



Select Committee on the European Union

Home Affairs Sub-Committee

Corrected oral evidence: Brexit: UK-EU movement of people

Wednesday 14 December 2016

10.30 am

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Members present: Baroness Prashar (Chairman); Baroness Browning; Lord Condon; Lord Cormack; Baroness Massey of Darwen; Baroness Pinnock; Lord Ribeiro; Lord Soley; Lord Watts.

Evidence Session No. 3

Heard in Public

Questions 30 - 49

Witnesses

I: Marcus Mason, Head of Business, Education and Skills, British Chambers of Commerce; Seamus Nevin, Head of Employment and Skills Policy, Institute of Directors; Josh Hardie, Deputy Director-General for Policy and Campaigns, Confederation of British Industry.

II: Danny Mortimer, Chief Executive, NHS Employers; Minette Batters, Deputy President, National Farmers Union.

Examination of witnesses

Marcus Mason, Seamus Nevin and Josh Hardie.

Q30 The Chairman: Thank you for your time this morning. As you are aware, this is a public session, which is being webcast, and you will be sent a copy of the transcript at the end of the session. If there are any corrections you wish to make, please feel free to do so. If, after reading it, you want to give us any further information in writing, please also feel free to do so. Before we start, it would be helpful if you could just introduce yourselves and say a little about what you do in your respective organisations. Who would like to start?

Marcus Mason: My name is Marcus Mason, from the British Chambers of Commerce. I head up our policy work on employment and skills.

Seamus Nevin: I am Seamus Nevin from the Institute of Directors. I also head up our policy work on employment and skills.

Josh Hardie: I am Josh Hardie from the CBI. I look after all our policy and campaigning work.

The Chairman: As you know, we are examining the future arrangements for migration of EU citizens to the UK, after the UK has left the European Union. We want to look at the options in terms of movement of people following that. I would like to hear from you what you think are the key considerations or choices, relating to the UK and EU migration, about which the Government need to be thinking in the lead-up to the Brexit negotiations.

Josh Hardie: Thank you for having us. You may have seen that the CBI has today published a paper on immigration, so I will draw most of my comments from, and I hope will be consistent with, what we have put out today. That paper is the result of consultation with thousands of individual members, but also with many, many trade associations, reflecting their views and concerns. I hope that will be useful. Our members are telling us, first, that they accept there needs to be a new system of immigration and that system needs to give control in two key areas.

One is control to make sure that the new system can reflect public concerns about immigration. I am sure later in the session we will discuss what those concerns may and may not be. The second, which is more directly in our scope of work, is that the system needs to give control to respond to the legitimate economic requirements of the labour market. For businesses, that breaks down into two areas. One is, and this is important to note, that the determination to build the skills in the UK that we will need for our future economy is there. The £45 billion that businesses invest every year, which is more than the UK's secondary school budget, is a significant sum of money. More can be done: that money can continue to be spent in the right areas, to build the right

workforce, but that is a fundamental commitment underpinning any new system.

The new system, as I have said, needs to recognise that there are both skills and labour shortages in the UK right now, and these are likely to continue in the future. On skilled jobs, we know that many sectors, many of which are laid out in our publication, currently face skills shortages. We know that those skills shortages are not a symptom of not wanting to recruit from the UK. They are a symptom of not being able to find the labour in the UK when you need it. Any system should make accessing those skills simple, quick and appropriate, so that we continue to grow as an economy.

The second area is what we call non-graduate labour. Again, there is absolutely clear evidence that in many sectors there are labour shortages, where it is entirely legitimate and beneficial for the economy that businesses can access those skills from outside the UK, where they cannot find them within the UK. We can talk about models, visas, work permits or what you call the system, but the key principle has to be a demand-led system that enables businesses to grow and to spread prosperity across the country, accessing skills and non-graduate labour from outside the UK where appropriate.

The final point I would make, although I appreciate this is not specifically within the terms of reference of the committee, is about current EU nationals in the UK. There is the emotional point. It is difficult when you face uncertainty as an individual. Do you put your children into school? How do you plan your life? There is also the economic point. Across sectors, we are seeing businesses struggling with recruitment and retention because of the uncertainty. You, I believe, have the NFU coming in later, which will be able to give you some quite interesting statistics about the pressures it is finding. However, it is not limited to farming: tech, banking, whole areas of the economy are finding pressures because of that, so the more that can be done to provide that assurance as we build the new system, the better.

