



### **COSLA Response to the MAC Call for Evidence: EEA-workers in the UK Labour Market**

#### **Introduction**

1. The Convention of Scottish Local Authorities (COSLA), as the representative voice of local government in Scotland, welcomes the opportunity to provide written evidence on the economic and social impacts of the UK's exit from the European Union and influence the debate on how an immigration policy can be developed to reflect and respond to Scotland's economic, workforce and demographic needs.
2. The Migration, Population and Diversity (MPD) team within COSLA works specifically on migration issues. We work with a range of key partners including the Home Office and Scottish Government to ensure that migrants are welcomed and integrated into Scotland and the demographic needs of the country are met.
3. This submission has been prepared by COSLA in consultation with our member councils. We received evidence from a total of 18 local authorities (formal written evidence and from our COSLA/MAC roundtable held on 1<sup>st</sup> December 17). They are: Aberdeenshire Council; Angus Council; Argyll & Bute Council; Comhairle nan Eilean Siar; Dumfries & Galloway Council; East Ayrshire Council; City of Edinburgh Council; Falkirk Council; Fife Council; Glasgow City Council; Highland Council; Inverclyde Council; Moray Council; North Ayrshire Council; North Lanarkshire Council; Perth & Kinross Council; Shetland Islands Council; and, South Lanarkshire Council.
4. COSLA's stated position was to remain in the EU and our preference is the Single Market with Free Movement of People. However, accepting the referendum result we want to ensure that we leave the EU with a migration policy that suits Scotland's needs. COSLA continues to make the case that the very real possibility of a reduction of in-migration to Scotland from EEA countries will adversely impact on Scotland's local authorities. We have particular concerns around the implications for counteracting our demographic challenges and the impact on our workforce and local economies.
5. Scotland is differentially dependent on migration to the rest of the UK. As such, COSLA supports the need for a flexible immigration system that considers local requirements. Our priority is that future immigration policy enables local government and employers to attract and retain migrant workers, particularly in key sectors where we are facing skills gaps and shortages. We also wish to encourage

inward migration and incentivise young people to work and settle within areas of Scotland where local populations are facing the sharpest decline.

## EEA Migration Trends and Demographic Impacts

6. It is impossible to discuss the immigration needs of Scotland without considering our demographic requirements. Scotland's population is at its highest ever level, 5.4 million.<sup>1</sup> In recent years, most of the population increase in Scotland has been due to net in-migration. Natural change (births minus deaths) has not contributed significantly to Scotland's population over the past 50 years. If current trends continue, all of the projected increase in Scotland's population will be due to net inward migration to Scotland. Net migration is projected to remain positive, whereas natural change is projected to be negative. Over the next 10 years 58% of net inward migration is projected to come from overseas, with 42% from the rest of the UK.<sup>2</sup> This is in stark contrast to the rest of the UK, 49% of the projected population increase over the next decade is due to natural changes and 51% is due to net migration.
7. It must, however, be noted that population projections are trend-based and not policy-based forecasts and therefore, these figures do not consider the potential implications of Brexit on migration.
8. While Scotland's population is growing, this growth is uneven across our communities. Indeed, around a third of Scotland's council areas (11 out of 32 councils), are expected to experience population decline over the next 25 years. This disparity in population growth varies widely; from Midlothian and City of Edinburgh with a projected population increase of 25.7% and 20.7% respectively to Comhairle nan Eilean Siar and Inverclyde facing population declines of 13.7% and 12% by 2039.<sup>3</sup>
9. We also know that people in Scotland are living longer and the number of older people in Scotland is projected to increase significantly. The population aged 65 to 74 is projected to increase by 17% over the next 25 years and people aged 75 and over is projected to be the fastest growing age group in Scotland (projected to increase by 79% over the next 25 years). The number of working age people is projected to increase by only 1% over the same period.<sup>4</sup> Again, this is not at an even rate across Scotland. Only 12 councils' working age populations are expected to increase by 2039 and only 5 council areas are projected to experience less than a 20% increase in the population of pensionable age and over. For example, the

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<sup>1</sup> Projected Population of Scotland (2016-based):

<https://www.nrscotland.gov.uk/files//statistics/population-projections/2016-based-scot/pop-proj-2016-scot-nat-pop-pro-pub.pdf>

