

# The Migrant and Skills Needs of Creative Businesses in the United Kingdom

Findings from the January 2018  
Creative Industries Council  
Migration and Skills Survey

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**Creative Industries**  
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# Executive summary

## Background

In 2017, the Creative Industries Council's (CIC) Technical Working Group created a Migration and Skills Statistics sub-group, tasked with identifying data gaps in the migration and skills areas relating to the UK's creative industries.

Some sub-sector bodies had conducted their own research and had found that features of the official data jarred with their experiences, with a suggestion that the national data may be concealing important issues at the level of occupation. To provide estimates of the migrant labour force and skills gaps and shortages across the creative industries at a more granular level, therefore, the CIC commissioned its own employers survey.

The CIC survey was conducted over the period December 2017 to January 2018.

The CIC survey 'piggybacked' on the Department for Education's UK Employer Skills Survey (ESS), which was undertaken in Summer 2017,<sup>1</sup> making use of its robust sampling strategy to ensure that it provided comparable estimates across creative sub-sectors and, where sample sizes permitted, the ability to explore issues in individual sub-sectors, size groups and different parts of the UK. It was based on 700 telephone interviews.

## Main findings

### Incidence of skills issues and use of migrant workers

The research shows that in January 2018:

- **Forty-two per cent of employers in the Creative Industries said that they had jobs affected by skills issues (that is, jobs where either they could not recruit someone with the right skills or where the people doing these jobs did not have the skills needed).** Skills issues were most common amongst:
  - Larger establishments (73 per cent of those employing more than 100 employees reported a skills issue).
  - Businesses in the Creative ICT & Games<sup>2</sup> and Design & Crafts<sup>3</sup> sub-sectors (52 and 47 per cent respectively).
  - Businesses in Yorkshire and the Humber (66 per cent), the North West (52 per cent) and the North East (50 per cent) of England. Proportionately fewer businesses in London (40 per cent) reported skills issues than the national average.
- **Twenty-two per cent of employers in the Creative Industries employed at least one non-UK worker**, with this being most common amongst:
  - **Larger** establishments, with 79 per cent of such establishments employing a non-UK worker compared with only 13 per cent of the smallest.
  - **Architecture** (32 per cent), **Design & Crafts** (32 per cent) and **Creative ICT & Games** businesses (25 per cent).
  - Businesses located in **London**, where 52 per cent of businesses employed at least one non-UK worker.

Whilst the fact that London's Creative Industries' employers were the most likely to employ migrant workers is not surprising, perhaps there may have been an expectation that skills issues would be greater in London than elsewhere. However, London also benefits from access to a greater pool of talent (domestic as well as overseas): the fact that its Creative Industries employers did not report higher skills issues suggests that this availability offsets the higher demand.

As for the source of migrant labour, **18 per cent of the Creative Industries businesses surveyed employed a non-UK national from the EU (of this, 13 per cent employed only EU migrants and 5 per cent employed both EU migrants and migrants from the Rest of the World).** The ESS – based on a larger number of responses – suggests that this figure may be an underestimate: it finds that **22 per cent of Creative Industries employers employ a worker from the EU.**

We calculate, on the basis of the CIC survey data, that nine per cent of those employed in the UK's Creative Industries were non-UK nationals. This is again somewhat smaller than the LFS's estimate of 12 per cent: the latter is a more inclusive estimate as it includes the self-employed.

## Jobs impacted by skills issues and migration

The survey responses suggest that **jobs that are afflicted by skills issues and held by migrant labour in the Creative Industries are primarily in higher-level occupations**. At a more disaggregated level, the jobs most commonly affected were, according to the survey, in:

- Creative ICT, typically **Programmers and software development professionals and Web design and development professionals**.
- Architecture, including both **Architects and Architectural technicians**.
- Design, including **Product, clothing and related designers and Graphic designers**.

The overlap between jobs afflicted by skills issues and those which are taken by migrant workers in the Creative Industries is unlikely coincidental. When faced with skills issues, employers will often seek to widen their recruitment and talent pools, including looking to non-UK sources.

The finding that jobs affected by skills issues in the Creative Industries tend to be in professional occupations contrasts with what we see in the wider economy: the ESS suggests that **in the wider UK workforce it is Skilled Trades jobs which are most impacted by recruitment issues, and what might be described as 'labour-intensive' roles, such as Elementary occupations and Machine operatives, 'service-intensive' occupations like Caring, Leisure and Other Services staff, and Sales and Customer Service staff which are most likely to suffer from skills gaps.**<sup>4</sup>

Those employers that identified an occupation (or occupations) affected by skills issues were asked what skills that they had found difficult to find amongst candidates they had tried to recruit or amongst their current employees. Although these varied greatly between occupations, **the most common skills mentioned were ICT-related**. However, **there were also shortages of general business skills, such as Project management (44 per cent) and Communication skills (45 per cent)**. Unsurprisingly, **employers employing migrant workers also identified ICT-related skills and Communication (including language) skills as areas where they could not find sufficient numbers of UK nationals**.

## The potential labour market impacts of Brexit

The research indicates what percentage of Creative Industries employers may be directly negatively impacted by future immigration controls on EU workers if the UK leaves the European Union. Specifically, the survey suggests that amongst those employing a worker from the EU:

- Twenty-nine per cent thought that their EU migrant workers had specific skills or talents that they had not been able to get from UK nationals.
- Twenty per cent had recruited their EU migrant workers via non-standard processes, suggesting that they had specifically sought out migrant workers because UK talent did not have the requisite skills.

These findings suggest that **a significant minority of creative businesses might have difficulty replacing EU migrant workers with UK nationals should the need arise.**

And if anything this is likely to be an under-estimate of the potential costs from future immigration controls: even those employers of EU migrant talent who did not think that their EU workers had specific skills or talents lacking in UK nationals or who had recruited them using standard processes presumably selected them because they were the best candidates for the job. It follows, therefore, that if these workers became unavailable following Brexit, then:

- There would be a lowering of workforce quality (because these employers would need to choose non-preferred candidates), potentially leading to further skills issues.
- Employers would be forced to change their recruitment behaviours, having to more actively seek out new talent.

It is well established that the employment of freelance or self-employed workers is a particularly common practice within the Creative Industries (DCMS, 2017; Higgs, Cunningham and Bakhshi, 2008).<sup>5</sup> According to the CIC survey, ten per cent of employers in the Creative Industries had employed a freelance worker from the EU in the previous 12 months. The implication is that perhaps one in ten businesses in the Creative Industries employ a freelance worker who are unlikely to gain access to the UK workforce in the event of the UK leaving the European Union.

Although the shape and nature of the UK's exit from the EU remains unknown, the survey asked employers a number of questions about its potential impact. As expected, there was a clear division in the responses between employers that employed migrant workers from those that did not. Whilst it is perhaps unsurprising that businesses which did not directly employ EU workers were more sanguine about the potential impacts on their firms (though not necessarily their sector more generally) from future immigration controls, **amongst those employers who did employ a non-UK worker:**

- **Fifty-five per cent were worried about being able to recruit the workforce they needed after Brexit.**
- **Fifty-two per cent believed that Brexit would impact on employment and skills in their company (most commonly by making it harder to recruit staff and by creating skills shortages).**

Fifty-six per cent of those that employed a worker from the EU were worried about being able to retain their non-EU employees after Brexit. These employers were particularly likely to want to see policy responses that would allow migration flows to be maintained.

# 1

## Introduction

### 1.1 Background

In 2017, the Creative Industries Council's (CIC) Technical Working Group (TWG) created a Migration and Skills Statistics sub-group, tasked with identifying data gaps concerning migration and skills in the UK's Creative Industries. The Department for Digital, Culture, Media and Sport (DCMS) subsequently commissioned an initial analysis of official data (unpublished), drawing on established, nationally representative survey data used extensively in government, including the Department for Education's (DfE) Employer Skills Survey (ESS) and the Office for National Statistics' (ONS) Annual Population Survey (APS). This broadly showed that:

- The extent of: (i) skills shortages and gaps, and (ii) EU and non-EU composition of the Creative Industries workforce at the aggregate level, was broadly similar to the UK economy as a whole, but that
- There were significant variations across creative sub-sectors, including that employers in the Publishing, and IT, software and computer services sub-sectors were significantly more likely to be experiencing skills issues, and to be reliant on non-UK nationals.

Representatives of some segments of the Creative Industries had conducted their own research and found that features of the official data jarred with their experiences. Such research provides important insights into how national data may be concealing issues in particular parts of the Creative Industries, in specific jobs and in different parts of the country: insights like these require higher resolution than what can typically be gleaned from official data. However, industry-specific research is not based on consistent methodologies and so does not provide comparable estimates across sub-sectors. This limits its use to policymakers when it comes to developing policies at the level of all the Creative Industries.

In order to provide more granular estimates of the migrant labour force and skills gaps and shortages across the Creative Industries, the Creative Industries Council commissioned an employers' survey to address the information gaps above, by identifying and quantifying the specific jobs which are facing skills shortages and which are reliant on EU workers and the specific sub-sectors within which these jobs are located. This report discusses the survey findings.



## 1.2 Methodology

### Research design

The CIC survey exercise was designed to be both representative of the Creative Industries as a whole and to allow for more disaggregated analysis where possible.

The survey, which was conducted by telephone, was designed so that it 'piggybacked' off the DfE's Employer Skills Survey (ESS). The ESS is the largest employer-based survey in the UK. It is based on over 84,000 interviews with establishments which employ two or more people, and enables an assessment of how skills deficiencies are impacting on business performance at UK-wide, sectoral and local levels. It measures the prevalence, character and impact of skills challenges, and details the nature and extent of employer investment in skills and training.

This link to the ESS brings with it a number of advantages from the viewpoint of research design: the names and contact details of the employers have already been collected by the DfE's survey contractors; it allows us to usefully target interviews on the basis of information that employers have already provided (discussed further below), and more generally we can make use of variables that have already been collected for all sectors in the UK workforce to allow some degree of comparison.

The questionnaire was designed to identify and quantify the specific roles which are afflicted by shortages and are reliant on EU workers. This was developed and initially piloted on fifty employers across three of the sub-sectors that make up the Creative Industries. The interviews were recorded and one of the report's authors listened in to ensure that the questions being asked were understood by the employers and that the questionnaire worked well as a research tool.

The ESS asks employers for their permission to be re-contacted for the purposes of additional research. In the event, the Creative Industries 'population' of establishments that took part in the ESS and who gave such permission was 3,492. Of these, 1,111 were not called and 54 were an unobtainable or invalid number. Only 214 respondents refused, with 1,413 contacts still being 'live' at the end of the fieldwork period. Basing our response rates only on the 'live' contacts (i.e. excluding those who were unobtainable or not called) gives an effective response rate of 30 per cent. Fieldwork was conducted between December 2017 and January 2018.

Our sample was structured to cover the same sub-sectors that the DCMS includes in its Sector Estimates.<sup>6</sup> This is done on the basis of the Office for National Statistics 4-digit Standard Industrial Classification (SIC) codes. The limitations of the SIC codes regarding important sections of the Creative Industries as varied as Music, Video games, Visual effects, Crafts and Design, have been discussed at length elsewhere;<sup>7</sup> the present study cannot resolve these limitations and so it is important to acknowledge that to the extent they exist within the DCMS's economic estimates, they also exist in the estimates presented here.<sup>8</sup>

To allow us to examine sub-sectors within the overall Creative Industries we grouped the 4-digit SIC codes into sub-sectors groupings which, as far as possible, replicate the DCMS's own groupings (Table 1). There were, however, some minor differences, such that:

- We omit two 4-digit SIC codes found in the DCMS's Creative Industries sub-sectors – Publishing of directories and mailing lists (58.12), and Other publishing activities (58.19) – which are, arguably, a mix of not particularly creative publishing activities (postcards, railway timetables, etc).
- We combine the Design and Craft sub-sectors – insofar as these can be identified by the SIC codes – into a single group: the single SIC code used to capture the Craft industries is not sufficiently large to stand alone.
- We separate out various parts of the Publishing sub-sector, on the basis that the skills required in different sections of this sub-sector vary greatly. Thus, instead of a single group of 'Publishing' we have separate groups for 'Newspaper and magazine publishing' and 'Book publishing'.