Marcus Mason: We would agree with much of that. To summarise our key considerations, this is in some ways an opportunity to reset migration policy, in terms of both EU and non-EU. It is a big opportunity for Government, and there might be some opportunities for business as a result. I would reiterate what has come through very strongly from our membership in terms of immediate concerns: guarantees for current and existing EU workers are crucial, as is clarity as to what will happen during the transition when it comes to recruiting EU workers. Some businesses have witnessed reductions in the number of people from the EU applying for their jobs. That might be down to the sentiment that was discussed earlier or to the exchange rate, but it needs to be addressed.

In terms of future immigration policy, ultimately, we want a system that will allow businesses to access highly skilled workers from the EU relatively easily, because of the skills shortages that we have.

There is a crucial distinction there between the skills shortages and the labour shortages. A lot of the angst in the business community is in lower-skilled opportunities and jobs that are currently filled by EU workers. The extreme is the seasonal and temporary-type jobs, where there have been reductions in the number of applicants. There needs to be a system for allowing migration to fill those jobs; otherwise some of those industries and sectors will be at risk.

Seamus Nevin: Can I thank you, first of all, for giving the IOD the opportunity to present our case to the committee today? It is clear that those who voted to leave in the EU referendum did so for many reasons, but obviously immigration was a major concern. Our members do not turn a deaf ear to that; they are very aware of public concerns.

The Chairman: Would you mind speaking up a little, please?

Seamus Nevin: That being said, for the 35,000 IOD members, the skills gap is the number one concern at the moment, and it has been for quite some time. That applies across all the subsets of our members. For example, we have members who are start-up entrepreneurs, who are creating businesses and in the early growth phase. It is by far and away their biggest concern at the moment, because they cannot find people with the requisite skills that they need to access in the UK. Any future immigration system that we have in this country will need to be simple and effective but, crucially, it will need to be responsive to business needs.

One of the issues our members have found in the past is that, while the Tier 2 visa requirement that all migrants earn a salary of £35,000 or above is fine for bankers and lawyers, for start-ups that are looking for data analysts or computer programmers, it is not so easy to recruit from overseas. The Government must not confuse something like a salary with a skill set. Similarly, when it comes to the definition of a skilled job, we know from public polling that what is defined by policymakers as an unskilled or low-skilled job would often be considered a skilled job by general members of the public. Nursing in the care sector is a prime example of that. We would need to make sure that any future system is responsive to the needs of employers and is demand-led.

While the IOD's members are disproportionately high-skilled, high-wage employers, there is emerging evidence that certain sectors are at risk of a simple labour shortage. It is not a skills issue but a numbers issue, and it could have knock-on effects on the supply line and the cost to consumers and to businesses. It is something that a future system will need to be aware of.

From our perspective, the best way to control immigration and reduce employers' reliance on recruitment from overseas is to increase the supply of British workers with the skills that those employers need. We would advocate looking holistically at our education system and seeing what needs to be done there to reform and to ensure that we are

producing graduates and school leavers with the kind of skills that employers need.

Finally, to echo the points that Marcus and Josh raised earlier, along with British Future and the Trades Union Congress, we published a report on Monday, which was the result of a long period of review involving a committee that comprised members of UKIP, the Labour Party, the Conservatives, business representatives and trade unionists. It took evidence from the public and all stakeholders on the status of EU migrants currently resident in the UK. We would like the Government to make a clear statement that the future of migrants already working in the UK will continue on no less advantageous terms than is currently the case.

This is a significant issue for the workers themselves, but it is also causing great concern and difficulty for businesses regarding their capacity and ability to plan for the future. That is something we would like the Government to address as quickly as possible.

The Chairman: All three of you have raised the issue of those currently here, and you rightly recognise that this is not what we are looking at, simply because we are looking at the future. I do not know whether you are aware, but this morning the European Union Select Committee has published a report on that very issue and the point is noted. For the purposes of this inquiry, we are looking to the future, but we take note of the concern that employers have about how we treat people who are currently here.

Lord Cormack: I inferred from what all three of the gentlemen said that the best prelude to negotiations would be to set this issue on one side, say they are all safely here and then get on with the future. Would that summarise your views?

Marcus Mason: I think so. If there were a way of having an early twin-off on that issue, and being able to announce that, it would be favourable.

