

Position Statement: Migration and the Future Prosperity of Scotland

Scotland's Cities represent 53% of the population of Scotland (2.86m) and are home to 55% of businesses, 61 % of jobs (1.51m) 66% of GVA (£84.6bn) and 63% of Scottish exports as well as world class universities. The scale of the Scottish cities' contribution to the economy is critical to both the Scottish and UK economy. However, at present their contribution is low by international standards, demonstrating that they have unrealised potential, which it will be critical to unlock to create a successful post-Brexit economic landscape.

The future of the UK economy relies on the ability of the UK's cities' as a whole to stay competitive as global centres of business and innovation. In order to do this, they need to attract global talent. The Scottish Cities Alliance partners are of the collective view that UK immigration policy post-Brexit should be designed to support the specific migration needs of our cities and their regions, and desire an opportunity to positively influence the debate and policy arena.

The impact of a stronger voice for Scotland's cities through the Scottish Cities Alliance on immigration policy could open up opportunities for greater net migration to boost productivity and economic growth through attracting talent and skilled labour and minimise the impact of Scotland's declining working age population. It would also enable the Scottish cities to continue to attract international university students to the world class universities based in each of the cities, and retain that talent when their studies have completed, to support the Scottish workforce.

Economic forecasts detailed in "Scotland's Population Needs and Migration Policy" illustrate that by 2040, lower migration alone is projected to reduce Scotland's real Gross Domestic Product (GDP) by 4.5% - equivalent to a fall of almost £5 billion a year. The reduction across the rest of the UK would be 3.7%, demonstrating the Scottish economy's greater reliance on migration^[1]. 140,000 EU nationals are currently working in Scotland across a range of low, medium and high skilled jobs making up 6% of the workforce.¹ Particular sectors and occupations have higher than average (>6%) concentrations of EU nationals leaving them particularly vulnerable to the impact of Brexit. These concentrations are particularly strong in Scotland's cities with 50 % of EU nationals in Scotland working in Aberdeen, Edinburgh and Glasgow alone.

"Empowering Scotland's Cities: Empowering City Government" outlines that Scotland's aging population also presents a long term issue for Scottish cities and the national economy^[2]. Immigration into Scotland's cities is essential if city economies are to have the required population resources to meet labour demand. Furthermore, Scotland's cities require a balance of highly skilled talent to meet skills shortages and low-income migration to support population growth and mix. At present the restrictions on post study work visas for international graduates in Scotland is a key barrier to attracting and retaining skilled migrants in Scotland's cities. In terms of attracting low income migrants, the cities acknowledge that a nuanced policy developed in collaboration with Scottish Government and the UK Government will be required to create the right balance between economic growth and inclusive growth for the existing populations of Scotland's cities.

The recent Migration Advisory Committee (MAC) report into the potential design of a post-Brexit UK Immigration system does little to consider Scotland's needs and instead suggests that increasing the pension age would be a preferential approach to managing demographic change.

Within the Scottish Parliament there is cross-party agreement for the devolution of some immigration powers to Scottish Ministers, accountable to the Scottish Parliament. This would allow the development of a differentiated approach tailored to Scotland's specific needs and the needs of our cities.

^[1] Scotland's Population Needs and Migration Policy, Scottish Government (2018) - <http://www.gov.scot/Publications/2018/02/5490/0>

¹ Annual Population Survey, [ONS, March 2018](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualpopulationsurvey)

^[2] Empowering Scotland's Cities: Empowering City Government. EY (2016) - <https://www.scottishcities.org.uk/workstreams/policy>

“Dundee is a young city, 51% of the population is under 40. With a student to population ratio of 1:6, the highest in Scotland, Dundee’s talent pool is skilled, multicultural and highly educated. The city has two world-class universities and an award-winning college and is renowned for being a centre of academic and research excellence. The city is also in the midst of a £1 billion regeneration of its Waterfront with a view to enhancing the city’s attractiveness to its youthful population and attracting the skills and talent it needs to thrive going forward. The attraction of talent is vital to the growth of Dundee’s economic sectors including life sciences and healthcare, creative industries and digital media, tourism, energy, electronics and publishing. Brexit presents a real risk to the city achieving its ambitions and as Chair of the Scottish Cities Alliance, I am keen to work with the Alliance partners and the UK Government to ensure that future migration policy empowers Scottish cities and their regions.”

Cllr John Alexander, Chair, Scottish Cities Alliance and Leader, Dundee City Council

“As Leader, I recognise the valuable contribution migrants make to the city’s workforce and our communities. Edinburgh is home to the largest EU migrant population in Scotland, attracting the highest share of non-UK Higher Education students in the UK. Compared to other UK cities, per capita Edinburgh has the highest proportion of non-UK students (30.8%) and the highest proportion of EU students (11.8%). Overall, Edinburgh attracts over 25% of Scotland’s overseas migrants each year. The estimated gross value added economic impact of international students for the City of Edinburgh in 2015-2016 was almost £70 million and over £90 million for the UK. Furthermore, the economic spend of international students supported 1,738 jobs and over 2,000 in the UK. Brexit presents key challenges to local business in Edinburgh attracting the skills and talent they need to support key sectors of the city economy. For example, the ability of Fintech firms to attract and retain the global talent they need to grow in the city is central to attracting significant investment to Scotland and key to the future prosperity of Financial Services in Edinburgh.”