<sup>2</sup> Projected Population of Scotland (2016-based)

<sup>3</sup> Population Projections for Scottish areas (2014-based):

<https://www.nrscotland.gov.uk/files//statistics/population-projections/2014-based-euro-var/pop-proj-scot-areas-14-corrected.pdf>

<sup>4</sup> Projected Population of Scotland (2016-based)

working age populations for Inverclyde and Comhairle nan Eilean Siar are projected to decrease by 21% over the next 25 years.<sup>5</sup>

10. These figures emphasise the need for Scotland's local authorities to be able to attract a young workforce to this country. Again, this is before we consider the implications of Brexit on our population. NRS projections using the scenario of no EU migration in the future paint a stark picture for Scotland. There would be a significant impact on the child and working-age populations, and there would be greater impact on Scotland than on the rest of the UK.
11. The projected changes with zero future EU migration between 2016-2041 are: the number of children would change from the current projection of a 2% decrease to a 7% decrease, whereas the UK with zero future EU migration would change from the current 2% increase to 3% decrease. The Scottish working age population would change from a projected 1% increase to a 3% decrease – the UK would move from a projected 8% increase to 3% increase. In Scotland, the number of pensioners would stay the same at 25% increase and the UK would increase by 1% from the current projected 30% increase to 31%. The total population for Scotland would increase by 2.1% in comparison to the current projected 5.3%. This highlights a significant population challenge for all of the UK but with particularly strong implications for Scotland.<sup>6</sup>
12. Scottish local authorities are acutely aware of the demographic challenges they face, and this was highlighted in their Single Outcome Agreements (SOAs). Just under half of the SOAs state population growth as an outcome and many stipulate this as their principal outcome. Local authorities are also conscious that migrants are key to achieving a healthy population in their local areas.
13. Local authorities are undertaking their own repopulation work to progress the delivery of their population growth outcomes. For example, Inverclyde has established a Repopulation Outcome Delivery Group and produced a delivery plan. There are three main areas of action: attracting new people and businesses to the area, retaining existing population, and the promotion of Inverclyde. The delivery plan recognises the importance of economic migrants to reverse population decline. Comhairle nan Eilean Siar has established a Population and Migration Sub-group to make recommendations on the actions required to retain and develop the population of the Outer Hebrides in the short, medium and long term.

### **Recruitment Practices, Training and Skills**

14. There are many examples of councils working closely with education providers to ensure the local workforce has the skills demanded in key sectors. For example, East, North and South Ayrshire work closely with education providers in the region,

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<sup>5</sup> Population Projections for Scottish areas (2014-based)

<sup>6</sup> Projected Population of Scotland (2016-based): Additional variants using alternative European Union migration assumptions: <https://www.nrscotland.gov.uk/files//statistics/population-projections/2016-eu-var/pop-proj-2016-scot-alt-eu-mig-vari-pub.pdf>

including Ayrshire College and the University of the West of Scotland. One example is Developing Young Workforce (DYW) Ayrshire. This body is chaired by the private sector and is a collaboration of the three Ayrshire Councils, Ayrshire College, Ayrshire Chamber of Commerce, Federation of Small Businesses, Ceed Scotland, Scottish Enterprise, JobCentre Plus, and local businesses. The group was established with the aims to encourage and support employers to engage directly with schools and colleges and encourage more employers to recruit more young people. DYW wants employers to play an active role, both shaping and benefiting from Scotland's education system, by helping to create the talent pool they need and recruiting young employees. The Council also works closely with a range of partners to promote careers in STEM and digital technologies.

