

SCOTTISH GOVERNMENT RESPONSE TO THE MIGRATION ADVISORY COMMITTEE

2018/19 CALL FOR EVIDENCE ON THE SHORTAGE OCCUPATION LIST



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Scottish Government response to the Migration Advisory Committee 2018/19 Call for Evidence on the Shortage Occupation List

The contribution of international migration and the impact of shortages in the Scottish labour market. The Scottish Government's response to the Migration Advisory Committee Call for Evidence on the Shortage Occupation Lists.

This response to the Migration Advisory Committee's Call for Evidence was accompanied by a separate response detailing issues and pressures specific to Scotland's health and social care workforce. You can view the publication [here](#).

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Ministerial Foreword



Scotland is an open, outward-looking and welcoming country. We recognise and highly value the remarkable contributions that people from around the world have made and currently make to Scotland.

In October 2017 we published the detailed evidence we had submitted to the Migration Advisory Committee earlier that year, setting out the positive impact of EEA migration on Scotland's economy, public services and communities. The Migration Advisory Committee's subsequent report in September 2018 on EEA migration also provided strong evidence about the financial contribution of EEA migration.

Given this clear evidence about the economic benefits of migration the recommendations from the Migration Advisory Committee and proposals in the UK Government's Immigration White Paper are deeply disappointing.

The economic case for migration was clearly articulated in the Scottish Government's evidence to the Committee and in our Discussion Paper on *Scotland's Population Needs and Migration Policy* published in February 2018, as well as the Committee's own report on EEA migration. However, migration is about more than economics. It is about individuals and families: people who have chosen to build their lives in Scotland and who are part of Scotland's future.

The Scottish Government is clear that continuing free movement of people is in the best interests of Scotland and the UK as a whole. Free movement has allowed people to come to Scotland and make a significantly positive contribution, and has allowed our own citizens to travel, work and live across the EU. In contrast, the proposals set out in the UK Government's Immigration White Paper could reduce the number of workers in Scotland by up to 5% over the next two years. This shift would be deeply damaging for our economy, our public services and future population growth.

The UK Government's Immigration White Paper and their consultation on the Shortage Occupation List differentiates between 'high skill' and 'low skill' migration with salary and qualifications serving as a measure of an individual's skill level. The Scottish Government considers that this approach is fundamentally flawed as it does not recognise or appreciate those in many roles that may be defined as 'low skill' under such measures but

who in reality make very significant contributions. Salary level is not an appropriate measure of value to society.

This paper provides detailed evidence on recruitment needs across the Scottish economy as well as outlining how the Shortage Occupation List could be made more flexible and responsive to the needs of the Scottish economy and public service delivery. These changes should include a specific role for the Scottish Government in commissioning and determining what occupations are in shortage in Scotland.

Scotland's needs are different from the rest of the UK. This was shown in a recent independent report from the Expert Advisory Group on Migration and Population (February 2019) that provided clear evidence of the differential impact of the UK Government's immigration proposals. We need an approach to migration that recognises those differential needs and allows us to create tailored solutions to meet the needs of our economy, our public services and our communities.

A handwritten signature in black ink, reading 'Ben Macpherson'.

Ben Macpherson
Minister for Europe, Migration and International Development

1. INTRODUCTION

Our position

1. Scotland is a progressive, outward looking nation. We recognise that migration strengthens our society and our nation benefits from the skills, the experience and the expertise of those individuals who have chosen to live, work and study in Scotland. Inward migration, including from across the European Union (EU), has made an overwhelmingly positive contribution to Scotland's economy and society. Migrants play a vital part in ensuring that we remain a diverse and outward-looking country that is open to the world. We welcome those who come to Scotland and make a positive contribution to our communities, our economy and our public services.
2. The UK Government has publicly committed to ending freedom of movement. Yet inward migration has helped to turn Scotland from a nation of emigration with a declining population into a culturally diverse, outward looking nation with a growing population. It has also brought benefits and opportunities for people born in Scotland. The Scottish Government is clear that maintaining free movement of persons is in the best interests of the UK as a whole and of Scotland.
3. The Scottish Government published detailed evidence in October 2017^[1] showing that EU migration:
 - is essential for ensuring sustainable population growth in Scotland, which is the single biggest driver of our economic growth;
 - supports Scotland's economy, ensuring the availability of a pool of labour, both now and in the future, to meet the needs of employers and businesses right across the Scottish economy and across all sectors, including those as diverse as agriculture and fisheries, tourism and culture, healthcare and education;
 - supports rural communities and jobs, bringing essential labour to rural industries and supporting public services including healthcare and schools.
4. The evidence that we set out in that report remains relevant and sets out the reliance of key sectors of our economy on EU citizens.
5. It is clear that current UK policy on migration does not meet Scotland's needs. In February 2018 the Scottish Government published a discussion paper [*Scotland's Population Needs and Migration Policy*](#)^[2] setting out options for a future migration system tailored to Scotland's needs. This paper recommended that the UK Government should:
 - Abolish the net migration target, or at least migration to Scotland should not be counted in it;
 - Take a different approach to family migration, and improve the rights of people in Scotland to bring close family into the country with them;
 - Review the immigration skills charge, which is an unhelpful burden on employers;
 - Give Scottish Ministers a formal role in deciding on the Scotland Shortage Occupation List; and

- Reintroduce the post study work visa as recommended by the Smith Commission.
6. Since the publication of that discussion paper the UK Government published its Immigration White Paper on 19 December 2018^[3]. The White Paper does not address any of the Scottish Government's recommendations for changes and indeed proposes a future migration system which does not reflect the needs of key sectors of the Scottish economy. Figures detailed in the White Paper itself estimate that if all of the recommendations in the White Paper were implemented (notably the retention of the £30,000 salary threshold for Tier 2) then this could result in an 85% reduction in inflows of long-term workers from EU and European Economic Area (EEA) countries to Scotland.
 7. The Scottish Fiscal Commission published their Economic and Fiscal Forecasts in December 2018^[4]. These forecasts inform the Scottish Budget and set their economy, tax, and social security forecasts for the next five years. In their 2018 publication, as in the 2017 publication, the Commission again judged that the 50% less future EU migration variant of the population projections was appropriate for Scottish circumstances. In that scenario the working age population would decline by almost 1%, rather than the current prediction of growing by 1.1%, and the proportion of children would decline by just over 4%.
 8. Migration is crucial to growing Scotland's population and specifically the working age population. It is crucial to our economy and to economic growth. Changes to migration policy have a greater impact in Scotland than in the UK as a whole, as evidenced in the figures published in the UK Government White Paper, given the greater significance of migration to Scotland's population growth. The economic modelling that we set out in our 2017 evidence to the MAC and in our February discussion paper showed that real GDP in Scotland will be 4.5% lower by 2040 as a result of lower migration whereas the comparative figure for the UK is 3.7% lower.

About this paper

9. This paper sets out the Scottish Government's response to the call for evidence launched by the UK Migration Advisory Committee (MAC) on the Shortage Occupation List (SOL).
10. In responding to this call for evidence the Scottish Government and businesses across Scotland, particularly those in the tourism and hospitality sectors, have found the MAC's deadline significantly challenging. The deadline of 6 January, although extended at the last minute, has given very limited time for the appropriate analysis of shortages. The placement of this consultation in an already busy period, with organisations focused on mitigating the challenges of Brexit, would be pushing organisations' capacity even without the time pressure of a 2 month consultation.
Given the importance of this issue we would encourage the UK Government to extend the commission given to the MAC in line with their 12 month programme of engagement on immigration to ensure appropriate consideration of all shortages and a truly evidence based approach.

11. In compiling this evidence we have been mindful that this consultation is taking place in a shifting context. The MAC published their report on EEA migration in September 2018^[5] and the UK Government published their Immigration White Paper in December 2018 setting out their proposals for a future immigration system. It has therefore been challenging to respond to a consultation about the SOL where there is such uncertainty about the future role of the SOL itself. Two of the most significant advantages linked to the SOL are that it removes the need for a Resident Labour Market Test (RLMT) and gives preference if the Tier 2 cap is met. Currently the main high skilled route (Tier 2 – general) is capped at 20,700 places a year. However, the UK Government has proposed, in their White Paper, abolishing the need for a resident labour market test and the cap. These two proposals will change the nature of the SOL significantly.
12. Given the UK Government's stated commitment to a 12 month programme of engagement on the immigration proposals as set out in the White Paper it is regrettable that the consultation on the SOL is being viewed separately and to a different, significantly constrained timetable. A number of key sectoral interests have therefore indicated to us that they are finding it difficult to respond to the consultation within the time-frame. **We would therefore call on the MAC to facilitate further engagement with stakeholders between this deadline and Spring 2019 to capture as much of this missing evidence as possible.**
13. Some areas of the Scottish Government have produced separate analysis highlighting specific shortages faced by their sector, these will be submitted alongside this response:
- Health and Social Care
 - Food Standards Scotland
14. Despite these constraints and caveats, this paper provides evidence as set out below:
- **Section one** focuses specifically on the Shortage Occupation List for Scotland and details proposals to make that List more flexible and responsive to the needs of the Scottish economy whilst also providing a specific role for the Scottish Government in commissioning and determining what occupations are in shortage in Scotland.
 - **Section two** provides evidence on the recruitment, training and skills needs across the Scottish economy, highlighting key sectors including tourism and hospitality, culture and creative industries, manufacturing and construction, financial services, the third sector, agriculture, dairy, seafood, environment and forestry, nuclear decommissioning and public services, notably education.
 - **Section three** provides detail of how a system which reflects the needs of Scotland could operate.

2. INCREASING SCOTLAND'S INPUT INTO UK IMMIGRATION DECISION-MAKING

15. Immigration is reserved to the UK government under the Scotland Act 1998 and Scotland currently has no influence over UK decision-making on migration flows. Within the current UK immigration rules, the SOL is the only element of the Points Based System (PBS) where there is any attempt to consider the different occupational needs of Scotland relative to the rest of the UK.
16. However, the SOL is not a devolved competence – the Scottish Government has no formal role in determining what occupations are considered in shortage in Scotland. Scottish Ministers cannot currently commission the MAC to consider changes to the Scottish SOL and the Scottish Government is only able to contribute to MAC calls for evidence as a stakeholder in the same way as any other individual or body can respond.
17. The White Paper reaffirms the UK Government's intention to end free movement and the unworkable commitment to cut net migration to 'tens of thousands' has exacerbated the urgency to mitigate the impact on Scotland.
18. As outlined in our submission to the MAC [on the contribution of EEA citizens to Scotland](#)^[6] and our discussion paper [Scotland's Place in Europe: People, Jobs & Investment](#)^[7], the UK Government's drastic migration reduction strategies have the potential to seriously harm Scotland's prosperity. The contribution of migration to Scotland's economy and demographic profile is crucial, and relatively more important than it is to other parts of the UK. Recent data published by the National Records of Scotland (NRS) shows that 7% of Scotland's population is made up of non-UK nationals^[8], many of whom fulfil vital roles in sectors integral to Scotland's economy, including the NHS.
19. It is increasingly clear the UK Government's immigration policy does not address our economic, demographic and social needs and our 2018 discussion paper [Scotland's population needs and migration policy](#)^[9] outlines how differentiation within the current framework could mitigate some of the impact. A key recommendation in that paper was to give Scottish Ministers a formal role in deciding on the Scottish Shortage Occupation List.
20. The idea of regional differentiation on migration within the UK framework is not novel. In the first years of the new Scottish Parliament immigration being a reserved power did not stop a cross-party consensus emerging that, because the migration needs of Scotland were distinct from those of the rest of the UK, the policy solutions for Scotland should be distinct as well. This difference led to the Scottish Executive of the time working to introduce Fresh Talent^[10], a post-study work visa scheme that allowed international students to stay in Scotland after they had completed their studies in order to seek work and make a contribution to Scotland's economy. This differentiation of migration policy for Scotland was intended to both support economic growth and mitigate demographic pressure. Fresh Talent recognised that different parts of the UK had different needs and expectations of migration.

