



## **Consultation Response:**

# **Migration Advisory Committee Call for Evidence on the economic and social impact of the UK's exit from the EU.**

**October 2017**

## About NISMP

The Northern Ireland Strategic Migration Partnership is a cross-party partnership working across the spheres of government and between the public, private and third sectors to ensure that Northern Ireland effectively welcomes, supports and integrates new migrants in a way which contributes to future economic growth and vibrant, cohesive communities. The Partnership provides a regional advisory function which enables our partners and stakeholders to cultivate an appropriate Northern Ireland migration policy structure and works to ensure that Northern Ireland's needs and concerns in respect of immigration are recognised within the parameters of related UK wide policy.

**This response has been approved by representatives on the Partnership. However this does not necessarily reflect the views of Partner Organisations, some of whom have not been canvassed.**

## General Comments

1. EEA workers are deployed throughout the Northern Ireland economy, with every sector relying to a greater or lesser extent on a migrant workforce. For this response we have confined our comments to three sectors: Health & Social Care, Hospitality, and Agrifood. These are all sectors where a significant proportion of the workforce has been recruited from the EU. They are also sectors which have either been identified as priority growth areas in the Northern Ireland Economic Strategy<sup>1</sup> (Agrifood, Tourism/Hospitality) or as a prerequisite to economic growth (Health & Social Care). However, it is important to stress that these sectors are by no means the only ones that will be impacted by the outcomes of this consultation and were chosen to give an indication of how the referendum result is being experienced by employers, and not to present an exhaustive picture. Other sectors such as manufacturing, construction, academia will also be significantly affected and are equally as important in helping to grow and strengthen the Northern Ireland economy.
2. We note that in the commissioning letter to the MAC, the Home Secretary has requested advice on the development of a post referendum immigration system which will align with a modern industrial strategy. In the context of the UK, where each of the constituent regions has extensive devolved powers, it is essential that equal effort is made in aligning advice with regional economic priorities, such as those identified in the Northern Ireland Economic Strategy.
3. We also note that in the commissioning letter to the MAC, the Home Secretary has requested advice on the social as well as economic impacts of the UK's exit from the European Union. Aligning advice to a modern industrial strategy is therefore too narrow a focus if social impacts are to be given their due weight. We suggest that recommendations

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<sup>1</sup> [https://www.northernireland.gov.uk/sites/default/files/publications/nigov/ni-economic-strategy-revised-130312\\_0.pdf](https://www.northernireland.gov.uk/sites/default/files/publications/nigov/ni-economic-strategy-revised-130312_0.pdf)

must also align with the Northern Ireland Programme for Government<sup>2</sup>, which identifies the region’s priorities for both economic growth and social resilience. Likewise, alignment must be made with the Racial Equality Strategy which indicates the Executive’s intent to “work towards an immigration policy that recognises and takes account of our different needs and concerns”<sup>3</sup>.

4. In the Northern Ireland context, where a two-community politics model dominates, migration – and in particular inward migration from the EU – has allowed the question of identity to be revisited afresh. The 2013 Northern Ireland Peace Monitoring Report notes that Northern Ireland “is now a society made up of minorities” and that “religious and political identities had undergone a transformation since 2001”<sup>4</sup>. It further notes ‘an increasing ease with difference’ and links this to the social impacts of migration. This is an important benefit of migration which is unique to Northern Ireland and which must be factored into consideration in recommendations.
5. Throughout the NI Programme for Government there is a strong recognition of our interconnectivity with the wider world. This is particularly evident within the delivery plans under the following outcomes: Outcome 1 (regionally balanced economy), 6 (better jobs), 10 (outward looking society) and 12 (a place where people want to live, work, visit and invest). The delivery plans under these outcomes will struggle to meet their full potential without an enabling migration policy environment. Care must therefore be taken to ensure that recommendations stemming from this Call for Evidence do not inhibit employers in Northern Ireland from being able to attract the workforce they need to deliver on these outcomes.
6. At the 2011 census in Northern Ireland, EU nationals constituted 56% of the population who were born outside the UK or Ireland and, among all the UK regions, Northern Ireland has seen the largest increase in its proportional share of EEA migrants in the workforce since EU expansion in 2004: at 600% this increase is fully three times greater than that experienced by the second most affected region<sup>5</sup>. Responses from NI stakeholders must therefore be rigorously canvassed and given appropriate weight in any recommendations stemming from this Call for Evidence.
7. Given the uneven reliance on EU nationals in regional labour markets across the UK, recommendations must also factor in the relative impact across regions of proposed policy changes. For Northern Ireland they must equally factor in any impact on the economic competitiveness of employers vis-à-vis their competitors and trading partners in the Republic of Ireland. This will be felt particularly acutely in the border region where ease of travel for frontier workers also facilitates the easy relocation of EEA migrants. Employers