Q31 **Lord Ribeiro:** With respect to the free movement of people, which the committee is looking at, there are effectively four options. They are: free movement with the emergency brake that we have heard about; free movement of workers who have a job offer, which clearly affects those in the skilled areas rather than the low skilled; labour market restrictions on EU migrants; and visa restrictions on EU migrants. Can you tell us which one of these options you would dismiss out of hand and which ones are more likely to be workable?

Marcus Mason: There are a number of options there. Taking them in turn, if you look at free movement with an emergency brake, ultimately it depends at what level the brake is set. If it is to achieve a net migration target in line with current government aspirations, this could be very damaging to business. There is also a danger that you do not do a good job of differentiating between different types of migration.

The second option, free movement for workers with a job offer, sounds like the most appealing of those four, allowing businesses to access the skills they want. Within that, the quid pro quo for employers would probably be that they would be involved in administering or policing the system. Business would be concerned if the Home Office were to do it, given the bureaucracy that might result from that.

Ultimately, the third option of labour market restrictions—depending on what type of restrictions you have in mind: whether it is work permits or suchlike—might be valid for the low-skilled side of the migration piece, where there are labour shortages in certain sectors. Visa restrictions would be very worrisome for many businesses, in terms of slowing down the process and the bureaucracy that comes with them.

Finally, businesses are generally struggling with the current Tier 2 system for non-EU workers, because of the bureaucracy, the cost and the time it takes to navigate that system. That is a warning for any visa restrictions option. That is the one that we would be most likely to dismiss out of hand.

Josh Hardie: I have consistent views. In a sense, I would take it back to principles rather than the specific methodology, because the devil will be in the detail. I agree that it is harder to see how visa restrictions would be a good approach. Broadly, most of these options could work, if they are built on the premise that we agree there are legitimate needs for business in both skilled and non-graduate labour to recruit from outside the UK.

We should build a system that enables businesses to do that in a way that is flexible and relatively speedy. It is in no one's interest if it takes you six months to fill a gap in your workforce; that hampers the firm's productivity and the region's productivity. It must be speedy, responsive and demand-led. I agree with the hierarchy that Marcus laid out, but the difficulty is that we are just looking at labels. We need to reach agreement on the principles and the requirements for immigration, and then build the system from that.

Seamus Nevin: The IOD would echo those points. Our support for any future system would be determined by the details and how exactly that system is enacted. For example, we could potentially support freedom of movement with an emergency brake, but it depends on how that emergency brake acts in practice. Would it, for example, be done on a regional or national basis? Would it allow for systemically important sectors, such as healthcare, to continue to recruit from overseas if they so need? There are many restrictions already within the—

The Chairman: Sorry, Mr Nevin, could you speak up a little bit? It is very difficult to hear you.

Seamus Nevin: There are many restrictions already in the UK's capacity under existing EU freedom of movement rules, but which we have never enforced. It is a question of what restrictions or policies would be

involved in whatever future system we have and how exactly they would be enacted in practice. That would determine our support for any future system.

Lord Ribeiro: As a general response, I understand that you can see bits of this that could work. There are pros and cons to the more specific things, such as recruitment, wages and prices, giving Ministers control over this, and the characteristics of the EU migrants that you would be bringing in. There are difficulties with enforcement, because anything that is bureaucratic is difficult. We touched earlier in your presentation on the implications for UK citizens where they face reciprocal restrictions in the EU. Talk about some of the pros and cons, as you see them, of the various options.

Josh Hardie: The potential bureaucracy cuts two ways. First, there is clearly a risk of the process being bureaucratic for business and providing an unnecessary burden that impacts on productivity, wages and prices. Secondly, there is the impact at borders. I believe quite a lot of work has been done to look at what impact it would have at borders, in ports and airports, if there were additional requirements for simple things like questions. That would pose significant challenges for the targets that airports have, for example, on queue times.

How to manage that in a way that does not add real stress to a system already under pressure or pass on the need for businesses to become the border control, because that feels like an undesirable outcome, is a challenging question. It relates directly to the sort of checks and balances you put in place.

