



Centre for Local  
Economic Strategies

# bulletin

## Local Authorities and Migration: A Changing Agenda

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### Introduction

Migration for work purposes is not a new phenomenon, but something, which has shaped the development of local, national and global economies for many years. Migrant workers bring wide economic, social and cultural benefits to local areas ranging from the provision of competition in the labour market to the transfer of key skills to fellow workers. Migrant workers also contribute to local economies in productivity, enterprise and innovation terms. Traditional migration to work in the UK has been shaped around travel to work patterns across local authority boundaries and within city regions. However, in recent years with the growth of global markets and global transport systems, migration to work is increasingly taking place across national and international boundaries. The issue of migration has risen therefore on the political, economic and media agendas in the UK in recent years. The enlargement of the European Union in 2004 in particular led to a greater than anticipated influx of migrant workers into the UK. Whilst this has had clear economic benefits, it has also had impacts on service delivery and cohesion considerations. The purpose of this bulletin is therefore to assess migration for work in more detail and to provide a series of pointers as to how local authorities and their partners can manage service change with regard to migrant workers. The bulletin comprises the following sections:

- ❑ The scale of migration in the UK;
- ❑ The value added of migration in economic terms;
- ❑ The challenges migration poses for local authorities and their partners;
- ❑ Responding to the challenges of migration at the local level.

## **The Scale of Migration for Work in the UK**

The number of migrant workers has risen dramatically in the UK in the last ten years. Whilst in 1996 foreign nationals made up 3.5% of the total English workforce, 2006 saw this figure rise above the 6% level for the first time. This increase in the migrant workforce is complemented also by rises in the number of foreign nationals gaining national insurance numbers. 662,000 gained a national insurance number in the UK for the first time in 2005/06, nearly twice as many as in 2002/03. The geography of migration has also changed in this time from a strong Indian sub-continent and Oceanic focus in 2002/03 towards more of a new EU state focus in 2005/06. Figure 1 highlights this increase in applications for national insurance numbers and the geographical shift in migrant workers. The stand-out figure is from Poland where only 11,000 applications were made in 2003/04. Compared to the 171,000 applications in 2005/06 the impact of the accession of 10 new EU states has had on population movement, particularly from Eastern Europe and the Balkan states is significant to the UK.