21. Whilst the current Scotland SOL has also attempted to allow for differentiation, it is insufficient in its current form to fully accommodate Scotland's distinct labour-market needs. **To address this failing, a collaborative assessment and restructuring of the current mechanism and scope of the list is urgently required to be more accurate and responsive to Scotland's distinct needs.**
22. In 2008 the MAC produced a report titled 'Skilled, Shortage, Sensible: The recommended shortage occupation lists for the UK and Scotland'^[11]. Chapter 11 of this report, titled The Scotland List, outlined the request for a Scottish specific SOL and referenced the UK Border Agency's (UKBA) consultation document on the Points Based System (2005) which set out Scotland's specific need for managed migration.
23. The UKBA report cited a need for Scotland to address its predicted population decline and change its demographic profile for reasons of economic growth and social development. They highlighted Scotland's ageing population and shrinking working age population as detrimental for public services as well as long term economic development.
24. The MAC report highlighted that, due to the smaller population in Scotland and the resultant difficulties with sample sizes, top down approaches to investigating skills shortages would not be possible, as is undertaken for the UK SOL. They therefore highlighted that bottom up evidence, meeting with stakeholders in Scotland, was necessary. The Scottish Government believes that the period of one day to one week that is spent by the MAC in Scotland during a review period is not adequate to appropriately assess the shortages present across the entire nation. We would therefore propose that a defined role for Scottish Ministers and Scottish Government in the review process would enable a more comprehensive review of need and a stronger evidence base for the SOL and Scottish SOL.
25. Shortly after the outcome of the EU referendum, the Scottish Parliament's Committee for Culture, Tourism, Europe and External Affairs commissioned Dr Eve Hepburn to write a paper on [*the options for differentiating the UK's immigration system*](#)^[12]. Dr Hepburn's independent findings were published in April 2017 and determined that increasing Scotland's input into UK immigration decision-making would better ensure that the current PBS is taking Scottish labour market and demographic needs into account.
26. Specifically, the report recommended increasing Scotland's representation and influence in UK advisory and decision-making bodies. Evaluating case studies on Quebec, Prince Edward Island, South Australia and Vaud, Dr Hepburn determined three areas where Scotland could have a greater 'voice' in UK decision-making on immigration:
- Sub-state representation on the MAC, in order to advise on labour shortages and skills gaps in Scotland (and other regions);
 - Revising and expanding the Shortage Occupation List for Scotland, in order to make it more flexible to take account of current and future labour shortages; and,

- Increasing bilateral relations between the Home Office and Scottish Government, for instance through a Joint Ministerial Committee (JMC) on immigration and regular meetings of civil servants.
27. The Scotland-only SOL is designed to enable Scottish employers facing labour shortages to fill these jobs with skilled third-country nationals. However, this list is currently very short, containing just two additional occupation fields to the UK-list (physical scientists and medical practitioners).
28. There is a strong argument to nuance the SSOL, by adding more jobs to the vacancies list in consultation with Scottish industry stakeholders, to take account of Scotland's skills shortages and dynamic economy.
29. The recently published London First report on [*a fair and managed immigration system fit for the post-Brexit economy*](#)^[13] has highlighted the issue of the List's responsiveness to shifting market requirements. It notes that skills shortages can easily get out of step with real labour market need and are often based on evidence that is one or two years out of date and, inevitably, have a public sector administrative approach rather than an employer-led one. The report's key recommendations largely align with the Scottish Government's view that:
- The SOL should move away from separate occupations and align with key growth areas and sectors as, especially in new sector areas, occupation titles and needs shift quickly;
 - It should align with the essential labour needs of the country, taking into account the distinct needs of all four nations, and include medium and lower-skilled roles with a more streamlined and responsive process for adding and removing roles from the list;
 - Current criteria should be reviewed with appropriate exemptions from the salary threshold, such as roles paying under £20,155. Those at RQF3 and 4 should not be subject to the RLMT. Appropriate workers should be given fast-tracked access, recognising their crucial role in the economy;
 - There should be efficient feedback mechanisms for Scottish stakeholders and businesses to contribute evidence on labour market needs, taking into account Scotland's unique rurality challenges.
30. Assessing and improving the current mechanisms of the SSOL is particularly relevant given the UK Government's intention to commission MAC to compile such a list for Northern Ireland and consider whether the composition of the SOL needs to be different for Wales. Ensuring regional lists are adequately responsive to the needs of each nation, with meaningful and jointly formalised structures for devolved administrations to guide and influence their outcome, will be imperative not only for the prosperity of each nation but for the UK economy as a whole.
31. In the longer term, there remains a question about whether Shortage Occupation Lists are a helpful measure, or if there is a more systemic way to fix the problems they attempt to address. A substantive review is required to ensure all elements of the immigration system meet Scotland's needs. Our 2018 discussion paper outlines how

concurrent and devolved structures of decision-making on immigration could work to better serve Scotland.

32. The White Paper outlines the intention for an enhanced role for the MAC. This expanded role includes the potential for an annual report including reviews of the SOL, SSOL and the newly proposed SOLs for Wales and NI. It also outlines the potential for an enhanced role for the chair and a change in the MAC's composition, status and role. We welcome the UK Government's commitment towards an evidence based immigration policy but it is important that the changes to the MAC genuinely deliver that aspiration.
33. We would therefore welcome meaningful engagement on the development of this enhanced role. We see this commitment as a valuable opportunity to broaden the expertise represented on the MAC. By enhancing the composition and remit of the MAC, the unique demographic and rural challenges that Scotland faces can be appropriately highlighted, assessed and mitigated.

Recommendations

34. The UK Government should review the administrative procedures around the SOL to give a formal role to the Scottish Government in commissioning and determining what occupations are in shortage in Scotland.
35. The SOL should be revised and expanded in order to make it more flexible to take account of current and future labour shortages by:
- moving away from separate occupations and aligning with key growth areas and sectors, as especially in new sector areas occupation titles and needs shift quickly;
 - aligning with the essential labour needs of the country, taking into account the distinct needs of all four nations, and including medium and lower-skilled roles with a more streamlined and responsive process for adding and removing roles from the list;
 - reviewing current criteria with appropriate exemptions applied;
 - Developing efficient feedback mechanisms to allow Scottish industry to contribute evidence on labour market needs. This mechanism should allow for comprehensive and regular review making the SOL responsive to changing and emerging markets.
36. The UK Government should engage meaningfully with Scotland and the other devolved administrations when considering the enhanced role of the MAC and consider how the expanded composition, status and remit can be structured to maximise their needs.

3. RECRUITMENT, TRAINING AND SKILLS

Introduction

37. EU citizens are making a vital contribution to Scotland's economy. They are driving our population growth and ensuring that we have workers to meet the needs of businesses and the public sector. There are over 140,000 EU nationals across low, medium and high skilled jobs in Scotland's economy, making up 6% of our workforce. The vast majority of EU citizens in Scotland are of working age (77%), and over three-quarters (79.3%) are in employment^[14]. Many are also highly educated - more than a third (37.2%) have a degree level qualification, compared to 26.9% of UK citizens in Scotland^[15].
38. The Employer Skills Survey 2017 found one in five employers (19%) employed at least one member of staff from an EU (non UK) member state. The survey results suggest 7% of the Scottish workforce in establishments with two or more staff were non-UK EU nationals^[16].
39. Ensuring ongoing access to labour from across the EU under the free movement of persons rules is of fundamental concern to many businesses across the Scottish economy, as highlighted in our paper [*Brexit: What's at Stake for Businesses*](#)^[17]. Businesses have repeatedly told us how they worry that any restriction on the free movement of EU labour could negatively affect their businesses, especially if it were to involve new administrative or bureaucratic requirements that would impose financial and/or other costs. For many smaller businesses, in particular, such restrictions make the recruitment of essential staff impossible. By applying the same restrictive rules to EEA migrants the UK Government are removing another valuable source of labour from smaller businesses and adding significant cost and bureaucracy to recruitment for all businesses.
40. There are concerns that negative rhetoric in the UK against migration may already be having an impact both on the willingness of individuals already in Scotland to stay, and on those who may be interested in moving to Scotland. The Scottish Government is committed to making it clear that we welcome those who make a positive contribution to Scotland and earlier this year ran our *We Are Scotland* campaign on social media to emphasise our positive position on migration. However, we know that some employers are already seeing a downturn in recruitment from the EU.
41. There are particular sectors, regions and occupations that have higher than average (> 6%) concentrations of EU nationals – leaving them particularly vulnerable to the impact of Brexit^[18]. According to the Annual Population Survey, April 2017 – March 2018, 41% of all EU citizens in employment in Scotland work in three occupations: Elementary Administration and Service Occupations (23%, 26,200); Science, Engineering and Technical Professionals (10%, 11,500); and, Textiles, Printing and Other Skilled Trades (8%, 9,000). Sectors, regions, and occupations with existing skills challenges are likely to see shortages and gaps exacerbated by a decrease in the availability of EU labour^[19].

42. National-level skills gaps, shortages and under-utilisation have either sustained or modestly increased between 2015-17. These challenges and wider recruitment difficulties are likely to be a permanent feature of the Scottish labour market.
43. According to the Employer Skills Survey 2017^[20], the sectors with the highest density skills gaps in 2017 were:
- Manufacturing (7.2%);
 - Hotels + restaurants (6.8%);
 - Wholesale and Retail (6.8%).
44. The sectors with the highest density of skills under-utilisation were:
- Hotels + restaurants (17%);
 - Information + Communications (24%);
 - Arts and Other (14%).
45. The sectors with the highest density of Skills Shortage Vacancies (SSVs) were:
- Business Services (37%);
 - Financial Services (34%);
 - Construction (34%).
46. The Employer Skills Survey 2017^[21] also highlighted:
- A steep rise in vacancy levels among employers in Scotland from 54,000 to 74,000 between 2013-2015 a modest increase to 75,000 in 2017, maintaining the relatively high demand for labour;
 - The proportion of establishments in Scotland with skills shortage vacancies was sustained at 6% between 2015-2017;
 - The proportion of establishments reporting skills gaps in Scotland has risen from 14% to 16% between 2015-2017.
47. The Employer Skills Survey 2017^[22] found that 89% of employers who tried to recruit non-UK nationals to 'hard to fill' vacancies and 93% of those trying to fill skills gaps looked to EU nationals. The proposals in the UK Government White Paper effectively remove this as a separate route for filling these skills gaps requiring all employers to go through the Tier 2 route with the clear risk that Scottish businesses will therefore struggle to recruit the necessary skills and the Scottish economy will suffer as a result.
48. The Employer Skills Survey 2017^[23] highlighted that regions of Scotland face different levels of shortages as well as varying levels of density:
- The regions with the highest incidences of Skills Shortage Vacancies were West Lothian, Forth Valley and West (all 9%), followed by Glasgow (8%).
 - West Lothian, Forth Valley and Ayrshire are those areas with the highest density of Skills Shortage Vacancies, with 38%, 35% and 33% density respectively.
 - West Lothian saw the highest incidence of skills gaps, followed by Fife and West.
 - West also sees the highest density of skills gaps (6.7%), followed by West Lothian (6.2%) and the Highlands and Islands (6.1%).

49. It should be noted that, although the number of shortages and the density of these shortages is concentrated in the urban centres, shortages in rural areas can disproportionately affect communities.
50. Future jobs growth in Scotland is expected to be driven by Edinburgh and Glasgow cities. These two regions are expected to account for 83% of the net additional jobs in Scotland to 2027. Prospects for the major employment centres are positive, yet a number of areas face the likelihood of very low levels of employment growth. These areas also face the possibility of further population loss, exacerbating historic demographic challenges^[24].
51. In the evidence provided below, we have drawn out some more detailed evidence on the contribution of EU citizens to certain important sectors, but the messages that the evidence illustrates are general across the economy. Those are, that workers from other EU countries make a vital contribution to the Scottish economy and the continued availability of such workers is vital to employers in all sectors, right across Scotland. Employers value the ability to recruit the right workers, with the right skills and experience easily. They are deeply concerned by the proposals to end free movement of persons as this will limit or curtail the supply of the workers they need, make the process of recruitment too burdensome and complicated (especially for smaller businesses) and mean that EU workers no longer see the UK as a desirable destination.
52. The sectors highlighted below are tourism and hospitality; cultural and creative industries; financial services; manufacturing and construction; digital and technology; third sector and housebuilding. The evidence also highlights the role played by EU citizens in sectors vital to the rural economy, namely agriculture, fisheries, agricultural processing, environment and forestry, nuclear decommissioning and waste management, logistics and passenger services. The response also highlights shortages in the public sector in education and early learning and childcare. The SOL currently relates to non EU/EEA migration, however, the Government's proposals for a single work based migration route mean that in future these sectors currently reliant on EU/EEA staff will in future need to look to the Tier 2 and the SOL.

Tourism and hospitality sector

53. Scotland's tourism industry is a key economic sector. Tourism delivers employment and enables economic development in some of our most remote locations, sustaining often fragile communities. Around 206,000 staff are employed in the tourism industry right across Scotland, in 14,000 registered enterprises (accounting for around 8.0% of employment in Scotland). It generates around £4 billion in Gross Value Added (GVA - the measure of the value of goods and services produced) and has experienced year-on-year growth in GVA and turnover in every year since 2011^[25].
54. Within the Sustainable Tourism growth sector, 38.3% (79,000) of jobs were in restaurants and mobile food service activities, although this decreased by 3.7% from the previous year. Hotels and similar accommodation and beverage serving activities,

represented another 24.3% (50,000) and 17.5% (36,000) of jobs in this growth sector respectively^[26].

55. In his [evidence to the Culture, Tourism and External Affairs Committee](#)^[27] Professor Manning stated that “every job in the hospitality sector makes the UK a more low wage, low productivity economy”. While this could be argued, in a purely academic and theoretical sense, such a position views the sector in a vacuum and ignores the multiplier effect created by the tourism and hospitality sector, through enabling tourists to visit and spend their money in the local economy. The sector directly influences Scotland's international profile and premium market image and provides major support to other key sectors such as food and drink, retail, transport and construction.
56. The tourism sector is characterised by small and medium-sized enterprise (SME) employers (businesses with 1 - 249 employees). In 2018, SME employers accounted for 65% of tourism sector employment - this compares to 46% across the Scottish economy as a whole^[28]. The sector also has high levels of part-time working, with 57% of employees in the sector working part-time, compared to 34% in the Scottish economy as a whole^[29].
57. Due to the existing challenges in recruiting to the sector, combined with the sector's high reliance on an EU workforce, the British Hospitality Association and KPMG report^[30] that the hospitality sector will be more heavily hit than any other sector by restrictions to the availability of EU citizens, like those proposed.

Contribution of EU workers

58. The tourism sector is heavily and increasingly dependent on workers from other EU countries. In 2017, according to the Annual Population Survey^[31] there were approximately 24,000 EU citizens working in tourism in Scotland - representing around 13% of all those working in the sector overall, with this share rising to 15.9% for the accommodation sector specifically, and 19% for the Hotels and Restaurants sector^[32]. This compares to an EU citizens' employment share of 6.0% in the Scottish economy as a whole^[33].

Skill levels of EU workers

59. It is difficult to directly measure the skills of the workforce across the tourism sector, and so qualifications are frequently used as a proxy for skills. The tourism sector has a relatively low qualifications profile, compared to other sectors^[34]. The number of jobs requiring no or low levels of qualifications are, however, projected to decline and the proportion of jobs requiring high-level qualifications are projected to increase. The share of jobs in the accommodation and food sector that require individuals qualified to at least Level 7 in the Scottish Credit and Qualifications Framework (e.g. in customer facing and junior management roles such as travel consultants, operations managers, and deputy hotel managers) is expected to increase from 29% in 2012 to 45% in 2022. At the same time, the share of jobs held by people with lower qualifications is projected to decline^[35].