The risk of any system being detrimental to British workers wanting to go abroad is absolutely a consideration. It is a consideration for individuals who want to go elsewhere and seek opportunities to build their skills, which they may then bring back to the UK. It is an issue for best practice in business. We frequently send British workers out to train in Germany in science and technology, telecoms or advanced manufacturing, and then bring them back to upskill the workforce here, or even, vice versa, bring EU nationals over here. Being able to move freely both ways, where there is a legitimate economic case, is key to the system

Marcus Mason: A way of exploring this might be to highlight one of the businesses that I spoke to recently about these issues, a food producer in the West Midlands. It has about 1,300 seasonal workers, many of whom come over from the EU. It is very concerned about being able to recruit for next year, as it is absolutely reliant on those workers. The unemployment numbers in the local area are in the hundreds, so the local labour pool would not suffice. It advertises its jobs all across the UK and gets very few applications from UK workers, who do not want to put themselves forward for that type of low-skilled seasonal work.

Lord Ribeiro: We closed down the seasonal scheme in 2013. If we were to reintroduce this, would it bring back confidence for that group of employers?

Marcus Mason: Something like that, which allows the key sectors of agriculture, hospitality and care to access those workers is crucial. Remember that those industries are under pressure with the increase in the national living wage, so they are seeing wage increases. Further restrictions to the labour pool they can access, and the potential for them to drive up wages, could have a knock-on impact on prices. This has to be top of mind when evaluating these options.

I come back to the enforceability point, when it comes to free movement of workers with a job. Under that option, you need to think about who would enforce it and what the role of businesses would be. Given the flexibility that that might offer to businesses, there could be a trade-off where businesses take a role in enforcement. That would be an interesting area for the committee to explore further.

Finally, when it comes to skilled migration in particular, it is important to try to get reciprocity. When you think about the exports we have going to the EU and the training of UK workers in the EU, having potential visa restrictions on our own workers entering the EU could have a huge impact, for example, on our services exports, which rely on people going out to those countries. That is a crucial consideration as well, when looking at these options.

Lord Cormack: You mentioned a particular company. I am not asking you to name it, but you then went on to name three sectors. Which sector did the 1,300–employee company fall into? Was it agriculture, care, hospitality or something else?

Marcus Mason: That particular business is in agriculture.

Q32 **Baroness Massey of Darwen:** Good morning. The CBI and the IOD, among others, have talked about the need for a new immigration system to be fast, flexible and straightforward, and to understand different kinds of migration. This morning, you mentioned the issue of bureaucracy, which I would like you to come back to. What would this system look like, ideally? Could you unpack some ideas about how it would look? Bureaucracy, which has come up several times, is probably one issue, but can you make some comments on that?

Seamus Nevin: The current UK system for non-EU migration is governed by 13 different Acts of Parliament, involving 10,000 pages of guidance, and has 1,400 different categories of immigrant. Visa applications typically take between three and eight months to process. The forms that an employer must fill out typically comprise about 100 questions and 85 pages for a visa. It is very time-consuming and onerous, particularly for our smaller members, which are typically companies that do not have large HR divisions with the resources to devote fully to these issues. The consequence is that, in many cases, it is very difficult for them to recruit from overseas.

We would like any future system to be as responsive to employers' needs, and as efficiently run, as possible. There are various examples

from around the world that we could perhaps learn elements of, although I do not think there is any single system that could be copy-pasted.

Baroness Massey of Darwen: Which examples could we learn from?

Seamus Nevin: For example, Sweden has a system where, once an employee has a job offer, they are automatically granted a visa. It is run very efficiently. I would be sceptical about whether that could be copied in its entirety and applied to the UK, but there are lessons that we might be able to adapt and incorporate ourselves.

Another issue we have found is that, in recent years, we have seen efforts by Government to control immigration by placing the onus on employers. That is understandable in the sense that immigrants who are here illegally are very rarely found at the border; they are found in day-to-day life. As a result, we have seen landlords having to do background or immigration checks before renting out a home, and employers having to do similar assessments of the paperwork they are given.

However, we believe the Home Office is inherently better placed to assess such paperwork, because it has the expertise in this area. Employers—particularly smaller employers and micro firms—do not necessarily have the qualifications or expertise to assess these appropriately. As a result, we have seen problems, both from employers and from legitimate migrants who have come here to work but who have been precluded from accessing services or employment here because of an abundance of caution on the part of the employers themselves.

Josh Hardie: I agree with all that. I will add a couple of thoughts. You mentioned the different types of migration. Neither businesses nor the public have a homogenous view of migration. It is important, if we are to design a system that meets both social and economic needs, that we genuinely understand the social concerns. It is interesting to look at the surveys of what the general public feel about skilled labour. Generally, even in those areas that voted to leave, very few think we ought to restrict skilled labour. Many more think we ought to keep it the same or increase it. It is similar with overseas students.