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<sup>2</sup> <https://www.northernireland.gov.uk/sites/default/files/consultations/newnigov/pfg-consulation-document.PDF>

<sup>3</sup> <https://www.executiveoffice-ni.gov.uk/articles/racial-equality>

<sup>4</sup> [http://cain.ulst.ac.uk/events/peace/docs/nipmr\\_2013-04\\_sum.pdf](http://cain.ulst.ac.uk/events/peace/docs/nipmr_2013-04_sum.pdf)

<sup>5</sup> Migration Advisory Committee, 4<sup>th</sup> Aug 17: A briefing note to accompany the call for evidence

are already reporting instances of migrant workers who have relocated or are considering relocating to the Republic of Ireland since the referendum.

8. It is important to keep in mind that this consultation comes at a time when Northern Ireland is working to rebalance its economy through building a stronger private sector, and in a context where, given the above statistics, this economy has rapidly become increasingly reliant on an EU workforce. Proposed changes to the immigration system must allow for the fact that in order to compensate for any anticipated shortfall of workers, employers and regional governments must be given the required time to firstly train UK nationals to fill these same roles and incentivise them into the sector, and equally, to be adequately prepared to compete against UK competitors for non UK/Irish nationals.
9. We believe that the principal of a regionalised immigration policy which was established through the separate Shortage Occupation List which exists for Scotland, should be extended to cover the changes to the immigration system which will be required as a result of the EU referendum. This will allow immigration policy to reflect the needs of all regions which returned clear but mutually incompatible results in the referendum.
10. Northern Ireland already experiences a skills deficit in NQF Level 6+ and - as outlined in NISMP responses to previous MAC consultations - struggles to attract migrants with these skills due to the peripheral location of the region and the salary requirements for Tier 2 sponsorship. With the UK exit from the EU constituting a more competitive environment for securing migrant labour in low skilled as well as high skilled employment, it is difficult to see how, without a regionalised approach to migration, the Northern Ireland Executive will be fully able to deliver on its ambitions in the areas of employment, skills and economic development for which it has legislative control.
11. As stated above, we have canvassed opinions from selected stakeholders from the sectors we consider are among those which will be most impacted by the outcomes of this Call for Evidence. However, in order to fully assess the impact on these sectors and others of the UK's exit from the EU, the MAC must be able to assess whether there has been sufficient response from within each sector in each region and to address any identified gaps before final recommendations are made.

## Comments against Consultation Questions

The following comments have been grouped against three sectors: health and social care, agrifood and hospitality.

### A. Health and Social Care Sector

NISMP has met with a number of employers in the Health and Social Care sector, either individually or in groups to inform this consultation response.

