

## **MINUTES OF THE FIFTH MEETING OF THE MIGRATION ADVISORY COMMITTEE ON 2 MAY 2008**

### Present:

Chair	Professor David Metcalf
Members	Dr Diane Coyle Dr Martin Ruhs Professor Jonathan Wadsworth Professor Robert Wilson Professor Mike Campbell (Ex-officio member)
Secretariat	Mark Franks (Head of Secretariat) Vanna Aldin Anne Ball Anna Downs Cordella Dawson Dan James
Observers	Jonathan Sedgwick (Government Observer) Andy Honeyman (Border and Immigration Agency)
Presenters (item 2)	Ian Shury (IFF Research) Katie Carter (IFF Research)

### **Agenda Item 1 - Welcome and Introductions**

1. The Chair welcomed everyone to the meeting and introduced Ian Shury and Kate Carter from IFF Research.

### **Agenda Item 2 – Presentation by IFF Research on NESS 2007**

2. IFF Research gave a presentation summarising phase one of the commissioned analyses of National Employers Skills Survey (NESS) data. The research looked at the reliability and suitability of NESS in the context of the MAC's requirements.
3. Phase one of the project commissioned to IFF Research included the analysis of vacancies data at four digit SOC related to NESS2007, the latest available survey. This analysis has required the re-coding of the recorded verbatim employers' responses in order to determine skill shortage vacancies at four digit SOC. The presentation focused on describing this re-coding exercise, followed by main findings in terms of volume, density and share of recruitment problems by detailed occupation.
4. The Committee then discussed the presentation with IFF Research representatives and agreed that for phase two of this project IFF Research

should focus on re-coding all vacancies at four digit SOC level in order to better contextualise the skills shortage vacancies reported in each occupation by allowing them to be expressed as a proportion of total vacancies.

### **Agenda Item 3 - Minutes of meeting held on 28 March 2008**

5. Minutes of the previous meeting were agreed.

### **Agenda Item 4 Tier 2 update and round-table summary of Committee and Secretariat activity since previous meeting**

6. The Chair welcomed Jonathan Sedgwick, from the UK Border Agency (UKBA), to the meeting. He then thanked colleagues and the Secretariat for the work they have put into ensuring useful regional visits and for ensuring the very successful outcome of the MAC seminar held on 30 April.
7. UKBA confirmed that they are aiming to publish the Points Based System Tier 2 and Tier 5 Statement of Intent on 6 May and that Liam Byrne will soon be writing to the MAC Chair for comments on both.
8. Committee members and the secretariat reported on contacts and meetings with a variety of stakeholders including regional visits and the final UKBA-run Stakeholder Advisory Panel meetings.
9. Jonathan Sedgwick confirmed that he is now the Government observer for the Committee and said that he has set up a strategy unit to integrate properly the work of the UKBA business. Both the MIF and the MAC will be associated with this unit and resources from the unit would be made available to the MAC if necessary.
10. The Chair reported that he and the Secretariat held successful meetings with members of the Bangladeshi/Indian and Chinese catering sectors on 1 May. He also said that the Government has issued its response to the MAC call for evidence, which was very positive.

### **Agenda Item 5 - Paper 5.1 – Skilled occupations**

11. The secretariat summarised the results of the additional robustness checks carried out on the analysis of skilled occupations at four digit level.
12. There were two robustness issues. The first was that in the original analysis a logit function was used that did not properly account for the distribution seen on the indicators, particularly pay. Therefore, the analysis was altered to a non-parametric approach and looked in more detail at the distribution and the overlap in drawing up the threshold. Whilst the threshold did not change very much from the original analysis, this approach provides more robustness behind the assumptions made. The second element was to use a larger extract from the Labour Force Survey (LFS) in order to enhance the confidence intervals at the occupational level.

