



By: Paul Carter, Leader of the Council

To: Cabinet – 15th April 2013

Subject: Ending of transitional restrictions on Bulgarian & Romanian nationals: Understanding Potential Impact on Kent

Classification: Unrestricted

Purpose: Transitional restrictions on the free movement of labour by Bulgarian and Romanian nationals into the UK will end on 1st January 2014. This report commissions research on the likelihood of additional Bulgarian and Romanian nationals settling in Kent and the potential additional demand on KCC services as a result, so that the authority can prepare and plan accordingly.

1. Background:

- 1.1 The Treaty of Accession 2005 governs the accession of Bulgaria and Romania to the EU and allowed existing member states to impose transitional restrictions on the free movement of labour from those countries, for a maximum of seven years from the day of accession. The transitional period for Bulgarian and Romanian nationals ends on 1st January 2014, with no further legal mechanism available to the British Government to extend restrictions within the provisions of the Treaty.
- 1.2 There has been growing public concern in the ending of the transitional restrictions over recently months. This is driven by a number of issues:
- a) A correlation being drawn between some media and pressure groups on the impact on the UK of the accession of the A8 countries (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia) in 2004. The number of A8 nationals living in the UK has risen from 125,000 in 2004 to 1,038,000 in 2011 — an increase of 913,000. Two thirds of the increase is accounted for by Polish nationals, whose number rose from 69,000 to 687,000. The number of A8 nationals working in the UK has risen from 52,000 in 2004 Q1 to 658,000 in 2012 Q3 — an increase of 606,000.

- b) Concern over a lack of forecasting by the UK Government of the potential number of Bulgarian and Romanian citizens who choose to come and live and work in the UK. The Migration Advisory Committee of the Home Office states that whilst inflow may be small (low hundreds or thousands) it may also be significantly higher. One of the difficulties in understanding potential migration levels is that transitional restrictions on Bulgarian and Romanian nationals are not being removed universally across the EU on 1st January 2014. Indeed many EU member states that did impose restrictions (not all did) including Ireland, Italy and Denmark have already lifted them, and others, such as Germany, France and the Netherlands have relaxed them. Only two countries have maintained their initial restrictions on Bulgarians and Romanians: the UK and Malta.

2. National Institute for Economic and Social Research (NIESR) Report: Potential impacts on the UK of future migration from Bulgaria and Romania

2.1 On the 4th April 2013, the National Institute for Economic and Social Research published a report entitled the "*Potential impacts on the UK of future migration from Bulgaria and Romania*". The report was commissioned and funded by the British Embassy in Bucharest. Whilst the report concluded that probability of significant migration was low, and the impact dependent on whether Romanian and Bulgarian nationals settled in the long-term as opposed to short-term, it also noted that:

- Many services (UK) were not well-prepared for A8 migration and found it difficult to cope with the increased demand. However, a feature of A8 migration into the UK was its wide geographical scope, whereas it expects Romanian and Bulgarian migration to focus on London and the South East.
- In relation to health services, future migration is unlikely to have a significant impact, although long term settlement may increase some issues in relation to Public Health Services (in particular smoking)
- Potential family migration from Bulgaria and Romania may increase pressure on schools places at primary level in some areas
- The impacts on housing will depend on housing supply, buoyancy of the local housing market, as well as permanent settlement and family formation. There is potential impact on the social rented sector.

3. Next Steps:

3.1 The finding that Bulgarian and Romanian migration is likely to be focused on London and the South East, with potential demand for primary school places, raises concerns about additional future demand the removal of transitional restrictions will have in Kent. KCC, along with all public service providers in Kent, already face a difficult financial landscape with considerable additional demand for local services, particularly the need for additional school places at primary level. Despite the UK Government and NIESR conclusion that the impact of migration from Bulgarian and Romanian citizens will likely be low at the national level, the risk of even relatively low levels of additional demand at the local level on already overstretched budgets needs to be considered and prepared for as far as possible.

- 3.2 Therefore, the Leader of the Council is commissioning the Corporate Management Team (CMT) to prepare a research report, to be available by Autumn 2013 at the latest, estimating (if possible) the potential range of Bulgarian and Romanian migration into Kent as a result of the removal of transitional protections and (b) the risk for additional demand on services including, school places (particularly primary), housing (particularly social housing) and children's services (in particular Specialist Children's Services) and (c) what plans can be put in place to mitigate and manage any risks for additional demand for KCC services.

4. Recommendation:

- 4.1 Cabinet is asked to agree the commissioning of a research report estimating the potential migration of Romanian and Bulgarian nationals into Kent, and the risk of additional demand for KCC services.

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