#### EEA Migration Trends

**Please provide evidence on the characteristics (e.g. types of jobs migrants perform; skill levels, etc) of EEA migrants in your particular sector/local area/ region. How do these differ from UK workers? And from non-EEA workers?**

- EEA workers are employed across the health and social care sector. They work in nursing, social care, other medical professions and support services. They provide care for clients in their own homes as well as in nursing homes and in hospitals.
- In the Health and Social Care Trusts recruitment of EEA workers is mostly for medical and nursing posts rather than social care. In the independent health care sector, recruitment of EEA workers is to fill both nursing and social care roles. Some employers noted that as there is no requirement to gather information on nationality from EEA workers exercising treaty rights, it is difficult to provide exact figures for the numbers employed.
- 22% of the workforce in **Four Seasons Health Care** in Northern Ireland (58 homes, 3000 staff) are EEA workers. They have the same responsibilities as indigenous NI staff. In Northern Ireland 15% of nurses are from EEA countries and 14% are third country nationals. 7% of staff filling other care home roles are EEA nationals and a further 7% are third country nationals.
- **Jark**, a recruitment agency specialising in health care, noted that there is an acute shortage of carers in Northern Ireland and that most of the care assistants they recruit are from the EU: mainly Poland, Romania and Lithuania.
- The issue of the border was also raised by employers who stated that some EEA workers live one side of the border and work on the other side. These workers are employed mainly by the Health and Social Care Trusts or independent care homes in areas which border the Republic of Ireland.
- **Macklin Group** (4 nursing homes, 600 employees) noted that restrictions on family migration would be a deterrent to EEA staff nurses relocating to the UK.

**To what extent are EEA migrants seasonal; part-time; agency-workers; temporary; short-term assignments; intra-company transfers; self-employed? What information do you have on their skill levels? To what extent do these differ from UK workers and non-EEA workers?**

- All employers stated that there was no difference in skill level between their migrant workers and their indigenous Northern Ireland workers. Nor was there any difference in skill level between their EEA and third country national workers.
- It was noted by a number of employers that EEA nationals demonstrated a particularly good work ethic and were generally more flexible in being available to work difficult to cover shifts such as holiday cover or illness cover.
- EEA nurses tend to be on permanent, full-time contracts. However, **Jark** recruits EU workers for some seasonal contracts required to cover summer holidays.
- At **Four Seasons Health Care** the majority of EEA workers are permanent and work either full-time or part-time. They also operate a seasonal EEA workers scheme involving around 100 people each year. This involves EEA university students working towards a level 5-6 qualification spending their summer break working in the care homes as carers to increase their professional and cultural experience.

**Are there any relevant sources of evidence, beyond the usual range of official statistics, that would allow the MAC to get a more detailed view of the current patterns of EEA migration, especially over the last year?**

- It would be useful for the MAC to consult with EEA workers regarding their motivations for staying in the UK or returning to their home countries. Employers in Northern Ireland state that many migrants are already 'voting with their feet' and opting to return to their home countries.
- Post referendum and in an environment of uncertainty regarding future employment and residency rights, employers have noted that some EEA nurses have registered with the Nursing and Midwifery Board of Ireland, allowing them to also practise as nurses over the border. This evidently has an impact on NI employers' ability to recruit and retain necessary workforce. It impacts also on employers' costs due to investments in induction and training of new staff.
- MAC should further refer to:
  - NMC registrations data
  - The National Minimum Data Set maintained by Skills for Care provides workforce demographics including nationality profile. Skills for Care has historical data showing breakdown of the care workforce over time.
  - UCAS data will provide evidence of number of EEA workers, and UK workers, applying to study nursing in a UK university.
  - A number of papers have been produced by independent agencies and think tanks including ResPublica and the Kings Fund which forecast the demand to be placed on social care services for the next 30 years.