Figure 1 – Applications for National Insurance Numbers

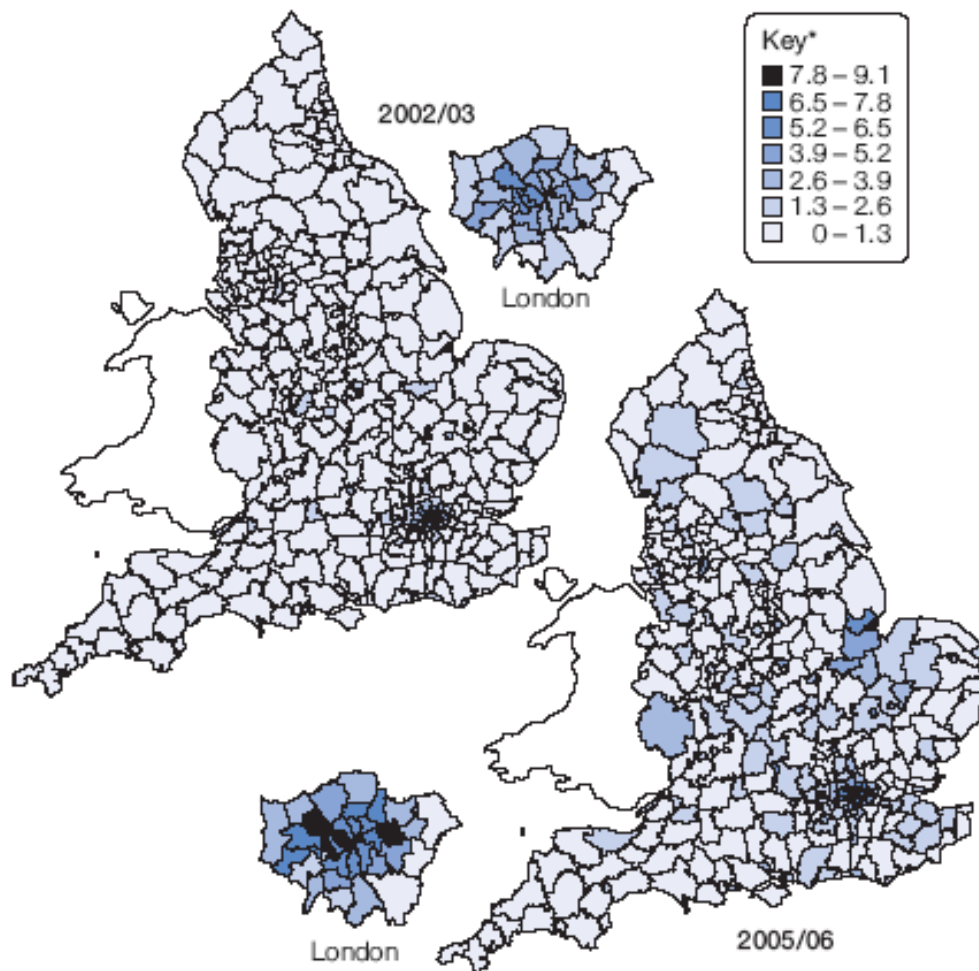
2002/03 (000s)		2003/04 (000s)		2004/05 (000s)		2005/06 (000s)	
India	25.0	India	31.3	Poland	62.6	Poland	171.4
Australia	18.9	South Africa	18.4	India	32.7	India	46.0
S. Africa	18.6	Australia	17.1	Pakistan	20.3	Lithuania	30.5
Pakistan	16.8	Pakistan	16.8	S. Africa	19.3	Slovakia	26.4
France	13.8	Portugal	14.0	Australia	16.6	S. Africa	24.0
Philippines	11.8	China	13.3	Lithuania	15.6	Australia	23.8
Spain	11.7	France	13.1	China	12.6	Pakistan	22.3
Zimbabwe	10.3	Spain	11.9	France	13.3	France	17.2
Iraq	10.1	Poland	11.2	Portugal	12.2	Latvia	14.2
Portugal	9.8	Philippines	10.7	Slovakia	10.5	Germany	13.3
Other	189.1	Other	213.6	Other	236.6	Other	273.3

Commonwealth      Old EU states      New EU states

Source: Audit Commission 2007

At more of a local level, migration has tended to focus on particular types of area. Figure 2 highlights the number of new national insurance numbers issued to foreign nationals as a percentage of the working population in that area in 2002/03 and 2005/06. It again clearly indicates not only the growth between 2002/03 and 2005/06 but also the geographical spread. Whilst perhaps unsurprisingly the biggest growth has occurred across the London Boroughs, there has also been growth in areas such as the East of England and Lincolnshire and coastal areas such as Sefton and Blackpool. Whilst these areas do not have strong industrial or manufacturing histories, they do have employment opportunities in Agriculture and Tourism Industries that migrant workers have skills and experience in.

**Figure 2 – New National Insurance Numbers issued to foreign nationals as a percentage of the working population in that area**



Source: Audit Commission 2007

### **The Value Added of Migrant Workers**

Migrant workers provide a significant number of benefits for local economies. Recent work by CLES Consulting in Sefton highlighted the following impacts of migrant workers for the local economy:

#### ***Providing a larger supply of Labour***

The influx of migrant labour in Sefton provides a much larger supply of labour into the local economy than was previously available. Migrant workers now make up 2% of the total working population in Sefton. With high levels of worklessness compared to the regional average in Sefton and with intensive help and support required for these individuals to become economically active, migrant workers fill an important gap in Sefton's labour market. In this, they provide employers with a high volume of readily available employees, and fill jobs that local communities have often been unwilling or unable to fill.

#### ***Providing more competition within the Labour Market***

A greater supply of migrant labour within the labour market in Sefton has meant that there is now greater competition for the available jobs, as employers are provided with a greater quantity and quality of employees than was previously available. Migrant workers also offer a number of characteristics which make them attractive to Sefton employers including: flexibility; job readiness; good skills levels; and cost effectiveness and efficiency.

