

# **Foreign Migrants in Edinburgh**

**Capital City Partnership Working Paper Series**

**Working Paper 5**

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**Monitoring and Evaluation**



## Working Paper 5

### Foreign Migrants in Edinburgh

#### 1.0 Summary

- Anecdotal evidence is available to illustrate that support services are being called upon to work with these new migrants (p 3).
- Scotland has seen an increase of **185%** in the numbers of foreign migrants receiving NI numbers between 2002/03 and 2005/06 (p 4).
- **11,670** NI numbers were allocated to foreign nationals in Edinburgh in 2005/06. An increase of **93%** from 2003/04 (p 5).
- In 2005/06, Edinburgh had the highest number of foreign nationals receiving NI numbers in Scotland. In 2005/06 Edinburgh accounted for **28%** of all Scottish migrant worker registrations (p 5).
- Overall in 2005/06 around **98%** of NI numbers - in both Scotland and Edinburgh – were **not** used within 6 months to claim benefits. (p 6).
- In 2005/06 the largest number were from the new EU member states. This was followed by residents of the traditional 15 EU member states and then Australia and New Zealand. (p 6).
- **4,080** Poles applied for NI numbers in Edinburgh in 2005/06, more than any other nationality (p 7).
- Edinburgh Chamber of Commerce carried out a survey of Polish nationals (p 9):
  - *Catering (28%) and cleaning/domestic (18%) were the most common sectors which respondents were working in.*
  - *85% had either a graduate or postgraduate qualification*
  - *25% of respondents said that their English Language level was extremely low or minimal*
  - *64% of respondents said they were either currently looking for English language training or thought that they were going to look for this in the future.*
- Research undertaken by the LLMU indicated that the most common reasons for employers recruiting workers from overseas was the lack of local applicants (**31.8%**) and lack of skills found locally (**27.3%**) (p 9).
- Support organisations considered that increased migration will lead to additional costs arising from the increased provision of translation services (p 11).
- The LLMU report recommends a multi-agency, strategic level approach to the migrant labour issue in Edinburgh & Lothian with area-specific action plans developed to address local issues and priorities (p 12).
- Research carried out by the DWP indicates appears to suggest that increased migration has been associated with a small but significant increase in native unemployment (p 12).
- Consideration should be given to undertaking an audit of existing ESOL provision and an examination of demand for such provision (p 12).

## **1.0 Purpose of this Paper**

This working paper is the fifth in a regular series of papers compiled by CCP that look at issues of relevance to Joined up for Jobs. The first looked at the NEET group, the second at benefit claims, the third at IB/SDA, the fourth at ethnic minorities and future working papers will examine topics around issues such as long-term JSA claimants, outcomes and outputs from projects supported under the getting people into work heading of the ROA, etc. We are open to suggestions from JU4J partners for future topics.

Overall these working papers are intended to be useful background resources that can be used for base lining programs or simply providing context. In other instances the papers will provide a 'literature review' type function, distilling information and informing the group of what research and data that has recently become available. They are not necessarily documents that reach conclusions or provide answers, nor will they necessarily call for future research.

In the context of Joined up for Jobs this particular paper will be of interest as it will not only highlight the number of foreign nationals in the city, the sectors which they are employed, where they originate - it will also consider the evidence surrounding economic impact.

## **2.0 Introduction**

On the face of it Edinburgh is a vibrant booming city, with high levels of employment, high levels of home ownership and an affluent population. Whilst this may be true for a large percentage of the population of the city, there are areas and groups of people who do not fare as well economically. Evidence suggests that the level of incapacity claimants has remained stable in the city over the past few years, particularly compared to Glasgow which has seen a significant reduction in the number of IB/SDA claimants. One possibility is that the increased number of migrant workers means that they are taking the jobs which otherwise the resident population would have taken up. This paper looks at the number of foreign nationals in the city and their employment status,

Over the last couple of years there has been a growth in the number of foreign nationals coming and working in the Britain in general and Edinburgh in particular. Some of this is seen as being as a result of the expansion of the EU and the new ability for workers from countries such as Poland to move to the UK for work.