**Have the patterns of EEA migration changed over time? What evidence do you have showing your employment of EEA migrants since 2000? And after the Brexit referendum? Are these trends different for UK workers and non-EEA workers?**

- **Macklin Group** noted that the nurses from the EEA – principally Poland and Romania, make up the majority of their non-UK/Ireland nursing staff. Fifteen years ago most of their migrant nurses would have been from outside the EEA, mainly India and the Philippines.
- All employers who noted a change in employment of EEA migrants, stated that there has been a dip in EEA applications since the referendum result. For some employers this dip preceded the referendum. The **Macklin Group** have experienced a 98% reduction in applications since the referendum.
- **Wilson Group** (5 nursing homes, 250 - 300 employees) state that their employment of EEA migrants has dropped significantly in 2016 and 2017. They source applicants from recruitment agencies who have informed them that the number of applicants have dropped because of Brexit and because of IELTS requirements.
- **Four Seasons Health Care** has done a comparative analysis of recruitment and retention data since the Brexit vote and in the immediate 16 months prior to the referendum. They say the following:
  - There has been an 18% increase in the percentage of leavers from the EEA post the Brexit vote. Our recent colleague engagement survey also reflects anxiety and concern about their job security and ability to remain in the UK.
  - There has been a 40% reduction in new EEA nurse starters since the Brexit vote compared to the 16 month prior period.
  - Since early 2016, we have seen a decline of around 70% in the number of applications for registered nurse positions from EEA countries. Prior to the referendum, our EEA nurses programme involved recruitment trips to Italy, Hungary, Romania, Spain and Poland. At least one event took place each month at which we saw on average 30 applicants per visit and made on average 15 offers. Since June 2016, there has been a marked reduction in activity. Our EEA recruitment team now only conducts Skype interviews due to the decline in applications. A normal recruitment event would now interview only 8 applicants and make, on average, offers to two.
  - Four Seasons has grown significant experience of Non EEA (International) recruitment over a number of years - we now have a presence in the Philippines, India and South Africa. We use a blended recruitment approach of in-country recruitment visits and skype events. In 2016 we undertook 3 international trips to these countries and conducted no Skype interviews. This year we have undertaken a further 8 trips and conducted 650 skype interviews. We already have 6 trips planned for 2018 and increasing our Skype interviews to 700 next year.
  - Our analysis has shown we need to significantly over recruit international nurses as only 7- 9% of those offered commence employment. Therefore, in 2017 alone we have offered in excess of 1223 positions as our data reflects that, regrettably, at most 110 of these nurses will commence working at Four Seasons Health Care.
  - Analysis of the recruitment pipeline shows the most significant reason for this low conversion from offer to employment is the nurses' ability to achieve the current level

of 7 in all four components of the IELTS. Currently, 90% of our candidates are studying in order to prepare for the IELTS exam. Around 42% of these have been at this stage for more than 12 months, some as long as 24 months. This is despite us providing support and investment to our internationally recruited candidates to help with their language studies. It currently takes, on average, 57 weeks to recruit a new registered nurse from outside the EEA.

- Whilst we appreciate the changes made in 2016 to allow candidates to take the IELTS scores over two exam sittings within a 6 month period, we are finding that this has not made any significant difference to the time taken to pass. In our experience, it is taking candidates more than 4 attempts to pass the IELTS.

**Have you conducted any analysis on the future trends of EEA migration, in particular in the absence of immigration controls?**

**Four Seasons** has already experienced a 70% drop in nurse applications from EEA countries and a 40% reduction in EEA nurse starters. They anticipate this trend continuing at least until there is clarity around the immigration status of current and future EEA nationals.

**Have you made any assessment of the impact of a possible reduction in the availability of EEA migrants (whether occurring naturally or through policy) as part of your workforce? What impact would a reduction in EEA migration have on your sector/local area/region? How will your business/sector/area/region cope? Would the impacts be different if reductions in migration took place amongst non-EEA migrants? Have you made any contingency plans?**