As noted earlier, there are concerns amongst the Music, Video games, Visual effects, Crafts and Design sub-sectors in particular that the SIC codes do not capture the true extent of actual economic activity. A specific concern is that there is a significant degree of SIC mis-coding, with businesses which should be coded to these sub-sectors being assigned to other SIC codes. To help address this, trade bodies in three of these sub-sectors (Ukie for Video games, UK Music for Music and the UK Screen Alliance for Visual effects) were asked to provide the survey company a list of companies in their sub-sectors and the full ESS database was checked to see if they had been interviewed as part of the ESS fieldwork. The SIC codes of those that had been interviewed were further checked, with a view that those identified companies which had a different SIC code to the 'appropriate' sub-sector would be re-coded and reallocated. In the event, the results of this exercise proved disappointing and next to no companies from the trade bodies' lists were in fact identified and therefore reallocated, and so the impact on the available samples in these sub-sectors was limited.

Notwithstanding the SIC code limitations, we hope that what the survey tells us about, say, skills shortages in the Creative Industries as a whole is useful even for those sub-sectors for which there is little information. Although small sample sizes preclude analysis at the level of, for example Visual effects, this is an issue we can still explore for the Creative Industries as a whole and which will support anecdotal evidence that larger companies experience greater skills shortages than smaller companies in this sub-sector.

More generally, the sample size constraints in the ESS mean that compromises have to be made in undertaking this research. In an ideal world, the sample structure would have allowed us to further identify and isolate sub-sectors, such as Music publishing, Craft industries, Video games<sup>9</sup> and Visual effects, but the realities of the sample available to us in the ESS meant that this was not possible: these sub-sectors have had to be subsumed into wider sub-sector groupings.

Table 1: Sub-sector groupings

| Sub-sector   | SIC definition |  |
|--|----------------|--|
|  | Code           | Label  |
| Advertising and marketing  | 70.21          | PR and communication activities                                      |
|  | 73.11          | Advertising agencies   |
|  | 73.12          | Media representation   |
| Architecture   | 71.11          | Architectural activities   |
| Design (product, graphic and fashion design) and crafts                                  | 74.10          | Specialised design activities  |
|  | 32.12          | Manufacture of jewellery and related articles                        |
| Screen industries and broadcasting   | 59.11          | Motion picture, video and television programme production activities |
|  | 59.12          | Motion picture, video and television programme post-production       |
|  | 59.13          | Motion picture, video and television programme distribution          |
|  | 59.14          | Motion picture projection activities                                 |
|  | 60.10          | Radio broadcasting   |
|  | 60.20          | Television programming and broadcasting activities                   |
| Video games  | 58.21          | Publishing of computer games   |
|  | 62.01/1        | Interactive leisure and entertainment software development           |
| ICT  | 58.29          | Other software publishing  |
|  | 62.01/2        | Business and domestic software development                           |
|  | 62.02          | Computer consultancy activities                                      |
| Newspaper and magazine publishing  | 58.13          | Publishing of newspapers   |
|  | 58.14          | Publishing of journals and periodicals                               |
| Book publishing  | 58.11          | Book publishing  |
| Museums, galleries and libraries   | 91.01          | Library and archive activities                                       |
|  | 91.02          | Museum activities  |
| Performing and visual arts and Music publishing  | 59.20          | Sound recording and music publishing activities                      |
|  | 90.01          | Performing arts  |
|  | 90.02          | Support activities to performing arts                                |
|  | 90.03          | Artistic creation  |
|  | 90.04          | Operation of arts facilities   |
| Other Creative Industries<br>Photography<br>Translation activities<br>Cultural education |                |  |
|  | 74.20          | Photographic activities  |
|  | 74.30          | Translation and interpretation activities                            |
|  | 85.52          | Cultural education   |

As we were particularly keen to seek views from employers who employed non-UK nationals and/or suffer from skills issues, we over-sampled employers of this type. More generally, using data from the ESS, we were able to construct a sampling strategy which involved:

- First, contacting those creative firms in the ESS who said that they had currently employed an EU worker.
- Second, contacting those creative firms who reported in the ESS to have a skills issue.
- Third, contacting large creative businesses, on the grounds that these were more likely to:  
(i) have employed EU workers, and (ii) have had skills issues.

## Research data

The research consisted of 700 interviews across the Creative Industries. Table 2 shows the number of interviews that were achieved by size, sub-sector and region/nation and also the weighted population of creative employers. This shows that the survey under-sampled the very smallest firms (those with less than five people) and over-sampled medium- and large-sized establishments. As larger employers are more likely to have skills issues and to recruit non-UK nationals, then this would, if left uncorrected, have made the overall results biased in this direction. Because of this, the responses presented in Table 3 onwards have been weighted to the overall population.

These overall population statistics, derived from the Government's Inter-Departmental Business Register (IDBR), show that the Creative Industries are dominated by smaller companies, with 85 per cent having less than ten employees. The proportion of larger employers – those with 100 or more employees – is just 1 per cent. The largest single sub-sector is ICT-related, which comprises 40 per cent of all establishments in the Creative Industries. And, as we would expect, 30 per cent of establishments are based in London (16 per cent) or in the South East of England (14 per cent).

Table 2: Responses and weighted population by establishment size, sub-sector and region

|   | Unweighted interviews |     | Weighted population |     |
|---|-----------------------|-----|---------------------|-----|
|   | N                     | %   | N                   | %   |
| <b>Total number of interviews</b>                   | 700                   | 100 | 111,729             | 100 |
| <b>Size (number of employees)</b>                   |                       |     |                     |     |
| 2 – 4   | 169                   | 24  | 69,887              | 63  |
| 5 – 9   | 186                   | 27  | 24,158              | 22  |
| 10 – 24   | 206                   | 29  | 10,679              | 10  |
| 25 – 99   | 113                   | 16  | 5,832               | 5   |
| 100+  | 26                    | 4   | 1,173               | 1   |
| <b>Sub-sector</b>                                   |                       |     |                     |     |
| Advertising and marketing                           | 64                    | 9   | 11,191              | 10  |
| Architecture  | 61                    | 9   | 8,641               | 8   |
| Design & Crafts                                     | 65                    | 9   | 9,693               | 9   |
| Screen Industries                                   | 104                   | 15  | 8,272               | 7   |
| ICT and Video games                                 | 138                   | 19  | 45,219              | 40  |
| Newspaper and magazine publishing                   | 60                    | 9   | 2,498               | 2   |
| Book publishing                                     | 44                    | 6   | 4,228               | 4   |
| Performing and visual arts (incl. music publishing) | 81                    | 12  | 12,070              | 11  |
| Museums and libraries                               | 65                    | 9   | 3,703               | 3   |
| Other creative industries                           | 18                    | 3   | 2,094               | 2   |
| <b>Region</b>                                       |                       |     |                     |     |
| East Midlands                                       | 34                    | 5   | 7,292               | 7   |
| East of England                                     | 56                    | 8   | 10,108              | 9   |
| London  | 172                   | 25  | 17,559              | 16  |
| North East  | 15                    | 2   | 4,763               | 4   |
| North West  | 72                    | 10  | 15,112              | 14  |
| South East  | 84                    | 12  | 13,921              | 12  |
| South West  | 57                    | 8   | 8,034               | 7   |
| West Midlands                                       | 48                    | 7   | 7,813               | 7   |
| Yorkshire and The Humber                            | 50                    | 7   | 9,470               | 8   |
| Northern Ireland                                    | 26                    | 4   | 4,147               | 4   |
| Scotland  | 46                    | 7   | 7,793               | 7   |
| Wales   | 40                    | 6   | 5,716               | 5   |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers

Note: Other creative industries include SIC codes 7420, 7430 &amp; 8552

A copy of the questionnaire is included in Annex 1. The average overall interview length was just over nine minutes, with the main variation driven by whether the respondents currently employed a non-UK EU or Rest-of-the-World worker (average interview length just under 12 minutes) or not (average interview length around seven and a half minutes).

The fieldwork was conducted in December 2017 and January 2018.

### 1.3 Structure of the report

The remainder of the report is structured as follows:

- **Section 2** examines the existence and nature of skills issues (including skills shortages and skills gaps) in the Creative Industries.
- **Section 3** looks at migration issues, including the extent and nature of migration from the EU and the Rest of the World.
- **Section 4** considers employers' views of the potential impacts of Brexit.

## 2

# Existence and nature of skills issues

## 2.1 Existence of skills issues in the Creative Industries

Employers were asked whether there were jobs in their establishment which were affected by skills issues – these could be issues relating either to: (i) skills shortages (where they were facing difficulties recruiting people with the right skills), or (ii) skills gaps (where the people currently doing these jobs did not have all the skills that they needed), and employers were asked to provide information on both separately.

The 2017 Employer Skills Survey suggested that 12 per cent of establishments in the Creative Industries faced a skills issue, be it a skills gap or a skills shortage, with 88 per cent not reporting any skills issues. This was lower than in the UK as a whole, where 17 per cent reporting having some form of skills issue.<sup>10</sup>

It is worth noting that the ESS suggests that as a result of their skills issues employers experience a direct financial impact through either loss of business to competitors or increased operating costs.<sup>11</sup> It also suggests that skills issues impact on a businesses' ability to innovate, signalling longer term consequences.<sup>12</sup>

We employed a different question in the CIC survey, instead asking employers a single, summary question about the existence of 'skills issues', i.e. covering both skills shortages and skills gaps. As well as providing us with a single summary indicator, this question also served as a 'gateway' to allow us to explore aspects of the skills issues in each firm in more detail. The survey suggested that in January 2018 across the Creative Industries as a whole, 42 per cent of establishments reported having had a skills issue, while 57 per cent said that they had not. This number is considerably higher than that reported in the ESS: there may be a number of reasons for this, including the likelihood that employers took a much broader definition of skills issues than the tightly defined measures of skills shortages and gaps in the ESS. The 12 per cent estimate from the 2017 ESS cited above is constructed from the responses to a set of cascading questions in the ESS. This means that the summary indicator of skills issues in the CIC survey is not comparable with the estimates of skills shortages and gaps in the ESS.

Behind this 42 per cent estimate, there was significant variation across creative sub-sectors, such that:

- Skills issues were much more common amongst larger companies. 73 per cent of the largest establishments (those with more than 100 employees) reported having a skills issue.<sup>13</sup>
- Skills issues were more common amongst ICT (52 per cent) and Design and Crafts (47 per cent) firms than firms in other sub-sectors.
- Skills issues were most common amongst establishments in Yorkshire and the Humber (66 per cent of employers), followed by the North West (52 per cent), the North East (50 per cent) and the East of England (47 per cent). London and the South East lay below the Creative Industries average (40 per cent).

The position of London with regard to skills issues is of some interest. Skills issues are an indicator of the tightness of labour markets and, all other things being equal, there might have been an expectation that skills issues would have been greater in London than elsewhere. However, London also benefits from a greater availability of talent from throughout the UK and from overseas and it seems that this availability offsets the higher level of demand.