In Edinburgh anecdotal evidence is available to illustrate that support services are being called upon to work with these new migrants, for instance the Evening News 11<sup>th</sup> July 2005 highlighted some of the difficulties Polish people encountered and in February 2007 the Transport and General Workers Union held meetings for Polish workers in Edinburgh. In East Lothian language support resources for teachers are stretched as they are being asked to support Polish children attending schools in the county.

This paper looks at new migrant workers into Edinburgh who have applied for National Insurance numbers which will then allow them to work officially rather than in the black economy. It looks at the scale of migrant workers moving into the city and what nationalities appear to be the most common.

### 3.0 National Insurance Numbers

Overseas nationals must apply to their local Jobcentre plus office for an NI number and an interview is arranged at the office and supporting evidence is collated. The DWP check that the employer is genuine, whether or not the applicant has been offered a job and also is not in possession of an NI number currently.

A National Insurance number will not only allow an individual to officially work or become self employed –and this includes students wanting to carry out part time work - it will also allow an individual to claim benefits and this might be seen as a reason why people will register for an NI number.

The NI number allocation figures only refer to inflow migrant workers and there is no current method by which those that leave the UK can be included. Also, although we are able to accurately determine the geography within which the migrant worker was living when they made the application, this does not have to remain the case and the individual may have moved.

One final issue about the data that we will discuss is that due to confidentiality constraints figures are rounded to the nearest 10 and are suppressed on a country basis if less than 10 migrants came from this country. Because of the size of the migrant population in Edinburgh this is less likely to be an issue than for some of the authorities with a smaller number of migrant workers.

#### National Insurance Number Allocations

We can see from the table below that the number of foreign migrants receiving NI numbers has grown considerably since 2002/03. For GB we can see that the number has increased from **349,240** to **662,390** – almost a **90%** increase. In Scotland as a whole the increase is even more significant from **14,530** to **41,420** – an increase of **185%**.

**Table 1. National Insurance Numbers Allocated to Foreign Nationals**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Great Britain	<b>349,240</b>	<b>370,750</b>	<b>439,730</b>	<b>662,390</b>
Scotland	<b>14,530</b>	<b>15,520</b>	<b>22,900</b>	<b>41,420</b>

Further breakdown is available in terms of foreign migrant NI numbers by local authority and also by country of origin of the NI recipient. Looking first at the breakdown by local authority we can see in the table below that all local authorities in Scotland have some foreign nationals living and working in their area. That said there is clearly a greater number in the big cities, rural areas and areas where the local economy is stronger.

