

MINUTES OF THE SECOND MEETING OF THE MIGRATION ADVISORY COMMITTEE HELD ON 25 JANUARY 2007

Present:

Chair	Professor David Metcalf
Members	Dr Diane Coyle Dr Martin Ruhs Professor Jonathan Wadsworth Professor Robert Wilson Professor Mike Campbell (Ex-officio member) John Elliott (for Paula Higson – Government observer)
Secretariat	Mark Franks (Secretary) Stephen Earl Vanna Aldin Andrew Watton Anna Downs Anne Ball Cordella Dawson
Observer	Andy Honeyman (Border and Immigration Agency)
Apologies	Paula Higson (Government Observer)

Agenda item 1 – Welcome and round table summary

1. The Chair welcomed everyone to the meeting and introduced John Elliott, Home Office Chief Economist, who attended in place of Paula Higson (Government Observer). There followed a round-table summary of Committee and secretariat activity since the previous meeting.
2. Professor Wadsworth told members that he had met with the secretariat to discuss a short-term research project to analyse the LFS and ASHE data.
3. Professor Wilson confirmed that he had met with Dr Matthew Dixon of Centra, who has a long-standing interest in issues to do with skills and migration. Professor Wilson thought that members should be aware that Dr Dixon has ideas about possible ways to develop the Points Based System (PBS).
4. Professor Campbell informed members that the Welsh Skills Strategy had been published on 17th January. This outlines the Welsh approach to tackling skills gap in Wales.

5. Andy Honeyman gave members a brief summary of the current position with Tier 2 of the PBS. He said Tier 2 is expected to go live in the third quarter of 2008, around September/October, and BIA is expected to publish a Statement of Intent by March. This will set out the policy detail so that those with an interest can prepare and highlight any preliminary unforeseen problems.
6. John Elliott told members that he gave evidence with Liam Byrne to the House Lords Economic Affairs Committee. The evidence is available on the Committee's webpage.
7. Dr Coyle informed members that the BBC has decided to tackle skills training in broadcasting.
8. Dr Ruhs confirmed to members that the House of Lords Economic Affairs Committee is taking an interest in the work of the MAC.
9. Professor Metcalf told members that he had met with the Department of Business Enterprise and Regulatory Reform (BERR), BIA, the Institute of Directors, the Federation of Small Businesses, Home Office statisticians and had attended a recent meeting of the Migration Impact Forum. He also said that he gave evidence to the House of Lords Economic Affairs Committee. .
10. The secretariat told members that they had a useful meeting with the ONS in Newport and had also met with the BIA officials managing the current occupation shortage list to agree on the practicalities involved in handing over this work to the MAC.

Agenda Item 2: Minutes of meeting held 7 December 2007

11. The minutes of the last meeting were agreed without amendments.

Agenda Item 3: January and February Reports (papers 2.1a and 2.1b)

January Report – Thoughts and discussion on the latest draft report

12. The secretariat introduced papers 2.1a (January and February reports) and 2.1b (draft January report) and thanked all for getting comments back on the draft January report quickly. The Committee decided that the January report should be tightly focussed on data and on setting out a brief outline summary of the methodology to be adopted in identifying skill shortages. Much of the rest of the draft should be reserved for the February report. The secretariat said this would meet the requirement for the Committee to produce report on the availability of useful data on skill shortages.
13. The secretariat asked members to consider how the issues of “skilled”, “shortages” and “sensible” could be defined and presented in both the January and February reports.

Thoughts on “skilled”

14. The members of the Committee were asked to consider what constitutes a “skilled” occupation in terms of being sufficiently skilled for potential inclusion on the Shortage Occupation List. Members discussed what was meant by the minimum threshold for tier 2, presently understood to be NVQ level 3 qualification or equivalent, or above. They discussed the issue of what would constitute an equivalent qualification and what would be taken into account in terms of training and experience in gauging an equivalence.
15. The Committee agreed to look at qualifications as well as less tangible skills and abilities needed to do a job. It was agreed that the February report would set out some preliminary indicators that the Committee would look at when considering whether an occupation was "skilled".

Thoughts on “shortage”

16. The Committee discussed how it would define “shortages”. In particular, whether the Committee was content to base the report around the concept of “shortage of skilled labour” and therefore avoiding the use of the more ambiguous term “skill shortage”. It was agreed there needed to be a definitive definition in place for use in the June report. The research commissioned to review the theoretical and practical issues in the conceptualisation and measurement of labour shortages, skill shortage and skill gaps would help with this. As with shortage, it was agreed that a preliminary position would be set out in the February report. The Chair also asked that the secretariat consider whether any more of the information from the presentations made by members in the 7 December meeting could be distilled into the February report.

Thoughts on “sensible”

17. Members agreed that “sensible” needs to be based on an explicit understanding of what the objectives are, but accepted that there are no simple answers. Again, the February report would set out a preliminary position. It was also agreed that there was a need to discuss the number of options with regard to associated costs and benefits.
18. In response to whether the Committee needed a default definition of migrant and whether it should be the UN/ONS definition or an alternative one, members agreed to re-draft section 2.2 of the January report to show there are multiple definitions of migrants that they could work with, including, but not restricted to, the UN/ONS definitions.