Table 3: Existence of skills issue: by establishment size, sub-sector and region

|   | Have skills issue | Do not have skills issue | Don't know |
|---|-------------------|--------------------------|------------|
|   | %                 | %                        | %          |
| <b>Creative Industries</b>                          | <b>42</b>         | <b>57</b>                | <b>1</b>   |
| <b>Size (number of employees)</b>                   |                   |                          |            |
| 2 – 4   | 43                | 56                       | 1          |
| 5 – 9   | 39                | 60                       | 1          |
| 10 – 24   | 42                | 56                       | 2          |
| 25 – 99   | 37                | 62                       | 1          |
| 100+  | 73                | 27                       | 0          |
| <b>Sub-sector</b>                                   |                   |                          |            |
| Advertising and marketing                           | 36                | 63                       | 1          |
| Architecture  | 33                | 67                       | 0          |
| Design & Crafts                                     | 47                | 53                       | 0          |
| Screen Industries                                   | 32                | 64                       | 5          |
| ICT (including Video Games)                         | 52                | 47                       | 1          |
| Newspaper and magazine publishing                   | 18                | 82                       | 0          |
| Book publishing                                     | 20                | 75                       | 5          |
| Performing and visual arts (incl. music publishing) | 38                | 61                       | 1          |
| Museums and libraries                               |                   |                          |            |
| Other Creative Industries                           | 22                | 78                       | 0          |
| <b>Region</b>                                       |                   |                          |            |
| East Midlands                                       | 35                | 64                       | 1          |
| East of England                                     | 47                | 52                       | *          |
| London  | 40                | 57                       | 3          |
| North East  | 50                | 50                       | 0          |
| North West  | 52                | 47                       | 1          |
| South East  | 33                | 67                       | 0          |
| South West  | 30                | 69                       | 0          |
| West Midlands                                       | 31                | 68                       | 1          |
| Yorkshire and The Humber                            | 66                | 33                       | 2          |
| Northern Ireland                                    | 34                | 65                       | 1          |
| Scotland  | 42                | 58                       | 0          |
| Wales   | 33                | 67                       | 0          |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers

## 2.2 Type of jobs affected by skills issues

Those employers who stated that they had jobs that were affected by skills issues were asked to identify these jobs.<sup>14</sup> The employers gave the job title in their own terms and these were then coded to 4-digit Standard Occupational Classification (SOC) codes by the interviewers. These 4-digit SOC code titles are broad titles, and often mean different things to different employers. The relationship between these 'employer job titles' and the 4-digit SOC codes is shown in Annex 2.

In Table 4, we present those 4-digit SOC codes with corresponding job titles that were mentioned by at least one per cent of employers. The data shows that the jobs were predominantly in higher level occupations, with 63 per cent of employers with skills issues reporting issues affecting jobs in Professional occupations and 32 per cent saying skills issues affected jobs in Associate professional and technical occupations.

There are a very wide range of four-digit occupations within these occupational groups. Of these, occupations employers said were most affected by skills issues were ICT-related: Programmers and software development professionals (SOC 2136) (30 per cent) and Web design and development professionals (SOC 2137) (17 per cent).

Other creative occupations figuring significantly in the list of occupations affected by skills issues included Marketing associate professionals (SOC 3543) occupations (8 per cent of employers), Architects (SOC 2341) (6 per cent), Graphic designers (SOC 2477) (5 per cent), Musicians (SOC 3415) (4 per cent), and Journalists (SOC 2471) and Authors (SOC 3412) (1 per cent in both cases).<sup>15</sup>

Interestingly, the distribution of occupations affected by skills issues in the Creative Industries appears different to that in the economy as a whole. The ESS consistently finds that Skilled Trades occupations are most impacted by recruitment issues and what might be described as 'labour-intensive' roles, such as Elementary occupations and Machine operatives and 'service-intensive' occupations,<sup>16</sup> such as Caring, Leisure and Other Services staff and Sales and Customer Service staff,<sup>17</sup> are most likely to suffer from skills gaps. Insofar as the UK's future migration system after Brexit might prioritise skilled migrants over less skilled ones this suggests that the Creative Industries may be better placed than some others to address skills shortages through migrant labour.

Table 4: Occupation of job affected by skills issue

|   |   | n             | %         |
|---|---|---------------|-----------|
| <b>Managers, directors and senior officials</b>         |   | <b>1,760</b>  | <b>4</b>  |
| 1115  | Chief executives and senior officials                             | 348           | 1         |
| 1132  | Marketing and sales directors                                     | 263           | 1         |
| 1225  | Leisure and sports managers                                       | 405           | 1         |
| 1254  | Shopkeepers and proprietors – wholesale and retail                | 448           | 1         |
| <b>Professional occupations</b>                         |   | <b>29,441</b> | <b>63</b> |
| 2129  | Engineering professionals n.e.c.                                  | 463           | 1         |
| 2135  | IT business analysts, architects and systems designers            | 430           | 1         |
| 2136  | Programmers and software development professionals                | 14,228        | 30        |
| 2137  | Web design and development professionals                          | 7,827         | 17        |
| 2139  | Information technology and telecommunications professionals n.e.c | 1,632         | 3         |
| 2423  | Management consultants and business analysts                      | 244           | 1         |
| 2431  | Architects  | 2,962         | 6         |
| 2435  | Chartered architectural technologists                             | 430           | 1         |
| 2471  | Journalists, newspaper and periodical editors                     | 354           | 1         |
| 2472  | Public relations professionals                                    | 983           | 2         |
| 2473  | Advertising accounts managers and creative directors              | 675           | 1         |
| <b>Associate professional and technical occupations</b> |   | <b>15,102</b> | <b>32</b> |
| 3121  | Architectural and town planning technicians                       | 957           | 2         |
| 3131  | IT operations technicians   | 597           | 1         |
| 3132  | IT user support technicians                                       | 1,608         | 3         |
| 3412  | Authors, writers and translators                                  | 320           | 1         |
| 3413  | Actors, entertainers and presenters                               | 396           | 1         |
| 3416  | Arts officers, producers and directors                            | 1,895         | 4         |
| 3417  | Photographers, audio-visual and broadcasting equipment operators  | 1,340         | 3         |
| 3421  | Graphic designers   | 2,477         | 5         |
| 3542  | Business sales executives   | 373           | 1         |
| 3543  | Marketing associate professionals                                 | 3,923         | 8         |
| 3545  | Sales accounts and business development managers                  | 1,031         | 2         |
| <b>Administrative and secretarial occupations</b>       |   | <b>1,781</b>  | <b>4</b>  |
| 4135  | Library clerks and assistants                                     | 479           | 1         |
| 4159  | Other administrative occupations n.e.c.                           | 1,179         | 3         |
| <b>Skilled trades occupations</b>                       |   | <b>1,926</b>  | <b>4</b>  |
| 5245  | IT engineers  | 357           | 1         |
| 5316  | Glaziers, window fabricators and fitters                          | 348           | 1         |
| 5449  | Other skilled trades n.e.c.                                       | 624           | 1         |
| <b>Caring, leisure and other service occupations</b>    |   | <b>47</b>     | <b>*</b>  |
| <b>Sales and customer service occupations</b>           |   | <b>2,993</b>  | <b>6</b>  |
| 7113  | Telephone salespersons  | 547           | 1         |
| 7129  | Sales related occupations n.e.c.                                  | 2,194         | 5         |
| <b>Process, plant and machine operatives</b>            |   | <b>159</b>    | <b>*</b>  |
| <b>Elementary occupations</b>                           |   | <b>123</b>    | <b>*</b>  |
| <b>No answer</b>  |   | <b>869</b>    | <b>2</b>  |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers who had a job affected by skills issues (n = 259)

Note: the base is the percentage of employers reporting occupational skills issues. As employers could name more than one occupation, the percentages above total to more than 100 per cent

Note: Only those 4-digit occupations which were mentioned by at least one per cent of these employers have been included in the table

## 2.3 Nature of skills difficult to obtain

Those employers that identified an occupation (or occupations) affected by skills issues were asked what skills that they had found difficult to find amongst candidates they had tried to recruit or amongst their current employees. The most common skills mentioned were ICT-related (consistent with the ICT occupations identified above) – and in particular Knowledge of specific computer programmes (60 per cent of these employers), Website design, development, production and maintenance (47 per cent), Software development (46 per cent) and Documentation, technical writing and support (42 per cent). However, there were also shortages of general business skills, such as Project management (44 per cent) and Communication skills (45 per cent).

The nature of the skills shortages and gaps differ by occupation. Table 5 shows the responses for the two main occupations affected by skills issues in the creative industries: Professional occupations and Associate professional and technical occupations. The patterns reflect the nature of the 4-digit roles within these broader occupational groups: skills issues relating to Professional occupations are more likely to reflect the need for Knowledge of specific programmes, Website design, Design skills and Documentation, technical writing and support, reflecting the importance of ICT in these areas. Skills issues experienced by Associate professional occupations, on the other hand, more commonly relate to Art skills, Advertising skills, Sales and sales management skills and skills needed in business to build relationships.

Table 5: Skills areas experiencing skills shortages and gaps

|  | All Creative Employers |    | Professional occupations |    | Associate professional and technical occupations |    |
|--|------------------------|----|--------------------------|----|--|----|
|  | n                      | %  | n                        | %  | N  | %  |
| <b>Creative and content development skills</b>                     |                        |    |                          |    |  |    |
| Knowledge of specific programmes                                   | 27,892                 | 60 | 19,228                   | 65 | 7,921  | 52 |
| Web site design, development, production and maintenance           | 21,803                 | 47 | 17,749                   | 60 | 5,913  | 39 |
| Software development   | 21,644                 | 46 | 17,900                   | 61 | 3,961  | 26 |
| Design skills  | 21,118                 | 45 | 15,618                   | 53 | 6,771  | 45 |
| Documentation, technical writing and support                       | 19,619                 | 42 | 15,192                   | 52 | 6,938  | 46 |
| Writing skills (including journalism)                              | 18,079                 | 39 | 11,697                   | 40 | 5,936  | 39 |
| Art skills   | 13,722                 | 29 | 9,189                    | 31 | 6,095  | 40 |
| Hardware and infrastructure skills                                 | 11,723                 | 25 | 5,547                    | 19 | 3,506  | 23 |
| Advertising  | 8,886                  | 19 | 4,482                    | 15 | 4,773  | 32 |
| Photography  | 5,371                  | 12 | 2,182                    | 7  | 1,666  | 11 |
| <b>Business support, business development and marketing skills</b> |                        |    |                          |    |  |    |
| Project management   | 20,644                 | 44 | 16,634                   | 57 | 7,444  | 49 |
| Sales, sales management  | 18,275                 | 39 | 10,272                   | 35 | 7,494  | 50 |
| Product development  | 17,492                 | 38 | 12,695                   | 43 | 5,684  | 38 |
| Marketing  | 16,879                 | 36 | 11,209                   | 38 | 6,029  | 40 |
| Building relationships   | 16,202                 | 35 | 9,565                    | 32 | 6,500  | 43 |
| Staff management and development                                   | 11,549                 | 25 | 7,303                    | 25 | 5,622  | 37 |
| Budgeting and budget management                                    | 11,081                 | 24 | 7,593                    | 26 | 4,533  | 30 |
| IT support skills such as Microsoft Office or Excel                | 10,153                 | 22 | 4,214                    | 14 | 4,763  | 32 |
| Legal skills   | 5,662                  | 12 | 3,758                    | 13 | 2,318  | 15 |
| Accountancy  | 3,375                  | 7  | 2,159                    | 7  | 1,577  | 10 |
| <b>Communication skills</b>  |                        |    |                          |    |  |    |
| Communicating with customers                                       | 20,755                 | 45 | 12,289                   | 42 | 8,081  | 54 |
| Communicating with other staff members                             | 18,866                 | 40 | 13,262                   | 45 | 5,712  | 38 |
| Social media skills  | 13,310                 | 29 | 8,171                    | 28 | 5,107  | 34 |
| General communication – unspecified                                | 3,153                  | 7  | 2,664                    | 9  | 489  | 3  |

Source: CIC Migration and Skills Survey, January 2018

Base: Employers affected by skills issues that provided occupation (n = 257)

Note: all skills mentioned which were given by five per cent and more employers

# 3

## Migration

### 3.1 Employment of non-UK nationals

Earlier estimates from the Labour Force Survey (a household, not employer, survey) suggested that in 2015 in the UK workforce as a whole, 90 per cent of those in work were UK nationals, with six per cent from the EU and four per cent the Rest of the World. The Creative Industries had a slightly higher proportion of non-UK nationals, with six per cent from the EU and six per cent from outside the EU.<sup>18</sup>

The CIC Migration and Skills Survey of employers suggested that in January 2018, 22 per cent of businesses in the Creative Industries employed at least one worker who was a non-UK worker (Table 6). Furthermore, it showed that:

- Larger employers were much more likely to employ a non-UK worker: whilst only 13 per cent of the smaller companies (defined as those with less than five employees) employed a non-UK national, this rose steadily with establishment size, to 79 per cent in the case of the largest establishments (defined as those with more than 100 employees).
- Proportionately greater numbers of businesses employed migrant workers in the Architecture (32 per cent of employers), Design and Crafts (also 32 per cent) and ICT and Video Games (25 per cent) sub-sectors. The share was lower in Book publishing (six per cent), the Performing and visual arts and Music publishing (11 per cent) and Museums and libraries (12 per cent).
- Proportionately greater numbers of businesses employed migrant workers in London (52 per cent), although the share was also higher than average in the West Midlands (at 29 per cent) and the South East of England (26 per cent). Some regions had relatively low proportions of Creative Industries establishments reporting that they employed non-UK nationals, including Northern Ireland (four per cent), Wales (six per cent) and Yorkshire and the Humber (nine per cent).