**Table 2. NI Numbers to Foreign Nationals by LA Area**

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Edinburgh	<b>4,520</b>	<b>4,880</b>	<b>6,040</b>	<b>11,670</b>
Glasgow	<b>3,040</b>	<b>2,840</b>	<b>4,000</b>	<b>6,660</b>
Aberdeen	<b>1,430</b>	<b>1,540</b>	<b>2,220</b>	<b>3,860</b>
Aberdeenshire	<b>330</b>	<b>450</b>	<b>920</b>	<b>1,590</b>
Highland	<b>600</b>	<b>690</b>	<b>1450</b>	<b>2640</b>
Perthshire and Kinross	<b>340</b>	<b>510</b>	<b>960</b>	<b>1600</b>
Fife	<b>510</b>	<b>550</b>	<b>880</b>	<b>1530</b>
Dundee	<b>520</b>	<b>650</b>	<b>940</b>	<b>1460</b>
West Lothian	<b>190</b>	<b>240</b>	<b>340</b>	<b>1150</b>
North Lanarkshire	<b>280</b>	<b>260</b>	<b>380</b>	<b>810</b>
South Lanarkshire	<b>330</b>	<b>310</b>	<b>420</b>	<b>770</b>
Angus	<b>80</b>	<b>90</b>	<b>490</b>	<b>740</b>
Renfrewshire	<b>240</b>	<b>260</b>	<b>310</b>	<b>720</b>
Stirling	<b>210</b>	<b>230</b>	<b>300</b>	<b>720</b>
Argyll and Bute	<b>180</b>	<b>250</b>	<b>360</b>	<b>700</b>
Borders	<b>150</b>	<b>200</b>	<b>390</b>	<b>650</b>
Dumfries and Galloway	<b>120</b>	<b>140</b>	<b>350</b>	<b>600</b>
Moray	<b>90</b>	<b>160</b>	<b>310</b>	<b>530</b>
Falkirk	<b>140</b>	<b>140</b>	<b>180</b>	<b>470</b>
South Ayrshire	<b>130</b>	<b>140</b>	<b>180</b>	<b>400</b>
Inverclyde	<b>190</b>	<b>140</b>	<b>230</b>	<b>330</b>
East Lothian	<b>130</b>	<b>120</b>	<b>200</b>	<b>300</b>
North Ayrshire	<b>170</b>	<b>150</b>	<b>240</b>	<b>280</b>
Midlothian	<b>100</b>	<b>80</b>	<b>130</b>	<b>200</b>
East Dunbartonshire	<b>110</b>	<b>110</b>	<b>130</b>	<b>170</b>
West Dunbartonshire	<b>80</b>	<b>70</b>	<b>100</b>	<b>160</b>
East Ayrshire	<b>80</b>	<b>70</b>	<b>110</b>	<b>160</b>
East Renfrewshire	<b>90</b>	<b>90</b>	<b>100</b>	<b>130</b>
Clackmannanshire	<b>40</b>	<b>40</b>	<b>50</b>	<b>130</b>
Western Isles	<b>20</b>	<b>30</b>	<b>70</b>	<b>130</b>
Shetland Isles	<b>50</b>	<b>40</b>	<b>90</b>	<b>100</b>
Orkney Isles	<b>20</b>	<b>20</b>	<b>30</b>	<b>60</b>

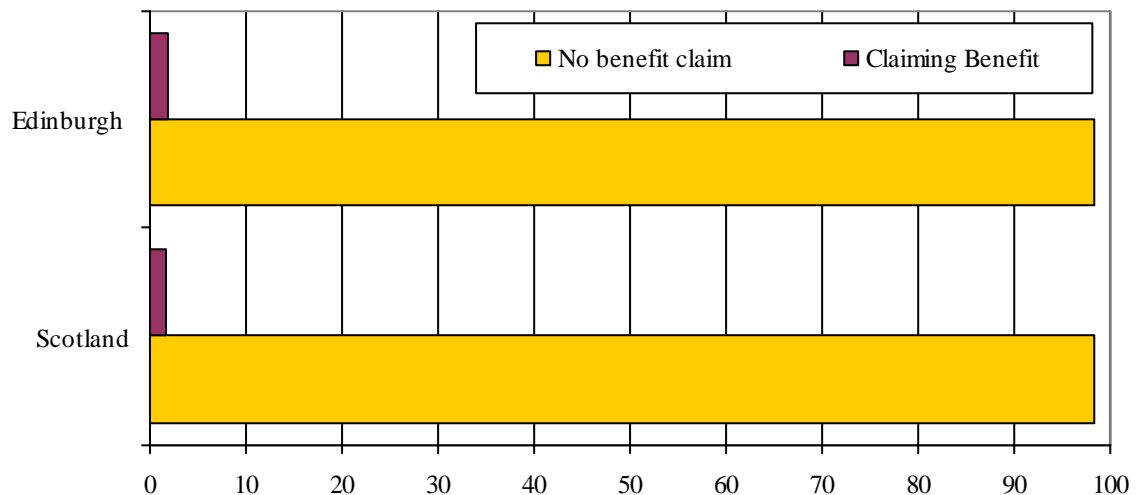
It is clear that Edinburgh has the highest number of foreign nationals receiving NI numbers in Scotland, with **11,670** new NI numbers being allocated in 2005/06 to foreign nationals. This was a **93%** increase when based on the figures for 2004/05. It can also be seen that it is almost twice as high as the figure for Glasgow. In 2005/06 Edinburgh accounted for **28%** of all Scottish migrant worker registrations. Its share had increased from **26.3%** in 2004/05 but in 2003/04 **31.4%** of Scotland migrant worker registrations were in Edinburgh.