- Providers are operating in a context of chronic shortages of nursing and social care staff. RCN Northern Ireland has stated that there are ‘upwards of 2,000 nursing vacancies’<sup>6</sup>. Employers who we spoke to felt very challenged by the labour shortage and increased reliance on agencies to meet short term need was noted.
- Employers stated that the reduction in availability of EEA migrants is not a hypothesis as suggested in the question but rather a current reality. The figures from the Nursing and Midwifery Council that EU nurse applicants have dropped by 96% since the Brexit vote were cited to support this. **Macklin Group** analysis of their own workforce has identified that nurses view the UK as a less attractive destination due to the lack of security over residency rights. They noted that they have already lost staff who have returned to their home countries due to the ongoing uncertainty regarding their status in the UK. They are also aware of other EEA employees who are planning to move across the border to work in the Republic of Ireland.
- **Wilson Group** have carried out a workforce plan analysis and are now seeking to recruit more nurses from outside the EEA. However as stated in a previous NISMP response to a

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<sup>6</sup> <http://www.belfasttelegraph.co.uk/news/northern-ireland/n-ireland-health-service-problems-critical-as-2000-nursing-posts-unfilled-35408579.html>

MAC call for evidence<sup>7</sup>, the current approach to recruitment of non-EEA workers leaves Northern Ireland employers at a disadvantage vis-à-vis other UK competitors and has threatened closure of nursing homes. **Wilson Group** also states that the continued shortage of nurses is impacting on their ability to provide the required nurse and care assistant to patient ratios, making it difficult to maintain occupancy levels in Homes, thus threatening their viability.

- The general downward trend of available registered nurses, which includes registered UK nurses as well as EEA has put pressure on employers in maintaining the required level of staffing<sup>8</sup>. This appears to be particularly felt by employers from within the independent sector who already struggle to compete with the Health and Social Care Trusts' terms and conditions and who are anxious that reduced EEA migration will make it even more difficult to compete with larger employers for staff.
- Stakeholders felt strongly that the language test has discouraged EU staff from applying to work in Northern Ireland as even nurses who have English as their first language have failed to meet the high pass level required. The Director of the Royal College of Nursing in Northern Ireland has stated that she believed the language test was a 'major contributory factor' to the 96% decrease in the number of EU nurses registering to work in the UK<sup>9</sup>. **Wilson Group** have also noted a significant decrease in the level of skilled EEA workers applying for nursing positions and attribute this mainly to the IELTS level 7 requirement.
- Employers who have had EEA nurses join their workforce in the last 3 years are concerned that they risk losing them due to the lack of clarity around the 5 year continuous residency requirement for settlement.
- **Macklin** noted that it is currently very difficult to find staff for care homes situated in rural areas and that reduced EEA migration coupled with increased competition for migrant workers will exacerbate this.
- Employers stated that many nurses who relocate to Northern Ireland, do so with their families. In a number of these cases their spouses may also end up working in the same care home. In these cases a decision made by one nurse to return to their home country will result in the loss of two staff members.
- **Four Seasons** does not foresee how the shortfall of nurses caused by a reduction in EEA-sourced staff can be met in the short to medium term by increased training of nurses within the UK. Nursing has become a less attractive option since loans have replaced student bursaries and for the first time on record the number of nurses leaving the profession is greater than the number of those who are joining. Nor would the shortfall of nurses be able to be met through greater recruitment of non-EEA staff due to the current 20,700 annual limit placed on the number of Tier 2 visas.

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<sup>7</sup>[http://www.migrationni.org/databasedocs/doc\\_1773395\\_\\_nismr\\_response\\_mac\\_tier\\_2\\_review\\_july\\_2015.pdf](http://www.migrationni.org/databasedocs/doc_1773395__nismr_response_mac_tier_2_review_july_2015.pdf)

<sup>8</sup> <https://www.nmc.org.uk/news/press-releases/new-figures-show-an-increase-in-numbers-of-nurses-and-midwives-leaving-the-professions/>

<sup>9</sup> <http://www.irishnews.com/news/2017/07/17/news/republic-s-nurses-asked-to-sit-english-language-exam-to-work-in-north-1085524/>