Table 6: Employment of non-UK nationals

|   | Employ non-UK nationals | Do not employ non-UK nationals | Don't know/ prefer not to say |
|---|-------------------------|--------------------------------|-------------------------------|
|   | %                       | %                              | %                             |
| <b>Creative Industries</b>                          | 22                      | 78                             | *                             |
| <b>Size (number of employees)</b>                   |                         |                                |                               |
| 2 – 4   | 13                      | 87                             | *                             |
| 5 – 9   | 25                      | 75                             | 0                             |
| 10 – 24   | 52                      | 48                             | *                             |
| 25 – 99   | 56                      | 42                             | 3                             |
| 100+  | 79                      | 20                             | 2                             |
| <b>Sub-sector</b>                                   |                         |                                |                               |
| Advertising and marketing                           | 19                      | 81                             | *                             |
| Architecture  | 32                      | 68                             | 0                             |
| Design & Crafts                                     | 32                      | 78                             | 1                             |
| Screen Industries                                   | 21                      | 78                             | 1                             |
| ICT (including Video Games)                         | 25                      | 75                             | 0                             |
| Newspaper and magazine publishing                   | 17                      | 81                             | 2                             |
| Book publishing                                     | 6                       | 94                             | 0                             |
| Performing and visual arts (incl. music publishing) | 11                      | 89                             | 0                             |
| Museums and libraries                               | 12                      | 82                             | 6                             |
| Other creative industries                           | 5                       | 95                             | 0                             |
| <b>Region</b>                                       |                         |                                |                               |
| East Midlands                                       | 11                      | 88                             | 1                             |
| East of England                                     | 12                      | 88                             | 0                             |
| London  | 52                      | 47                             | 1                             |
| North East  | 11                      | 89                             | 0                             |
| North West  | 15                      | 84                             | 1                             |
| South East  | 26                      | 74                             | *                             |
| South West  | 24                      | 76                             | 0                             |
| West Midlands                                       | 29                      | 71                             | 0                             |
| Yorkshire and The Humber                            | 9                       | 91                             | 0                             |
| Northern Ireland                                    | 4                       | 96                             | 0                             |
| Scotland  | 18                      | 82                             | *                             |
| Wales   | 6                       | 94                             | 0                             |
| <b>Weighted base</b>                                |                         | 111,729                        |                               |
| <b>Unweighted base</b>                              |                         | 700                            |                               |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers (n = 700)

In the context of the UK's intended exit from the EU, it is important to look at the patterns in EU versus non-EU migrant employment. Table 7 shows that according to the CIC Migration and Skills Survey, in January 2018 13 per cent of employers in the Creative Industries employed migrants from the EU only, with five per cent employing migrants only from the Rest of the World and five per cent employing both EU and Rest-of-the-World migrants. **This implies that perhaps 18 per cent of employers would be directly impacted by changes to the migration system on the basis that they employed non-UK EU workers.**

**Table 7: Employment of migrant workers**

|                             | n              | %          |
|-----------------------------|----------------|------------|
| No migrant workers employed | 87,196         | 78         |
| Migrant workers employed    | 24,533         | 22         |
| EU migrants only            | 13,686         | 13         |
| RoW migrants only           | 5,286          | 5          |
| Both EU and RoW migrants    | 5,561          | 5          |
| Don't know/no response      | 414            | *          |
| <b>Total</b>                | <b>111,729</b> | <b>100</b> |

Source: CIC Migration and Skills Survey, January 2018  
Base: all employers (n = 700)

**Data from the ESS, based as it is on a larger sample of businesses, suggests that this estimate of employment of EU migrants is an underestimate. That survey suggests that 22 per cent of employers employed at least one EU (non-UK) worker.**

The CIC survey further asked employers to state how many non-UK nationals they currently employed, which allows us to infer that **perhaps nine per cent of those employed in the UK's Creative Industries were non-UK nationals**, of which seven per cent were from the EU and two per cent from the Rest of the World. Comparison with the ONS's Labour Force Survey, which is more inclusive in that it surveys the self-employed, **again suggest this may be a slight underestimate: the comparable estimate in the LFS is 12 per cent.**



## 3.2 Employment of EU migrant workers

### Occupation

The occupations of EU migrants employed in creative occupations is shown in Table 9. It broadly follows the pattern shown by occupations afflicted by skills issues in Section 2, in that whilst there was a broad spread across a wide range of occupations, there was a concentration of employers employing EU migrants in higher level occupations and skills areas, notably in Professional occupations in Associate professional and technical occupations.

At the more disaggregated (4-digit) level we see concentrations of employers employing EU migrants in:

- ICT, particularly Programmers and software development professionals (SOC 2136) who were employed by 17 per cent of those employers who employed EU migrants, IT and telecommunications professionals (SOC 2139) (7 per cent of employers), IT business analysts (SOC 2135) (7 per cent) and Web design and development professionals (SOC 2137) (5 per cent);
- Architecture, with Architects (SOC 2431) employed by 11 per cent of employers who employed EU migrants, and Architectural and town planning technicians (SOC 3121) employed by four per cent, and
- Design roles, including Product, clothing and related designers (SOC 3422) (7 per cent of employers who employed EU migrants) and Graphic designers (SOC 3421) (6 per cent of such employers).

**Table 9: Occupation of job filled by non-UK nationals from the EU**

|   |   | n             | %         |
|---|---|---------------|-----------|
| <b>Managers, directors and senior officials</b> |   | <b>1,861</b>  | <b>10</b> |
| 1115  | Chief executives and senior officials                             | 707           | 4         |
| 1121  | Production managers and directors in manufacturing                | 82            | 1         |
| 1131  | Financial managers and directors                                  | 105           | 1         |
| 1139  | Functional managers and directors n.e.c.                          | 399           | 2         |
| 1225  | Leisure and sports managers                                       | 427           | 2         |
| <b>Professional occupations</b>                 |   | <b>29,441</b> | <b>63</b> |
| 2129  | Engineering professionals n.e.c.                                  | 165           | 1         |
| 2134  | IT project and programme managers                                 | 324           | 2         |
| 2135  | IT business analysts, architects and systems designers            | 1,243         | 7         |
| 2136  | Programmers and software development professionals                | 3,267         | 17        |
| 2137  | Web design and development professionals                          | 972           | 5         |
| 2139  | Information technology and telecommunications professionals n.e.c | 1,379         | 7         |
| 2425  | Actuaries, economists and statisticians                           | 1,243         | 7         |
| 2426  | Business and related research professionals                       | 124           | 1         |
| 2431  | Architects  | 2,007         | 11        |
| 2435  | Chartered architectural technologists                             | 171           | 1         |
| 2452  | Archivists and curators   | 123           | 1         |
| 2471  | Journalists, newspaper and periodical editors                     | 127           | 1         |
| 2473  | Advertising accounts managers and creative directors              | 803           | 4         |

|   |   |               |           |
|---|---|---------------|-----------|
| <b>Associate professional and technical occupations</b> |   | <b>15,102</b> | <b>32</b> |
| 3116  | Planning, process and production technicians      | 111           | 1         |
| 3121  | Architectural and town planning technicians       | 739           | 4         |
| 3132  | IT user support technicians                       | 359           | 2         |
| 3411  | Artists   | 553           | 3         |
| 3412  | Authors, writers and translators                  | 179           | 1         |
| 3416  | Arts officers, producers and directors            | 564           | 3         |
| 3421  | Graphic designers                                 | 1,164         | 6         |
| 3422  | Product, clothing and related designers           | 1,335         | 7         |
| 3537  | Financial and accounting technicians              | 187           | 1         |
| 3542  | Business sales executives                         | 139           | 1         |
| 3543  | Marketing associate professionals                 | 644           | 3         |
| 3545  | Sales accounts and business development managers  | 429           | 2         |
| 3546  | Conference and exhibition managers and organisers | 234           | 1         |
| <b>Administrative and secretarial occupations</b>       |   | <b>1,781</b>  | <b>4</b>  |
| 4129  | Financial administrative occupations n.e.c.       | 128           | 1         |
| 4135  | Library clerks and assistants                     | 123           | 1         |
| 4151  | Sales administrators                              | 160           | 1         |
| 4159  | Other administrative occupations n.e.c.           | 474           | 3         |
| 4216  | Receptionists                                     | 100           | 1         |
| <b>Skilled trades occupations</b>                       |   | <b>1,926</b>  | <b>4</b>  |
| 5241  | Electricians and electrical fitters               | 98            | 1         |
| 5245  | IT engineers                                      | 139           | 1         |
| <b>Caring, leisure and other service occupations</b>    |   | <b>47</b>     | <b>*</b>  |
| 6219  | Leisure and travel service occupations n.e.c.     | 180           | 1         |
| <b>Sales and customer service occupations</b>           |   | <b>845</b>    | <b>4</b>  |
| 7129  | Sales related occupations n.e.c.                  | 221           | 1         |
| 7219  | Customer service occupations n.e.c.               | 532           | 3         |
| 7220  | Customer service managers and supervisors         | 127           | 1         |
| <b>Process, plant and machine operatives</b>            |   | <b>217</b>    | <b>1</b>  |
| 8211  | Large goods vehicle drivers                       | 169           | 1         |
| <b>Elementary occupations</b>                           |   | <b>281</b>    | <b>1</b>  |
| 9139  | Elementary process plant occupations n.e.c        | 123           | 1         |
| <b>No answer</b>  |   | <b>389</b>    | <b>2</b>  |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers who employ EU workers (n = 193)

Note: the table only includes those occupations which are cited by at least one per cent of these employers

It is interesting that ICT-related and design occupations also feature in the Government's Shortage Occupation List,<sup>19</sup> the list of qualifying occupations for Tier 2 of the Points-Based System. Those which are of particular relevance to the Creative Industries are shown in the Table below, though it should be noted that whilst the Shortage Occupation List has to use the 4-digit SOC as a reference point, it never accepts all jobs within that occupation, but rather specifies job titles within the SOC which the Migration Advisory Committee (after reviewing evidence) considers to be suffering from skills shortages.