This population in Edinburgh has risen from an estimated **449,020** in 2001 to **463,510** in 2006 (GRO population estimates), the number of NI numbers to Foreign nationals in Edinburgh between 2002/03 to 2005/06 of **27,110**. It seems likely that foreign nationals have a significant part in this increase.

#### 4.0 Migrant Workers and Benefit Claimants

Often there are accusations that an influx in migrants, and particularly migrants who apply for NI numbers, puts a strain on the benefit system. However from the available data this does not appear to be the case. The figure below highlights the proportion of NI numbers granted out to migrants in Scotland and in Edinburgh where the number was used within 6 months of being generated to claim one of four benefits (Disability Living Allowance, Incapacity Benefit, Income Support or Job Seekers Allowance).

**Figure 1. Benefit Claimants within 6 Months of NI Number Generation**



We can see that overall in 2005/06 around **98%** of NI numbers - in both Scotland and Edinburgh – were **not** used within 6 months to claim benefits. Comparing this to previous years we can see that the claimant rate has increased fallen as the number of migrant workers has increased. For instance in 2002/03 **95%** of NI numbers generated in Edinburgh for foreign nationals were not used to make a benefit claim within 6 months of their creation. This is evidence that the recent migrants to Scotland and Edinburgh are actively contributing to the countries and cities economies.

#### 5.0 Nationality of Recent Migrants

The final way that the data can be re-examined is through the nationality of the NI applicants. The table below highlights the number of applicants for NI numbers residing in Scotland and Edinburgh, broken down in terms of their home country.

We can see that in 2005/06 the largest number were from the new EU member states. This was followed by residents of the traditional 15 EU member states and then Australia and New Zealand. What the table also shows is the proportion of any nationality working in Scotland who are based in Edinburgh (or were based in Edinburgh when they applied for a NI number). For Scotland as a whole the majority of NI numbers have been granted to residents of the new EU member states. This is similar, although not as marked for Edinburgh. We can also see that Edinburgh is home to more than half of all Scotland's Australians and New Zealanders and also South Americans

Looking at some of the countries individually we can see that in 2005/06 there were **930** applicants for NI numbers from Australian citizens living in Edinburgh; **330** from Canadians, **430** from China, **180** Czechs, **330** from France, **250** Germans, **610** from India, **690** Irish, **330** New Zealanders, **100** from Nigeria, **120** from Pakistan, **190** Slovaks, **220** South Africans, **660** Spanish, **110** Swedes, **320** Americans and **4,080** from Poland. (**17** countries). In addition there were another **59** countries which had between **10** and **99** applicants each for NI numbers, totalling in all **1,790**

