

Scottish Cities Alliance

Statement on the UK Government's future immigration proposals

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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 promote the country's great economic potential.

Scotland's cities contribute more than half of Scotland's GVA and more than 60% of employment, representing a critical contribution to both the Scottish and UK economy. However, they face significant challenges if they are to remain competitive globally as highlighted in our Empowering City Government report¹. In particular, Scotland's ageing population presents a long-term issue for the national economy. Consequently, the right immigration system is

¹ *Empowering City Government*, Scottish Cities, 2016 -

https://www.scottishcities.org.uk/site/assets/files/1184/empowering_city_government.pdf

essential for our city economies to have the required population resources to meet labour demand.

Scotland's cities have enjoyed a myriad of benefits from Freedom of Movement which, since 2000, has helped to reverse population decline; bringing new skills and talent into our cities to help drive economic growth. If the UK Government ends Freedom of Movement - as is intended - Scotland's cities will require future immigration policy to enable them to continue to compete, innovate and support the delivery of inclusive growth outcomes that sit at the heart of their City and Region Growth Deals and regional economic strategies.

In December 2018, the UK Government published "The UK's future skills-based immigration system"² - a white paper which lays out proposals for the practice and implementation of a new, post-Brexit immigration system. Whilst the Alliance is encouraged by elements of the white paper that will reduce barriers to recruitment of non-EU workers, and the

willingness of the Home Office to consult on the salary threshold for Tier 2 entrants, the proposals remain sub-optimal for the needs of Scotland's Cities.

As 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, any future migration policy should take into account the specific needs of Scotland's cities to attract the vital talent necessary for continued economic success. For this reason, the Alliance desires the opportunity to work constructively with the UK Government to positively influence the future design and operation of the immigration system.

The UK Government has within its means the ability to go further with their proposals for a future, post-Brexit immigration system to reflect the needs of Scotland as a 21st century global economy.

The Alliance therefore asks the UK Government to consider the following to ensure Scotland's cities and citizens continue to thrive.

² *The UK's future skills-based immigration system*, Home Office, December 2018:-

<https://www.gov.uk/government/publications/the-uk-future-skills-based-immigration-system>

ASKS

1. The Alliance is given the opportunity to contribute to constructive consultation on the proposed £30,000 Tier 2 salary threshold.
2. The Alliance is given an opportunity to inform the Scottish Shortage Occupation List going forward to ensure it reflects the skills needed to support growth across the Scottish city regions.
3. The UK Government reconsiders the introduction of a post study work visa to enable Scotland's cities to retain young, international talent.
4. The UK Government meaningfully engages with the Alliance to explore options around tailored migration solutions within a UK framework, specifically designed to meet Scotland's economic and demographic needs.

Working together the Alliance seeks to build a consensus with the UK Government that presents solutions to our future needs.

CHALLENGES

The “asks” of the Scottish cities stem from a need to address the following challenges:

- ❖ 50% of all employees in Scotland’s 7 cities earn less than £30,000³, constraining the abilities of employers in Scotland’s cities to access the labour they require if a high threshold is applied to incoming international workers.
- ❖ Less than 50% of occupations in key sectors vital to Scottish cities earn less than £30,000. These include social care, construction, digital, travel and leisure.⁴
- ❖ Restrictions on post study work visas for international graduates
- ❖ in Scotland, combined with the £30,000 Tier 2 threshold, are a key barrier to attracting and retaining the young, skilled workers of the future that will help counter-balance Scotland’s ageing demographic.
- ❖ If Freedom of Movement comes to an end the Shortage Occupation List at present would not reflect the needs of the economies of Scotland’s cities.
- ❖ Retention of the Immigration Skills Charge places an extra burden on employers.

These challenges aside, the Alliance welcomes the white paper’s commitment to remove the cap on the number of visas granted under Tier 2.

Furthermore, the lowering of the skills threshold for Tier 2 entrants to below graduate level will grant employers access to a wider pool of individuals with lower levels of formal education but relevant experience gained through work place learning.

³ *UK Immigration policy after leaving the EU: Impacts on Scotland’s economy, population and society*, Expert Advisory Group on Migration and Population, 2019 -

<https://www.gov.scot/publications/uk-immigration-policy-leaving-eu-impacts-scotlands-economy-population-society/>.

⁴ Ibid.

SCOTLAND'S CITIES

At a city region level the importance of future immigration policy should not be underestimated. The significant investment from both the UK and Scottish Governments in the City Region and Growth Deals could be at risk if the approach to migration fails to meet the cities' ambition to compete, innovate and support the delivery of inclusive growth outcomes which sit at the heart of these Deals.