## Recruitment Practices, Training & Skills

**Please provide evidence on the methods of recruitment used to employ EEA migrants. Do these methods differ from those used to employ UK and non-EEA workers? What impact does this have on UK workers? Have these methods changed following the Brexit referendum?**

- A number of employers stated that they have had to increase their advertising budget in order to attract EEA workers. This was attributed to both the referendum result and the chronic shortage of nurses and care workers.
- **Macklin Group** state that they have been experiencing an ongoing shortfall of nursing staff of between 15 and 20% over the last 3 years. They reflect the views of all independent providers who we spoke to, who have consistently spoken of the acute shortages of 'home grown' nurses for the sector due to the lack of inclusion of the needs of the independent sector in the Department of Health's workforce planning and their subsequent reliance on migrant labour. Restrictions on EEA recruitment was described as a potential 'crisis' by more than one employer.
- **Wilson Group** have needed to rely more heavily on recruitment agencies post referendum result.
- **Four Seasons** focuses on EEA and non-EEA recruitment for posts that are hard to fill from within the UK labour market. It is more cost effective to hire a UK national nurse (£1,275 per hire) than an EEA nurse (£3,500 per hire) or a non-EEA nurse (£9,600 per hire).

**Do recruitment practices differ by skill-type and occupation?**

- **Wilson Group:** recruit more widely for staff nurses whereas they only recruit locally for all other positions.
- **Four Seasons:** level 5 and above employees are recruited primarily by in house resourcing teams and external agents. Below level 5 are recruited by the specific care home or head office function.

**What are the advantages and disadvantages of employing EEA workers? Have these changed following the Brexit referendum result?**

- EEA workers primarily enable employers to fill a staffing shortfall that they are unable to fill from local labour markets.
- It is difficult to get Northern Ireland staff to agree to work weekends or on public holidays whereas their EEA colleagues are prepared to be more flexible with regard to the shifts they work.
- Recruiting local staff can be time consuming. Employers noted that some people may present at interview simply to fulfil the requirements to still be eligible for benefits.

- For independent providers it is more costly to recruit from outside the UK. However for the HSCTs, due mainly to the short term 1-year funding cycles, it was considered cheaper to recruit internationally than to invest in the training and incentivisation required to develop the required workforce locally.
- While there can be a language barrier with EEA workers, the current IELTS level 7 requirement is considered by all employers to be too high.

**To what extent has EEA and non-EEA migration affected the skills and training of the UK workers?**

- Employers from the independent sector voiced their frustration that workforce planning does not include the needs of their sector. They consequently found it difficult to recruit from the pool of UK trained nurses who tended to prefer the experience and the terms and conditions offered by the public sector.

**How involved are universities and training providers in ensuring that the UK workforce has the skills needed to fill key roles/roles in high demand in your sector? Do you have plans to increase this involvement in the future?**

- Independent health care providers felt that the Department of Health did not take into account the needs of the independent sector when commissioning training places. They also noted that even though they attended recruitment fairs in Universities, newly trained nurses tended not to want to work in the Independent Sector, preferring the terms and conditions and the range of experience provided by the public sector and hospitals. **Wilson Group** has also noticed a recent trend among newly qualified students wishing to gain employment outside the UK/EEA.
- **Four Seasons** work in partnership with a number of education providers, including the Open University in Northern Ireland from where their first fully funded nurse has just qualified.

**How well aware are you of current UK migration policies for non-EEA migrants? If new immigration policies restrict the numbers of low-skilled migrants who can come to work in the UK, which forms of migration into low-skilled work should be prioritised? For example, the current shortage occupation list applies to high skilled occupations; do you think this should be expanded to cover lower skill levels?**

- This sector is very aware of current UK migration policies for non-EEA migrants and employers have contributed in detail to previous MAC consultations on shortage occupation lists and Tier 2 sponsorship.
- Given the acute shortage of workers in social care, migration for these jobs should be protected.
- The difficulty in recruiting and retaining nurses is the single biggest concern within this industry. Employers have already detailed their challenges in working within the immigration regulations for non-EEA nurses in a previous NISMP response to a MAC

consultation<sup>10</sup>. They are concerned about the impact Brexit will have on their access to lower skills level workers and therefore, based on these experiences don't believe that current policies for the employment of non-EEA workers should be expanded to cover lower skills levels.