15. The three Ayrshire Councils have worked closely with Ayrshire College and Skills Development Scotland on the roll out of the Ayrshire Inclusive Growth Diagnostic to assess the barriers that prevent people from participating in growth. The Scottish Government's Enterprise and Skills Review Phase 2 also commits to the establishment of an analytical unit which should increase the data and intelligence available to local authorities and regional partnerships and help measure areas of demand and potential growth to better inform collaborative policy responses.
16. Another example can be found in teaching, Scottish local authorities are adopting a wide range of innovative approaches to address teacher shortages. COSLA's joint response with Scottish Government to the MAC review of the labour market for teachers in primary and secondary education, provides a wealth of examples including actively trying to recruit from overseas.<sup>7</sup>

#### *Issues with current UK migration policies for non-EEA migrants*

17. COSLA and our member authorities argue that Scotland has benefited from freedom of movement of people; and therefore, the continuation of freedom of movement would be the most advantageous system for Scotland. We also state that freedom of movement has gone some way to counteracting the presumption that significant onward movement to the rUK (the South East of England in particular) will occur unless bureaucratic procedures are put in place.
18. We cannot forecast what immigration system will be put in place post-Brexit but we would want to be involved in its development. Crucially, if the current immigration system, the Points Based System (PBS), was extended to EEA countries, then current issues with it will need to be recognised.
19. COSLA has long voiced concerns about a system in which the aim is to reduce net migration and the bar is consistently raised to the exclusion of particular jobs and sectors (e.g. the care sector). We have lobbied for a more flexible system that can address the needs of the Scottish economy and our ageing population, and to accrue more policy levers to encourage people to move to Scotland. Some of the key issues

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<sup>7</sup> COSLA & Scottish Government response to the MAC call for evidence on the partial review of the shortage occupation list: Teachers (October 2016): <http://www.gov.scot/Resource/0051/00516454.pdf>

we have lobbied for in recent years are the removal of restrictions to Tier 2 visas, the reinstatement of the post-study work visa, and changes to salary thresholds.

20. An example of how this immigration system has impacted on local authorities can be seen in teacher recruitment. COSLA responded to the MAC call for evidence on the demand for teachers from outside the EEA – 22 local authorities responded to our request. Local authorities rely far less on teachers from outwith the EEA: the number of teachers from outwith the EEA using the current UK immigration system in Scotland were a total of 12 in 2014 and 7 in 2015<sup>8</sup>. Local authorities cited the key barriers were due to an inflexible and cumbersome immigration process.
21. We have a long-standing history in responding to the Shortage Occupation List (SOL) for Scotland and the rest of the UK and have to date had little success in influencing it. We have a number of issues with the SOL and how effective it is in taking account of Scotland's labour shortages. The barriers to accessing the SOL has continuously been raised, e.g. the qualification level and pay thresholds. Social Care is a good example of how increasingly high thresholds have served to effectively remove the social care sector from the SOL.
22. There is sense in revising and expanding the SOL for Scotland, in order to make it more flexible to take account of current and future labour shortages. We must also bear in mind that Scotland's shortages, as with those in the rest of the UK, are not just limited to the higher skilled occupations currently included on the list. Many of our member authorities raised concerns around the immigration systems focus on skills and pay level and the need for more focus on the value and need of the job.
23. The Scottish Parliament Culture, Tourism, Europe and External Relations Committee (CTEER) Committee commissioned Dr Eve Hepburn to write a report on the options for differentiating the UK's Immigration system.<sup>9</sup> Dr Hepburn's report identifies the need for substate representation on the MAC in order to advise on labour shortages and skills gaps in Scotland. Also, Prof Christina Boswell's report on Scottish immigration policy after Brexit, set out the clear need for Scotland to have a greater role in planning and monitoring our immediate and projected labour shortages.<sup>10</sup> COSLA and Scottish local government agree that it is crucial that Scottish perspectives are represented and involved in MAC's decision-making processes and recommendations and in developing migration policy post-2019.
24. There has been wide discussion around sector based schemes and we agree that these could be a useful tool for addressing shortages in particular sectors. However, sector based schemes imply people will only stay for a short period and ignores the wider contribution migrants bring in terms of demographic profiles and the benefits that they bring to communities. Also, local authorities were quick to highlight that

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<sup>8</sup> COSLA obtained these figures from the MAC.

<sup>9</sup> Hepburn, C. (2017) Option for Differentiating the UK's Immigration System: [http://www.parliament.scot/S5\\_European/General%20Documents/CTEER\\_Dr\\_Hepburn\\_report\\_2017.04.24.pdf](http://www.parliament.scot/S5_European/General%20Documents/CTEER_Dr_Hepburn_report_2017.04.24.pdf)

<sup>10</sup> Boswell, C, Kyambi, S & Smellie, S (2017) Scottish Immigration Policy After Brexit: <http://www.research.ed.ac.uk/portal/files/38000389/SIPafterBrexit0617.pdf>

their experience of government-administered schemes are, typically, complicated and mired in 'red tape'.