**Table 3. 2005/06 NI Numbers by Nationality**

	<b>Scotland</b>	<b>Edinburgh</b>	<b>Edinburgh as a % of Scottish Total</b>
EU New Member States	<b>20,970</b>	<b>4,740</b>	<b>23%</b>
EU 15	<b>6,250</b>	<b>2,580</b>	<b>41%</b>
Australasia	<b>2,310</b>	<b>1,260</b>	<b>55%</b>
India subcontinent, Sri Lanka	<b>3,580</b>	<b>790</b>	<b>22%</b>
North America	<b>1,560</b>	<b>650</b>	<b>42%</b>
Africa	<b>2,310</b>	<b>550</b>	<b>24%</b>
China & Taiwan	<b>1,210</b>	<b>440</b>	<b>36%</b>
South East Asia	<b>870</b>	<b>160</b>	<b>18%</b>
South America	<b>160</b>	<b>90</b>	<b>56%</b>
Middle & Near East	<b>360</b>	<b>70</b>	<b>19%</b>
Rest of Western Europe	<b>140</b>	<b>60</b>	<b>43%</b>
Balkans	<b>260</b>	<b>60</b>	<b>23%</b>
Japan & Far East	<b>120</b>	<b>60</b>	<b>50%</b>
Rest of Eastern Europe	<b>130</b>	<b>40</b>	<b>31%</b>
Russia	<b>190</b>	<b>40</b>	<b>21%</b>
Caribbean	<b>40</b>	<b>20</b>	<b>50%</b>
Mexico & Central America	<b>30</b>	<b>10</b>	<b>33%</b>
Oceania	<b>20</b>	<b>10</b>	<b>50%</b>

For the nations with a small number of NI applying migrants we have to remember that the figure has been rounded up or rounded down, and this could be important if we were looking at specific nationalities with **50** (or less NI applicants).

### **Polish Workers**

In Britain as a whole 26% of a new NI number's were allocated to Polish nationals in 2005/06, whilst in Scotland it was **35%**. The situation in Edinburgh reflects the Scottish position rather than that of Britain as a whole with **36%** of the NI numbers allocated in 2005/06 being allocated to Scottish Nationals. Clearly what we can see is that the anecdotal evidence of Poles coming to Edinburgh to find work is supported by the number of new National Insurance numbers allocated and Poles seem to make up a higher proportion of the migrant worker population in Scotland than in Britain as a whole.

If the recipients of National Insurance numbers have remained in Edinburgh we can see that over the last 4 years the number of Poles in the city has increased by **5,190**. As would be expected it is since Poland became a member of the EU that the number of Polish Nationals coming to work in Britain in general – and Edinburgh in particular- has grown. For instance in 2002/03 there was **20** NI number applications from Polish nationals residing in Edinburgh. In 2003/04 there were **50**. In 2004/05 this had increased by **2000%** so that there were **1,040** and in 2005/06 this had increased again to **4,080**.

It is probably worth putting this into some sort of context highlighting some of the other nationalities that have come to Edinburgh for work over recent years. One of the consistently large nationalities coming to Edinburgh has been people from Australia and New Zealand, for instance over the last 4 years **3,820** Australian and New Zealanders have been allocated NI numbers in Edinburgh. On average about **900** Australasians residing in Edinburgh are allocated NI numbers each year, about **200** South Africans, around **500** Spaniards, **350** Indians and **450** Irish. Although for most nationalities there has been an increase in the number working in Edinburgh, the increase for Poles is easily the most dramatic.

A crude comparison is to highlight how this increase in one nationality fits in to the ethnic and multi-cultural profile of the city. The 2001 census provides information on ethnicity rather than nationality, but can give some indication of the size of different communities in the city. The table below highlights the 2001 census breakdown of the cities population in terms of Ethnic groups. It focuses on the working age population, arguably the same age group that would be applying for NI numbers. We can see that if all of the Polish national's allocated NI numbers over the last 4 years in Edinburgh remained in the city (**5,190**) they would likely constitute the largest single ethnic group in the city.