60. However, there will continue to be job opportunities in the sector for those with low or no qualifications. The industry argues that it is a sector based on people skills and individual drive and favours people working their way up from the traditional entry-level positions^[36]. Workers from other countries also bring other skills that are valuable to the industry, notably language skills.
61. The proposals to remove the so called low-skilled migration route afforded by free movement would, therefore, have a very significant impact across the sector, reducing the pool of available labour and leading to significant shortages.

Recruitment shortages

62. The tourism and hospitality sector already faces a challenge in recruiting enough workers to meet its needs, even within the framework of free movement of persons. Brexit, continuing uncertainty and the lower value of the pound have already led to a decrease in the number of applications from existing EU member states, heightening the impact of staff shortages.
63. The industry (as reported to the Minister for Europe, Migration and International Development at a round table event in Inverness on 10 December) have noted acute shortages across the sector, with a significant fall in the number of EU applicants (one hotelier noted a 24% drop; and the biggest recruitment company had seen the level of CVs held fall from 10,000 to 2,000 a month from last year).
64. It is anticipated that there will be a total requirement for 149,300 jobs in the sector between 2017 and 2027^[37]. The majority of these (90%) will be as a result of replacement demand, highlighting the often short-term and transient nature of some of the employment within the sector. Without access to the EU migrant workforce pool, the sector will not be able to satisfy this demand.
65. The Employer Skills Survey 2017^[38] continues to note that the hospitality sector has the largest demand for EU employees (33%) to meet vacancy gaps. It is evident that these challenges would significantly worsen if it was more difficult for employers to hire workers from other EU countries to work in the tourism and hospitality sector, restricting the growth of the sector and its contribution to Scotland's economy. Any restrictions on low-skilled and unskilled work will have a particularly detrimental effect, given the numbers of entry-level roles in the sector that require few or no formal qualifications.
66. Analysis of the Employer Skills Survey 2017^[39] has found that employers in the Scottish 'hotels and restaurants' sector are already experiencing a range of vacancies, skills shortages and gaps. These gaps and challenges would significantly worsen if the current proposals to restrict EEA migration are enacted, restricting the growth of the sector and its contribution to Scotland's economy. Any restrictions on low-skilled and unskilled work would have a particularly detrimental effect, given the numbers of entry-level roles in the sector that require few or no formal qualifications.
67. Roles highlighted by the sector for inclusion on the SOL:

- Specialist chefs (5434) – executive chefs, head chefs, sous chefs and specialist chefs;
- Waiting staff/sommeliers (9273)
- Assistant chefs (9272);
- Receptionists (4216);
- Reservations (7219);
- Porters and other hotel workers (9279).

68. Specialist chefs are currently included on the SOL and this shortage continues despite this intervention. Anecdotal evidence from the industry suggests that the proposed reduction in free movement will impact on all levels of staffing across the tourism sector. While we are responding from a Scottish perspective, we understand that these roles are also shortages at a UK level.

Reasons for shortages

69. There are many existing vacancies in the hospitality sector and these are already proving hard to fill despite existing initiatives in place to attract workers. Scotland's tourism and hospitality is spread throughout Scotland. Around a fifth of those employed in the sector work in rural areas. A British Hospitality Association (predecessor of UK Hospitality) survey^[40] had found that 60% of its members cited a lack of applications from UK citizens or a lack of interest by the local population as a reason for the number of EU citizens employed in the sector. Migrant workers are already, by definition, mobile for economic purposes and many roles are currently filled by workers from EU countries and further afield.
70. Many jobs in the sector could be characterised as so called low-skilled, or requiring fewer qualifications, and would be particularly negatively affected by restrictions on so called low-skilled migration.
71. A recent survey of the sector in Argyll and Bute^[41] noted ongoing recruitment difficulties affecting between 40% and 50% of all businesses. Businesses surveyed reported both a lack of applicants and a lack of good quality applicants. Some of the issues identified included suitable accommodation and challenges getting people to relocate. For this reason, sparsely populated areas like the Highlands and Islands are disproportionately reliant on EU citizens who are willing to relocate to these areas and will be significantly damaged by the proposed ending of free movement.

Action being taken

72. The Employer Skills Survey 2017^[42] found establishments in the Hotels and Restaurants were among the most likely to have taken steps in response, with 89% having done so. 50% of establishments had provided training towards nationally recognised qualifications.
73. Our national tourism strategy, [*Tourism Scotland 2020*](#) (TS2020)^[43], was first published in June 2012 and a refreshed version published in March 2016. It set out a collective ambition of private and public partners for Scotland to be a destination of first choice

for a high quality, value for money and memorable customer experience, delivered by skilled and passionate people. The shared ambition was to grow visitor spend by £1 billion to 2020. The Tourism Skills Investment Plan (SIP), revised in 2016, is a key component of TS2020. It highlights skills issues, and shortages in some key roles, facing the tourism sector across the board and will focus on the delivery of four strategic skills priorities: improving management, leadership and enterprise skills across the sector; supporting the development of professional and digital skills for all in the sector; ensuring staff at all levels understand and are able to respond to visitor needs and expectations; and raising the attractiveness of the sector.

74. Scottish Government is supporting employment opportunities in the sector, and in the Programme for Government this year, we have committed to developing a campaign to promote tourism as a career of choice. The Scottish Government's tourism team is currently consulting with key partners.
75. In addition, around 3,000 Modern Apprenticeships are delivered annually within the Tourism and Hospitality Sector in Scotland funded by Skills Development Scotland (SDS).
76. The Springboard Charity continue to deliver a range of initiatives supported by industry, SDS, local authorities and Developing the Young Workforce (DYW) groups, designed to promote the sector as a career of choice and support people into work in the sector. Springboard initiatives include the Future Chef programme, Hospitality Takeover days with schools across Scotland, and the development of a network of industry ambassadors trained to work with young people.
77. The industry (UK Hospitality) has stated that wages within the sector have also increased, due to competition, as a means of attracting workers to the sector. However, they have also stated that the increased payroll costs are impacting on the viability of businesses. It also noted that, while productivity was increasing in some city centre businesses, the nature of the sector, with SME's the majority, seasonality and unpredictable demand, meant that staff need was harder to predict than for other sectors.

Cultural and creative industries

78. Scotland's creative industries are a major economic contributor and help shape our cultural identity and international reputation.
79. They include industries with their origin in individual creativity, skill and talent, as well as those with the potential to create wealth and jobs through the development, production or exploitation of intellectual property. The sector in Scotland is generally regarded as being made up of 16 industries: advertising, architecture, visual art, crafts & antiques, fashion & textiles, design, performing arts, music, photography, film & video, computer games, radio & TV, writing & publishing, libraries & archives, software/electronic publishing and cultural education.

80. It is estimated that the creative industries in Scotland contributed £4.3 billion in Gross Value Added in 2016. In 2016 77,000 people were employed across the sector^[44]. Whilst the majority of jobs are concentrated in Glasgow, Edinburgh and Aberdeen, Dundee and East Dunbartonshire also have higher than average share of sectoral jobs.
81. The sector is dominated by small enterprises with 12.7% of the 15,505 registered enterprises having zero employees (i.e. operating as sole traders) and 28.1% in total have fewer than five employees^[45].
82. Workers from other countries make a significant economic contribution to the sector. Artists from overseas contribute to our unique culture and world leading festivals, allowing Scottish cultural organisations, our screen sector and our creative industries to recruit the best talent from as wide a pool as possible. At the same time, free movement of persons allows Scottish artists and cultural practitioners to take their work to audiences throughout the EU, exporting our culture and supporting domestic industry through touring and working in other parts of the world, and making it easier for such work to come to Scotland.
83. The culture and creative sectors are highly international in their outlook. Cross-border collaboration between artists and other creative professionals is fundamental to the free flow of creative and cultural ideas and expression and, ultimately, the continued development of the sector. The international nature of the sector is demonstrated in the high proportions of non-UK nationals across many sub-sectors. An immigration system that made transnational cultural collaboration and exchange more difficult could have a significant impact on the vitality and strength of the Scottish cultural sector.

Contribution of EU workers

84. According to the Annual Population Survey 2017, there are 7,000 EU citizens working across Scotland's creative industries, accounting for 5.4% of employment in the sector^[46]. They comprise a large number of performers within Scotland's national performing companies - as high as 38% of the performers employed permanently by Scottish Ballet and 21% of the Scottish Chamber Orchestra.
85. The highly specialised and expert nature of the roles and the skills required of each individual contributes significantly to each company's high international standing. Careers in these sectors of the performing arts are highly international and artists have a significant degree of mobility.

Skills needs

86. The potential impact of Brexit on skills needs for the creative industries was set out in the Creative Industries Federation's Brexit Report from October 2016^[47]. There are long-standing skills shortages within the creative industries that workers from other EU countries currently help to address. The current Shortage Occupation List includes 17

creative industries occupations, demonstrating that, even with freedom of movement within the EU, there are already notably significant skills shortages^[48].

87. Freelancers are of particular importance within the creative industries due to a range of factors including the time-limited nature of performance runs, productions and exhibitions; travel requirements for international touring and the high levels of innovation in the sector, which require people with specialist skills and the organisations who employ them to have high levels of international mobility. Yet freelancers from outside of the EU often cannot access Tier 2 visas, since, by the very nature of their employment, they lack a sponsor to support their application. Free movement of people is therefore an important route into the UK for the skills that freelancers bring - 6.2% of freelancers in the UK's creative industries are EU citizens^[49].
88. With respect to students studying courses related to the creative industries, EU citizens account for a particularly high proportion of student numbers. Glasgow School of Art, for example, has around 16% of its student body made up of students from other EU countries^[50].
89. Skills Development Scotland note that overall, while higher and further education courses related to the creative industries were popular, there has been a decrease in Scottish students studying related subjects in Scottish colleges and a smaller decrease in universities. By contrast, the numbers of those pursuing modern apprenticeships in the creative industries has increased^[51]. The routes for bringing more people, including more UK-born people, into the sector, and ensuring that they have the skills needed for success, is therefore mixed.
90. The National Performing Companies have suggested that Brexit could also have an impact on the career pathways from training into professional performance that currently exist. Students who train at the Royal Conservatoire of Scotland (RCS), for example, will often pursue a portfolio career working with both Scottish companies and companies from other countries. Similarly, international students at the RCS will develop connections in Scotland that support the rest of their careers. These international connections support the health of the Scottish cultural sector as a whole. Proposed post-Brexit changes to the immigration system will reduce the range of career pathways open to students in creative education in Scotland, potentially reducing the attractiveness of the sector as a whole.
91. The introduction of a £30,000, or similar level, salary requirement would have a significantly detrimental effect on this sector, creating a barrier against recruitment from other countries and potentially excluding many highly-skilled professionals from the cultural and creative industries^[52], given relatively low salary levels in the sector.

Recruitment Shortages

92. The following table shows the most recent figures provided for numbers of performers from UK, non-UK EU and the rest of the world employed by four of Scotland's National Performing Companies.

	UK nationals	EU nationals	Other Non-UK nationals	% of EU nationals
Scottish Chamber Orchestra	22	7	5	21%
Royal Scottish National Orchestra	58	7	6	10%
Scottish Ballet	17	14	6	38%
Scottish Opera	145	6	1	4%
Total	242	34	18	12%

93. The current SOL includes:

- Artist (3411)
- Dancers and choreographers (3414)
- Musicians (3415)
- Arts officers, producers and directors (3416)
- Graphic designers (3421)

94. The sector have highlighted that these job roles still require intervention to manage shortages and therefore should remain on the SOL. If they are removed from the SOL these should be included on the SSOL. In addition to the companies currently referenced under Musicians (3415), the Royal Scottish National Orchestra and the Scottish Chamber Orchestra should be incorporated.

Action Taken

95. There are currently efforts ongoing to address the existing skills shortages and gaps within the creative industries in Scotland. Skills Development Scotland worked with industry to publish a [Creative Industries Skills Investment Plan](#) in June 2015^[53]. This work sets out a number of actions to address existing skills needs. It estimates that each year between 2015 and 2025, the creative industries would need an additional 4,300 individuals entering their workforce to support growth^[54]. Given existing shortages, and the current significant proportion of EU citizens filling key roles in the sector, the current proposals will have a significant negative impact on the availability of skilled workers.

96. The key driver of growth in the creative industries has been digital. Sub-sectors of the creative industries with a particularly strong digital focus are amongst those employing the highest proportions of workers from other EU countries and many also have the highest proportion of skills shortages and gaps, such as in the games and software industries, for example. Skills Development Scotland have developed a separate Skills Investment Plan for the digital sector^[55] which sets out actions to address skills needs in support of that sector's continued development. As outlined above, a separate digital response will be submitted to this call for evidence.

Manufacturing and construction

97. Scotland has a long and proud manufacturing heritage and manufacturing is seen as a key driver of our future prosperity. Manufacturing covers a diverse range of activities from engineering to textiles and represents over 50% of our international exports.
98. The sector's international exports decreased by 0.6% over the period 2015-2016, from £15.5 to £15.4 billion. Exports to the rest of the UK decreased by 6.2% over the same period, from £11.3 billion to £10.6 billion^[56]. Manufacturing products accounted for 48% of business expenditure on research and development (BERD) in 2017 (£594 million)^[57].
99. While manufacturing has undergone a significant transformation in recent decades, with increased globalisation and greater use of digital technology, it remains a high skills and high wage sector, with earnings that are above the Scottish average. The sector employed 185,000 people in 2017, accounting for 7.2 per cent of total employment in Scotland^[58] and contributed £14.2 billion in Gross Value Added to Scotland's economy in 2017^[59].
100. In 2017^[60], 8.0% of employment in the manufacturing sector was made up of workers from other EU countries. The industry employed 16,000 EU citizens, accounting for 12.0% of all EU citizens employed in Scotland. Many workers from other EU countries in the manufacturing sector are employed in the 'manufacture of food products' industry: 32.4% of employment in that industry is made up of workers from other EU countries, employing 8,000 EU workers, accounting for 5.7% of all EU workers in employment in Scotland.
101. The construction industry is a core sector of the Scottish economy, providing infrastructure to businesses across all sectors of the economy. It makes a major contribution to the economy, employing 146,000 in 2017^[61] and contributing £8.5 billion in GVA to the Scottish economy in 2017^[62].
102. In 2017, 3.0% of workers in the construction sector came from other EU countries. Around 6,000 EU citizens worked in the sector, accounting for around 4.1% of all EU citizens in employment in Scotland^[63]. In Construction, over a third of all vacancies were reported to be hard to fill for skills-related reasons.