### ***Providing skills***

One of the key impacts of migrant workers in Sefton is the contribution they make to the labour market, in terms of the skills, training and qualifications they bring into the area. There is thus significant contribution to local skills levels and key potential through working with local populations to transfer skills and knowledge. Migrant workers also fill a number of skills gaps in the Sefton economy, particularly around ICT, communication and administration, and construction.

### ***Multiplier effects***

Migrant workers can have a significant impact in an area by not only bringing in labour, ideas and investment, but also in contributing to local economic spend. Migrant workers in Sefton for example, spend wages on local products and services. They also have direct impacts on tax and national insurance contributions but tend to cost the local economy less in services relating to health and education.

### **The Challenges Migrant Workers pose for Local Authorities and their Partners**

As indicated earlier, migration to the UK from the EU accession states has increased dramatically in the most recent years. Whilst national and local agencies were prepared for an increase in migrant workers, they were not prepared for an influx on such a large scale. Areas without significant experience of diversity and change have experienced a number of challenges when it has come to accommodating, bending service delivery and engaging migrant workers in local society. Some of the key issues faced by local authorities, police forces, employment agencies, the voluntary and community sector and other statutory agencies have included:

### ***Data collection and evidence***

Migrant Workers are not a key category or indicator in Census or other population statistical data. In many cases therefore at the local level it has often been difficult for local authorities to gauge accurate numbers of migrant workers making it more difficult to plan for change and strategise the impact of migrant workers. Lack of accurate numbers also makes it harder for local authorities to develop business cases for extra funding to support new populations or to deploy existing resources.

### ***The local Labour Market***

As recent CLES research in Sefton has found, migrant workers are often welcomed by employers for their hard work, skills and knowledge. However there have been concerns and questions asked about the competitiveness of migrant workers and impacts of new labour forces upon local jobseekers especially those with low skills levels or skills in traditional industries.

### ***Housing markets and neighbourhoods***

Large numbers of migrant workers in particular places has strong impacts on local housing markets, particularly with regard to affordability. Increased demand for private rental properties has also placed concerns at the local authority level with regard to conditions and overcrowding.

### ***Homelessness***

The increase in migrant workers from accession states has not been coupled with changes in benefit entitlement. This has often meant that migrants who fail to find jobs, or lose jobs can become as a result of no fixed income or significant

benefit entitlement homeless. This has been particularly evident in London in recent years where there has been an increase in rough sleeping.

### ***Language***

Local education authorities, local training bodies and ultimately local employers have faced key issues with regard to language. Local areas have often struggled to meet demand for teaching English for migrants, with interpretation and translation provision also in short supply.

### ***Public service wariness***

Local authorities and other local agencies have often had difficulty, primarily as a result of a lack of data, in contacting and communicating with migrant workers. This has made migrant workers unsure as to the services they can access locally and wary of some local partners such as the Police.

### ***Advice, information and guidance***

Linked to the previous point migrant workers have often faced confusion with regard to entitlements and advice services. There has also been confusion about the role of agencies who can potentially support the integration of migrant workers into UK society. There is thus a general need for better advice, information and guidance across a number of themes, services and agencies.

### ***Demographics***

To date most migrant workers in the UK from the accession countries are young and often without families. This means theoretically that they make few demands on the more expensive public services such as health and education. Local authorities need to be aware of the localised pressures on these service areas if families do arrive. Particular concerns exist over children, school catchment areas and local school capacity.

## **Responding to the Challenges of Migrant Workers at the Local Level**

A recent report from the Audit Commission (2007) based on research around the country has been developed to support local authorities and their partners to manage local migration changes. The report proffers a number of recommendations for authorities in areas with limited recent experience of migrant workers. The report also suggests how national and regional responses could be better targeted to support local change.