13. These checks produced a list of 182 skilled occupations, which excludes 4 graduate occupations as defined by Elias and Purcell. In addition, a list of 'maybe' occupations was presented to the Committee. Following a discussion, the Committee has agreed to consider as "skilled" all these so that the initial list would be increased to 192 skilled occupations.
14. The Committee was invited to discuss this work and agree on the initial list of 192 skilled occupations at four digit level that will be later supplemented with additional occupations whose "skill" level will be corroborated with "bottom-up" and qualitative evidence.

### **Agenda Item 6 - Paper 5.2 – Shortages**

15. The secretariat gave a summary of the phases of the shortage project and progress on each stage. Phase 1 consists of collecting data on all the indicators for each 4 digit SOC occupation and creating the variables needed. The data for most of the indicators have been collected and put it into a database. There are only a few indicators left to work on.
16. The robustness of indicators was looked at in phase 2. It also includes assessing how accurate were the measures of each variable for these indicators. The Committee was asked to express a preference on which variables to use for each indicator of shortage.
17. Phase 3 involves deciding the thresholds that should be used for each indicator, based on economic theory and the judgement of the Committee, and phase 4 involves using the approach in phase 3 to produce the list of skilled and shortage occupations to be progressed to the "sensible" analysis. The list will also be supplemented with the bottom up evidence.
18. The Committee agreed that it would be worth using information from the LFS, although they understood it is not as reliable in respect of pay. They also pointed out the need to be explicit about what is being measured and its geographical reach.

### **Agenda Item 7 - Paper 5.3 – Call for evidence and evidence from Sector Advisory Panels**

19. The secretariat explained that the purpose of this paper was to bring about discussion on the call for evidence, bottom-up evidence and the approach to "sensible".

#### Call for evidence

20. The secretariat informed the Committee that to date there has been 60 responses to the call for evidence and there is an indication that late responses could increase the total towards 100. The intention is to summarise all of the evidence received in one place, so a grid is being developed that does this.

### Bottom up evidence

21. The secretariat invited the Committee to consider using a common structure to analyse the bottom up evidence in a consistent and objective way. This would provide help on deciding which occupations/job titles go onto the shortage list.
22. In terms of how to approach “sensible”, the secretariat said that the decision criteria for inclusion on the shortage occupation list needed to be considered, particularly regarding cases where there is little or no evidence on “sensible” for a skilled occupation with a labour shortage. The Committee agreed that it is important to consider/ identify some quantitative indicators for “sensible”. Subject to data availability, these may include length of training required, labour intensiveness of sectors and proportion of EEA and non-EEA migrants already working in each occupation.

### **Agenda Item 8 - Paper 5.4 – Regional Visits**

23. The secretariat gave an update on the visit to employers in Wales, the East Midlands, the East of England, Yorkshire, and the North East of England and said that visits were being arranged to the West Midlands, Northern Ireland, the South East of England and the South West of England.

### **Agenda Item 9 - Paper 5.5 Stakeholder events**

24. The secretariat gave a summary of a series of events that have taken place recently, or will take place over the coming weeks, including the Sector Advisory Panel meetings and individual meetings with members of the Bangladeshi/Indian and Chinese catering sectors. The secretariat also said that the Stakeholder Panel would take place immediately after this meeting and that the Stakeholder Forum meeting due to take place on 9 May.

### **Agenda Item 10 - Paper 5.6 – Research**

25. The secretariat gave an update for each of the three commissioned projects. It confirmed that the aim is for all the projects to be completed by the end of May. The long-term research programme has been updated to reflect comments received by the Committee. More detailed research proposals will be submitted to the Committee after the completion of June report.

### **Agenda Item 11 - Paper 5.7 – June Report**

26. The secretariat said that the aim is still to have a final version of the June report ready for publication by mid-June, although the final hard copy version might not be ready until the following month. The drafting of the June report chapters will begin during the week beginning 6 May and, it was proposed that an informal MAC "workshop" was arranged for 30 May to discuss the progress and content of the report.

### **Agenda Item 12 – Date of, and agenda for, next meeting**

27. The secretariat confirmed the next formal Committee meeting is 20 June 2008. Agenda to be confirmed.

**Agenda Item 13 - AOB**

28. None.

**MAC Secretariat  
May 2008**