Table 10: Tier 2 Shortage Occupation List Government (selected occupations)

| SOC code and description   | Job titles included on the UK Shortage Occupation List and further criteria   |
|--|---|
| <p>2135 <b>IT business analysts, architects and system designers</b></p> | <p>ONLY the following jobs in this occupation code:</p> <ul style="list-style-type: none"> <li>• Systems engineer in visual effects and 2D/3D computer animation for the film, television or video games sectors.</li> <li>• Data scientist employed by a qualifying company, where the job requires a person with a minimum of five years' relevant experience and demonstrable experience of having led a team.</li> </ul>  |
| <p>2136 <b>Programmers and software development professionals</b></p>    | <p>ONLY the following jobs in this occupation code:</p> <ul style="list-style-type: none"> <li>• Senior developer employed by a qualifying company, where the job requires a person with a minimum of five years' relevant experience and demonstrable experience of having led a team – see notes below.</li> <li>• The following jobs in visual effects and 2D/3D computer animation for the film, television or video games sectors: <ul style="list-style-type: none"> <li>▪ Software developer.</li> <li>▪ Shader writer.</li> <li>▪ Games designer.</li> </ul> </li> <li>• The following jobs in the electronics system industry: <ul style="list-style-type: none"> <li>▪ Driver developer.</li> <li>▪ Embedded communications engineer.</li> </ul> </li> </ul>  |
| <p>3411 <b>Artists</b></p>   | <p>ONLY the following jobs in this occupation code:</p> <ul style="list-style-type: none"> <li>• Animator in visual effects and 2D/3D computer animation for the film, television or video games sectors.</li> </ul>  |
| <p>3414 <b>Dancers and choreographers</b></p>                            | <p>ONLY the following jobs in this occupation code:</p> <ul style="list-style-type: none"> <li>• Skilled classical ballet dancers who meet the standard required by internationally recognised United Kingdom ballet companies (eg Birmingham Royal Ballet, English National Ballet, Northern Ballet Theatre, The Royal Ballet and Scottish Ballet). The company must either: <ul style="list-style-type: none"> <li>▪ Have performed at or been invited to perform at venues of the calibre of the Royal Opera House, Sadler's Wells or Barbican, either in the United Kingdom or overseas.</li> <li>▪ Attract dancers and/or choreographers and other artists from other countries.</li> <li>▪ Be endorsed as being internationally recognised by a United Kingdom industry body such as the Arts Councils (of England, Scotland and/or Wales)</li> </ul> </li> <li>• Skilled contemporary dancers who meet the standard required by internationally recognised United Kingdom contemporary dance companies. The company must either: <ul style="list-style-type: none"> <li>▪ Have performed at or been invited to perform at venues of the calibre of Sadler's Wells, the Southbank Centre or The Place, either in the United Kingdom or overseas.</li> <li>▪ Attract dancers and/or choreographers and other artists from all over the world.</li> <li>▪ Be endorsed as being internationally recognised by a United Kingdom industry body such as the Arts Councils (of England, Scotland and/or Wales).</li> </ul> </li> </ul> |

|   |  |
|---|--|
| <p>3415 <b>Musicians</b></p>                              | <p>ONLY the following jobs in this occupation code:</p> <ul style="list-style-type: none"> <li>• Skilled orchestral musicians who are leaders, principals, sub-principals or numbered string positions, and who meet the standard required by internationally recognised UK orchestras.</li> </ul>   |
| <p>3416 <b>Arts officers, producers and directors</b></p> | <p>ONLY the following jobs in this occupation code:</p> <ul style="list-style-type: none"> <li>• The following jobs in visual effects and 2D/3D computer animation for the film, television or video games sectors: <ul style="list-style-type: none"> <li>▪ 2D supervisor.</li> <li>▪ 3D supervisor.</li> <li>▪ Computer graphics supervisor.</li> <li>▪ Producer.</li> <li>▪ Production manager.</li> <li>▪ Technical director.</li> <li>▪ Visual effects supervisor.</li> </ul> </li> </ul> |
| <p>3421 <b>Graphic designers</b></p>                      | <p>ONLY the following jobs in this occupation code:</p> <ul style="list-style-type: none"> <li>• The following jobs in visual effects and 2D/3D computer animation for the film, television or video games sectors: <ul style="list-style-type: none"> <li>▪ Compositing artist.</li> <li>▪ Matte painter.</li> <li>▪ Modeller.</li> <li>▪ Rigger.</li> <li>▪ Stereo artist.</li> <li>▪ Texture artist.</li> </ul> </li> </ul>   |

Notes: approved version valid from 19 November 2015

## Reasons for employing EU migrant workers

In the survey, those employers that employed non-UK EU workers were asked whether these workers had specific skills or talents that employers had not been able to get from UK nationals. 29 per cent said that they had, 66 per cent said that they did not have and six per cent said they did not know (Table 11).

Notwithstanding the limitations presented by small sub-samples, the data suggests that in January 2018, an overwhelming 62 per cent of the largest firms – those with 100+ employees – employed EU migrant workers with specific skills they could not source from the UK. And 37 per cent of all employers in the creative ICT sub-sector employed EU workers with skills unavailable from UK nationals.

Table 11: Whether EU migrant workers had specific skills or talents not found in UK nationals

|   | Yes, had specific skills and talents | No, no specific skills or talents | Don't know |
|---|--------------------------------------|-----------------------------------|------------|
|   | %                                    | %                                 | %          |
| <b>Creative Industries</b>                          | <b>29</b>                            | <b>66</b>                         | <b>6</b>   |
| <b>Size (number of employees)</b>                   |                                      |                                   |            |
| 2 – 4   | 27                                   | 67                                | 6          |
| 5 – 9   | 20                                   | 80                                | 0          |
| 10 – 24   | 33                                   | 57                                | 10         |
| 25 – 99   | 32                                   | 60                                | 8          |
| 100+  | 62                                   | 32                                | 6          |
| <b>Sub-sector</b>                                   |                                      |                                   |            |
| Advertising and marketing                           | 23                                   | 71                                | 6          |
| Architecture  | 9                                    | 89                                | 1          |
| Design & Crafts                                     | 34                                   | 66                                | 0          |
| Screen Industries                                   | 17                                   | 79                                | 4          |
| ICT (including Video Games)                         | 37                                   | 58                                | 5          |
| Newspaper and magazine publishing                   | 30                                   | 62                                | 8          |
| Book publishing                                     | -                                    | -                                 | -          |
| Performing and visual arts (incl. music publishing) | 18                                   | 55                                | 26         |
| Museums and libraries                               | 0                                    | 100                               | 0          |
| Other creative industries                           | -                                    | -                                 | -          |
| <b>Region</b>                                       |                                      |                                   |            |
| East Midlands                                       | -                                    | -                                 | -          |
| East of England                                     | 30                                   | 65                                | 5          |
| London  | 33                                   | 58                                | 8          |
| North East  | -                                    | -                                 | -          |
| North West  | 14                                   | 81                                | 5          |
| South East  | 19                                   | 78                                | 3          |
| South West  | 5                                    | 95                                | 0          |
| West Midlands                                       | 61                                   | 34                                | 5          |
| Yorkshire and The Humber                            | 13                                   | 87                                | 0          |
| Northern Ireland                                    | -                                    | -                                 | -          |
| Scotland  | 22                                   | 71                                | 6          |
| Wales   | -                                    | -                                 | -          |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers who employ EU workers (n = 193)

Note: '-' indicates that the sample size is too small for the data to be reported

Perhaps unsurprisingly, those employers in the Creative Industries who reported that they had faced skills issues were more likely to say that their EU workers had skills that had been difficult to find in UK nationals. Specifically, almost half (45 per cent) of those with skills issues stated that their EU workers had specific skills and talents, compared with just 14 per cent of those who did not report skills issues (Table 12).

**Table 12: Whether EU migrant workers had specific skills or talents not found in UK nationals**

|              | All Creative industries | Those with skills Issues | Those without skills Issues |
|--------------|-------------------------|--------------------------|-----------------------------|
|              | %                       | %                        | %                           |
| Yes          | 29                      | 45                       | 14                          |
| No           | 66                      | 53                       | 77                          |
| Don't know   | 6                       | 2                        | 9                           |
| <b>Total</b> | <b>100</b>              | <b>100</b>               | <b>100</b>                  |

Source: CIC Skills and Migration Survey, January 2018

Base: all employers who employ EU workers (n = 193)

As might be expected, the proportion of employers who said that their EU migrant workers had specific skills or talents unavailable in UK nationals was higher for the two high-level occupational groups where skills issues were most frequently mentioned, at 35 per cent for Professional occupations and 33 per cent for Associate professional and technical occupations (compared with 25 per cent for all other occupations combined).

Those employers that reported that their EU migrant workers had specific skills or talents not available in UK nationals were also asked what these skills and talents were. This was an open question, so we coded the employers' responses (not mutually exclusively) to the groups in Table 13.

The most common response given was that EU migrant workers had the appropriate work experience (38 per cent of these employers), followed by 28 per cent citing language skills, 17 per cent technical skills, 16 per cent qualifications and 13 per cent specific software skills.

**Table 13: Skills and talents found in EU migrant workers not available in UK nationals**

|   | n            | %          |
|---|--------------|------------|
| Work experience                             | 1,943        | 38         |
| Language skills                             | 1,409        | 28         |
| Technical skills                            | 868          | 17         |
| Qualifications                              | 795          | 16         |
| Specific software skills                    | 685          | 13         |
| Soft skills                                 | 476          | 9          |
| Programming                                 | 423          | 8          |
| Sector knowledge                            | 194          | 4          |
| International business knowledge/experience | 103          | 2          |
| Other                                       | 332          | 7          |
| Don't know                                  | 80           | 2          |
| <b>Total</b>                                | <b>5,100</b> | <b>100</b> |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers who say non-UK EU workers have specific skills or talents (n = 59)

## Methods of recruiting EU Migrant workers

The survey also asked employers about the different mechanisms they had used to recruit non-UK EU workers, and in particular whether they had sought actively to recruit EU workers, for example by advertising in EU countries, or whether instead their EU workers had been recruited as part of their standard recruitment processes. In the majority of cases (76 per cent), respondents who employed non-UK EU workers said that they had recruited them via their standard recruitment processes,<sup>20</sup> with the EU workers emerging as the best candidates for the job. A minority (8 per cent) had actively advertised or recruited in non-UK EU countries for these jobs (Table 14). A further 7 per cent had found their EU migrant workers via a recommendation or from within their network of contacts, 2 per cent had come from individual applications made outside of the standard application process and 1 per cent were internal transfers.

**Table 14: Whether have actively advertised or recruited outside the UK in EU countries or found non-UK EU workers the best applicants**

|  | n             | %          |
|--|---------------|------------|
| Non-UK EU workers are the best applicants from your standard recruitment process | 14,368        | 76         |
| Actively advertise or recruit in non-UK EU countries for these jobs              | 1,440         | 8          |
| Recommendation/ rom network of contacts  | 1,345         | 7          |
| Individual application outside of standard process                               | 430           | 2          |
| Internal transfer  | 236           | 1          |
| Other  | 445           | 2          |
| Don't know   | 667           | 4          |
| <b>Total</b>   | <b>18,931</b> | <b>100</b> |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers who say that they employ EU workers (n = 193)

Digging beneath the aggregate numbers, there were marked differences in recruitment practices between smaller and larger firms, however, the larger the employer the more likely it was that a non-UK EU worker had come to them via their standard application process – that was the case for half (50 per cent) of the smallest employers (those with two-to-four employees) and, at the other end of the scale, 100 per cent of the largest (those with 100 or more employees). In the case of these larger companies this suggests that recruiting abroad is integral to their standard recruitment procedures.