## **Economic, Social and Fiscal Impacts**

### *Economic and workforce needs*

25. In terms of workforce challenges, many local authorities rely heavily on EU migrant workers. Given the current UK position that we will no longer be a member of the single market, there will be significant implications for our workforce and local economies. Councils are already facing acute shortages in a number of key sectors and these will only be exacerbated if / when the UK leaves the single market.
26. COSLA's recent Brexit Survey received responses from most Scottish councils. It confirmed the main concerns are: EU workforce, funding, trade, procurement and environment. The survey also confirmed that while there was a core set of views, their relevance and importance varied for different council areas across Scotland. For example, some councils were less concerned about staffing and their ability to deliver services than they were about the effect of withdrawal on their local economies. Others specifically highlighted worries in securing care workers, cleaners, community support workers, classroom assistants and teachers.
27. To get a full grasp of the potential implications for teaching, COSLA approached the General Teaching Council for Scotland (GTCS) for a figure on how many teachers in Scotland are EU nationals. According to GTCS records at the time of our request (Dec 2016), there were 670 teachers qualified in other EU/EEA Member States registered with them. GTCS could not confirm how many of these teachers are active and in employment in Scottish local authority schools, but it is fair to assume that the large majority are. While this is a relatively small proportion of the overall teaching workforce (approximately 1.3%), the implications of being unable to recruit from the EU/EEA are significant and of considerable concern to local authorities.
28. In terms of social care services, this sector suffers from similar issues to teaching, e.g. rural and regional variation, an ageing workforce, and high vacancy levels. According to Scottish Care figures there is a 28% vacancy level in social care nursing in Scotland. There are a variety of estimates of how many EU nationals work in the care sector. The Accounts Commission Report: Social work in Scotland (2016) has drawn on a 2008 workforce survey which indicates that 6.1% of the social care workforce in Scottish care homes for older people were EU nationals. No matter what figures we draw upon we can confidently say that if EU migration was drastically curtailed there would be a significant impact on the care sector. The response that we received from Dumfries and Galloway Council, where almost a quarter of the population is over 65, emphasised the need for care workers in coming years and the need for an immigration system that will allow those who wish to work in this sector into the UK.

29. Central and local government have a whole system responsibility for the sustainability of the health and social care workforce. Following political discussions, COSLA and the Scottish Government agreed to jointly develop and publish the National Workforce Plan for Health and Social Care Part 2, which focuses on the social care workforce. The purpose of Part 2 is to articulate the high level ambition for the social care workforce of the future in a post health and social care integration context, and to provide a shared understanding of the challenges facing Scotland e.g. labour market, funding challenges, demand pressures, Brexit, expansion of the early years workforce and shifting the balance of care. The National Workforce Plan for Health and Social Care Part 2 will be published by the end of the year and should provide us with a clearer idea of the number of EU nationals employed in the care sector.
30. Regarding local economies in COSLA's Brexit Survey, the message was consistent over the challenges to local businesses in securing workers in the agriculture, food processing, and hospitality/tourism sectors. A prime example of the potential economic impact is in Angus, where the local agricultural economy relies heavily on seasonal migrants. In Angus, the number of migrants can reach 3 – 4,000 over the season and farms advertise abroad and recruit through agencies regulated through the Gangmasters Licensing Authority and the National Farmers Union. Perth and Kinross Council also highlighted the potential impact for agricultural seasonal workers and to a somewhat lesser degree, the hospitality sector.
31. Similarly, many councils have key businesses that employ significant numbers of migrant workers: both Perth and Kinross and North Lanarkshire highlighted local business that have expanded and grown successfully partly facilitated by the availability of an EU workforce. There is real concern that if companies do not have access to this workforce they would move abroad. Uncertainty is one of the most pressing concerns for local businesses and the impact on future planning of investment and workforce decisions.
32. In addition, there are highly skilled and specialist areas that could also be affected, such as the technology and engineering sectors. For example, Falkirk emphasised the area's activity in chemical sciences and high-value manufacturing, which is closely linked to HE and FE institutions, and the potential impact of a deficit of inward academic immigration.
33. In Shetland, 80.7% of the population are in employment and already have issues attracting skilled and highly qualified workers to fill vacant positions in the NHS and manual and less skilled positions in hospitality and fish processing. Shetland Islands Council has highlighted fish processing as a vivid example of the important role EU nationals play in the Shetland economy and community. For example, the largest salmon farming company on the islands relies on EU nationals to make up over 20% of its workforce.<sup>11</sup>