We look forward to engaging with the UK Government. By working together we can achieve an immigration system that will ensure Scotland remains attractive to the international talent, skills and investment vital to boosting inclusive economic growth.

“Aberdeen has a long history of welcoming migrants to the city and embracing the contribution that they make to our economy, communities and culture. Over 25,000 EU nationals have made their home in the city in recent years. They make up nearly 18% of the workforce, by far the highest rate in Scotland. Our inclusive growth and City Region Deal priorities focus on diversifying the economy to create more sustainable and resilient communities in the future. EU nationals have a central role to play in our diversification agenda, bringing skills, experience and entrepreneurial strengths that will enable our economy to flourish. For these reasons Aberdeen is supportive of working with both the UK and Scottish Governments and the Scottish Cities Alliance to ensure the city can continue to attract the talent and skills it needs to support inclusive economic growth.”

Cllr. Jenny Laing
Leader, Aberdeen City Council

“Dundee is a young city, 51% of the population is under 40. With a student 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 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



“Migrants make Edinburgh what it is and make an invaluable contribution to the city’s workforce, culture and identity across our communities. Edinburgh is home to the largest EU migrant population in Scotland, with one of the highest numbers of students coming to study in the Capital from outside the UK. Compared to other UK cities, 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. International students bring a wealth of talent and innovation and with so many staying in Edinburgh and studying here, our economy has become even more successful.

Brexit presents a major challenge to business in Edinburgh attracting the skills and talent they need to support key sectors of the city economy. The ability of thriving parts of our economy like Fintech firms to attract and retain the global talent they need to grow in the city is being undermined, not only by Brexit but by the damaging and constrictive migration policies being pursued by the UK Government following and during Brexit. Sectors like FinTech are central to attracting significant investment to Scotland and key to the future prosperity of Financial Services in Edinburgh. All our cities need a change of attitude from the UK Government on migration, none more so than the Capital.”

Cllr. Adam McVey
Leader, The City of Edinburgh 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

“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.”

Cllr. Margaret Davidson
Leader, The Highland Council

“The global workforce which has been attracted to the Perth and Kinross area over many years is one of the lynchpins of our vibrant economy. Over many generations people have settled in this area from across the world and enjoyed the life experience of opportunities it presents. These new arrivals have always been welcomed as a valuable part of our diverse communities. Many young people have also studied in this area before moving on to the world of work either locally or elsewhere in Scotland. Any restriction on the rights of individuals to live, work and study in this area would place a real burden on employers across a range of sectors undermining our growth ambitions and lead to a dilution of the cultural diversity which this area enjoys. I therefore fully support the Scottish Cities Alliance desire to continue to have a welcoming flexible immigration policy.”

Cllr. Murray Lyle
Leader, Perth and Kinross Council

“Stirling is delivering a step change with our City Region Deal with Projects covering Aqua Culture, Digital District, Culture and Tourism in building on our core strengths. Our aim is to make Stirling a centre of innovation and business excellence and an economic and cultural powerhouse. This Investment will be underpinned by our commitment to Inclusive Growth tackling the challenges of inequalities head-on in enacting tangible change. Especially with our demographic challenges, any future migration policy has to take account of the specific needs of our city if we are to realise our ambitions. We require an immigration policy that reflects the needs and aspirational goals of our Cities to retain and grow our global competitiveness and continue to innovate. Issues such as the salary cap would seriously undermine Stirling’s ability to deliver our Inclusive Growth ambitions and would call on constructive engagement on this and the wider agenda.”

Cllr. Scott Farmer
Leader, Stirling Council

“Migration is central to the stories of each of our seven cities. Scotland is a progressive, international nation that deeply values all those who have chosen to make their lives here. Migration has helped make Scotland’s cities global centres of innovation, culture and investment. The myriad of economic and social benefits of migration have supported growth in a number of vital sectors, from digital technology and academia to hospitality and finance.

I welcome the consensus reached here by the Scottish Cities Alliance on the UK Government’s future, post-Brexit immigration plans. The Scottish Government strongly believes that freedom of movement should continue; it has been one of the great successes of the European project.

Nonetheless, it is important to engage constructively with the UK Government as the political landscape evolves. I urge the UK Government to pay close attention to the positions presented in this statement. New solutions to meet our future needs and demographic challenges are both increasingly necessary and achievable, if we work together to enable and deliver a tailored approach for Scotland within a UK framework.”

Ben Macpherson MSP
Minister for Europe, Migration and International Development