### 3.3 Employment of migrant workers from the Rest of the World (RoW)

#### Occupation

As we noted in Section 3.1, ten per cent of Creative Industries employers in the sample reported employing a migrant worker from the Rest of the World (RoW). The majority of these were employed in Professional occupations (52 per cent) and Associate professional and technical occupations (35 per cent) (Table 15). Within this, there was a high proportion of employers employing RoW migrant workers in ICT-related jobs, such as (SOC 2136) Programmers and software development professionals, and (SOC 3122) IT user support technicians. Significant numbers of RoW workers were also employed as Architects (SOC2431) (at 6 per cent of employers) and Designers (SOCs 3421 and 3422) (8 per cent).

**Table 15: Occupation of job filled by Rest-of-World nationals**

|   |  | n             | %         |
|---|--|---------------|-----------|
| <b>Managers, directors and senior officials</b> |  | <b>1,323</b>  | <b>13</b> |
| 1115  | Chief executives and senior officials                              | 478           | 5         |
| 1121  | Production managers and directors in manufacturing                 | 139           | 1         |
| 1132  | Marketing and sales directors                                      | 481           | 5         |
| 1139  | Functional managers and directors n.e.c.                           | 103           | 1         |
| 1225  | Leisure and sports managers  | 80            | 1         |
| <b>Professional occupations</b>                 |  | <b>29,441</b> | <b>63</b> |
| 2126  | Design and development engineers                                   | 59            | 1         |
| 2129  | Engineering professionals n.e.c.                                   | 330           | 3         |
| 2134  | IT project and programme managers                                  | 82            | 1         |
| 2135  | IT business analysts, architects and systems designers             | 195           | 2         |
| 2136  | Programmers and software development professionals                 | 2,619         | 25        |
| 2137  | Web design and development professionals                           | 404           | 4         |
| 2139  | Information technology and telecommunications professionals n.e.c. | 273           | 3         |
| 2421  | Chartered and certified accountants                                | 104           | 1         |
| 2423  | Management consultants and business analysts                       | 105           | 1         |
| 2424  | Business and financial project management professionals            | 240           | 2         |
| 2431  | Architects   | 614           | 6         |
| 2471  | Journalists, newspaper and periodical editors                      | 186           | 2         |
| 2473  | Advertising accounts managers and creative directors               | 301           | 3         |



|   |  |              |           |
|---|--|--------------|-----------|
| <b>Associate professional and technical occupations</b> |  | <b>3,735</b> | <b>35</b> |
| 3115  | Quality assurance technicians                          | 292          | 3         |
| 3119  | Science, engineering and production technicians n.e.c. | 54           | 1         |
| 3121  | Architectural and town planning technicians            | 180          | 2         |
| 3131  | IT operations technicians                              | 82           | 1         |
| 3132  | IT user support technicians                            | 1,359        | 13        |
| 3411  | Artists  | 69           | 1         |
| 3416  | Arts officers, producers and directors                 | 211          | 2         |
| 3421  | Graphic designers                                      | 229          | 2         |
| 3422  | Product, clothing and related designers                | 599          | 6         |
| 3542  | Business sales executives                              | 54           | 1         |
| 3543  | Marketing associate professionals                      | 341          | 3         |
| 3545  | Sales accounts and business development managers       | 271          | 3         |
| <b>Administrative and secretarial occupations</b>       |  | <b>287</b>   | <b>3</b>  |
| 4129  | Financial administrative occupations n.e.c.            | 60           | 1         |
| 4161  | Office managers  | 56           | 1         |
| <b>Skilled trades occupations</b>                       |  | <b>667</b>   | <b>6</b>  |
| 5244  | TV, video and audio engineers                          | 57           | 1         |
| 5245  | IT engineers   | 187          | 2         |
| 5449  | Other skilled trades n.e.c.                            | 388          | 4         |
| <b>Caring, leisure and other service occupations</b>    |  | <b>86</b>    | <b>1</b>  |
| <b>Sales and customer service occupations</b>           |  | <b>389</b>   | <b>4</b>  |
| 7111  | Sales and retail assistants                            | 76           | 1         |
| 7129  | Sales related occupations n.e.c.                       | 139          | 1         |
| 7219  | Customer service occupations n.e.c.                    | 217          | 2         |
| <b>Process, plant and machine operatives</b>            |  | <b>105</b>   | <b>1</b>  |
| 8133  | Routine inspectors and testers                         | 105          | 1         |
| <b>Elementary occupations</b>                           |  | <b>56</b>    | <b>1</b>  |
| <b>No answer</b>  |  | <b>331</b>   | <b>3</b>  |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers who employ RoW workers (n = 119)

Note: only occupations cited by at least one per cent of employers are included in this table

There were a number of similarities in the occupational profile of EU migrants working in the UK's Creative Industries and those from the RoW:

- Fifty-six per cent of those employing EU migrant workers employed them in Professional occupations, compared to 52 per cent of those employing migrants from the RoW. And 34 per cent of those employing EU migrant workers did so in Associate professional and technical roles, compared to 35 per cent of those employing migrants from the RoW;
- At a 4-digit SOC level, it was ICT-related occupations which predominated in the EU and RoW migrant workforce. So, of respondents employing an EU migrant worker, 17 per cent had engaged someone as a Programmer and software development professional (SOC2136), 7 per cent as an IT business analyst (SOC 2135), 5 per cent as a web design professional (SOC 2137) and 7 per cent as an IT professional nec (SOC 2139). For those employers employing a migrant from the RoW, there was an even greater concentration in Programmer and software development professional roles (SOC 2136) at 25 per cent.

### **Reasons for employing migrant workers from the Rest of the World**

As was the case for EU migrant workers, those employers that employed non-UK nationals from the RoW were asked whether these workers had specific skills or talents that they had not been able to get from UK nationals. 42 per cent said that they did have, 50 per cent said that they did not have and 7 per cent said they did not know (Table 16).

The comparison between this data and that for EU workers (Section 3.2) is of interest: taken at face value it suggests that migrant workers from the RoW are more likely to have specific skills or talents not to be found in UK nationals than EU migrants (42 per cent compared with 29 per cent).

**Table 16: Whether Rest-of-World migrant workers had specific skills or talents not found in UK nationals**

|   | Yes, had specific skills and talents | No, no specific skills or talents | Don't know |
|---|--------------------------------------|-----------------------------------|------------|
|   | %                                    | %                                 | %          |
| <b>Creative Industries</b>                          | <b>42</b>                            | <b>50</b>                         | <b>7</b>   |
| <b>Size (number of employees)</b>                   |                                      |                                   |            |
| 2 – 4   | -                                    | -                                 | -          |
| 5 – 9   | 39                                   | 51                                | 10         |
| 10 – 24   | 43                                   | 42                                | 15         |
| 25 – 99   | 51                                   | 40                                | 9          |
| 100+  | 40                                   | 55                                | 5          |
| <b>Sub-sector</b>                                   |                                      |                                   |            |
| Advertising and marketing                           | 38                                   | 46                                | 16         |
| Architecture  | 47                                   | 38                                | 16         |
| Design & Crafts                                     | 18                                   | 82                                | 0          |
| Screen Industries                                   | 36                                   | 61                                | 4          |
| ICT (including Video Games)                         | 49                                   | 44                                | 7          |
| Newspaper and magazine publishing                   | -                                    | -                                 | -          |
| Book publishing                                     | -                                    | -                                 | -          |
| Performing and visual arts (incl. music publishing) | 21                                   | 72                                | 8          |
| Museums and libraries                               | -                                    | -                                 | -          |
| Other creative industries                           | -                                    | -                                 | -          |
| <b>Region</b>                                       |                                      |                                   |            |
| East Midlands                                       | -                                    | -                                 | -          |
| East of England                                     | -                                    | -                                 | -          |
| London  | 49                                   | 47                                | 4          |
| North East  | -                                    | -                                 | -          |
| North West  | -                                    | -                                 | -          |
| South East  | 40                                   | 49                                | 11         |
| South West  | -                                    | -                                 | -          |
| West Midlands                                       | -                                    | -                                 | -          |
| Yorkshire and The Humber                            | -                                    | -                                 | -          |
| Northern Ireland                                    | -                                    | -                                 | -          |
| Scotland  | -                                    | -                                 | -          |
| Wales   | -                                    | -                                 | -          |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers who employ EU workers (n = 193)

Note: '-' indicates that the sample size is too small for the data to be reported

Again, perhaps not surprisingly, those employers in the Creative Industries who reported that they had faced skills issues were more likely to say that their migrant workers from the RoW had skills that had been difficult to find in UK nationals. Specifically, 52 per cent of those with skills issues reported that their EU workers did have such specific skills and talents, compared with 29 per cent of those who did not (Table 17).

**Table 17: Whether Rest-of-World migrant workers had specific skills or talents not found in UK nationals**

|              | All Creative industries | Those with skills Issues | Those without skills Issues |
|--------------|-------------------------|--------------------------|-----------------------------|
|              | %                       | %                        | %                           |
| Yes          | 42                      | 52                       | 29                          |
| No           | 50                      | 42                       | 63                          |
| Don't know   | 7                       | 6                        | 9                           |
| <b>Total</b> | <b>100</b>              | <b>100</b>               | <b>100</b>                  |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers who employ non-UK nationals from outside of the EU (n = 119)

Those that did think that their RoW migrant workers had specific skills or talents that were not available in UK nationals were asked to identify what these skills and talents were. As with the case for respondents employing EU migrant workers, this was an open question and the employers' responses were coded by the interviewers in to the groups below.

Forty-two per cent of employers that reported that their RoW migrant workers had specific skills not found amongst UK nationals said that the RoW migrant workers had programming skills, with 30 per cent citing soft skills, 17 per cent technical skills, 16 per cent qualifications and 15 per cent specific software skills (Table 18).

**Table 18: Skills and talents found in Rest-of-World migrant workers not available in UK nationals**

|   | n            | %          |
|---|--------------|------------|
| Programming                                 | 1,836        | 42         |
| Soft skills                                 | 1,314        | 30         |
| Technical skills                            | 697          | 16         |
| Specific software skills                    | 672          | 15         |
| Work experience                             | 635          | 15         |
| Language skills                             | 481          | 11         |
| Qualifications                              | 359          | 8          |
| International business knowledge/experience | 287          | 7          |
| Contacts                                    | 118          | 3          |
| Sector knowledge                            | 43           | 1          |
| Other                                       | 388          | 9          |
| Don't know                                  | 287          | 7          |
| <b>Total</b>                                | <b>4,348</b> | <b>100</b> |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers who employ non-UK nationals from outside of the EU and who say that non-UK EU workers have specific skills or talents (n = 119)

A comparison of the specific skills that EU migrant workers were described as bringing compared with the specific skills that migrant workers from the RoW were described as bringing suggests that employers believed that:

- Migrants from the RoW were more likely to have programming skills and soft skills than EU workers, whilst
- Migrants from the EU were more likely to bring relevant work experience and language skills.

## Cost of employing migrants from the Rest of the World

Those employing non-UK nationals from outside of the EU were asked how much it cost them, on average, per worker. As might be expected for such a demanding question, there were a large number of 'don't know' responses (54 per cent), but amongst those that did feel able give a reply, 60 per cent suggested there was no cost, with a quarter (25 per cent) saying that it was more than £2,000. The mean value per employee recruited was £1,190 (Table 19).

That a majority of those respondents who could indeed give an answer said that it cost them nothing to recruit suggests either that these individuals were already in the UK with their visas in place or that the individuals were bearing the costs of the visas themselves.