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<sup>11</sup> Shetland Council response to Culture, Tourism, Europe and External Relations Committee inquiry on immigration:

34. Scottish councils have also highlighted the potential impact on future economic development plans. For example, the Ayrshire region are working on the development and delivery of major investment projects, and anticipate their future demographic and labour needs will shift significantly. It is expected the Ayrshire Growth Deal will create sectoral growth in aerospace and space, life sciences, advanced manufacturing and the coastal economy, which will be reliant on a skilled workforce. The projected declining population and ageing population could impact on the success of these plans, and emphasises the need for an immigration policy that can address these challenges.

### *The rights of EU nationals*

35. The current immigration system's focus on the needs of the labour market also ignores the wider contribution of EU nationals in terms of demographic profiles and the benefits that they bring to communities. If we are looking at an immigration system for EU nationals, it must not be purely focused on the principle that people are only required to fill temporary gaps. There is also real concern that the rights and benefits that are available through freedom of movement could be undermined. An immigration system must encompass social and integration policies, for example family migration, settlement, access to education and healthcare.

36. Scottish local authorities were quick to voice their concerns on the impact of Brexit on their communities. For example, Fife Council in partnership with Fife Centre for Equalities has carried out a consultation on residents to collect their views and concerns about Brexit. The survey has highlighted fears around status, the ease in which families can visit, protection of in-work conditions and rights, the ability to trust the press/media, the ability to access clear information on Brexit, and feelings of a changed environment (e.g. unfriendly or unwanted).<sup>12</sup>

37. COSLA is particularly concerned about the implications for migrants and our local communities, should future immigration policies further restrict the rights of EU nationals to access public funds. Under current immigration laws, persons 'subject to immigration control' have 'no recourse to public funds' (NRPF), including social security, housing and homelessness assistance. Key groups that are impacted by this policy include those with spousal or student visas, limited leave to remain under family or private life rules, indefinite leave to remain (with a five-year prohibition on claiming public funds) and visa over stayers. This policy has been linked to an increase in rates of destitution amongst migrants and asylum seekers in Scotland. Under devolved social work and children's legislation, Scottish local authorities do have duties and powers to provide limited forms of support to some of the most vulnerable people with NRPF, namely those with needs assessed as being over and

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[http://www.parliament.scot/S5\\_European/General%20Documents/CTEER\\_Immigration\\_WritEv\\_Shettland\\_Council.pdf](http://www.parliament.scot/S5_European/General%20Documents/CTEER_Immigration_WritEv_Shettland_Council.pdf)

<sup>12</sup> Brexit: Fife Consultation Summary Report (Sept 17):

<https://centreforequalities.org.uk/2017/09/28/brexit-fife-consultation-summary-report-september-2017/>

above destitution. A number of councils are therefore providing accommodation, social work services and financial assistance under these laws. This can be for long periods of time (in some cases for a number of years) and at a high cost to local authority budgets.<sup>13</sup>

38. COSLA believes that NRPF policies run counter to Scottish Local Government's commitments to the communities we serve. They particularly compromise our ability to meet aspirations we share with the Scottish Government, such as to reduce child poverty, eliminate homelessness and ensure socio-economic equality within our communities. The impact on those who are not eligible for local authority assistance is particularly acute. Many of these people are forced to rely on support from the third sector and community groups and may experience street homelessness. We are concerned that if EU nationals were subject to this condition on their right to live and work in the UK, migrants working in low pay jobs and sectors will be particularly vulnerable to destitution, with significant implications for their mental health and wellbeing as well as for local authority social work services.

