefully considered.

- 5.2.3 There are also implications in terms of rights and access to health services for new migrants. Depending on status and benefits then there may be additional issues around NHS charging for services and potential requirement for additional support for adults at risk. A further dimension of this is potential changes to health benefits to UK pensioners living in the EU. If these are not maintained as they currently are then there is a possibility that many pensioners may return home.

5.3 Housing

- 5.3.1 It is unlikely that there will be an impact on housing in the short term, although if there is a spike in migration prior to absolute Brexit and/or there is a move to temporary work permits this could put additional pressure on the private rental sector.

5.4 Children

- 5.4.1 Migration into the city in recent years, including from the EU, has created a vibrant and dynamic school population, where over 190 languages are now spoken. This increase has brought both advantages and challenges. There is a need to ensure that all children do well in their learning, and schools and academies have developed a strong range of quality teaching techniques that are helping to improve education for all groups in our schools; there is also considerable pressure placed on some schools to cope with the additional place demands. Lower levels of migration and/or a move to temporary work permits will probably mean a drop in families moving to Leeds which in the longer term will change the pressures felt in schools.

5.5 Community Safety

- 5.5.1 The hate crime strategy for Leeds recognises that despite increases and fluctuations linked to international and national incidents (Gaza conflict, Jay Report, Charlie Hebdo, Paris Attacks, EU Referendum), significant numbers of hate crimes and incidents often go unreported. Partners across Leeds will therefore continue in their ambitions to raise awareness of and increase reporting of all forms of hate by encouraging communities and individuals to report crimes and incidents as they happen.
- 5.5.2 There is also a concern that if employers cannot attract sufficient workers from the UK (job is too low paid and/or undesirable) and there are limited legal options for recruiting migrant workers, that we could potentially see increases in illegal employment or modern day slavery.

5.6 Communities

- 5.6.1 Following the EU referendum there was some tension experienced in communities. It is possible that there could be a spike in EU migration prior to 2019 (anticipated withdrawal from the EU), and, whilst it is impossible to gauge the potential impact of this on Leeds, it could exacerbate any community tensions that would need to be monitored and managed carefully. At a time when people are expecting migration to go down any possible

upsurge in migration would be counter to these expectations and needs to be planned for.

- 5.6.2 EU nationals living in Leeds (as in the rest of the UK) will be concerned about their status and will be keen to have any issues surrounding this resolved. It is likely that there will be some impact on communities, and indeed, anecdotally we are hearing that some EU migrants are now returning home due to the negative feelings from the settled communities and the fall in the pound not making staying economically attractive. If the level of this increases then there could be issues in relation to skill shortages prior to actual Brexit.
- 5.6.3 It is also worth noting that the reduction in the value of sterling could create inflationary pressures which could affect living standards. In areas where there is already considerable poverty and deprivation this could create further challenges.
- 5.6.4 One labour model could include the move to temporary work permits for seasonal and low skilled work which could then lead to transient populations who do not have a stake in the community. If this was the case it could well be more challenging for migrants to integrate well into settled communities. In addition it is likely the demographics of our communities will be different i.e. more potentially young and single migrant workers.

7.0 Corporate Considerations

- 7.1 **Consultation and Engagement** – this report provides an overview of concerns/questions raised by key services and therefore there is no further relevant consultation and engagement to take place.
- 7.2 **Equality and Diversity / Cohesion and Integration** – equality is at the heart of the migration work and it has taken equality and diversity into account.
- 7.3 **Council policies and the Best Council Plan** – Leeds is a welcoming and compassionate city and the recommendations in this support those values.
- 7.4 **Resources and value for money** – There are no additional costs involved in this work.
- 7.5 **Legal Implications, Access to Information and Call In** - There are no specific legal implications or access to information issues with this report. The report is subject to call-in.
- 7.6 **Risk Management** – Specific service risks are identified and addressed as appropriate by the service.

8.0 Conclusion

8.1 Officers have sought within this report to outline the migration related issues that could develop as a consequence of Brexit, although there is currently very much that is still unknown. The above gives some indications of considerations that services are looking at and will be addressing, once further details are known.

9.0 Recommendation

9.1 Members of Scrutiny Board are recommended to:

- note the contents of this report;
- consider the potential implications, and provide comment.

10.0 Background Documents²

10.1 There are no specific background documents linked to this report.

² The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.