**Table 19: Average cost of recruiting a non-UK worker from the Rest of the World**

|   | %          | %<br>(excluding<br>DK's) |
|---|------------|--------------------------|
| Nothing   | 30         | 60                       |
| £1 – £500   | 4          | 7                        |
| £501 – £1,000   | 3          | 5                        |
| £1,001 – £1,500                                       | 1          | 2                        |
| £1,501 – £2,000                                       | 1          | 2                        |
| More than £2,000                                      | 12         | 25                       |
| Don't know  | 54         | n/a                      |
| Mean (among those who provided an integer response)   | £1,190     |                          |
| Median (among those who provided an integer response) | £0         |                          |
| <b>Total</b>  | <b>100</b> | <b>100</b>               |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers that employ non-UK nationals from outside of the EU (n = 119)

### 3.4 Employing freelance workers

The DCMS's Sector Economic Estimates, based on the Labour Force Survey, suggest that a disproportionately large percentage of the Creative Industries workforce is made up of freelance workers.<sup>21</sup> Consistent with this, when we asked employers in the Creative Industries whether they had employed any workers on a freelance basis in the previous 12 months and, if so, the nationality of these workers,<sup>22</sup> we found that:

- Fifty per cent had employed freelance workers in the previous 12 months.
- Thirty-seven per cent had employed at least one freelance worker in the previous 12 months, but had employed only UK nationals.
- Amongst the 13 per cent who had employed at least one freelance worker from outside of the UK, 10 per cent had employed a freelance worker from the EU, and 3 per cent had employed them only from the RoW.

The implication is that, depending on migration arrangements with the EU following Brexit, perhaps one in ten businesses in the Creative Industries employ a freelance worker who might be unable to gain continued access to the UK workforce.

**Table 20: Employment of freelance workers in the last 12 months and nationality**

|  | n              | %          |
|--|----------------|------------|
| No employment of freelance workers in the last 12 months | 53,987         | 48         |
| Employed only UK nationals as freelance workers          | 41,056         | 37         |
| Employed non-UK freelance workers                        | 14,374         | 13         |
| <i>Employed freelance workers from EU</i>                | 5,494          | 5          |
| <i>Employed freelance workers from RoW</i>               | 3,425          | 3          |
| <i>Employed freelance workers from EU and RoW</i>        | 5,455          | 5          |
| Don't know/no answer                                     | 2,312          | 2          |
| <b>Total</b>   | <b>111,729</b> | <b>100</b> |

Source: CIC Migration and Skills Survey, January 2018

Base: All employers (n = 700)

## 4

## Possible implications of Brexit

Although the precise shape and nature of the UK's exit from the European Union remains unknown, the CIC survey asked employers a number of questions relating to its potential impact. These questions centred on: (i) the impact on recruitment; (ii) the impact on retention of EU workers; (iii) the impact on employment and skills, and (iv) the perceived sector-level impacts.

### 4.1 Impacts of Brexit on ability to recruit the desired workforce

The survey asked employers for their views of the potential impacts of Brexit on their workforce. Specifically, they were asked 'how worried they were about being able to recruit the workforce they need after Brexit if the number of EU migrants allowed into the UK were to be restricted'.

Just under a tenth (9 per cent) of respondents said that they were 'very worried', 18 per cent were 'slightly worried', 11 per cent 'a little worried' and 61 per cent 'not at all worried' (Table 21).

**Table 21: Concerns about being able to recruit the workforce needed after Brexit**

|                    | n              | %          |
|--------------------|----------------|------------|
| Very worried       | 9,557          | 9          |
| Slightly worried   | 20,143         | 18         |
| A little worried   | 12,682         | 11         |
| Not at all worried | 68,619         | 61         |
| Don't know         | 728            | 1          |
| <b>Total</b>       | <b>111,729</b> | <b>100</b> |

Source: CIC Migration and Skills Survey, January 2018

Base: All employers (n = 700)

Grouping, for simplicity, these concerns into two categories – those that demonstrated some level of concern and those that were not at all worried – Table 22 shows that:

- The larger the establishment, the more likely employers were to report being worried about recruiting the workforce they need. Thirty-nine per cent of the smallest establishments (those with less than five employees) had concerns, compared with 53 per cent of the largest (those with more than a 100).
- There was substantial variation across the sub-sectors: for example, 70 per cent of employers in the video games sub-sector had some level of concern, compared with 13 per cent of employers in the Newspaper and magazine publishing sub-sector and 16 per cent in Museums and libraries.



- Scotland (56 per cent), Northern Ireland (54 per cent) and London (44 per cent) had the highest level of employers reporting they were 'worried'. Wales (83 per cent), West Midlands (76 per cent) and Yorkshire and the Humber (76 per cent) had the highest proportions of employers who claimed to be 'not at all worried'.

**Table 22: Concerns about being able to recruit the workforce needed after Brexit**

|   |  | Not at all worried | Worried |
|---|--|--------------------|---------|
|   |  | %                  | %       |
| <b>Creative Industries</b>                          |  | 61                 | 38      |
| <b>Size (number of employees)</b>                   |  |                    |         |
| 2 – 4   |  | 61                 | 39      |
| 5 – 9   |  | 69                 | 31      |
| 10 – 24   |  | 59                 | 41      |
| 25 – 99   |  | 55                 | 45      |
| 100+  |  | 47                 | 53      |
| <b>Sub-sector</b>                                   |  |                    |         |
| Advertising and marketing                           |  | 72                 | 28      |
| Architecture  |  | 52                 | 48      |
| Design & Crafts                                     |  | 52                 | 48      |
| Screen Industries                                   |  | 65                 | 35      |
| ICT   |  | 60                 | 40      |
| Video games   |  | 30                 | 70      |
| Newspaper and magazine publishing                   |  | 87                 | 13      |
| Book publishing                                     |  | 72                 | 28      |
| Performing and visual arts (incl. music publishing) |  | 66                 | 34      |
| Museums and libraries                               |  | 84                 | 16      |
| Other creative industries                           |  | 89                 | 11      |
| <b>Region</b>                                       |  |                    |         |
| East Midlands                                       |  | 59                 | 41      |
| East of England                                     |  | 65                 | 35      |
| London  |  | 56                 | 44      |
| North East  |  | 61                 | 39      |
| North West  |  | 57                 | 43      |
| South East  |  | 65                 | 35      |
| South West  |  | 64                 | 36      |
| West Midlands                                       |  | 76                 | 24      |
| Yorkshire and The Humber                            |  | 75                 | 25      |
| Northern Ireland                                    |  | 46                 | 54      |
| Scotland  |  | 44                 | 56      |
| Wales   |  | 83                 | 17      |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers (n = 700)

Of course, the extent to which employers were worried was impacted by whether they already employed migrant workers. In particular, those that employed EU migrant workers were far more likely to report having concerns (62 per cent) (Table 23).

**Table 23: Concerns about being able to recruit the workforce needed after Brexit**

|  | Not at all worried | Worried   |
|--|--------------------|-----------|
|  | %                  | %         |
| <b>Creative Industries</b>             | <b>61</b>          | <b>38</b> |
| No migrant workers                     | 67                 | 32        |
| Migrant workers                        | 45                 | 55        |
| <i>Employ only EU migrant workers</i>  | 38                 | 62        |
| <i>Employ only RoW migrant workers</i> | 62                 | 38        |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers (n = 700)

## 4.2 Retention of current migrant workforce after Brexit

We directly asked those employers that employed migrant workers from the EU whether they were worried about being able to retain those employees after Brexit. Consistent with the earlier findings, 56 per cent showed concern (Table 24).

**Table 24: Concerns about being able to retain employees from the EU after Brexit**

|                    | n             | %          |
|--------------------|---------------|------------|
| Very worried       | 2,516         | 13         |
| Slightly worried   | 4,234         | 22         |
| A little worried   | 3,904         | 21         |
| Not at all worried | 8,153         | 43         |
| Don't know         | 124           | 1          |
| <b>Total</b>       | <b>18,931</b> | <b>100</b> |

Source: CIC Migration and Skills Survey, January 2018

Base: employers that employ EU workers (n = 193)

### 4.3 Impacts of Brexit on employment and skills

Employers were also asked to speculate on how Brexit might impact employment and skills in their company if the number of EU migrant workers allowed into the UK were to be greatly restricted following the UK's departure from the EU. Thirty per cent of employers identified possible negative implications; over 60 per cent expected there to be none (Table 25). Amongst those that expected it would have negative implications, the most common areas of concern were that it would become harder to recruit suitable workers (15 per cent) and that it would cause skills shortages in their workforce (10 per cent).

**Table 25: Possible impacts of Brexit on employment and skills in the company**

|  | n              | %          |
|--|----------------|------------|
| <b>None – no implications</b>                      | <b>72,205</b>  | <b>65</b>  |
| Harder to recruit staff (recruitment difficulties) | 16,691         | 15         |
| Skill shortages                                    | 11,438         | 10         |
| Negative business impacts                          | 6,050          | 5          |
| Wages and costs will increase                      | 3,304          | 3          |
| Recruit from outside of the EU                     | 2,915          | 3          |
| Other  | 7,579          | 7          |
| Don't know   | 5,504          | 5          |
| <b>Total</b>                                       | <b>111,729</b> | <b>n/a</b> |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers (n = 700)

Note: multiple responses allowed so percentages will total to more than 100 per cent

Echoing our earlier findings, the likelihood of an employer saying that they believed that Brexit would have negative impacts on employment and skills in their company varied with a number of factors. Key amongst these were:

- **Size:** Larger employers (those with over 100 employees) were much more likely to think that there would be negative impacts on their company – 52 per cent compared with 33 per cent of the smallest companies. (The figure for companies between these sizes is much lower still, hence giving the overall figure of 30 per cent). In particular, larger employers were more likely to be concerned about the impact that Brexit would have on staff recruitment specifically (41 per cent compared with 15 per cent of employers as a whole).
- **Location:** Employers based in London were more likely to report being concerned (38 per cent compared with 30 per cent of all employers).
- **Whether they employ migrant workers:** 52 per cent of those who employed an EU migrant worker believed that Brexit would have a negative impact on employment and skills in their company, compared with 27 per cent of those who did not employ any migrant workers.
- **Whether employers have skills issues:** Employers who reported that they had skills issues were much more likely to say that Brexit would have negative impacts compared with those who said they did not have skills issues (46 per cent compared with 19 per cent).

## 4.4 Sector impacts of Brexit

Employers were also asked to consider what impact Brexit would have on their sector – as opposed to just their own company – over the next five years or so (Table 26). This question was not framed to concentrate on migrant workers specifically, but rather to uncover any wider concerns that employers in the Creative Industries may have about Brexit. This was an open question and employers gave verbatim responses which were coded by the interviewers into the categories below.

The majority of employers believed that there would be a wide range of negative impacts, including losing international business (15 per cent), losing skilled or talented people (8 per cent), a loss of confidence (and willingness to spend/invest) amongst customers and clients (7 per cent), recruitment difficulties (7 per cent), it becoming increasingly difficult to move staff around (5 per cent), a downturn in sales and/or reduced profits (5 per cent) and a loss of EU funding (also 5 per cent). By contrast, a minority (19 per cent) of employers believed that Brexit would have no impacts on their sector and 4 per cent suggested that there would be positive impacts, either due to new markets opening, removal of centralised regulations/legislation and less competition. About a fifth of respondents reported that they did not know how Brexit would impact on their sector.