**Table 4 Edinburgh population by Ethnic Group (16-59)**

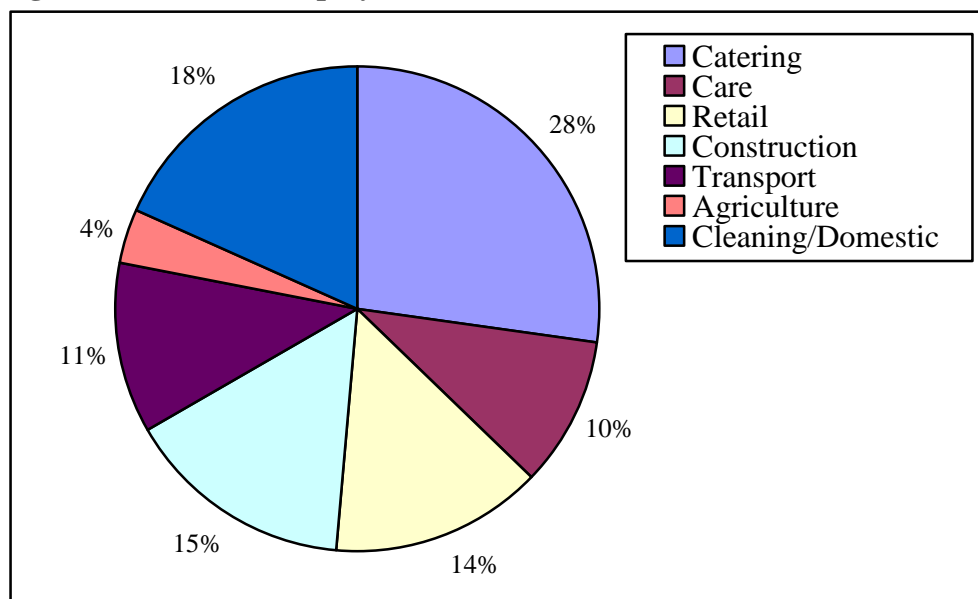
	<b>Population</b>
White Scottish	<b>213,367</b>
Other White British	<b>40,364</b>
White Irish	<b>5,151</b>
Other White Background	<b>14,896</b>
Indian	<b>1,764</b>
Pakistani	<b>2,385</b>
Bangladeshi	<b>395</b>
Other South Asian	<b>856</b>
Chinese	<b>2,635</b>
Caribbean	<b>228</b>
African	<b>999</b>
Black Scottish or other Black Background	<b>122</b>
Any Mixed Background	<b>1,567</b>
Other Ethnic Group	<b>1,653</b>

Source: Census (2001)

## Secondary Research

The Edinburgh Chamber of Commerce carried out a survey of Polish nationals on Szkocja.net. In total 529 people responded, and found that the respondents were working in the following sectors.