House Building

103. Evidence provided to the Short-Life Working Group on housebuilding sector skills, due to report in February, highlights that the industry has lost EU citizens over the last 18 months in the areas of bricklaying, joinery and site operatives.
104. Skilled Trades roles continue to have the highest density of skill-shortage vacancies (more than two in every five Skilled Trades vacancies were skill-shortage vacancies).
105. The sector has found the following roles hard to fill:

- Bricklayers (5312)
- Joiners (5315)
- Electricians (5241)

Qualifications for bricklayers and joiners are usually in the form of apprenticeships.

106. Electricians require professional body accreditation, in Scotland this comes from Electrical Contractors' Association of Scotland. The sector has so far struggled to maintain supply to meet the growing skills demand.
107. The sector had previously been supplied by mostly Polish labour but changing economic conditions, a weakening pound and the environment created around Brexit has led to a significant reduction in the Polish born workforce. The roles are now more commonly filled with Romanian citizens. Therefore removing a so called low skilled route will significantly affect supply.

Financial services

108. Scotland is internationally recognised as the most important UK financial centre outside London and the South East, with a breadth of services including global custody, asset servicing, banking, investment management, corporate finance, general/life assurance and pensions.
109. The sector's international reputation is based on the skills of their workforce, boosted by access to the best international talent. For the sector to maintain its reputation it must be able to continue to attract talented individuals with the expertise to support both strong established businesses and the new opportunities emerging in fintech.
110. Financial services remains a vital contributor to the overall success of the economy of Scotland as a whole. This is due not only to its importance in terms of employment and direct contribution to output, but also because of the impact the financial sector has on economic growth.
111. Scotland's Financial Services industry contributed 6.6% of Scotland's Gross Value Added in 2017^[64]. Out of the 12 UK regions and nations, Scotland ranked second on this measure in 2017. It employed 83,000 people in 2017^[65].
112. In 2017 (according to APS figures), 5.9% of employment in the Banking, Finance and Insurance sector was made up of workers from other EU countries. The sector employed 24,000 EU citizens, accounting for 17.9% of all EU citizens in employment in Scotland^[66].
113. The [*Financial Services Skills Investment Plan*](#)^[67] notes that employment in the financial services sector in Scotland is expected to grow in the period to 2022. Driven partly by globalisation and technological advancements, there is a long-term trend towards higher level skills and qualifications in the industry, which is set to continue. 47,500 job opportunities are expected in the period to 2022 through a combination of

expansion and replacing those who have left the sector; 62% of those roles are expected to be at managerial, professional and associate professional level.

114. The Skills Investment Plan notes that the financial services sector has a higher proportion of workers in managerial, professional and technical roles than the Scottish average - 52% in financial services compared to 41% in Scotland as a whole. The restructuring of the financial services sector since the financial crisis has led to a requirement for more individuals in highly skilled roles.

Digital and technology

115. Scotland is home to a vibrant digital technologies industry with over one thousand companies engaged in a variety of activities from software development and IT services to digital agencies, games development and telecommunications. The digital technologies sector contributes significantly to employment and economic growth in Scotland. It is estimated that the sector contributed £5.1 billion in Gross Value Added to the Scottish economy in 2015^[68]. Over half of employers (51%) recruited tech skills in 2017, with high levels of tech skills recruited by financial services sector and tech sector employers when compared to other sectors^[69].
116. Many of Scotland's digital technologies companies employ staff from other EU countries, some businesses are owned by EU citizens and EU students studying at Scottish universities are an important source of talent for the industry. Scotland's computer programming and consultancy businesses alone employed 3,000 EU citizens in 2016, which represents 5.8% of all employees in this sub-sector^[70].
117. In a survey carried out by ScotlandIS, the trade association for the digital technology industries including software, digital agencies, telecoms and IT services in Scotland, 75% of respondents said they expected a negative, or very negative, impact on their access to skilled staff following Brexit^[71].
118. The shortage of skills required to meet the demand for digital roles is restricting growth within the digital sector and the wider economy. In 2014, there were 35 vacancies per 1,000 jobs in the digital sector and creative industry compared to 24 per 1,000 jobs across the economy as a whole, according to a UK study^[72].
119. The Digital Economy Business Survey shows that only 26% of firms in Scotland were fully equipped in terms of having the skills to meet their digital technology needs, a decrease from 37% of businesses surveyed in 2014^[73]. According to a report by Ekosgen, 37% of businesses surveyed in Scotland had recruited Digital Technologies skills internationally, with 68% of those reporting Europe to be the top origin of recruits. Over half of those recruiting internationally report doing so to address a specific specialist skill or experience requirement^[74].
120. A more restrictive immigration system would increase the existing difficulty in recruiting skilled staff in the sector, further restricting potential for growth.

The third sector

121. Scotland has a strong and dynamic third sector, which plays a crucial role in the drive for social justice and inclusive economic growth, and is essential to the reform of public services and to the wellbeing of our communities.
122. There are over 40,000 third sector organisations in Scotland^[75], from small charities run by volunteers to multi-million pound educational establishments.
123. The third sector plays a vital role in Scotland's communities, working with them to tackle tough social issues at source. Many of the services provided by the third sector - particularly in health and care delivery - rely on workers from other EU countries. Moreover, the corollary between inward migration and population growth and economic growth is of crucial importance to Scotland's third sector, as the strength of the economy has a direct bearing on levels of public spending, disposable income and charitable giving and, subsequently, funding for many third sector organisations.
124. The third sector is also highly international in their outlook. Over a third of Scottish charities are engaged in European projects, networks, collaborations or learning exchanges. In areas such as poverty and inequality, refugee assistance, climate change and social enterprise, European countries have admired Scotland's approaches to tackling big issues. An immigration system that made transnational collaboration and exchange more difficult could threaten the strength of the Scottish third sector as a whole and reduce its level of innovation.
125. A number of third sector bodies are also highly reliant on volunteers. In our previous evidence to the MAC we provided a case study on Camphill Scotland. Salary thresholds are clearly not relevant when considering volunteers but the impact of many of these individuals is crucial and should be recognised. Relying solely on salary as a measure of an individual's worth to their community, business or public service ignores the contribution of people in key economic sectors, the third and public sectors.

Scotland's rural economy

126. Rural areas are home to one fifth of Scotland's population^[76]. The importance of migration in meeting Scotland's demographic and economic needs is felt in particular in our rural communities, where although numbers may be small compared to large urban concentrations, the positive contribution made by EU workers, and their families, can be especially significant.
127. Approximately one third of Scotland's registered small and medium-sized enterprises are based in rural areas, with some 51,000 businesses operating in a diverse range of sectors including agriculture and forestry, tourism, the manufacture of high-tech niche products and creative services^[77]. Many are reliant on straightforward access to a workforce that includes workers from other EU countries, in order to meet their current and future labour needs and would be disproportionately disadvantaged by any restrictions which meant they were unable to hire the labour that they needed.

128. Low unemployment in rural areas mean workers often need to be sourced from out with the local area, driving the need for migrant workers. Scotland's unemployment rate, at 3.7%, is slightly lower than the UK average of 4.1%^[78], and employment rates in rural areas are significantly higher than in urban areas, partly reflecting a long tradition of people leaving rural areas in search of employment: Orkney Islands has the highest employment rates of all Scottish local authorities, at 89.1%, while Dundee City has the lowest at 65%^[79].
129. The impact of low unemployment is disproportionately felt on producers and industries primarily based in rural areas including agriculture, and food and drink. Data from the Federation of Small Businesses found that 1 in 4 (26%) of small businesses in Scotland employ EU citizens, rising significantly in rural areas, with 41% of small businesses in the Highlands and Islands employing EU citizens^[80].
130. Some of the sectors in rural areas most reliant on non-UK workers include horticulture, dairy farming, fisheries and meat processing, often in casual and seasonal employment. On the 1 June 2018, there were 66,600 people working on agricultural holdings across Scotland. Worker-occupiers and their spouses made up 56% per cent of the total workforce; regular staff accounted for 31% and casual and seasonal workers 12%^[81].
131. The section below sets out more evidence on the contribution of workers from other EU countries to primary sector rural industries, which employ more people in remote rural (17%) and accessible rural (12%) areas than in the rest of Scotland (0.4%)^[82].
132. Many roles within these sectors are below the skill level required to obtain a Points Based System Tier 2 visa to work in the UK and are often seasonal. Research by the National Farmers' Union (NFU) conducted shortly after the referendum found that employers were already having difficulty in recruiting the necessary EU labour, anecdotally stakeholders have highlighted these issues as continuing month on month since Brexit^[83].
133. Providing comprehensive data on the contribution of seasonal workers from other EU countries to the Scottish agriculture sector is challenging, in particular given the short-term nature of their employment which means such workers are often absent from official statistics.

Agriculture

Horticulture

134. One of the sectors most heavily reliant on seasonal EU labour is horticulture. Taken together, horticulture and the potato industry make a significant contribution to Scottish agriculture, accounting for £530 million of output 2017. The soft fruit sector, in particular, has been growing across the UK and in Scotland. Strawberry consumption alone in the UK as a whole has increased by 150%, up to some 168,000 tonnes between 1996 and 2015, of which some 70% was grown in the UK. Raspberry

consumption was up to 123%, with around 60% grown in the UK (according to figures from the UK Department for Environment, Food and Rural Affairs)^[84].

135. The soft fruit and vegetable sectors are particularly reliant on seasonal migrant labour, with the vast majority of workers in the sector coming from overseas, and only a very small proportion (often only the business proprietors) who are permanent British workers. The greatest demand for workers comes during harvest in summer and autumn (roughly between May and September), although there are other roles required earlier in the year.
136. It is estimated that up to 22,000 non-UK seasonal workers are employed on Scottish farms every year, the majority of whom come from other EU countries^[85]. 6,700 seasonal workers are needed annually in Scotland's soft fruits sector alone. The General Manager (William Houston) of Angus Growers highlighted "We need 4000 people in Angus" and their most recent study shows they employed 4112 seasonal workers and only 11 of those were British nationals^[86]. When this data is considered in relation to the proposed Seasonal Agricultural Workers Scheme (SAWS) pilot, the 2,500 visas for the whole of the UK are shown to be woefully inadequate. In 2017, there were between 2,000 and 2,500 vacancies in Scotland alone. These shortages occurred even with free movement enabling recruitment, with the UK Government ignoring the need for labour in roles below £30,000 a year these shortages will grow exponentially. Action is needed urgently to address this need.
137. Many growers in the soft fruit industry in Scotland have expressed serious concerns about the proposed limitations on easy access to seasonal labour will have on their businesses. The tight timeframes associated with the harvesting of fresh food have led some to highlight the possibility of fruit going unpicked and 'rotting in the field'.
138. "Access to labour is vital for Scottish agriculture, with sectors such as soft fruit and field vegetables being completely dependent on non-UK harvest workers" (James Porter, Angus soft fruits/ Growers and Chairman of the National Farmers' Union Scotland's (NFUS) Specialist Crops Committee^[87]).
139. Research conducted immediately after the Brexit vote in 2016 found some evidence suggesting a labour shortage in the agricultural sector. The NFU found that the number of available labourers on British horticultural and potato farms declined throughout 2016^[88]. The research found labour providers increasingly unable to meet recruitment targets and that returnee workers were more likely to leave early or not return altogether, all of which contributed to the shortfall.
140. In July 2017 a survey conducted by the Association of Labour Providers found that 30% of respondents did not expect to be able to source and supply sufficient workers for summer 2017 peak season, with 45% reporting the same expectations for the 2017 Christmas peak^[89]. Further, half of respondents felt that the quality of workers is "worse" than 12 months ago. Some soft fruit growers say they are even willing to move their business to countries such as Poland where they can access labour pools, should migration to the UK continue to dwindle and prices continue rising^[90].

141. The evidence suggests that the need for labour could not be addressed by recruitment of local people alone, not least given the low unemployment that characterises rural areas.
142. The proposal for no so called lower-skilled migration route will prevent access to reliable, seasonal labour and will have a very significant and detrimental effect on the sector, reducing the size of the industry and reducing domestic production in favour of imports. Given the demand across Europe for seasonal agricultural workers, there is a risk that the UK Government's approach is seen as unwelcoming.

Dairy farming

143. The picture is similar in the Scottish dairy sector. According to the Royal Association of British Dairy Farmers (RABDF):
144. "If the Central and Eastern Europeans went back to their native countries then dairy farming would be in dire straits as so many farmers are now dependent on this migrant labour force"^[91].
145. RABDF's migrant survey, carried out in 2016, found that 51% of respondents had experienced difficulty recruiting staff within the last 5 years, and 56% had recruited staff from outside the UK. The overwhelming majority of farmers (93%) said that overall, the use of EU labour had been a successful option for their farm. This was an increase in the number of respondents recruiting overseas workers compared to the 2014 survey, when 32% of respondents had recruited from outside the UK. The 2014 survey drilled down further to find out why farmers used migrant as opposed to UK labour:
146. "62% of cases said there was insufficient UK labour available, however there were also question marks about value for money whilst some had special attributes - it's a fact that many Central and Eastern Europe citizens are highly qualified and therefore provide excellent head herdsmen"^[92].
147. Half of the overseas workers employed by respondents in 2016 were highly skilled or mainly highly skilled in dairy.
148. Respondents expressed concern about the impact of Brexit on their ability to recruit and retain workers: 62% of respondents were concerned that Brexit would affect their ability to employ EU labour; 42% anticipated that retaining existing migrant labour would be an issue; 58% were concerned about their unit's financial viability due to labour shortage.
149. The domestic supply of workers in the sector is limited. Evidence suggests that dairy is an ageing and increasingly expensive industry to enter; an Agriculture and Horticulture Development Board (AHDB) study, which conducted a representative survey of 1230 UK dairy farmers, found that the majority of respondents were between the age of 50 and 59 with only 2% of those surveyed under 30 and 10% under 39. The majority (72%) owned and occupied their farms^[93].