### ***Local leadership and partnership is key***

Like many other issues migration is one which cuts across many geographical, policy and service delivery areas. Solutions therefore require collaboration and partnership between multiple public, private, faith and voluntary agencies. Recent evidence suggests that mechanisms such as Local Strategic Partnerships and increasingly Local Area Agreements are key towards bringing these partners to the table and shaping interventions. Areas, for example with recent experience of receiving asylum seekers and refugees under dispersal arrangements have through partnership, tailored services to meet the needs of new arrivals. Local authorities should work along similar lines with regard to migrant workers. They could for example in areas facing significant change as a result of migrant workers use Local Area Agreements to set out desired outcomes. Local authorities and increasingly local councillors as a result of new proposals set out in the Local Government White Paper also have a key role in community leadership terms in managing the consequences of migration change. Local leadership is key to ensuring:

- ❑ new arrivals can integrate with local communities;

- ❑ employers, recruitment and employment agencies and landlords comply with minimum legal standards;
- ❑ local difficulties and tensions are minimised; and
- ❑ the diverse needs of new residents are met, if necessary by modifying services.

Some authorities have already set up Migrant Worker Task Groups which report to Local Strategic Partnerships, whilst in others such as Cornwall, statements on improving conditions for migrant workers have been built into the Local Area Agreement.

### ***The importance of communication and engagement***

Leading on from leadership and partnership, local authorities and other public agencies can use communication and engagement to develop a range of support measures for migrant workers. In particular they can:

- ❑ establish effective links through partnership and procurement to local employers, employment agencies and landlords;
- ❑ strengthen relations with local voluntary and faith organisations, which are often key support bodies for migrant workers;
- ❑ engage with migrant workers through quality of life surveys and other data collection methods, to identify their concerns and ensure that information and advice meeting their needs is available;
- ❑ monitor issues that may cause community tensions;
- ❑ work with other agencies to identify changes that could generate demands for health, social care and education services, and plan appropriate action.

Advice and information about opportunities with regard to employment and housing are often the number one request of migrant workers new to the UK. There are a number of examples of good practice from around the country of where local authorities have led on providing advice. For example, many areas have developed local information packs for newcomers, which are not only useful for migrant workers, but also educate employers and agencies. A number of faith and community groups also work in partnership with local authorities to run talks and information sessions for migrant workers.

### ***The need to share and improve data and intelligence***

Accurate data on the number of migrant workers in a particular local area at a given time has been notoriously difficult to collect and analyse. Indeed where national level data does exist such as the DWP record of national insurance numbers, there are inherent weaknesses. DWP data for example, does not record when any individual moves around the country or leaves it. Whilst the Office for National Statistics has plans to address current data weaknesses through an Improving Migration and Population Statistics project, this is likely to take a number of years to develop and to highlight local variations. Local authorities, as a result of the weaknesses of national level migration data need to begin to research new arrivals and ensure data collected from other partners is effectively shared. Data on migration could be pooled and analysed from a number of sources:

- ❑ the most up-to-date local data is often held by major employers, employment and recruitment agencies, and private landlords with employer or agency links. Local authorities need to develop more effective relationships with these organisations;
- ❑ Police forces are usually the first local services to notice and respond to change. Local authorities need to improve access to data collected, for example with regard to the use of interpretation services in police interviews.

- ❑ Front line staff and councillors who deal with the public are also often important data sources. Librarians for example could detect increased use of internet terminals by migrant workers;
- ❑ Voluntary and faith organisations can sometimes have better information than public service providers with regard to numbers of migrant workers arriving. Many individual migrant workers contact local churches, mosques or temples soon after they arrive, both for faith reasons and because religious centres are often important for social support and networking at home.

Therefore, neither national nor local data sources provide a comprehensive picture of the movement of migrant workers. There is therefore a need for inter-agency collaboration with regard to data at the local level and for links to be made across geographical and service boundaries. One step which could be introduced is data-sharing groups where officers from different agencies come together to share data and identify solutions to migrant worker issues.