**Figure 2. Sector of Employment of Polish Workers**



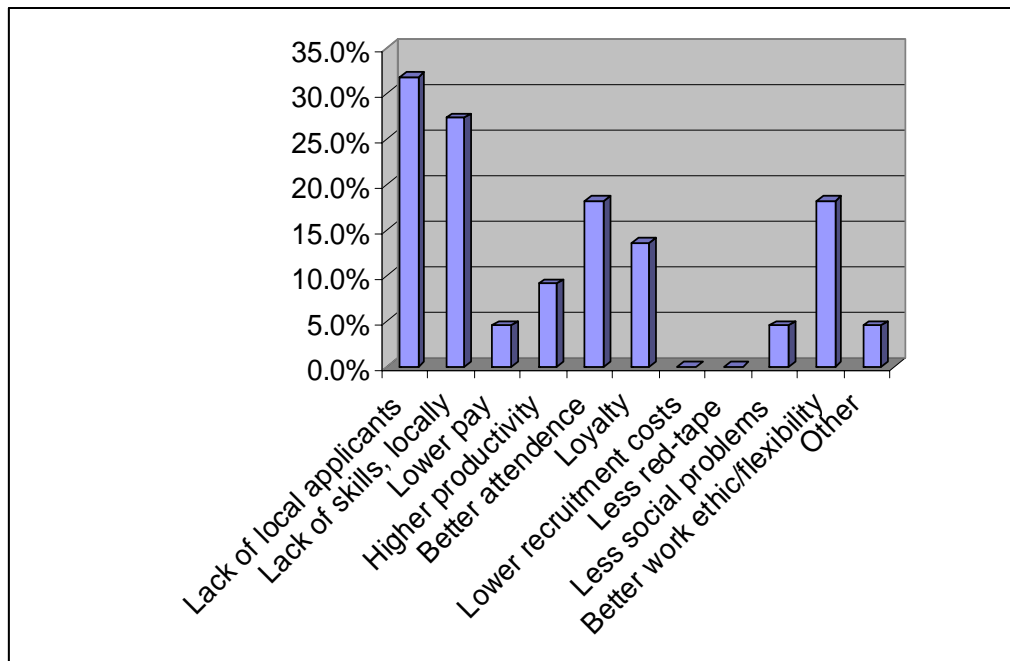
The Edinburgh Tourism Skills Forum

Of those that completed the survey **64%** were aged between 21 and 30 and **85%** had either a graduate or postgraduate qualification. If this accurately reflects the Polish nationals working in Edinburgh then it is clear that in the Polish workforce the city has a young and well educated group. What is slightly problematic is that only **48%** of the respondents said that their English language level was intermediate or advanced. In fact **25%** of respondents said that their English Language level was extremely low or minimal. In fact **64%** of respondents said they were either currently looking for English language training or thought that they were going to look for this in the future.

In 2005, the Lothian Labour Market Unit (LLMU) was commissioned to undertake the *Attracting Talent: Overseas Workers in Edinburgh and Lothian* study by the LLMU Management Group. Components of the research included considering the reasons given by employers for recruiting overseas workers, skills demands, and demands on support organisations.

A number of reasons were given by employers for recruiting overseas workers, illustrated in Figure 3. The most common reason cited has been the lack of local applicants (**31.8%**) and lack of skills found locally (**27.3%**), indicating under-supply issues caused by skills deficiency amongst the local workforce. Additionally, employers also indicated that overseas workers displayed a better work ethic and offered greater flexibility (**18.2%**) and better attendance records (**18.2%**). Though the report does not specify what type of skills were lacking locally.

**Figure 3. Reasons for Recruiting Overseas workers**



Hypothetically, the impacts of non-recruitment of overseas workers to employers participating in the survey reveal that over a third (**36.4%**) would find it difficult to fill vacancies, mainly due to lack of local workforce unwilling to participate in recruitment or due to lack of relevant skills/experience amongst the local workforce. Product/service quality would also suffer as some employers have indicated it would be more difficult to communicate with global clients if overseas workers fluent in particular languages were not recruited.

Skills requirements reflects the English language capability and qualifications and other experience required of overseas workers, as indicated in Table 5. Previous experience is indicated by **36.4%** of employers as the most essential capability required from overseas workers, followed by Basic English language comprehension and Advanced English language comprehension (**27.3% each**). Specialist skills (**27.3%**) and previous skills (**22.7%**) are the most desirable capabilities required, indicating that employers would prefer to employ overseas workers with some job experience compared to no previous skills or experience.

**Table 5. Skills & English Language Capability Requirements of Overseas workers**

	<b>Not Important (%)</b>	<b>Essential (%)</b>	<b>Desirable (%)</b>	<b>Unspecified (%)</b>
Basic English Language	31.8	36.4	18.2	13.6
Intermediate English Language	40.9	27.3	4.5	27.3
Advanced English Language	13.6	36.4	18.2	31.8
School-Level Qualification	50	22.7	0	27.3
Further Education Level qualifications	45.5	13.6	13.6	27.3
Higher Education qualifications	36.4	22.7	9.1	31.8
Previous Experience	4.5	54.5	22.7	18.3
Mandatory qualifications (e.g. food handling, health & safety etc.)	45.5	18.2	9.1	27.2
Other Qualifications	40.9	9.1	13.6	36.4
Specialist Skills	27.3	27.3	27.3	18.1
Other	100	0	0	0

Support organisations participating in the survey offered insight into the potential negative and positive impacts that demand changes over the next three years are likely to have upon their services. The most common observations highlighted are:

- Additional costs arising from the increased provision of translation services, including employing more translators. Impact of additional costs on allocated funding.
- Greater use of resources and time due to increasing demand.
- Communications problems (i.e. language barriers) between overseas workers and organisations' and cultural differences/unawareness.
- Increased demand for information and practical help (e.g. finding suitable housing).
- Growing waiting lists for accommodation, especially increased demand for rented housing.

