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DBA

immigration

survey

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DBA survey to members based on questions asked by DCMS

Context

The Design Business Association (DBA) surveyed its membership in July 2017 asking members for their responses to a series of questions put to the Association by The Department for Digital, Culture, Media & Sport (DCMS).

The survey asked DBA members to respond to a mix of qualitative and quantitative questions on the issues around employing non-UK nationals now and after the UK leaves the EU.

Results

Quantitative questions - The statistics

50% of DBA member businesses are dealing with immigration issues posed by Brexit, because they employ at least one non-UK EU national.

Non-UK EU nationals make up 15% of the total membership workforce (approximately 1000 of 6500 people - extrapolated figure from survey responses).

Most (89%) are on permanent contracts.

Most (73%) are working at a mid to senior level in the agency.

99% were employed because they were 'the best applicant for the job', rather than because they had a specific skill set which could not be found in the UK (80% of respondents said the skills could be found anywhere).

30% of DBA members employ staff from countries outside the EU.

Although we did not ask respondents to list countries, many did so in their answers to some of the open response questions, and the countries mentioned included Australia, South Africa, China, Korea, USA, India, Canada and New Zealand.

Qualitative questions - Anecdotal

Many members were at pains to point out that, when it comes to immigration policies, they are less concerned about finding cheaper talent, or a particular skills shortage in the UK – their priority is finding and accessing world-class talent at different levels of experience. With an increasing number of international clients seeing the UK design sector as the best in the world, members highlighted that there is a distinct benefit in having a diverse workforce in terms of culture and business ethos in a global marketplace.

What is your experience of the current visa system for accessing talent outside the EU (which Tiers do you generally rely on, which work successfully/unsuccessfully?)

- The general consensus amongst respondents was that the systems are **very** complex for small businesses. (98% of agencies in the design sector have less than 50 staff, and 60% employ less than 5 staff.) Those that do manage to navigate the systems tend to be the larger agencies.

- Amongst respondents with experience of the current visa system, Tier 2 and Tier 5 were cited as the Tiers generally relied upon. Both of these Tiers were described as complex and

lengthy processes, with some businesses actively avoiding recruiting staff from outside of the EU because of the expense and attention needed.

- A few of the larger DBA member agencies have (or are) applying for their own sponsorship licence for T2 and T5 visa. However, as the majority of the design sector is made up of micro or small businesses, this route would only be applicable to a few businesses amongst the membership/industry.

- Of those businesses that do recruit from outside the EU, many use external companies to help them with the visa process. This increases costs, but is seen as the only way to navigate the complex system.

What would the UK government have to do to meet your skills needs from the domestic market in the future?

Responses to this question fell into three main categories, education, cultural diversity and on-going training:

1. 57% of responses highlighted that the government would need to increase commitment to creative subjects in education. These responses can themselves be broken down into 3 main areas:

- a. A need for increased investment in creative subjects throughout all ages of education, right through to university.
- b. Expansion of commercial input into creative courses at university level, to develop students understanding of the actualities of working in design, because graduates are leaving university not ready to hit the ground running in very small businesses.
- b. Increased integration/alignment between creative and 'technical' skills (e.g. more digital)

2. Many respondents pointed out that 'skills' are half the issue - there is also a cultural benefit to recruiting non-UK staff, especially to compete in a global marketplace. Working for international clients there is a need for a culturally diverse workforce with a variety of experiences in some design studios. To this end, they say maintaining freedom of movement would be the ideal scenario.

3. Respondents also replied that government would need to actively encourage on-going learning and training of staff in micro and SME businesses to develop the skills of their existing workforce. It was suggested that this could take the form of incentives such as training subsidies or tax breaks for businesses that spend more on developing their staff etc.

What would your 'top asks' be of a new immigration system?

- Ideally maintaining freedom of movement and work for EU nationals.

- Failing that, preservation of existing EU staff rights.

- Having straight-forward and inexpensive processes that allow businesses to employ those they believe are best for their business.

- Introduce increased visa Tiers to enable talented students to take up internships for short working periods. (The current costs and the complexity of the visa application process inhibit this at a junior level.)

- For the government immigration department to be properly resourced to support businesses making applications. Current experiences of DBA members when dealing with the department are not positive. Respondents believe these difficulties will increase exponentially with a new system where all non-UK residents would have to apply for a visa.

- For government to avoid short-sighted quotas aimed at hitting politically motivated targets and to instead consider the country's business needs (needs that enable access to the best talent to help drive business growth).

- To be aware that a pure merit system is not necessarily the best option. High quality staff are certainly needed, but many members also advocate the introduction of junior staff from other countries into their workforce as they can add to the diversity of culture within an agency. These individuals may not have a lot of experience and therefore would not qualify for a visa in a pure merit based system.

- To make it easier for companies to sponsor existing employees who are on short-term visas so they can extend their stay for set periods. Projects sometimes over-run, and inflexible visas can complicate the staffing and delivery of these. Re-recruiting is a costly and lengthy process for businesses, but they often have to take this route because of the complexities around sponsoring existing staff.

Some of the larger agencies who service large multinational clients, or export a lot of their services, also reported that they are considering opening an office in the EU so they can manage costs/bureaucracy and possibly some of the creative work depending on availability of talent. They are keeping an eye on proceedings in case they need to make arrangements before the UK exits the EU.

Caveats

There is a possibility that the survey appealed more to those DBA members who employ EU staff because their business is directly impacted by changes to immigration policy and they wanted their voice to be heard. However, the spread of agencies that responded matches the general demographics of the DBA membership as a whole so this is not deemed to be too statistically important.

In the DCMS Sectors Economic Estimates 2017: Employment and Trade Report, across the Creative industries 87.1% of employed staff are cited to be from the UK, with 6.9% from the EU and 6% from outside of the EU. In general, DBA members sit at the top end of the industry (60% of agencies in the design sector employ less than 5 staff, whereas amongst the membership over 66% employ 5 or more staff). DBA members have an average annual turnover of £1.7m and their percentage of income derived from exports is rising. Last year 20% of members' income came from exports overseas, whereas in 2017 this grew to 23% (13% of which came from the EU) seemingly correlating that these businesses, competing in a global marketplace, are more likely to employ a more diverse workforce of non-UK nationals.