### ***Analysing the impact on the local labour force and local economic development***

Migrant workers are often attracted to local areas by the prospect of employment and are often welcomed by local employers as a result of taking jobs that are sometimes difficult to fill. There have been concerns however in some areas that new arrivals compete with existing residents at the bottom end of the labour market. Local authorities and other local partners involved in regeneration, economic development and skills training therefore need to understand and research whether migrant workers affect job opportunities for other local people. If job opportunities are changing, the support offered to the unemployed and workless such as by Jobcentre Plus needs to change accordingly.

### ***The Housing Growth challenge***

Whilst agencies and employers often arrange initial accommodation for migrant workers, there are sometimes problems with regard to overcrowding, high rents and poor conditions. Coupled with a national affordability crisis, there is a need for local authorities and other housing providers to develop effective local solutions to ensuring demand for housing from migrant workers is met. Local authorities need to (in particular) to work with private landlords, using regulatory powers in housing to improve conditions and shape future demand.

### ***Translation services***

The influx of migrant workers in the UK in recent years has inevitably meant increased demand on public bodies for translation and interpretation services, putting pressure on budgets and existing interpretation services. Some local authorities have therefore sought to develop and improve interpretation services in recent years. One such example is the INTRAN (Interpretation and Translation for Norfolk) projects which is run jointly by a group of public agencies including local authorities, police, PCT's and housing associations.

### ***Working with regional agencies and regional decision makers***

Whilst it is clear that it is at the local and neighbourhood levels that the impact of migrant workers economically, socially and strategically is most clearly being felt, local authorities also need to consider the strategic thoughts of regional bodies when planning interventions. Regional bodies should also be further considering the role and needs of migrant workers in regional strategy. In particular:

- ❑ Regional Assemblies should review whether housing, planning and economic development strategies take proper account of the recent increase in migration for work;



- ❑ Regional Development Agencies should review the impact of migrant workers on their regional and sub-regional economies and adjust local skills training, both for migrant workers and for other local workers;
- ❑ Government Offices should identify gaps and duplication in existing regional and sub-regional information, and in advice and guidance to migrant workers.

## **Conclusion**

The accession of 10 EU states in 2004 has led to significant increases in the number of workers migrating to the United Kingdom. The unexpected speed and scale of migration has placed a number of challenges on local authorities across the country. This CLES Bulletin has highlighted some of these core challenges and based on recent Audit Commission research proffered a number of recommendations for local authorities to adapt to and manage change. There is particular need for local leadership and local agency collaboration to ensure that change is managed for the benefit of both migrant workers and other local residents. With the recent accession of Bulgaria and Romania to the EU, migration is likely to continue to require key consideration in local, regional and national decision-making and policy. One particular development in recent weeks in the North West has been the launch of Migrant Workers North West, a coalition of organisations representing the business, faith and charity communities as well as Trade Unions and local authorities. The organisation has four core aims:

- ❑ To promote best practice in the employment of migrant workers;
- ❑ To provide a region-wide reference point for support services available to migrant workers and their communities;
- ❑ To identify specific training needs amongst migrant workers and skills already within the migrant worker communities;
- ❑ To promote best practice amongst policy makers towards legislation affecting migrant workers.

For further information on migrant workers, please contact Matthew Jackson on 0161 236 7036, [matthewjackson@cles.org.uk](mailto:matthewjackson@cles.org.uk).

For further information on the Sefton Migrant Study which CLES Consulting has recently completed, please contact Sarah Jack on 0161 236 7036, [sarahjack@cles.org.uk](mailto:sarahjack@cles.org.uk).

For further information on the Audit Commission research, visit: <http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=ENGLISH^576^SUBJECT^488^REPORTS-AND-DATA^AC-REPORTS&ProdID=05CA5CAD-C551-4b66-825E-ABFA8C8E4717>

For further information on Migrant Workers North West, visit: <http://www.migrantworkersnorthwest.org/>

**Bulletin** is one of a series of regular policy reports produced by the Centre for Local Economic Strategies (CLES). CLES is a not-for-profit think-doing organisation, consultancy and network of subscribing organisations specialising in regeneration, economic development and local governance. CLES also publishes Local Work, Rapid Research and bespoke Briefings on a range of issues.

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