- **Four Seasons:** we work collaboratively with the Home Office and are a grade A sponsor. As noted above, 7% of our workforce is comprised of EEA 'low skilled' workers. Any further curtailment of our ability to bring these workers into the UK would affect the ability we have to deliver our current services. However, it cannot be done at the expense of the current shortage occupation list given the relatively small number of Tier 2 visas available per annum.

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

**What are the economic, social and fiscal costs and benefits of EEA migration to the UK economy? What are the impacts of EEA migrants on the labour market, prices, public services, net fiscal impacts (e.g. taxes paid by migrants; benefits they receive), productivity, investment, innovation and general competitiveness of UK industry?**

- Undervaluing and underinvesting in social care impacts on the recruitment of appropriate workers from the Northern Ireland labour market. More needs to be done to promote social care as a valued career path to our own labour market.
- **Wilson Group** states that their EEA nurses are highly skilled, the majority of whom are working towards permanent residency and purchasing their own property. They are less likely than the average employee to have long absences from work and so cannot be seen as having a net negative impact on the public purse.
- Demographic change will dictate the level of workforce that is needed. It is estimated that by 2039, a quarter of the population in Northern Ireland will be 65 or over<sup>11</sup>.
- There will undoubtedly be an impact on the cost of delivering services resulting from the impact of Brexit on other sectors e.g. the food industry. MAC should factor in these sectoral interdependencies in their analysis.

**Do these differ from the impact of non-EEA migrants?**

- Both EEA and non-EEA recruitment props up the Northern Ireland Health and Social Care system. It would otherwise be difficult to deliver services.

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<sup>10</sup>[http://www.migrationni.org/databasedocs/doc\\_1773395\\_\\_nismp\\_response\\_mac\\_tier\\_2\\_review\\_july\\_2015.pdf](http://www.migrationni.org/databasedocs/doc_1773395__nismp_response_mac_tier_2_review_july_2015.pdf)

<sup>11</sup> <https://www.executiveoffice-ni.gov.uk/sites/default/files/publications/ofmdfm/older-people-2015-infographic.pdf>

## B. Agrifood Sector

NISMP met with NIFDA (Northern Ireland Food & Drink Association) to inform this part of our response.

- In the agrifood sector migrant workers tend to work more as manual workers than as office staff in management roles. In a survey conducted by NIFDA, of the 23 employers who responded only 2 had a manual labour workforce who were entirely originally from Northern Ireland. For 15 of these employers (who had between them an average of 284 employees), 20% or over of their manual workers were originally from outside of Northern Ireland, with 5 of these employers reporting a manual workforce composed of between 75% and 90% migrant labour. At a recent NIFDA-led workshop, two recruitment companies and a council authority who had themselves conducted their own surveys, considered that the average figure of the manual labour migrant workforce in the agrifood sector was 65% or above.
- With regard to Office/Management/Clerical Workers 20 of the 23 employers had between 0 and 5% of their workers who were from outside Northern Ireland.
- The impact of the Brexit referendum was already being felt by employers. Since the referendum, all but four of the twenty employers who responded to the question had experienced a drop in the number of EU nationals that they recruited. One employer stated: “We are in the agri-food sector and we are already finding it difficult to harvest our raw materials due to the decrease in migrant labour. We have taken on some local labour to do the job but inevitably they only stick it a day....or less. This is a huge threat to our business”.
- 30% of employers have had to increase their recruitment budget since the referendum. The other employers’ budgets have remained the same.
- Recruitment is a significant issue for employers in this sector which has been exacerbated by the EU referendum result. 14 employers indicated that recruitment has been impacted by uncertainty about Brexit and 14 employers also indicated that the fluctuations in currency were affecting recruitment. The main issues with regard to recruitment in general, were attitude and work ethic (21 employers), lack of essential skills in English and Maths (20 employers), Job Specific Skills and Qualifications (19 employers apiece).
- Only 2 employers indicated that they had no difficulty in attracting new workers, while 16 had either moderate or severe difficulty. Out of 21 employers who gave a reason for certain job categories being ‘hard to fill’, all but one had difficulty in finding suitable applicants for process, plant and machine operative jobs. Attracting general applicants was a more pressing issue for 13 of the employers, while for the remaining 10 attracting skilled applicants was the bigger challenge.
- 71% of employers found that their recruitment difficulties put increased pressure on other staff; 67% stated that it led to increased overtime and recruitment costs and 48% had difficulty in maintaining their production levels. In order to address gaps resulting from recruitment difficulties, 83% of employers have been working to upskill existing staff, 56.5% have increased the salaries they offer and 48% have had concentrated recruitment drives