Meat processing

150. The red meat supply chain in Scotland generates an annual output of some £2.4 billion Gross Value Added, creating employment of in excess of 33,000 people, with migrant labour playing a key role in the sector^[94]. Scottish abattoirs produce around 170,000 tonnes of beef, 26,500 tonnes of sheep meat and 25,000 tonnes of pig meat annually. Typically, around 23% of Scottish abattoir annual turnover is derived from meat sales to customers within Scotland, two-thirds of the turnover comes from sales to customers in the rest of the UK and 10% of turnover, some £75 million per annum, comes from international sales, according to data from the industry body Quality Meat Scotland^[95].
151. The role of non-UK labour is of fundamental importance in the slaughter and processing sector, including in veterinary inspection. According to Food Standards Scotland, across the UK 75% of abattoir vets are from other EU countries^[96], and the proportion is similar in Scotland. Abattoirs are unable to operate without a vet so, although numbers are small overall, the contribution made by those roles to the meat processing industry in Scotland cannot be overstated.
152. In a survey carried out amongst members of the Scottish Association of Meat Wholesalers, 52% of the unskilled workforce, 44% of the skilled workforce and 16% of supervisory and management staff were non-UK nationals.
153. As with many sectors in the rural economy, recruiting the necessary labour from the local area is challenging, with industry citing both a lack of suitably skilled local labour, particularly in butchery, and many roles perceived as undesirable by potential workers (due, for example, to shift-working and unsocial hours, the work being physically demanding and a work environment that includes working in chills or areas kept cool for food safety reasons, and a need to wear specialist personal safety equipment)^[97]. Low unemployment in rural areas associated with meat processing is again another factor limiting the local labour supply.

Seafood

154. Around 15,000 people were employed in sea fisheries, aquaculture and seafood processing in Scotland in 2014, generating £952 million Gross Value Added in the same year.
155. There are around 230 fish processors in Scotland, employing approximately 7,000 people, the majority in shellfish processing. The processing industry is concentrated in the Grampian region, which makes up 51% of all of the processing units and provides 62% of Scottish processing employment^[98].
156. Dependency on non-UK nationals is higher in Scotland than the rest of the UK with case study analysis of Scotland's large processors estimating 58% of their workforce are EEA nationals^[99]. This is in comparison to estimates of 46% of the UK seafood processing workforce coming from other EEA countries^[100]. In some regions in

Scotland this dependency is even higher, for example it is estimated that 70% of all staff in seafood processing in Grampian are non-UK nationals. Mixed species processing factories had the highest dependence on EEA workers, who represented 64% of those employed in the businesses. This survey focused on large processors only^[101].

157. The sea fisheries industry is also highly dependent on overseas labour. In 2015 the Scottish Government carried out the second [Sea Fisheries Employment survey](#), based on face-to-face interviews with skippers on the quay side of all major ports and the majority of small harbours in Scotland, collecting data from 222 vessels, representing 15% of the Scottish fleet. At the time of survey, 71.9% of the crews came from the UK, 8.1% from EEA countries, and 19.3% from non- EEA countries. Of those reporting EEA nationality, most came from six countries - Ireland, Latvia, Lithuania, Poland, Romania and Spain. Crews from non- EEA countries came from four countries - Philippines, Ghana, Sri-Lanka and Belarus^[102].
158. Most of the surveyed EEA and non- EEA crews worked on Scottish vessels as engineers (charged with the running of the vessel and its equipment) and deckhands (working on the deck with the fishing gear and clearing and sorting catch)^[103].
159. Both seafood processors and sea fishing businesses have told us about the challenges of recruiting UK nationals to work in the sector, given the widespread perception that roles represent the so-called '3Ds' of jobs (dirty, dangerous and dull). The low unemployment in many of the rural areas where seafood processing and sea fishing posts are based also contributes to the limited pool of available labour. Many business owners in both sectors have cited potential business failure if overseas labour could not be accessed. This was especially the case in sea fisheries. A few processors have suggested that there is some potential to shift to more technical solutions (more automation and use of robots) but this would require considerable lead in time and investment^[104].

Recruitment Shortages

160. We commissioned [research into the Seasonal Agricultural Workforce in Scotland](#)^[105] in March 2018 which showed that 9,255 international seasonal workers were employed on Scottish Farms in 2017, and highlighted that around 15% further vacancies were unfilled.
161. Shortages for inclusion on the SOL have been highlighted in the following roles:
- Managers and proprietors in agriculture and horticulture (1211)
 - Veterinarians (2216)
 - Farmer, crofter, herd manager (5111)
 - Veterinary Nurses (6131)
 - Farm workers (9111)

Skills needed

162. Veterinarians are highly qualified and must be registered with Royal College of Veterinary Surgeons. Vets are required to maintain animal population health, to certify all meat produced and exported (abattoir vets) and to deal with communicable animal diseases (govt. vets). These are vital roles that are extremely reliant on EU citizens.
163. The work of Veterinarians in maintaining the animal health system is supported by Veterinary Nurses, these are essential roles that often fall below the £30,000 threshold. Entrants require GCSEs/S grades or an equivalent qualification. Entrants must obtain employment at an approved veterinary practice to gain practical experience and tuition with an employer for a minimum duration of two years. Candidates must also pass professional examinations before qualifying as a veterinary nurse.
164. There are not formal qualifications for the agriculture and horticulture sector, however many managers have BTEC/SCOTVEC or SQA level qualifications. European migrants in agriculture management play a key role in managing the diverse seasonal workforce in particular research evidence has shown that they often work managing other migrant workers drawing on common language skills, making their presence as important as the staff they manage.
165. Prior practical farming experience is normally needed for any managerial role and often preferred in all farming roles. Training is typically received on-the-job and via a variety of vocational qualifications in agriculture, including a variety of NVQs/SVQs in agriculture available at Levels 1 to 4, together with BTEC/SCOTVEC diplomas and apprenticeships in some areas.
166. Without skilled managers capable of communicating with seasonal staff the most profitable parts of the agricultural sector – fruit and horticulture cannot function. There is an especial dependency in the horticulture and fruit sectors on seasonal agricultural labour for the harvest as there is not a technological solution to soft fruit picking.

Reasons for Shortages

167. The rural economy has a long history of skills shortages with many vacancies proving hard to fill. The attractiveness of entry level jobs in the sector to the domestic working population has declined, whether due to pay, working patterns, perceived lack of job progress or seasonality of businesses. As a result, applications for the sector have declined especially among the domestic population. The growth in the sector has therefore been aided by free movement of workers from other member states in the EU.
168. The inherent rurality of employment in the sector and challenges around getting staff to relocate add to the recruitment challenges faced by the sector. EU citizens coming to the UK for employment are often much more willing to move to rural areas for work.

169. As with tourism and hospitality, as competition for labour increases, businesses may look to increase salaries and/or benefits, the additional costs associated may force others to pass these costs on to customers (impacting on competitiveness) and there is a risk that many will go out of business.

170. Veterinarians are highly sought after internationally and therefore the UK must remain competitive in attracting veterinary staff. The proposed non-preferential system for EU migration will damage the UK's competitive advantage and result in significant shortages of qualified vets, it is therefore vital that these roles are included on the SOL to ensure the UK is recruiting sufficient levels of skilled staff to sustain business need.

Action Taken

171. The agricultural wages legislation governs the setting of a separate and higher wage structure for wages for agricultural workers at all levels in Scotland. As a result research has shown that wages in the sector are higher than in England where there is not an agricultural minimum wage.

Environment and Forestry

172. Shortages have been highlighted by the forestry sector for roles that are currently difficult to fill with the current domestic workforce and are likely to be affected by the proposed changes to the immigration system:

- Tree planters (5112);
- Tree nursery labour – planting and lifting young trees and packing ready for distribution (9112);
- Forest machine operators - the personnel who harvest and stack the trees before being hauled to the processors (9112);

173. Tree planters and tree nursery labour are seasonal jobs, but the tree planting 'season' can last 9 months over winter and through spring/early summer. Estimates are that this may impact on less than 200 people, but without them there would be insufficient labour to grow and plant the trees we need to meet national targets. All businesses report that they try to recruit domestic labour but they rarely take up the work, applicants are of low quality and often have high turnover.

174. Royal Botanical Gardens Edinburgh has highlighted workforce risk arising from no freedom of movement of EU (non-UK) nationals, currently the greatest risk is around its ability to recruit **specialist scientific posts** and **lower paid ancillary posts** given EEA profile of workforce which may impact on their ability to undertake future research work.

Nuclear Decommissioning and Radioactive Waste Management

175. Scottish Government is aware of shortages in nuclear decommissioning and radioactive waste management. Skills gaps in Scotland and the rest of the UK include: scientists, nuclear specialists including engineers, radiation protection specialists, radioactive contaminated land specialists, environmental professionals and welders.

176. Scotland has a complex nuclear landscape with challenging, long-term decommissioning and decontamination projects likely to continue within the next 20 – 30 years. Scotland could lose the ability to respond quickly and effectively to nuclear emergencies, should specialist skills shortages in radiation protection continue to rise.
177. We understand that complex nuclear sites like Dounreay have acquired specialists services of non-EEA workers (e.g. workers from Japan and Canada), making use of Euratom's Common Market which allows the free movement of nuclear workers and professionals.
178. There are risks associated with shortages in this sector which are likely to require further analysis in conjunction with industry and skills bodies such as Skills Development Scotland and the National Skills Academy for Nuclear. The Committee of Radioactive Waste Management (CoRWM) recently shared a report with Scottish Ministers suggesting further skills shortage analysis in relation to Scotland. It is therefore vital that the MAC engages with the sector to fully understand the extent of the shortages and which roles must be incorporated into the SOL.

Logistics and Passenger Services

Logistics Sector

179. The logistics sector employs approximately 2.5 million people across the UK. It is estimated that 11% of these are filled by EU nationals including 60,000 HGV drivers and 120,000 warehouse operatives^[106].
180. There are already issues identified by stakeholders around the availability of skilled labour in the logistics sector, with a particular concern around recruiting qualified HGV Drivers where industry estimates that there will be a UK-wide shortage of between 35,000 to 60,000 drivers by 2020.
181. While the industry continues to work towards a long-term solutions, there is a huge risk that existing skilled labour shortages will be exacerbated if access to EU workers were to further reduce because of a No Deal Brexit, or through the proposals in the UK's Future Immigration White Paper. For example, the logistics sector typically has a higher age demographic with the majority of UK HGV drivers aged 45 or over (approximately 99% of UK drivers are aged over 25). In comparison, the percentage of EU nationals working within the industry aged over 45 is significantly lower, and so a reduction in this part of the workforce could disproportionately increase labour shortages^[107].
182. There are also concerns regarding other essential occupations across the wider logistics chain such as fork lift drivers, warehouse staff and mechanics, as they also currently have a high proportion of EU nationals working in these roles. Detailed in the matrix below as an approximate breakdown of EU nationals working within a number of areas across the wider logistics sector.

Position	Total Number of EU Nationals	Percentage of Total Workforce
LGV Drivers (8211)	42,000	12%
Van Drivers (8212)	29,000	7%
Fork-lift Truck Driver (8222)	23,000	26%
Warehouse workers (non-managerial) (9260)	91,000	19%

Source: Repgraph analysis of ONS Labour Force Survey for Q2 2018

183. It would therefore be important to immediately review the current UK Shortage Occupation List to include HGV drivers and the other vital occupations in the logistics sector identified.

184. A number of other concerns have been raised by the Freight Transport Association, these include^[108]:

- 90% of logistics jobs are so called low skill occupations and therefore would not be applicable under the Tier 2 immigration system;
- 88% of logistics jobs have a salary lower than the £30,000 threshold under the proposals by the UK Government e.g. the average salary for a warehouse operative and forklift driver is £21,000 and HGV Driver is £28,000; and,
- Concerns regarding frontier workers within the industry: for example, many touring hauliers employ EU nationals that don't live in the EU, they work under a UK contract and come to the UK to collect the HGV then travel around Europe for several months. There is a question mark over whether this practice can continue. Although the Future Immigration White Paper talks about existing contracts there is no mention for post-2020/21 regarding new contracts and therefore further clarification is required.

Passenger Services

185. Similar issues to the logistics sector were raised in regards to the bus passenger services. Specific occupations which were thought to be noticeably absent from the Shortage Occupation List yet vital to the continued operation of these services included:

- Bus Drivers (8213)
- Bus Mechanics (5231)

186. It was also noted by the Confederation of Passenger Transport that there was significant regional variation in the labour market needs for different bus operators. Therefore, any future immigration policy should be flexible enough to make sure these variances are addressed.

Scotland's public services

187. Public services and those who work in them are vital to the success of our economy and our society. Across the public sector EU citizens and migrants from outside the EU make a vital contribution, frequently filling skilled vacancies in hard-to-recruit

specialisms and geographical areas. There are 16,000 EU nationals in employment in the public sector, which is just over 1 in 10 (12.1 per cent) of all EU nationals in employment^[109]. The Employer Skills Survey 2017 highlighted that 3% of the public sector workforce are EU nationals and 15% of establishments employ at least one EU national. Although measures are being taken in many areas to increase domestic routes into these sectors, EU citizens continue to play an important role^[110].