Even on non-graduate labour, yes, when you ask broad questions about non-graduate labour, you tend to find people wanting to restrict it more. However, when you ask about care workers or other specific jobs, you get a very different response. We can question individual surveys as much as we want, but being able to have an open conversation about what different types of migration we care about and worry about, and their economic and social impacts, is critical. If you do not do that, any system risks applying a blanket solution to rather specific concerns and issues.

If that comes, as Seamus has said, with real burdens for business, it will directly impact on their ability to drive productivity benefits, to keep prices stable, to increase wages; and, ultimately, that is what we want to

see. We want to see a productive, high-wage economy, supported where necessary by immigration. Getting to the hub of that public debate is important.

Marcus Mason: I have a final thought on your question. Perhaps one of the most useful ways of exploring that question is for the committee to look at the complexity of Tier 2, which Seamus highlighted. The Tier 2 non-EU migrant route system, which is based on principles that many people would agree with and was designed to be simple, is now riddled with complexity. It is very difficult for small and medium-sized businesses to use. Initially, it was probably intended for businesses to go through that process themselves; they now have to pay professional services firms to do it correctly.

Looking at that and understanding the complexity would shine a light on the practices that we do not want to adopt in terms of a future migration deal with the EU.

Q33 Lord Cormack: Mr Hardie, you talked about a high-wage economy being desirable, which of course it is. A low-inflation economy is also desirable, most people would say. If we were to merge non-EU migration with EU migration, what would be the consequence for British workers? Would they have increased wages and prospects for employment, or would it have an adverse effect?

Josh Hardie: My first response is that it rather depends on what we mean by “merge”. If we mean taking the non-EU system and imposing it on the EU system, that is very problematic, for reasons you will understand: it is problematic for skilled workers, as it takes a long time; and it does not allow for the sorts of non-graduate labour that we need to put in place. We would not, by any means, advocate porting that system over to our EU system, for the reasons that we have discussed.

On the assumption that we build an immigration system that responds to demand and enables us to fill legitimate skills gaps, but does not lead to a dramatic excess of labour in particular areas, the question about what impact that has on wages, for example, is very interesting. There are a number of studies that look, generally at a UK level, at what the impact on wages of immigration has been. While in some cases they find deflationary pressure on the rate of increase, it is not dramatic. There are studies, and I think there was one out this week, looking at what would happen if we reduced immigration dramatically and the impact that would have on wages by 2020. Again, it would have some impact, but not a dramatic one.

I worry that, if we believe that immigration is one of the primary causes of slow wage growth, then we are looking slightly in the wrong place. The areas that will drive wage growth are those I mentioned: businesses working hard, as they must, to increase productivity, increase innovation, invest more in training to support the skills needed in local economies, invest more in local infrastructure to increase the labour pool, so labour can migrate more easily. Those are ultimately the things that will lead us

to a high-wage, high-productivity economy. If we hang it all on immigration, we will miss the opportunity to drive it.

Lord Cormack: Do you think we are trying to fix a system that is not broken?

Josh Hardie: We absolutely recognise the public concerns. As I have said, we need to make sure we genuinely understand those, because otherwise we might put a solution in place that misses the problem. If there are genuine concerns, which there are, about pressures on public services and certain areas of the economy where an excess of labour from overseas has perhaps had an impact on wages, this is a genuine opportunity to tackle those. I am confident that we can build a new, successful system that gives us control and does so in a way that keeps the best—and there is a lot to be pleased about in the current immigration system—but enables us to tackle some of the challenges.

Lord Cormack: Would you rather not have this problem?

Josh Hardie: We are leaving the European Union, and we have to see how we can use that process to make a real success of it. It is not much use to look back and think “What if?” This is where we are; let us make the very best job of it and use it as an opportunity to genuinely build the sort of economy we want to have.

Q34 **Baroness Browning:** What steps would need to be taken, in parallel with changing the immigration system, in order to manage the transition? I am very careful in using the word “transition”, because we have heard a lot about transition. Perhaps I should not, but I am assuming that there will need to be some transition in moving from one system to another, whatever is finally decided. I wonder what your thoughts are on what that means for employers.

Marcus Mason: There are three steps that I would like to highlight here. The first is clarity during that transition. Employers and businesses understanding the consequences of hiring EU workers during that transition period is crucial. The second is making sure that the Home Office and other relevant government bodies are adequately resourced to deal with any changes, because otherwise there could be a hugely adverse impact in terms of slowing up any new system.