February Report

19. In paper 2.1a, the secretariat produced a proposed draft outline of the February report and a timetable for completing the report. Members were content with the proposed structure, but asked for the emphasis in the proposed section 2 - Concepts and Definition - to be placed on the definition of “skills”, “shortages” and “sensible”. They also agreed that there should be a section setting out caveats and limitations as well as a call for evidence based around issues identified in the February report. Members were content with the proposed timetable, although the secretariat said that it will endeavour to bring some of the dates forward slightly if possible.

Agenda Item 4: Updating Occupation Lists after June 2008 and definition of a ‘skilled’ job (paper 2.2)

20. The secretariat introduced paper 2.2, which set out four possible ways of updating the Shortage Occupation List following the initial list due in June 2008.

- **Option 1** is to update the entire list annually;
- **Option 2** is to review the list piecemeal, focussing on a different sector of the economy each quarter of the year;
- **Option 3** is to set a duration every time an occupation goes on the list stating for how long it will remain on the list before being reviewed;
- **Option 4** is to carry out periodic updates every 6 months, and to carry out a fully comprehensive analysis of the entire list every other year.

21. The Committee agreed that option 4 would be the most practical way forward, which in effect would mean an updating of the list every six months, or more often if required, with a full comprehensive analysis every other year. This would allow a fallow period between full updates to progress sectoral work and any other tasks the Committee might be asked to take on.

Agenda Item 5: Research (paper 2.3)

22. The secretariat introduced paper 2.3 which provided updates on the five main research projects identified as part of the short-term research programme that would be financed through 2007/08 MAC budget. The secretariat told members that it was looking at whether research could be taken forward in the following areas:

- **project 1** would be a review of theoretical and practical issues in the conceptualisation and measurement of labour shortages, skill shortages and skills gaps;
- **project 2** would be a customised assessment and analysis of skill survey data;

- **project 3** would be a review of processes/outcomes of the current work permit system;
 - **project 4** would be a set of review papers on the micro-level nature and determinants of employer demand for migrant labour and the alternatives to immigration for responding to labour shortages in key sectors of the UK economy;
 - **project 5** would be a review of relevant data available from LFS and ASHE.
23. The secretariat is working closely with the Home Office's research procurement experts to ensure that any research is commissioned in a fair and transparent manner.
24. The secretariat confirmed that the analysis team met with Professor Wadsworth at LSE to discuss project 5, which is to analyse LFS and ASHE data. The secretariat is now in the process of obtaining LFS data from ONS and the software required for carrying out the preliminary analysis.
25. It was agreed that the secretariat would provide regular updates on each of the projects at the MAC meetings and will present a long-term research programme proposal at the March meeting.

Agenda Item 6: Scotland List (paper 2.4)

26. The secretariat introduced paper 2.4, which made some initial comments about the factors to be considered in drawing up a separate Shortage Occupation List for Scotland. The secretariat also provided feedback on its meeting with colleagues in Scotland on 16 and 17 January.
27. Futureskills Scotland conducts a survey of Scottish employers every other year, which produces the information in their reports. It may be possible to interrogate this data to produce skill shortage analysis in accordance with occupation classifications that match those used in the rest of the UK, although the published information is set out into broad classifications. Futureskills have projections on 3 digits and this could be useful. The secretariat said that colleagues in Scotland would be happy to consider including some MAC questions in its next Futureskills survey.
28. Members agreed that the Scottish list would in effect be an additions list to the UK one and that they would have to rely heavily on bottom up evidence.
29. Members agreed to the proposal to hold the March MAC meeting in Scotland. The meeting will include a luncheon with stakeholders and members have been asked to consider travelling to Scotland a day before the meeting with a view to conducting regional visits. The secretariat agreed to provide an option for visits in Scotland at the February MAC meeting.

Agenda Item 7: Regional Visits (paper 2.5)

30. The secretariat introduced paper 2.5, which gave an update on the current work to draw up a programme of visits to each region of England, and Scotland, Wales and Northern Ireland. The secretariat said it had written to the Regional Development Agencies, the Government Offices for the Regions and the Border and Immigration Agency Regional Directors to ask them for their help in identifying suitable visits for the Committee. The secretariat said it hopes to arrange at least one visit during the month of February and have in place a rolling programme of visits for the following months leading up to the first report in June.
31. The secretariat agreed to provide a draft outline of a visit programme at the next meeting on 15 February

Agenda Item 8: Date of, and agenda for next meeting

32. The next MAC meeting will be held on 15 February 2008 at the Foreign and Commonwealth Office. UK Visas will host the meeting. Members were keen to take the opportunity to learn more about UK Visas and its work.
33. It was agreed that the agenda for the February meeting should include:
- the February Report;
 - regional visits; and
 - proposals for the visit to Scotland.

Agenda Item 9: AOB

34. The secretariat informed members that it had recruited a Senior Research Officer.
35. In addition, the secretariat said that they had an option to take the Committee's thoughts to a group of Government economists at some point in the future. This would provide an opportunity to explain some of the issues that the MAC was considering and invite views. It was agreed that any such discussion should also include academic economists, which would ensure a balanced discussion and transparency.
36. The secretariat also informed members that it was to shortly attend meetings with the Sector Advisory Panels considering amendments to the present Shortage Occupation List.

**MAC Secretariat
January 2008**