locally. One employer stated: “Labour is now our biggest headache and largest growing cost”.

- At the annual Northern Ireland Economic Conference, held by AgendaNI on the 25<sup>th</sup> Oct 2017, agrifood employers reported that due to their recruitment difficulties, a £1/hour increase to incentivise indigenous NI residents, classified as economically inactive, has been considered. This, however, would add an additional £2k cost per employee.

### C. Hospitality Sector

NISMP met with Hospitality Ulster and NI Hotel Federation to inform this section of our response.

- 20% of the workforce within the hospitality and tourism sector in Northern Ireland is accounted for by migrant workers<sup>12</sup>. The pattern of employment of migrant workers within this sector is increasing and of the four regions of the UK, Northern Ireland has experienced the biggest increase in the percentage of migrant workers employed in the sector between 2011 and 2015<sup>13</sup>.
- Northern Ireland employers look to EEA and non-EEA sources to find skilled and experienced staff for hard-to-fill positions, in particular chefs and front of house personnel.
- Because the tourism industry is longer established in many of the EEA home countries than it is in Northern Ireland, it is a professionalised sector with an experienced workforce who are more likely to view the industry as a career choice rather than a short term or ‘stepping stone’ job. Migrant workers from these countries provide clear advantages in terms of their expertise and professionalism which is helping to develop the sector in Northern Ireland.
- Northern Ireland has demonstrated considerable success in developing the hospitality sector: **NI Hotel Federation** in its October 2017 report ‘Hotel Expansion in Northern Ireland’, forecasts that by 2020 the number of beds provided by hotels will increase by 25% with a similar percentage increase in staffing required. Employers have been clear that their requirement is for experienced, professional staff. To date approximately 23% of employees in hotels are non-UK national, with some hotels operating with a workforce of 40% migrant labour.
- NI Hotel Federation notes that among its members an ‘exodus’ of migrant workers has begun with suitable replacements proving difficult to find. Hotels are investing £500m in new products and there are concerns that a reduced pool of skilled labour will constrain the growth of the sector.
- **Hospitality Ulster** in its policy paper ‘Brexit and Beyond’, has called for regionalised migration policy which would allow the needs of Northern Ireland employers to be recognised and met without putting them in direct competition with employers based elsewhere in the UK.
- According to Hospitality Ulster, a cap on low-skilled workers entering the UK would be a “disaster for the hospitality sector in Northern Ireland”. It is projected that in order to grow

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<sup>12</sup> <https://www.tmi.org.uk/files/documents/resources/people-1st-brexit-report-aug2016.pdf>

<sup>13</sup> *ibid*

the industry as planned, 30,000 job vacancies will need to be filled between now and 2024, including an additional 2,000 chefs which are particularly hard to fill.