The third step, which addresses some of the questions asked just now, is to think about this issue holistically: thinking about the skills and education system we have here, and making sure it gets the correct investment and is responsive enough to employer needs, so that businesses are able to train the UK workforce that they will need, in order to fill future skills gaps.

Baroness Browning: Regarding unskilled workers, particularly in the agricultural sector, who come from within the EU not necessarily as permanent residents but for seasonal work, is there a way of making that less bureaucratic and something employers can rely on? At the other end of the scale—postgraduate research that can lead to contracts with

companies that are taking research to market—what can be done to ensure continuity? If a postgraduate starts researching a certain area, there are very serious commercial interests in that research continuing to the next phase. Do you have any thoughts on that?

Marcus Mason: As I said at the start, this is an opportunity for a reset moment on migration policy in general. It might be worth re-exploring the postgraduate study route and easing some of the restrictions, to allow graduates who contribute to the economy to stay, to work and to be involved in enterprises such as the ones that you mentioned. When it comes to unskilled workers and temporary workers, such as in agriculture, there has to be continued access to that labour coming from the EU, perhaps through a seasonal worker quota-type system. Otherwise, those sectors will be in huge danger of struggling to recruit the workers they need to continue.

We have spoken time and time again to businesses in those sectors, which are incredibly concerned that any restrictions might lead to them not having enough workers to pick their fruit or vegetables, and therefore could threaten those industries in this country.

Baroness Browning: Should we be stricter, when this new scheme comes through, in terms of countries from which such workers can come? I notice, for example, that there has been television coverage of people from North Korea coming to do seasonal work. I do not know how valid that was, and I do not know whether you saw it. It was a very interesting programme. I am not sure how widespread that is; I suspect not very. Should we be putting into statute which countries we think are more preferable than others?

Seamus Nevin: From an employer's perspective, our members do not mind where the member of staff comes from. They are concerned about their capacity to do the job. We need to reflect on the fact that immigration, in the modern economy, comes hand in hand with trade. That is why, when the Prime Minister visited India recently, the Indian Prime Minister, Narendra Modi, made the point that they would like to see more Indians having access to the UK, for both studying and working opportunities.

From an employer's perspective, clarity and guidance during any transition period will be crucial. Signposting well in advance, so that employers can plan for the future and prepare for any changes, will be vital to making sure that they can adapt sufficiently to those changes. It is something that we would like to see a national conversation on, where Government engage with employers but also with other stakeholders—community groups and bodies that are concerned about immigration as well as those in favour of it—so we can understand the policy options that we have and the various trade-offs involved in them.

Again, from an employer's perspective, we should look at this holistically and see what needs to be done to reform the education and skills system, to ensure that we can produce more school leavers and graduates in the

UK with the kind of skills that employers will need in the future. We will be going through a period of significant economic change over the coming decade, so preparing for that will be vital.

From the Government's perspective, there is an issue around data collection. If we want a future system that is evidence-based and informed by data, then we need a better system of collecting data on immigration. At the moment, we have various different data sets and people have several different numbers: passport numbers, national insurance numbers, et cetera. The result is that we often have contradictory data. Having a much more granular understanding of the number of people coming here, where they are going in our economy, what jobs they are doing, will allow us to prepare better for the future.

This is why the IOD was very encouraged to hear the announcement of the introduction of a controlling migration forum. Our members are acutely aware of the need to address public concerns. Anything that the Government can do to ensure that public services are ready and prepared will be determined by the level of data and information that they have, which will allow them to plan for the future. It will also go a long way, we hope, to addressing public concerns and ensuring that we have a migration system that works for everybody.

Lord Cormack: It is exceptionally difficult to hear what you are saying.

The Chairman: I was going to say, it is very difficult to hear you.

Seamus Nevin: Apologies.

Josh Hardie: I will make two points. One is to echo Seamus' point that proximity matters. Trade and movement of labour are frequently linked together, and linked with your closest neighbours, which is why it is important and sensible to have a preferential system for EU migrants. Then, as we strike deals with the rest of the world, we can look at whether that is something we need to replicate. That is a question for when we start striking those deals.

You mentioned university students and researchers, which is very important. We have a university sector to be very proud of in this country, second only to the United States. We have fantastic research, but it is not always translated into development and commercialisation. If we want to grow a high-wage, productive economy, we really need to focus on that. Investment is going in. We are improving that business-university relationship; it is now stronger than it ever was, but a lot of the experts, academics and researchers are highly mobile. Some of them are already deciding to move out of the UK, for the reasons we have discussed.