A large proportion (**80%**) of respondents also shared their views on how the services their organisation/department currently provides to overseas workers can be improved:

- Addressing language/communications problems between the organisation and overseas workers, including translation of legal documents (e.g. tenancy agreements) in workers' native languages.
- Employing specialised staff e.g. translators.
- Requiring more funding to overcome funding difficulties induced by change in demand for services.

- Establishing formal networks and partnerships with related support organisations, especially those working with East European overseas workers.
- Formalise strategic planning discussions with the region's local authority councils on dealing with policies aimed at overseas workers (e.g. higher cost of accommodation affecting the growing number of overseas workers entering Edinburgh and Lothian).

By focusing on the Edinburgh and Lothian region as a whole, support organisations have also given indication of the gaps in support to overseas workers that need overcoming, as shown in Table 6. Specialised advice in housing/accommodation, benefits, health, legal and employment matters were highlighted by **20%** of respondents. Another **20%** of respondents also believe there are gaps in support due to language and communications barriers where greater access to ESOL (English for Speakers of Other Languages) programmes and more translators are solutions to bridge such gaps.

**Table 6. Gaps in Support to Overseas workers that Support Organisations Believe need Addressing**

Housing/Benefits/Health/Legal/Employment Advice	20%
Language/Communications gaps	20%
Reach More Overseas workers in Region	15%
Creating Greater Cultural Awareness & Integration	20%
Don't Think There Are Any Gaps	25%
Unspecified	20%

The report recommends a multi-agency, strategic level approach to the migrant labour issue in Edinburgh & Lothian with area-specific action plans developed to address local issues and priorities. For example, in some areas the supply of suitable accommodation may be a problem, whereas it may be that improving community relations is a problem in another area. Overall there should be a co-ordinated approach to support and service delivery in order to avoid wasteful overlap and duplication.

The DWP carried out research in relation to the economic impact of migrants from Central and Eastern Europe (working paper 118). Their analysis appears to suggest that increased migration has been associated with a small but significant increase in native unemployment. However, the authors consider that this is more than outweighed by the positive impact of increased overall employment and hence output.

### **Conclusions**

This paper has reported on the increase of foreign migrants coming to Edinburgh in the past few years. Anecdotal evidence appears to suggest that that additional pressure is being exerted on services. This is backed up by the findings of the LLMU research – where there was perceived to be issues around increased costs from translation services, communication problems, increased demand for information and accommodation.

The research also reported on the reasons why overseas workers were employed. Top of the list the lack of local applicants and lack of skills found locally. This indicates that there is a job to do in regard to working with employers in developing job descriptions etc. Additionally, it suggests that there under-supply issues caused by skills deficiency amongst the local workforce. These are areas which will be developed through the CSP, in relation to employer engagement and with the FE Colleges becoming more involved in the Jobs Strategy.

Both the research carried out by the Edinburgh Chamber of Commerce and LLMU indicated that that there were issues around the proficiency of English amongst foreign nationals. Consideration should be given to undertaking an audit of existing ESOL provision and an examination of demand for such provision.

Labour Market Indicators will continue to be monitored to review, particularly the employment rate and will be compared to the benefit levels, namely JSA and IB/SDA. What has appeared to happen recently is an increase in the employment rate, whilst the benefit claimant numbers have remained broadly static. This would suggest an influx of workers from outside the city have been increased the employment rate.