Cllr Adam McVey, Leader, The City of Edinburgh Council

“Aberdeen is one of the UK’s most competitive and innovative cities. It is currently ranked one of the world’s top five energy cities and home to two leading research universities and internationally significant research centres. The ability to attract and retain skills and talent is key to these achievements. Aberdeen City Council’s independent Economic Policy Panel report dated 2nd November 2018 noted that Brexit poses a number of challenges which may impact on business confidence and investment. These challenges are across sectors and include uncertainty around the ability to recruit EU nationals and future access to EU markets for imports and exports. For these reasons Aberdeen is supportive of working with both the UK and Scottish Government’s via the Scottish Cities Alliance to ensure the city has the necessary economic levers to attract the talent and skills it needs to support and grow the economic activity of the region.”

Cllr Jenny Laing & Cllr Douglas Lumsden, Leaders, Aberdeen City Council

“Migration is in the DNA of Glasgow. With a population of 621,020, Glasgow is Scotland’s largest city and its most ethnically diverse. It has long been a city of international migration and has added a rich dimension to the city’s profile, making a mark on Glasgow’s businesses, politics and communities. People are our greatest asset, hence the adoption of the People Make Glasgow slogan for our city. This is true regardless of origin, ethnicity or nationality and this recognition is the reason why Glasgow is becoming increasingly attractive to external investment and emerging as a truly global city. Since 2006, Glasgow’s population has been growing, primarily due to inward migration with over 12% of the Glasgow population born outwith the UK.

Glasgow is committed to Inclusive Growth, being a City of opportunity for everyone. As Leader, I recognise that migration is critical to achieving future inclusive growth and ensuring Glasgow maintains its position as the economic hub of the West of Scotland. We require higher population levels and must work within the current climate of Brexit and an uncertain future immigration policy.

As a result, Glasgow fully supports the work of the Scottish Cities Alliance. We will continue to work with partners across all sectors to ensure our future economic and workforce needs are met through a well-developed migration policy.”

Cllr Susan Aitken, Leader, Glasgow City Council

“Perth is one of the fastest growing cities in Scotland. Perth is only 60km from the Scottish capital and at the heart of a diverse and economically buoyant region. This is centred on our strength in emerging sectors such as Clean Tech and Renewables, a vibrant visitor economy, and our position at the heart of Scotland’s national food & drink sector. With some of Scotland’s most outstanding scenery on our doorstep, and numerous outdoor activities to appeal to the most adventurous spirit, the city’s quality of life excels. That partly explains why Perth has remained home to several corporate HQs for decades, including energy giant SSE, and international transport group Stagecoach; and is in addition home to global giant Aviva’s UK general insurance business. Perth also hosts the largest campus of the University of the Highlands and Islands. The city and the wider city region are planning now for an expected growth in population of 12.2% by 2039.

We have ambitious plans to grow our economy and our cultural offering over the next decade and to do that we will need to ensure that we continue to attract and retain a skilled and diverse workforce. Currently we have approximately 8,000 EU residents (c.5% of our population & 4th highest local authority area in Scotland behind Edinburgh, Glasgow & Aberdeen) making a significant contribution to our economy and to the diversity of our population and communities. The potential implications of Brexit present real risks for our ability to retain and attract workers. EU workers are a key component of a number of our business sectors including food processing, agriculture, construction, the care professions, and tourism and hospitality. Recent statistics have highlighted a 19% decline in migration from EU countries in the 12 months to June 2018.”

Councillor Murray Lyle, Leader, Perth & Kinross Council

“Stirling is one of Scotland’s fastest growing cities and is in the midst of an exciting and ambitious programme of development that will deliver sustainable economic growth across the region. The ability to attract and retain skills and talent is critical to our growth ambitions and to those of our businesses. EU nationals are employed in key sectors within the regional economy including Tourism, Food and Drink and Digital Technologies and also play a crucial part in the life of our world class research university.

It is crucial that, whatever the outcome of the Brexit negotiations, future migration policy meets the needs of our city region and Stirling is committed to working with both governments through the Scottish Cities Alliance to ensure that will be the case.”

Councillor Scott Farmer, Leader, Stirling Council

“EU migrants are a very important part of the Inverness and Highland workforce, notably in key sectors such as food and drink and tourism. Almost 5% of our own Council’s workforce is from mainland Europe and we are a region which needs migrants to counteract our ageing population.”

Councillor Margaret Davidson, Leader, The Highland Council

Migration enriches our society and is crucial to Scotland’s current and future prosperity. We are a welcoming and progressive nation and deeply value the huge contribution of all those who have chosen to make Scotland their home. Scotland’s cities help to attract and retain talented and committed people from across Europe and beyond, who support growth in key and emerging sectors like digital technology, financial services, the creative industries, academia, hospitality and many more. That is why I warmly welcome the Scottish Cities Alliance’s commitment to making the positive case for migration, and their support for how Scotland would benefit from tailored, flexible approaches to migration that reflect Scotland’s needs and demographic challenges.”

Ben MacPherson, Minister for Europe, Migration and International Development

Note to Editor:

The Scottish Cities Alliance is a partnership of Scotland’s seven city local authorities (Aberdeen City Council, Dundee City Council, The City of Edinburgh Council, Glasgow City Council, Highland Council, Perth and Kinross Council and Stirling Council) and the Scottish Government working together to working together to promote the country’s great economic potential.

A key priority of the Alliance’s Operational Plan 2018-2022 is for the partners to work together on a common agenda to ensure the Scottish Cities and their regions have the levers and collaborative working arrangements to allow them to compete, innovate and support inclusive economic growth.

For further information visit the Alliance’s website www.scottishcities.org.uk

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