Table 26: Possible impacts of Brexit on the sector over the next five years

|   | n              | %          |
|---|----------------|------------|
| <b>No impact</b>  |                |            |
| No impact / very little impact  | 17,212         | 15         |
| No impact due to the nature of our business / industry we are in                    | 3,953          | 4          |
| <b>Negative impacts</b>   |                |            |
| Employment and skills   |                |            |
| <i>A loss of skills/talented staff</i>  | 10,729         | 10         |
| <i>Harder to recruit staff (recruitment difficulties)</i>                           | 7,956          | 7          |
| <i>Increasingly difficult to move people around</i>                                 | 5,964          | 5          |
| Business and trade  |                |            |
| <i>May/will lose key (international) business/downturn in sales/reduced profits</i> | 22,976         | 21         |
| <i>Customers/clients less confident and reluctant to spend/invest</i>               | 8,071          | 7          |
| <i>Increase in cost of wages/ materials/equipment/resources</i>                     | 6,456          | 6          |
| <i>Loss of EU funding/government support/funding/grants</i>                         | 6,975          | 6          |
| <i>Difficulties bringing in new work/clients/visitors</i>                           | 2,667          | 2          |
| <i>Bad for our image – loss of cultural diversity/exchange</i>                      | 2,087          | 2          |
| <i>Our client/customer base deciding to move abroad</i>                             | 904            | 1          |
| <i>Fewer tourists visiting the UK 646</i>   | *              |            |
| Business planning   |                |            |
| <i>General uncertainty/lack of planning/ Projects on hold/cancelled</i>             | 5,372          | 5          |
| <i>Having to adapt to new rules / regulations / restrictions</i>                    | 2,080          | 2          |
| <i>Issues obtaining materials/equipment/resources (non-cost)</i>                    | 1,543          | 1          |
| It would have a negative impact (unspecified)                                       | 3,001          | 3          |
| Other negative impact (not specified)   | 9,292          | 8          |
| <b>Positive impacts</b>   |                |            |
| Positive impact as people prepare for Brexit – new markets opening                  | 1,547          | 1          |
| It would have a positive impact (unspecified)                                       | 1,439          | 1          |
| Positive impact due to removal of centralised regulations/legislation               | 1,437          | 1          |
| Positive impact due to less competition   | 277            | *          |
| <b>Unknown impacts</b>  |                |            |
| Don't know  | 19,248         | 17         |
| Will impact us but we don't know how  | 3,652          | 3          |
| <b>Total</b>  | <b>111,729</b> | <b>n/a</b> |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers (n = 700)

Note: multiple responses allowed so percentages will total to more than 100 per cent

## 4.5 Factors to be maintained or introduced to help with international recruitment

Finally, the employers were asked if there was anything that they would like to see maintained or introduced in order to help them recruit international talent following Brexit. Where responses were given, these tended to relate to maintaining the flow of people – either in maintaining free movement (19 per cent), making administrative processes simpler (4 per cent) or the creation of special arrangements for certain industries or occupations (2 per cent).

**Table 27: Things to be maintained or introduced after Brexit to help recruitment of international talent after Brexit**

|   | n       | %   |
|---|---------|-----|
| <b>No/nothing</b>   | 21,841  | 20  |
| <b>Migration response</b>   |         |     |
| Maintain the free movement of people  | 21,313  | 19  |
| Simpler/cheaper administrative process for bringing in skilled people   | 4,474   | 4   |
| Special arrangements/quotas should be made for certain industries e.g. arts/creative industry, highly skilled occupations | 1,926   | 2   |
| <b>Training/upskilling response</b>   |         |     |
| Help/ensure to train British people up to the required skills levels  | 4,475   | 4   |
| Maintain equal pay / fair wages   | 140     | *   |
| <b>Brexit/trade response</b>  |         |     |
| Keep trade relations the same/maintain access to single market/stay in the single market                                  | 3,291   | 3   |
| <b>Reconsider Brexit</b>  | 2,042   | 2   |
| <b>Other</b>  | 4,428   | 4   |
| <b>Don't know</b>   | 53,345  | 48  |
| <b>Total</b>  | 111,729 | n/a |

Source: CIC Migration and Skills Survey, January 2018

Base: all employers (n = 700)

Note: multiple responses allowed so percentages will total to more than 100 per cent

Again, as would be expected, those employers who currently employed a migrant worker (either from the EU or the Rest of the World) were more likely to say that they would like policy responses to allow migration flows to be maintained than those who did not employ migrant workers: 33 per cent of those who currently employed a migrant worker against 15 per cent of those who did not.

# 5

## Conclusions

This report has presented the findings of a survey exercise in December 2017-January 2018 which asked employers in the UK's Creative Industries a number of detailed questions relating to workforce skills and the importance of migration. Prior to this exercise, policymakers charged with considering skills policies for the creative industries had to rely on the less granular information provided in official surveys such as the Department for Education's Employer Skills Survey (ESS) and the Office for National Statistics' Labour Force Survey (LFS). By 'piggy backing' off the ESS's survey sample frame, we have been able to both match our individual survey responses to that gathered in the ESS and contextualise some of our responses with data for other parts of the UK workforce. Some of the sub-sectors which make up the Creative Industries have collected detailed information on skills and migration for their own firms, but such information suffers from a lack of comparability with other (creative and non-creative) sub-sectors.

We find that significant numbers of Creative Industries employers reported being affected by skills gaps or shortages, with these issues being particularly common in the larger employers and those in the Creative ICT and games, and Design & Crafts sub-sectors. Skills issues were also felt unevenly across the UK, with disproportionate numbers of creative businesses reporting skills issues in the Yorkshire & Humber and North of England. Proportionately fewer businesses reported skills issues in London, suggesting that the greater supply of creative talent outweighs the obvious greater demand for skills experienced in the capital.

Almost one-fifth of employers reported employing talent from the EU, and the survey responses suggest that EU immigrants account for around nine per cent of the creative workforce. However, these numbers are likely underestimates: the ESS and LFS, based as they are on larger sample sizes, provide more reliable estimates at 22 per cent and 12 per cent respectively.

The CIC survey responses also suggest that jobs afflicted by skills issues and held by migrant labour in the Creative Industries are in higher-level occupations, such as computer programmers, software developers and web designers in ICT, architects and technicians, and product, fashion and graphic designers. This contrasts markedly with what the ESS consistently reports for the UK workforce more generally, where skilled trade occupations and more labour-intensive roles like elementary occupations, caring, leisure, and sales and customer service, are more likely to experience recruitment issues and skills gaps.

Consistent with this finding, when asked about the nature of their skills issues, Creative Industries employers most often mention ICT-related skills, project management and communication – areas, unsurprisingly, where employers look to migrant talent.

The survey also gathers valuable insights into the likely implications for employers of the UK's future exit from the European Union. Echoing the survey findings more generally, the reported impacts varied considerably across employers. Amongst those employing non-UK EU nationals, a significant minority (almost 1-in-3) thought that their EU migrant workers had skills or talents that they had not been able to source from UK nationals.

Naturally, businesses that employed EU migrant workers were much more likely to report being worried about recruitment and retention of talent in their own firms in the event of Brexit. But when asked about likely impacts of EU exit on their sector, the majority of employers identified negative impacts, ranging from loss of international business and loss of talent to labour mobility restrictions and drop in EU funding. Taken together, the survey findings provide strong evidence for the need for the government to consider the different workforce needs of different parts of the Creative Industries when formulating policies.



# Endnotes

1. Department for Education, Employer skills survey 2017 Research report, August 2018, Winterbotham M, Vivian D, Kik G, Huntley Hewitt J, Tweddle M, Downing C, Thomson D, Morrice N and Stroud S, IFF Research. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/746493/ESS\\_2017\\_UK\\_Report\\_Controlled\\_v06.00.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/746493/ESS_2017_UK_Report_Controlled_v06.00.pdf)
2. Made up of companies in SIC codes 58.21 (Publishing of computer games), 58.29 (Other software publishing), 62.01/1 (interactive leisure and entertainment software development), 62/01/2 (Business and domestic software development and 62.02 (Computer consultancy activities)
3. Made up of companies in SIC codes 74.10 (Design) and 34.12 (Manufacture of jewellery and related articles)
4. Department for Education, Employer skills survey 2017 Research report, op. cit.
5. Higgs, Cunningham and Bakhshi (2008), 'Beyond the Creative Industries: Mapping the Creative Economy in the UK', London: NESTA. DCMS (2018), DCMS Sectors Economic Estimates 2017: Employment [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/726136/DCMS\\_Sectors\\_Economic\\_Estimates\\_2017\\_Employment\\_FINAL.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/726136/DCMS_Sectors_Economic_Estimates_2017_Employment_FINAL.pdf)
6. Higgs, Cunningham and Bakhshi (2008) Op. cit.
7. 'Classifying and Measuring the Creative Industries.' DCMS, April 2013. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/203296/Classifying\\_and\\_Measuring\\_the\\_Creative\\_Industries\\_Consultation\\_Paper\\_April\\_2013-final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/203296/Classifying_and_Measuring_the_Creative_Industries_Consultation_Paper_April_2013-final.pdf)
8. As well as SIC code issues, there are other well-known challenges in the research design. To take one example, there are difficulties in undertaking surveys of employers in SIC 59.11 (Motion picture, video and TV production activities) due to: (i) the prevalence of self-employment (with around half of the workforce being freelance), and (ii) the existence of Special Purpose Vehicles, whereby companies are created to undertake specific projects and then dissolved when the project is completed.
9. The identification of a Video games sub-sector in the ESS proved more problematic than anticipated. In SIC terms, the sub-sector is based on two codes at the 4-digit level. The sample we obtained from ESS17 did not contain any employers in the 4-digit SIC code 58.21 (Publishing of Computer Games) and, because the ESS is coded to 4-digits only, we could not pre-identify establishments in the 5-digit SIC 62.01/1 (Interactive leisure and entertainment software development). We had a filter question in the survey which allowed us to identify companies from the wider 62.01 SIC which were Games companies and coded these accordingly.
10. Department for Education, Employer skills survey 2017 Research report, op. cit.
11. Department for Education, Employer skills survey 2017 Research report, op. cit.
12. There is a caveat here, in that the ESS does not breakdown the severity of a skills issue and therefore the impact may vary significantly from business to business. Also, in some cases, skills shortages in one business may have impact beyond the individual companies.
13. This relationship between likelihood of having a skills issue and establishment size is not unique to the Creative Industries. This reflects a number of factors, including the fact that larger establishments tend to have more developed Product Market Strategies, make greater demands on their staff, and have better internal HR processes which allow identification of skills issues.
14. Employers were asked to name up to three occupations.
15. An important caveat to these estimates is that although the 4-digit SOC codes are the most disaggregated available, they are still broad, so specialised skills shortages may remain concealed. For example, a shortage in one particular type of dance form might not impact the overall figures, but may be felt acutely by particular performing arts organisations. It may also be obscured by skills surpluses in other areas of dance.
16. Examples of jobs in Skilled Trades occupations are Welding trades, Tool makers, Electricians, Bricklayers, Tailors and dressmakers, Printers, Chefs, etc
17. Elementary occupations include jobs such as Cleaners, Security guards, Shelf fillers, Waiters, etc. Machine operatives include manufacturing process operatives, Drivers, etc. Caring, Leisure and Other Services staff include Nursery nurses, Veterinary nurses, Ambulance staff, Sports and leisure assistants, Hairdressers, etc. Sales and customer service staff include Sales and retail assistants, Contact centre telephonists, etc.
18. Windsor, G. and Bakhshi, H. and Mateos-Garcia, J. (2016), 'Skilled Migration and the UK's Creative Industries', Nesta [https://www.nesta.org.uk/sites/default/files/skilled\\_migration\\_and\\_the\\_uk\\_s\\_creative\\_industries.pdf](https://www.nesta.org.uk/sites/default/files/skilled_migration_and_the_uk_s_creative_industries.pdf)
19. <https://www.gov.uk/guidance/immigration-rules/immigration-rules-appendix-k-shortage-occupation-list>
20. This is a specific question in the Migration Advisory Committee's ongoing consultation on 'The impact on the UK labour market of the UK's exit from the EU', which asks 'please provide evidence on the methods of recruitment used to employ EEA migrants. Do these methods differ from those used to employ UK and non-EEA workers?'
21. 'DCMS Sector Economic Estimates 2018: Employment.' DCMS, June 2019. <https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2018-employment>
22. Note that this will not cover the employment of creative freelance workers who are working in other, non-creative sectors of the economy.

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