Education

Primary and secondary education

188. In October 2016 the Scottish Government and the Convention of Scottish Local Authorities (COSLA) submitted evidence to the Migration Advisory Committee, in response to the UK Government's partial review of the Shortage Occupation List (UK and Scotland only) [Joint response to the MAC Call for Evidence on the partial review of the shortage of occupation list: teachers](#)^[111]. That submission highlighted the challenges in recruiting teachers in Scotland and requested further subjects be included in the SOL; these included Maths, Physics, Computer Science, Mandarin and the Sciences.
189. The recruitment and deployment of teachers is the responsibility of local authorities in Scotland, who have the statutory duty for education expenditure. A workforce planning exercise is carried out annually by the Scottish Government, in partnership with other stakeholders, including COSLA, the Association of Directors of Education in Scotland, the General Teaching Council for Scotland, teacher unions and representatives of universities to project the minimum requirements for the number of newly trained teachers. This draws on projections on pupil numbers, the relationship between teacher/pupil ratio and school size to produce an overall assessment of the demand for teachers, and an assessment of supply including those joining and returning to the profession, and those expected to come from overseas.
190. Providing accurate data on the numbers of teachers from other EU countries working in Scotland is difficult. There are over 1000 teachers (523 EU) registered to teach in Scotland from EU or non-EU countries (although we cannot identify how many of them are actually in post in Scotland)
191. Furthermore, current EU rules make it easier for teachers from other EU countries to work here - EU Directive 2005/36/EC on the Mutual Recognition of Professional Qualifications allows for the straightforward registration of teachers qualified and registered in another European country. This Directive will no longer apply on withdrawal from the EU. However, we will ensure that EU qualified teachers can continue to practice in Scotland post-exit from the EU.
192. We have introduced Curriculum for Excellence which is designed to provide a coherent, more flexible and enriched curriculum from ages 3 to 18. The curriculum includes the totality of experiences which are planned for children and young people throughout their education, wherever they are being educated. Long term vacancies may affect a school's ability to provide a full curriculum.

193. We are taking measures to increase the numbers of teachers from within Scotland, continuing to increase student teacher intake targets and setting targets to train teachers in the subjects where they are needed most. Our recruitment campaign continues to help drive a 12% increase in post-graduate teaching applications to Scottish universities in 2018. We are committed to supporting Education Scotland's lead role in national support for professional learning and leadership development for teachers and head teachers which includes fully funding the existing Into Headship, In Headship and Excellence in Headship programmes. Through Education Scotland we are developing an enhanced leadership support package with an investment of up to £4m over the next 3 years so that head teachers can access a programme of relevant and high quality professional learning. Since 2013 we have invested approximately £3.2 million to support universities to develop new routes into teaching to help address recruitment difficulties in the hard to fill subjects. This is additional to tuition fees and student support for these new routes. However, as with healthcare, increased recruitment in one sector merely increases pressure in other sectors, again highlighting the need for a whole workforce solution.
194. Nevertheless, there continue to be gaps, and universities are continuing to have difficulty meeting the student intake targets for teacher education. Early indications from university student intake figures for 2018/19 suggest that around 400 secondary places may be unfilled at this stage, out of a target of 1750. Any restrictions on the ability to recruit from EU and international countries would further impact on student intakes.

Higher education

195. Scotland's higher education sector is home to 4 of the world's top 200 universities and a total of 12 in the world's top 5% of universities^[112]. The sector generates £7 billion GVA to the Scottish economy every year^[113]. Scotland's 18 higher education institutions employ 38,400 full time equivalent (FTE) staff directly^[114]. 144,500 (FTE) jobs are supported when estimated wider impacts^[115] are added, accounting for around 7% of all jobs in the Scottish economy^[116].
196. Universities also have a significant positive impact on their regional - as well as national - economy. Universities Scotland report that Dundee University's role in the life sciences cluster, for example, supports around 16% of jobs on Tayside.
197. EU citizens account for 12% of all staff (headcount) in Scottish higher education institutions (5,500 staff members), rising to 19% (3,900) of academic staff and 27% (1,700) of research-only contracted staff^[117]. There are 14,700 EU domiciled undergraduates at Scottish Higher Education Institutions. EU domiciled students accounted for 16% of the postgraduate research students in Scotland^[118]. The number of students in Scotland benefitting from the Erasmus programme for study and/or work was 2,400 in 2015/2016^[119].
198. Staff from the across the EU and beyond add to the quality and diversity of the research base and are crucial to the research undertaken in laboratories. Access to

the widest pool of talent from across Europe, attracted by quality research, has helped to strengthen the quality and impact of our research and international reputation.

Recruitment Shortages

199. The [outcome of the MAC review](#) was that Maths and Physics were retained on the SOL and Computer Science, Mandarin and Science were added. Unfortunately, the MAC withdrew Chemistry from the SOL which has not eased the challenge in Scotland.
200. We included detailed information on teachers in our evidence to the MAC for their EEA report. While there has been some positive movement; the 2018 pupil teacher ratio (PTR) for all publicly funded schools is 13.6, the same as in 2017; the total number of teachers increased to 51,959 – up 447 from 2017 and permanent vacancies have fallen from 816 in 2017 to 606 in 2018, there is still much room for improvement^[120].
201. The latest statistics for student intakes into Initial Teacher Education and teacher vacancies shown below are evidence of the continuing pressures on local authority employers to recruit sufficient teachers for their schools. Recruitment of teachers remains a key challenge in both primary and secondary schools: the latter particularly in STEM, English, Home Economics and Modern Languages and we would request that special consideration be given to the addition of Gaelic onto the Scottish SOL.
202. In Scotland, teachers are split into two categories: Primary Teacher (ONS role 2315), and Secondary Teacher (ONS role 2314). We also have special needs education teachers (identified in ONS as 2316), however in Scotland teachers are required to be registered with the General Teaching Council for Teacher in Scotland (GTCS) and there are only two categories, Primary and Secondary.
203. In relation to the existing subjects found on the SOL – maths, physics, computer science, Mandarin and general science – we would ask that chemistry be readmitted to the SOL. In addition we would require English, Home Economics, and Modern Languages be added in secondary and would seek to include all primary teachers onto the SOL and highlight a special request for teachers of Gaelic or Gaelic medium be admitted to the SOL.

Priorities

204. The 2016 MAC call for evidence specifically focussed on teacher shortages throughout the UK. We would therefore propose that teaching remains in the wider UK SOL. However, if these were not to be included in the UK SOL we would wish them to be included in the SSOL, such is the range of pressures on teacher recruitment.
205. The ideal scenario would see the following roles incorporated onto the SOL or SSOL:
- Head Teacher, Primary (2317)

- Head Teacher, Secondary (2317)
- Teacher, Needs, Special (2316)
- Teacher, Primary (2315)
- Teacher, Secondary (2314)

206. Whilst we would wish to see all teaching post included in the SOL, our specific priorities in primary would be all primary including primary with Gaelic to ensure sufficient cover for remote and rural locations. For secondary, our priority would be the range of hard to fill subjects as evidenced by the vacancy and student intakes figures above.

207. The priority subjects identified by the Teacher Workforce Planning Process are:

- Art
- Business Education
- Chemistry
- Computing
- English
- Gaelic
- Home Economics
- Maths
- Modern Languages
- Physics
- Technological Education

Gaelic

208. The Scottish Government is committed to supporting our indigenous languages, including Gaelic. Our principal aim is to increase the number of users of language and education is key in delivering this aim.

209. We are seeing increased demand across Scotland for Gaelic education and to meet this demand we need to increase the number of teachers. Despite efforts to grow our own within Scotland there is a need to maximise the opportunities that exist to recruit Gaelic teachers from such areas as Canada or Ireland. At the moment, there remain difficulties in successful candidates from these areas being granted visas despite having a paid position. For the continued success of Gaelic education, it is essential that we are able to maximise the opportunities to recruit and therefore having Gaelic on the SOL list is a must.

Skills needed

210. In Scotland teaching is an all-graduate profession. All teachers in Scotland are legally required to register with the General Teaching Council for Scotland (GTCS) whilst teaching in a Scottish school. To be eligible for registration with the GTCS in Scotland you must have a relevant degree and a recognised teaching qualification at SCQF level 9 or above.

Reasons for Shortages

211. The hardest to fill posts in Scotland are in both Primary and Secondary Teacher roles. As we expand below, the Primary shortages are related predominantly to location issues and Gaelic whilst shortages in the Secondary Teacher role are centred around specialist subjects, namely Science, Technology, Engineering and Mathematics (STEM), English, Home Economics and Modern Languages.
212. Each year the Scottish Government undertakes a teacher workforce planning exercise to project the minimum requirements for the number of newly trained teachers and agrees the student intake targets with each individual university. Whilst primary student intake remains stable, our vacancy surveys indicate that there remain specific primary shortages in certain geographical locations, especially the North East of Scotland and more remote and rural areas. Universities continue to struggle to fill all of their secondary allocations.
213. Whilst universities continue to meet the targets for training primary teachers as we say above, the deployment of teachers at primary role encounters difficulties around specific locations, particularly in the North East of Scotland. In line with other public sector employment in Scotland, staff recruitment in this area is affected by the unique circumstances of the North East. Despite the decline in the oil industry, the strong private sector market means that there are challenges in housing public sector workers, including teachers, and there are higher than average costs of living – even before additional factors of cost associated with rurality and extreme rurality (such as transport) are addressed. The demographics and aging population in other areas of Scotland, e.g. Dumfries and Galloway, can also present a challenge in attracting younger teachers. Employers also find it extremely challenging to recruit Gaelic primary teachers.
214. The universities historically find it challenging to meet student teacher target intakes for key individual secondary subjects: STEM, English, Home Economics, Modern Languages and Gaelic. Intakes to university-level training courses, which are a prerequisite for access to the teaching profession, continue to be below the targets set (for individual universities) by the Scottish Government via the Teacher Workforce Planning Advisory Group.
215. The GTCS also highlighted 6 main reasons for shortages as:
- Perceptions on the increased challenges of being a teacher;
 - Increased bureaucracy and workload across the teaching profession;
 - Wider range of other opportunities available, particularly for women as a result of the equalities agenda opening up more career pathways for women;
 - Working conditions, including pay levels;
 - Attractiveness of appointments in teaching overseas; and,
 - Increased reluctance of “millennials” to commit to a lifelong, vocational career path.

Action Taken

Increased wages

216. The Scottish Government was the first to lift the public sector pay cap for teachers in the 2017/18 pay agreement. This awarded teachers 1% pay increase from 1 April 2017 with a further 1% uplift from 1 January 2018. Teachers in Scotland received the highest public sector pay award for public sector workers in Scotland for 2017/18.
217. Although shortages are recognised as a national issue, many Scottish local authorities highlight clear challenges in particular geographical areas such as the North East of Scotland, the island authorities, Argyll and Bute and Dumfries and Galloway, despite the existence of additional pay allowances for teachers working in remote schools or Distant Islands.

Investment in recruitment

218. The Scottish Government introduced the [Teaching Makes People](#) campaign in February 2017^[121]. It aims to increase the numbers of students undertaking PGDE secondary courses and attract career changer for hard to fill secondary key STEM subjects and English. To date, the cost of the campaign has exceeded £1 million. The *Teaching Makes People* campaign has been widely advertised digitally through social media plus radio and cinema.
219. In addition, a campaign will be extended to out with Scotland from March 2019 using the wider Scotland marketing vehicle of [Scotland is Now](#)^[122] at a cost of £250,000. Scottish Government has also invested over £2 million in offering bursaries for key STEM subjects and English to further attract interest in undertaking PGDE courses to boost university intake figures. The first tranche of the STEM bursary scheme has awarded 107 bursaries of £20,000 each.

Investment in training

220. There are two traditional routes available to prospective primary and secondary school teachers. These are a four-year undergraduate programme or a one-year Professional Graduate Diploma in Education (PGDE). Each programme combines theoretical understanding and practical school experience and leads to a Teaching Qualification (TQ) in primary or secondary education.
221. Intakes into teacher education programmes and the quality of this provision are key to the Scottish Government's ambitions for school education. In November 2016, the Deputy First Minister and Cabinet Secretary for Education and Skills announced plans for tackling teacher shortages by broadening routes into the classroom and speeding up the process for those wanting to join the profession, without compromising on the standard of teaching in schools. This range of alternative routes include:
- moves to get new teachers into the classroom more quickly for priority Science, Technology, Engineering and Maths (STEM) subjects;
 - targeted help for former teachers looking to return to the profession;

- the development of teachers able to work in both the primary and secondary sectors;
- integrated routes combining post-graduate education with a trainee teacher's probation year; and,
- more joint degrees in teaching and specialist subjects.

222. Annual spend across the whole range of teacher education is approximately £50 million. Within that total, an average of £1.5 million has been spent in each of the past two years on developing these alternative teacher programmes.

GTCS Intervention

223. The General Teaching Council Scotland have highlighted the following actions to encourage more teachers into the teaching profession^[123]:

- Ongoing engagement with representatives of military personnel and registration of spouses who are teachers relocating to Scotland;
- Engaging with Scottish teachers teaching overseas to determine date of planned return to Scotland and preferred locations for teaching in Scotland;
- Ongoing engagement with other teaching councils worldwide to attract teachers to Scotland;
- Continuing to streamline the re-registration and Qualified Outside Scotland processes to make it easier for teachers to register and get into schools more quickly; and,
- Continuing to publish positive articles in Teaching Scotland and elsewhere to present a positive image of teaching as a career.

Potential Brexit implications

224. There are currently 523 EU nationals registered with the GTCS, working as teachers in Scotland. The current permanent vacancy statistics show as in September 2018, 606 vacancies and should these EU teachers leave Scotland it would almost double the pressure on teacher recruitment.

225. These serious ramifications on filling teacher posts would have a negative impact on the learning and teaching for all our young people and seriously impede our ambitions for closing the attainment gap and achieving excellence and equity in Scotland's schools.

