25 April 2018

Dear Member

**Update on Migration Advisory Committee’s Call for Evidence**

In autumn 2017, Energy & Utility Skills submitted a response to the call for evidence by the Migration Advisory Committee (MAC) on workers from the European Economic Area (EEA) in the UK labour market. The MAC has since issued an [interim update](https://www.gov.uk/government/publications/eea-workers-in-the-uk-labour-market-interim-update) summarising the responses from employers. Key observations from the report are listed below.

* Energy & Utility Skills’ submission on behalf of members is extensively cited in the [annexes](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/695111/MAC_ANNEXES__FINAL_-_Interim_Update_v4.pdf) of the update which outlines evidence on a sector-by-sector basis.
* The report acknowledges many of the arguments presented by employers in the sector and also states that resolving underlying issues, including skills shortages, are likely to require Government intervention and cannot necessarily be addressed by individual employers acting alone.
* The report also references some scepticism within the MAC around some of the points made, including claims around necessary skill levels; also that negative perceptions of jobs in some sectors (amongst potential employees that were born in the UK) could not be resolved primarily by increasing wages.
* The MAC acknowledges that concerns around rising labour costs in an environment of low unemployment make it harder for businesses to recruit and retain workers because workers have more options.

This report seems to take a very high level, macro-economic view of many of the concerns raised by employers. At this stage, it does not appear to fully recognise the impact of factors such as the increased labour costs on sectors that are vital to the health and wellbeing of the general population. It would seem likely, from the interim report, that the MAC’s eventual recommendations to the UK Government will support the tightening of migration restrictions, particularly for lower skilled EEA workers as well as proposing interventions and support required to address critical skill shortages for the Government to consider.

The MAC’s key criterion for evaluating migration policy is ‘what delivers the best outcome for the resident population?’ This requires a more detailed study into the impacts of EEA migration on different skill levels and the MAC’s final report will consider this.

The interim report can be accessed [here](https://www.gov.uk/government/publications/eea-workers-in-the-uk-labour-market-interim-update) and our submission, sent on behalf of the sector, can be accessed [here](https://www.euskills.co.uk/wp-content/uploads/2017/12/Energy_and_Utility_Skills_Response_Migration_Advisory_Committee_final_271017.pdf).

Our members will be informed when the final report is published and provided with a summary of the outcomes.

Kind regards

**Somia Nasim**
**Policy & Research Manager**
**Energy & Utility Skills**

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