#### *Integration policy*

39. We argue that integration policy must also lie at the heart of any successful immigration scheme. Many local authorities have attempted to lessen anxiety amongst those EU nationals currently living with an imposed sense of uncertainty. Leaders and Chief Executives have gone out of their way to acknowledge and value the benefits people (council employees and those living and working in the local area) have brought with them. Scotland did not suffer the spike in hate crime as seen in England after the referendum vote and COSLA believe leadership will continue to play a key role in ensuring social cohesion.
40. Local authorities are at the forefront of integration and there is significant work being carried out by Scottish local authorities to make their areas attractive places to live and work. There are many examples of local policies specifically tailored to attract and retain migrants. For example, a focus on drawing skills and talent from abroad to support public and private sector skills shortages through, for instance, relocation and overseas recruitment packages; the provision of workplace ESOL to support the retention of migrants in local employment; and the provision of community based adult and family ESOL to enable inclusion and participation of migrants in their local communities.
41. A number of Scottish local authorities are working in partnership with University of Glasgow on their Social Support and Migration in Scotland (SSAMS) project.<sup>14</sup> The aim of the project is to better understand how migrants from Central Eastern Europe and the Former Soviet Union in Scotland are able to make themselves socially,

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<sup>13</sup> Data from the UK NRPF Network for 43 Local Authorities across the UK, including Glasgow and Edinburgh City Councils, highlights that they spent a combined total of £36.4 million in 2016/17 supporting families with NRPF.

<sup>14</sup> Social Support and Migration in Scotland (SSAMS) project:  
<https://www.gla.ac.uk/research/az/gramnet/research/ssamis/background/>

economically, personally and culturally secure in a new environment and their strategies for dealing with every day issues. The SSAMS project has developed a number of community initiatives in partnership with local people, local authorities and other relevant stakeholders.

42. Through our Migration Matter Scotland (MMS) project, COSLA has worked with local authorities on the integration of migrants in Scotland.<sup>15</sup> As part of this project an online migration policy toolkit has been produced, which assists policy makers across Scotland in supporting their migrant populations.<sup>16</sup> The focus of the toolkit is to help local authorities and their community planning partners to think about how to welcome, integrate and involve migrant communities in Scotland.
43. *New Scots: Integrating Refugees in Scotland's Communities* is a strategy developed and implemented by COSLA, the Scottish Government and the Scottish Refugee Council. It aims to coordinate the efforts of all organisations involved in supporting refugees and people seeking asylum in Scotland. The key principle of the New Scots Strategy<sup>17</sup> is that refugees and asylum seekers should be supported to integrate into our communities from day one of arrival. The principles behind the integration of refugees and asylum seekers are reflected across partners practice across Scotland and benefit all migrants to the country.

## Conclusion

44. COSLA recognises that the continuation of freedom of movement would be the most advantageous system for Scotland. However, it is acknowledged that this is unlikely and policy direction around a potential immigration system for EU nationals is still far from clear. Nevertheless, we have continued, and will continue, to lobby for a more flexible system that can address the needs of the Scottish economy and our ageing population and to accrue more policy levers to encourage people to move to Scotland.
45. We also argue that flexibility cannot stop at the national level; the system must be able to accommodate Scottish local authority areas and their specific needs. As our section on economic and workforce needs highlights, we need an immigration system that can take account of the economic diversity within Scotland, and be responsive to national and regional needs.
46. Therefore, it is critical that Scottish local government's voice is represented in the Brexit debate and our needs are recognised and reflected in any potential immigration systems that are developed as a result of Brexit.

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<sup>15</sup> COSLA Migration Matters Scotland: <http://www.migrationscotland.org.uk/migration-matters-scotland/project-background>

<sup>16</sup> COSLA Migration Policy Toolkit: <http://www.migrationscotland.org.uk/migration-toolkit/introduction/1-1-getting-started>

<sup>17</sup> News Scots Strategy and progress reports <http://www.migrationscotland.org.uk/our-priorities/current-work/new-scots-strategy>

**For further information regarding this response please contact:**

**Lorraine Cook**  
**Policy Manager**  
**COSLA Migration, Population and Diversity Team**  
**0131 474 9243**  
[lorraine@cosla.gov.uk](mailto:lorraine@cosla.gov.uk)

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