226. There was a drop in the number of registrations with GTCS by teachers from EU Member States in 2018. It could be assumed that this was a result of the uncertainty about what will happen with Brexit as the negotiations have progressed. The UK Government has already announced that those EU nationals currently living and working in the UK will be able to stay, however, it would appear that uncertainty about Brexit has already had an impact on attracting teachers to come and work in Scotland. The number of applications has increased over the course of the year but has not yet reached the number from previous years^[124]:

- 2015 – 128 applications

- 2016 – 159 applications
- 2017 – 185 applications
- 2018 - 178 applications

Early Learning and Childcare

227. The Scottish Government's transformational policy to increase the provision of funded early learning and childcare from 600 to 1,140 hours per year by 2020 provides a clear set of challenges and exciting opportunities for the Early Learning and Childcare (ELC) sector, none more so than recruiting up to 11,000 additional workers to meet this target. Our workforce modelling and projections from local authorities provide the figure of 11,000 additional workers required.
228. The Scottish Government's [Programme for Government 2018-19](#)^[125] sets out the significance of this policy to Scotland. The policy will save families thousands of pounds, help ensure every child in Scotland has the best start in life and help close the attainment gap, as well as supporting people into employment.
229. A landmark deal with local government on a multi-year funding package to fulfil the policy was agreed in 2018, ensuring the delivery of expanded hours to parents and children. However, the challenges faced in recruiting up to 11,000 additional workers to the sector are significant. Those challenges are set out in the [Skills Investment Plan \(SIP\)](#)^[126] which was developed by and for the ELC sector.
230. The SIP concludes that "recruitment remains a challenge and that the demand for additional workers will only be met by widening the scope of recruitment and utilising non-traditional pathways to careers in ELC". The SIP also includes an action plan to address the challenges of expansion and those actions designed to address the challenge of diversifying the workforce are well underway. We are funding a number of stakeholders to help us reach the communities that are currently underrepresented in ELC. That includes specific work to encourage those from ethnic minority communities, as well as males, to pursue a career in ELC. We have developed a nuanced national recruitment marketing campaign which targets specific audiences, including those who are currently underrepresented in the sector. Various pathways to a career in ELC have been developed and articulated via the recruitment campaign. All this work is designed to shift long held societal views on the sector and we expect to see the fruits of the campaign in the coming months and years.
231. However, recruitment challenges remain and the volume of additional workers required in a relatively short timescale, to ensure rollout in 2020, means we must pursue all options to ensure the commitment is fulfilled. Although ELC has a highly skilled and qualified workforce, remuneration in the sector is such that we are competing against a number of other sectors, including hospitality/tourism and other parts of the care sector. That is compounded by the fact that the workforce remains overwhelmingly female at 98%^[127]. Thus, although we are strongly encouraging a more diverse workforce, our pool of potential candidates is considerably less than other competing sectors due to the historical gender profile of the workforce.

232. Another potentially challenging issue is the fact that 6.8% of the current ELC workforce are non-UK EU nationals, which represents the second highest proportion in the social care sector^[128]. The uncertainties around Brexit could have significant consequences for those already part of the workforce, but also for the potential pool of candidates who may wish to work in ELC and live in Scotland.

233. The ELC workforce is registered with the Scottish Social Services Council (SSSC) under three categories of worker. Those roles and the relevant qualifications required to undertake them are:

- Support Worker:
 - NC in Early Education and Childcare at SCQF Level 6 (RQF Level 3)
 - SVQ Social Service (Children and Young People) at SCQF Level 6 (RQF level 3)
- Practitioner:
 - HNC Childhood Practice at SCQF Level 7 (RQF level 4)
 - SVQ Social Services Children and Young People at SCQF Level 7 (RQF level 4)
- Lead Practitioner/Manager:
 - BA Childhood Practice – (RQF level 7)

234. The Scottish Government is working to ensure that adequate provision of training is in place to support the volume of additional staff being recruited. We have also widened routes into the sector with the introduction of Foundation Apprenticeships and a significant increase in the number of Modern Apprenticeships, as well as an increase in the financial support provided for the apprenticeships.

235. Those who are undertaking roles at lead practitioner/manager level must have at least 2 years' experience in the sector, hence anyone joining the sector right now will only be working at support worker and practitioner levels. It is the **support worker** and **practitioner** categories which form the vast majority of additional workers required for the expansion programme and which we would like to see appear on the Scottish Shortage Occupation List.

236. The SSSC as a sectoral body has responded to the MAC's call for evidence separately, but have not included ELC. That is specifically due to the stage of delivery we are at. With a multi-year funding package in place, local authorities have been making progress with recruitment since summer 2018^[129]. The [SSSC report: Children's Services Workforce 2017](#)^[130], presents an overview of services at December 2017 and therefore does not show the volume of vacancies that are now coming on stream and which we anticipate in the coming 18 months or so.

237. A quote below from our colleagues at the SSSC explains why they have not submitted specific evidence on ELC. That is, because of the timescales involved in figures being published, resulting in evidence for current vacancies not being reported until early 2020.

238. Quote from ELC regulatory body SSSC:

As the workforce regulator for Social Services the Scottish Social Services Council is actively working with the Scottish Government to support the policy of expanding the early learning and childcare workforce. The policy requires an unprecedented expansion of the current workforce. It is estimated by Scottish Government that an additional 11,000 staff will be required by 2020.

SSSC data confirms that vacancies within the early learning and childcare sector are above the Scottish average and the day care of children's services have the second highest proportion of non-UK EU workers 6.8%, (Ipsos-Mori report, July 2018) in the social service sector.

The SSSC did not include early learning and childcare data in our recent submission to the Migration Advisory Committee. This reflects the stage local authorities are at with the recruitment of additional staff required. As a result the children services data report published by the SSSC in January 2019 does not reflect the significant increase in staffing levels and vacancies we anticipate between now and August 2020. The SSSC also supports the inclusion of support workers and practitioners on the Scottish Shortage Occupation List.

Other Public Services

239. This response is submitted alongside separate analysis from colleagues in Health and Social Care. Health and Social Care is a key sector that Scottish Government wishes to highlight as a particular area of concern in relation to shortages. Shortages in this sector are becoming more apparent as a result of the UK Governments outdated immigration policy and unwelcoming approach to migrants.
240. The UK Government, in response to growing vacancies in the NHS, was forced to exempt nurses and doctors from the Tier 2 cap. It is crucial that the UK Government listens to the needs of our NHS and provides the necessary routes to labour for this sector. In addition, the proposal to have no route for so called low skilled immigration will be catastrophic for the social care sector, a sector that is seeing increased demand from our ageing population. The MAC has highlighted their concern for this sector^[131], it is therefore important that the UK Government listens to these concerns and the MAC presents an effective solution that will meet the needs of this increasingly pressured sector.
241. In rural communities the impact of shortages in public services can be particularly significant in Scotland where 48.7% of the country is sparsely populated^[132]. Shortages in our public services could mean the difference between a vital service remaining open for the resident population and a significant reduction in living standards due to service closure. By removing access to free movement the government is risking condemning many communities to an inadequate level of service coverage. It is therefore vital that the system is responsive to the skills needs of public services, in particular those in rural communities.

4. MAC REPORT AND UK GOVERNMENT APPROACH

242. Scottish Government provided detailed evidence to the MAC on the positive impact of EEA nationals. The evidence collated by the MAC and detailed in the report was very clear about the positive impact of migration and went a long way towards dispelling some of the commonly held misconceptions about EEA migrants. This reflected our clear view that migration had brought benefit to Scotland.

243. However, we were disappointed in the conclusions that were drawn from this evidence and particularly by the lack of engagement with the demographic evidence we provided. It is also regrettable that both the MAC and subsequently the UK Government are suggesting significant changes to migration without undertaking any modelling of the impact on business or public services.

244. The Scottish Government is clear that the proposals set out in the UK Government's White Paper do not reflect the needs of Scotland's economy or communities. Modelling in the White Paper suggests that if the recommendations were introduced it would affect 85% of long term EEA inflows into Scotland.

245. Including EEA citizens within the current UK Government Points Based System (PBS) will have a significant detrimental impact on the labour supply. In addition to reducing overall access to labour this approach will disproportionately impact on Small to Medium sized Enterprises (SMEs). The Federation of Small Businesses has highlighted that 95% of SMEs have never made use of the PBS, as the majority have recruited EU workers from Scottish and UK labour markets (85%)^[133]. SMEs in particular are prevented from accessing the labour they need through the UK immigration system due to the costly and complicated nature of the system. Ending freedom of movement removes a source of labour for these businesses and puts one more barrier to their success.

246. The White Paper proposes no route for what the MAC and the UK Government term 'low skilled labour' – a term which does not reflect the value many of these roles bring to the economy and public sector. The proposal to create a temporary short term workers route does not address the serious issues presented by the removal of a low skilled route. It is a short term solution that only postpones the inevitable damage to business. This proposal for a 1 year temporary visa also ignores the incredible contribution EU citizens have made to our communities, it reduces these people to a number and sends a message that they are not welcome. It creates a two tier immigration system encouraging exactly the type of short term migration that the public in the National Conversation on Immigration said that they wanted to see reduced. It also continues the UK Government's policy of dismissing Scotland's unique demographic needs.

247. According to Home Office data released in 2018^[134], net migration from the EU has continued to decline from the peak in the year ending June 2016 (+189,000) to +87,000 in the year ending March 2018, its lowest level since 2012. The number of EU citizens who came to the UK in the year ending March 2018 was 226,000. The number of EU citizens leaving the UK (138,000 for the year ending March 2018) has

remained stable following a previous increase between the years ending September 2015 and September 2017. This data shows that there has been an increase in EU migrants leaving the UK since the EU referendum and a slowing of EU migrants choosing to come here to work and make their homes. It is therefore incorrect to assume that the current levels of EU nationals in the workforce will remain in the roles they currently fill and therefore we can expect the number of shortages to rise.

248. According to this data there were approximately 112,000 family related visas granted in the UK, year ending June 18, this has fallen by 28% in the last decade. In a scenario where this doubles with EEA migrants included in the immigration system this makes approx. 224,000 family related visas UK wide. But it is important to note this is UK wide. In addition, there are no figures on the number of people on family related visas in the working population therefore it is impossible for us to assume they will be sufficient to fill the shortages suggested.
249. To date, Scotland has received over 2,450 refugees under the Syrian Resettlement Programme since October 2015. Home Office statistics published on 23 August 2018 show that of the 12,599 refugees who arrived in the UK under the Programme up to 30 June 2018, 2,326 (18.5%) were received by Scottish local authorities. Refugees working in Scotland make a great contribution to our economy. However, refugees and asylum seekers come here because they are fleeing war and persecution in their countries of origin, not to seek employment. We do not offer a place of safety on the basis of any economic contribution they might make but because we have a moral responsibility to do so.
250. It is inappropriate to see asylum as a route for low-skilled workers, especially as many refugees bring a wealth of skills and expertise with them. One of the key issues for refugees is finding employment which matches their skills and experience. We are working to reduce the barriers to refugees accessing employment appropriate to their skills through the New Scots refugee integration strategy and initiatives like the Refugee Doctors Project.
251. In terms of work, asylum seekers are currently not allowed to work while their application is being considered (except in certain very limited circumstances) – this can have significant impacts on their wellbeing and on long term career potential. Home Office reasoning for this position is “because entering the country for economic reasons is not the same as seeking asylum, and it is important to keep the two separate”^[135]. Scottish Government believes that asylum seekers should have the right to work (although recognises that not all will be able to do so) and supports the objectives of the Lift the Ban campaign.
252. Following the publication of the MAC’s EEA report, a number of stakeholders in Scotland highlighted concerns that the report had ignored evidence from Scotland and Scottish Government expressed similar concerns, specifically that our evidence on Scotland’s distinct needs had been ignored. Despite this we have again produced a detailed response on tight timescales to ensure that the needs of Scotland are appropriately represented.

Scotland's Population Needs and Migration Policy

253. The EEA report concluded that Scotland's needs were not significantly different to require a differentiated system as the challenges that we face are similar to those faced by the North of England. While there may be similarities, the report ignores the reality of the presence of devolved administrations and the Parliament. Scottish Government has been clear that we need a differentiated approach to migration tailored to meet Scotland's distinct needs. The argument that because other regions of the UK are also impacted disproportionately does not support the conclusion that no differentiation is therefore required. Indeed the acknowledgement of that differential impact would therefore appear to strengthen the case for a differential solution.

Scottish Government Proposal

254. Specifically, the Scottish Government has set out detailed proposals for how a system tailored to Scotland's needs could work.

255. The current UK immigration system is complex for applicants and employers to navigate, and places many administrative and financial burdens on them. The UK immigration system should be reviewed to make it easier to understand and comply with, for both applicants and employers; and to reduce the cost, including associated fees and charges, of applying for visas, leave to remain, and citizenship.

256. The Scottish Government would do the same with any tailored approach to migration for Scotland it was responsible for: ensuring a clear route that was easy to navigate, and that costs were proportionate, for both applicants and employers. The proposal set out in our discussion paper, which explored how the current immigration rules could be adapted to allow for a new route to live and work in Scotland, would do this in a number of ways including the creation of a new 'Scottish visa'.

257. Devolution of some aspects of the current immigration system could allow the Scottish Government, accountable to the Scottish Parliament, to set criteria for a new international migration route to start to meet Scotland's most acute needs. This would include restricting migrants to living and working in Scotland, and working with the UK authorities on control and enforcement.

No sponsorship role for employers

258. The visa category described in our discussion paper does not have a sponsorship role for employers, which would remove an administrative burden for small and medium enterprises. Instead an applicant-led points-based route could be created - similar to the 'points-based system' of other territories in their countries, including in Australia, and the previous Tier 1 general migration visa in the UK immigration system that the current UK government has withdrawn.

259. Applicants would acquire points by providing evidence that they met criteria in categories such as age, education, skills, earnings and assets, and English language.

Scottish Ministers would set those criteria, to be approved by the Scottish Parliament, in consultation with employers to match requirements of the Scottish labour market. If an individual reached the points threshold and was offered a visa, they would then be able to seek and take up work in Scotland, with the condition that they reside in Scotland for the time they are under immigration control.

No administrative and financial burdens associated with Tier 2

260. Employers taking on someone holding this visa would not need to have a sponsor licence, as it would not be a sponsored visa. Scotland has a higher share of SMEs in the economy than other parts of the UK, and a lower proportion of Tier 2 sponsor licences. This route would help small and medium-sized businesses access skills and talent they are currently excluded from.

261. There would be no need to undertake the 'resident labour market test' when employing an individual under this route, as they would already be part of the resident labour market. We welcome the commitment in the UK Government Immigration White Paper to remove this test which is an unnecessary burden on employers.

262. The immigration skills charge would not be payable, as currently defined by the UK, as this visa route would not be within Tier 2.

263. This route would not require a certificate of sponsorship, and so would not be affected by the Tier 2 quota. We note that the Immigration White Paper commits to removing the Tier 2 cap but reaffirms the target to reduce migration to the "tens of thousands". We have consistently opposed this and have outlined to the UK Government that if this were achieved, according to our analysis, it could cost Scotland's economy more than £10 billion per year in reduced growth by 2040.

264. There would be no salary threshold to meet – although salary levels could be part of the points-based selection process. We welcome the consultation announced in the White Paper to review the salary threshold and will outline the evidence on the detrimental effect the £30,000 threshold has on Scottish business and for other stakeholders and providers.

An additional route for migrants and employers

265. If a Scotland-specific visa were to be created within the UK immigration system, prospective migrants and employers would still have a choice about which route through the immigration system to pursue. A new Scottish visa would be in addition to, rather than in place of, existing visa routes. So an employer could continue to apply under a Tier 2 visa route if they required the ability to redeploy or relocate that employee permanently within the UK.

266. As noted, the Scottish Government proposals would add one significant new condition to visas issued in this way: the holders would be required to reside in Scotland for the time they are under immigration control.

267. This would be required: (1) to ensure that migrants entering through this route are encouraged to settle in Scotland for the long-term, to help address demographic changes that are more pronounced in Scotland; and, (2) in order that any tailored approach to migration for Scotland had the confidence of other parts of the UK, ensuring that individuals do not enter Scotland with the intention of living and working permanently elsewhere in the UK. The 'high bar' of the points-based selection process, and partnership working on monitoring and enforcement between the UK Government and the Scottish Government, would work to ensure that holders of this visa did not breach the condition to reside in Scotland, and that appropriate action was taken if they did.

Implementation, control and enforcement

268. *Employer and public service checks*: procedures that the UK Government has put in place already require employers and public services to check the immigration status of employees and service users. Such mechanisms would help ensure that migrants entering the UK through this route are compliant with the conditions of their visa, including restricting residence to Scotland.

269. *Common Travel Area*: partnership working in this way already exists within the Common Travel Area. Both the UK and Ireland operate their own migration systems in which UK visa holders are able only to live and work in the UK, and Irish visa holders are able only to live and work in Ireland.

270. *Administration*: recent devolution of powers to the Scottish Parliament have seen two models of administration. In one model, it would be possible for Civil Servants in the Home Office (through UK Visas and Immigration) to process and make decisions on applications under a Scottish scheme where Scottish Ministers have set policy and immigration rules. In another model, a Scottish public body could be identified or created to undertake this work directly for Scottish Ministers. Partnership working with HMRC on Scottish income tax, which they collect, reflects the first model. The creation of Social Security Scotland in relation to devolving social security benefits reflects the second. We would aim to consult on the most appropriate model for migration.

271. *Regional examples*: both Canada and Australia operate devolved regional control, to address specific economic and demographic circumstances, within a national framework.

272. We recognise that utilising a 'Scottish Visa' would not be an appropriate option for every employer but it would be an additional route for employers looking to recruit the staff that they need. The Scottish Government proposals would overall reduce the burdens faced by employers, and would particularly open access to skilled migrant workers for smaller business where the Tier 2 system is too costly or administratively complex. It would also offer a clear alternative to the confusing UK system - and instead one that was easy to understand and comply with.

5. CONCLUSION

273. This paper builds on the detailed evidence that the Scottish Government provided to the MAC in October 2017 to set out the vital contribution that workers from other EU countries and internationally are making to Scotland. It provides detailed evidence in relation to a number of sectors of the Scottish economy while also providing detail on how the SOL could operate in future and how a differentiated approach for Scotland could work.
274. This consultation is taking place at a time of potential significant change in the UK immigration system. It is therefore crucial that this consultation is the start and not the end of an engagement process with key sectors in Scotland. The tight deadline for consultation responses is likely to mean that some sectors will find it difficult to provide detailed evidence in the timescale. It is important though that the needs of these sectors are not overlooked and therefore crucial that the MAC supplements this consultation process with a proactive engagement process with key sectors and employers.
275. Whatever the outcome of this consultation process it is important that the process for reviewing the SOL is also reviewed specifically to ensure that there is a formal role for the Scottish Government in commissioning and determining what occupations are in shortage in Scotland and to ensure that the process for reviewing the SOL is flexible and responsive to shifting needs.

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129. Early Learning and Childcare Expansion Delivery Progress 2018, available at <http://www.improvementservice.org.uk/documents/research/elc-delivery-progress-report.pdf>
130. Early Learning and Childcare Expansion Delivery Progress 2018, available at <http://www.improvementservice.org.uk/documents/research/elc-delivery-progress-report.pdf>
131. Professor Manning's Evidence to the Culture, Tourism, Europe and External Affairs Committee's Immigration Inquiry, 01 November 2018, available at <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=11748>
132. James Hutton Institute, 2016
<https://www.hutton.ac.uk/sites/default/files/files/research/srp2016-21/RD3.4.1%20Note%20WP1-3%20web%20-%20published.pdf>
133. Federation of Small Businesses response to the MAC call for evidence
134. Migration Statistics Quarterly Report: November 2018, available at <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/november2018>
135. Working in the UK while an asylum case is considered 2019,
<https://www.gov.uk/government/publications/working-while-an-asylum-claim-is-considered/working-in-the-uk-while-an-asylum-case-is-considered>

Annex A: Food Services Scotland Response to the Migration Advisory Committee

Evidence of shortages within businesses

MAC Review of the Shortage Occupation List

7. We are interested in hearing from organisations/businesses of all sizes, please tell us the number of individuals your organisation/business currently employ?

- ☐ 1-9 employees
- ☐ 10-49 employees
- ☒ 50-249 employees
- ☐ 250+ employees

8. Please tell us the name and Standard Industrial Classification (SIC) code that most closely describes the industry of your organisation/business. If multiple SIC codes apply, please select the one that best describes the largest component of business/organisation (by employment/turnover). An interactive list of all SIC codes can be found below:

<http://resources.companieshouse.gov.uk/sic/>

84130

Job shortages

9. Please list the job titles that your organisation has currently experienced difficulties in recruiting suitable workers for. (Maximum of 10 job titles).

	Job title
1	Veterinary Manager
2	Veterinary Auditor
3	Meat Hygiene Inspector

10. Using the Office for National Statistics (ONS) Occupation Tool linked below, please help us by matching the job titles you have provided with the closest standardised ONS job title and associated 4-digit occupation (SOC) code.

https://onsdigital.github.io/dp-classification-tools/standard-occupational-classification/ONS_SOC_occupation_coding_tool.html

Closest ONS job title

Job title 1	Veterinarian / Health Care Practice Managers / Managers, Directors and Senior Officials
Job title 2	Veterinarian / Health Care Practice Managers / Managers, Directors and Senior Officials
Job title 3	Inspectors of standards and regulations

11. For each job title provided please state the pay per period (annual, monthly, fortnightly, weekly or hourly). If you, for any job title, provide a pay per hour figure please also provide the hours per week you would expect to advertise for a vacancy with this job title.

Job title	Annual salary	Monthly pay	Fortnightly pay	Weekly pay	Hourly pay	Hours per week
Veterinary Manager	B3 grade range: 36,328 to 43,923 Data taken from gov.scot .					37
Veterinary Auditor	B3 grade range: 36,328 to 43,923					37
Meat Hygiene Inspector	B1 grade range: 24,580 to 27,515					37

12. What prior relevant work experience is required for each job in shortage?

	Entry level- no prior experience	0-6 months experience	6-12 months experience	1 to 3 years	3 years and over
Job title 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Job title 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Job title 3	<input type="checkbox"/>	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. What is the minimum qualification requirement for someone applying for the job title(s) you have identified as in shortage?

- Veterinary Manager – Degree level qualification or higher
- Veterinary Auditor – Degree level qualification or higher
- Meat Hygiene Inspector – Minimum 3 Higher

	Degree level qualification, or higher	Higher qualification below degree level	A-level/vocational A-level or equivalent	AS-level/vocational AS-level or equivalent	GCSE/Vocational GCSE or equivalent	Other work-related or professional qualification	None
Job title 1	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job title 2	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job title 3	<input type="checkbox"/>	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job title 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job title 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job title 6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job title 7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job title 8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job title 9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job title 10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. What do you think are the main reasons for the recruitment difficulties? (Please select all that apply).

	Job title 1	Job title 2	Job title 3	Job title 4	Job title 5	Job title 6	Job title 7	Job title 8	Job title 9	Job title 10
Too much competition from other employers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low number of applicants with the required skills.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low number of applicants generally.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low number of applicants with the required motivation, personality and or attitude.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low number of applicants with qualifications that are required for the job.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job entails shift work and or unsociable hours.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Seasonal work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Remote location/transport issues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Don't know.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. If known, for a previously advertised job (in shortage), how long did it take to fill that job? (Not to exceed 500 words).

- Veterinary Manager – 10 months to recruit for the position. The conventional recruitment was unsuccessful and the position was filled via a secondment offer.
- Veterinary Auditor – When the current role required recruitment, the process lasted several months, as the requirements are very close to the Veterinary Manager role there are the same challenges and impacts on the time for recruitment.
- Meat Hygiene Inspector (MHI) – FSS has an increasing age profile for the MHI position. Previous to 2015, only 2 MHIs were recruited through a recruitment and training exercise that took over a year.

16. Thinking about question 15 in the last 12 months has the length of time to fill that job changed? (Please select one option).

- ☒ Increased a lot
- ☐ Increased a little
- ☐ Stayed the same
- ☐ Decreased a little
- ☐ Decreased a lot
- ☐ Don't know

17. What is being done to reduce recruitment difficulties? (Please select all that apply.)

- ☐ Increase wages to attract candidates.
- ☒ Increase spending/investment on recruitment.
- ☐ Increase spending/investment on training of existing staff.
- ☒ Using different methods/channels for advertising vacancies.
- ☐ Improve conditions such as the inclusion of holiday allowances and bonuses.
- ☐ The use of different labour pools such as temporary/contract workers, job sharing.
- ☐ Other: please specify.

18. Thinking about the measures you have taken to reduce recruitment difficulties, can you provide any further information about how these measures have been used? (Not to exceed 500 words).

- Veterinary Manager - The job was opened wider also to secondment opportunities from other government departments. However, this would only cover temporarily the job shortage as there will be further shortages in the departments supplying the secondment.
- Veterinary Auditor – N/A
- Meat Hygiene Inspector – FSS has outsourced the MHIs from our Service Delivery Partner (SDP) however, this will become unsustainable as our SDP is experiencing the difficulties sourcing the MHIs.

19. How long have the above measures been applied? (Not to exceed 500 words).

- Veterinary Manager - Temporarily for 12 months
- Veterinary Auditor – N/A
- Meat Hygiene Inspector – N/A

20. Have the above measures worked in reducing some of the difficulties in recruiting, if not why? (Not to exceed 500 words).

- Veterinary Manager - It reduced the current recruitment difficulties but will not address the long term recruitment difficulties – reason explained at point 18.
- Veterinary Auditor – N/A
- Meat Hygiene Inspector – N/A

21. What impacts are these job shortages having on your business/organisation? (Not to exceed 500 words).

This has made it more challenging for FSS to provide the necessary resource to carry out supervision and verification of the delivery of Official Controls (OC) in approved meat establishments. Preparing for technical and policy changes in the delivery of OCs will be affected and may impact on efficient delivery of OC. In summary, shortages in these areas may affect our ability to ensure protection to public health and animal welfare in slaughterhouses.

22. Are the jobs that you have said are in shortage, open to eligible workers from the Tier 2 points-based visa system?

☐ Yes

☒ No – Due to requirements of Civil Service.

23. If you have answered yes to question 21, has your business/organisation used the Tier 2 points-based visa system to recruit workers from outside of the UK? If so, please state how many employees have been recruited in the past 12 months along with the job titles. (Not to exceed 500 words).

Not applicable

Evidence of shortages within sectors

MAC Review of the Shortage Occupation List

This form is for anyone providing evidence of current sector/wider recruitment shortages, evidence provided on behalf of members, or from academic institutions, and think tanks. Please use this form to gather evidence for completion of the online form.

Your evidence

1. Please indicate from which of these industries are you providing evidence? (Please select all that apply).

- ☐ All sector
- ☒ Agriculture, Forestry and Fishing
- ☐ Mining and Quarrying Activities
- ☒ Manufacturing
- ☐ Energy
- ☐ Water supply, sewerage, waste management
- ☐ Construction
- ☐ Wholesale and Retail Trade
- ☐ Transport
- ☐ Warehousing
- ☐ Accommodation and Hospitality
- ☐ Media and Communications
- ☐ IT
- ☐ Financial and Insurance
- ☐ Professional Services
- ☐ Administrative and Support Service Activities
- ☐ Public Administration
- ☐ Education
- ☐ Health
- ☐ Residential and Social Care
- ☐ Creative Arts and Entertainment
- ☒ Other (please specify):
Veterinary Public Health

2. If you wish, you can provide details of individual jobs titles you/your members have found hard to fill in the boxes below (maximum of 10). Please help us by matching the job titles you have provided with the closest standardised ONS job title and associated 4-digit occupation (SOC) code using the Office for National Statistics (ONS) Occupation Tool – https://onsdigital.github.io/dp-classification-tools/standard-occupational-classification/ONS_SOC_occupation_coding_tool.html. There is also space to list the sector(s) where shortages of candidates to fill these job titles has been most acute. If providing this information, please refer to the list in question 24.

	Job Title	<u>Closest ONS Job title</u>	<u>Closest ONS occupation code (4 digit)</u>	<u>Sector(s) most affected</u>
1	Official Veterinarian	Veterinarians	2216	Public Health
2	Meat Hygiene inspector	Inspectors of Standards and Regulations	3565	Public Health



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