That is potentially materially damaging to our ability to innovate and to lead in certain sectors. In the long term, any system needs to make sure that we safeguard that and, in terms of transition, needs to make sure that people have the clear assurance, now and as we enter into the deal,

that this will not be a threat to them, their life in the UK or the life of their families. Otherwise, there is a risk that they opt, quite sensibly, to work elsewhere.

Lord Ribeiro: We have been in a post-colonial phase, in a way, for the last 50 years. This country has relied on cheap labour from overseas, which has meant, in many cases, that our own people have shirked certain jobs that they felt were beneath them. While business may be making efforts to ensure that the high-skilled input comes in, the same does not seem to be applied to the low skilled. Once Brexit happens, we will need to make our own workforce do jobs that perhaps they have said no to before. I do not know that it will be the answer to produce another agricultural workers' scheme across all British industry, to ensure that we have cheap labour coming in. What is industry going to do to upskill the lower skilled?

Josh Hardie: One area where there is already a huge amount of activity, but there needs to be more, as Marcus has pointed out, is our education system. There is work to be done in terms of how our schools prepare people for the world of work, whether skilled labour or non-graduate labour. About 80% of businesses already have links with education of one sort or another. We need to make sure that the supply and the demand in the system meet each other.

We need, through the industrial strategy, to have a vision of what sort of sectors and jobs we will need in the future. That work is under way between business and Government, and it is critically important. What will the impact of technology be? What is the impact of automation? What sort of sectors will enable us to thrive in the future? Therefore, what sort of labour market do we need to grow domestically?

That will only happen if business, Government and society are clear about what those labour needs will be. The demand side must be clear, and the industrial strategy is key there, so that the supply side can respond effectively and, in partnership with businesses, through the £45 billion that they invest and through our education system, start to produce the jobs we will need now and in the future. It is a long-term challenge, and one that is not unique to us. However, there is an opportunity here to focus on that and get it right in a way that we have not done before in the UK.

Marcus Mason: In some sectors of our economy, there are naturally a large number of low-skilled opportunities. We were talking about the agriculture sector; when you speak to businesses from that sector, they used to recruit from certain European countries such as Poland. Now they are going further east, the reason for which is that the more developed an economy becomes, the less likely the mass of the population are to go into those types of opportunities.

Lord Ribeiro: You seem to be arguing that we cannot go back.

Marcus Mason: There are ways of supporting progression, as many businesses do, from those low-skilled jobs to more skilled jobs further up the value chain. However, to a certain extent there will always be those opportunities and, in the context of the highly developed, diverse economy that we have, they are less attractive. We need to make sure that we can access the labour required. Especially when it is done on a seasonal or temporary basis, it is going to be very difficult to do that purely through UK workers.

The Chairman: We have concentrated on agriculture, but what about social care, hospitality, construction and manufacturing? What will be the impact on those?

Josh Hardie: Construction is a really interesting sector to look at. We talk about skilled labour and what we call non-graduate labour, and we sometimes treat them as separate things. If you look at construction you can see just how interlinked they are. If you talk to construction firms now, they are absolutely clear that, both at a skilled engineer level and at a bricklayer level, they are facing skills shortages. They struggle to recruit the people they need to fulfil the current infrastructure projects that we have in the pipeline. That is where we are now, and that is a genuine, legitimate issue.

When you add into that HS2, airport capacity, Hinkley, a housing boom and local infrastructure projects—all of which is brilliant and what we need to build our economy—there is a growing gap, at both the skilled and the non-graduate level. The new immigration system must enable those businesses to access the skills they need. They are investing massively in training in the UK. You can look at any of those projects and see the schemes that have been put in place to make sure we do everything we can to grow the talent here. Still, the projections are that there will be significant gaps. Being able to meet those is important.

As I said at the beginning, this shows the interrelation between skilled and non-graduate labour, because you cannot complete these projects if you do not have the skilled labour and the engineers; but nor can you if you do not have the bricklayers and the other workers. There is a direct symbiotic relationship within the sector, as there is across sectors, because not being able to build the power stations, airport capacity, roads or houses has a knock-on effect for a whole range of sectors. This is not something that you can divide up into easy chunks; it is an ecosystem, which has huge interdependencies.

The Chairman: What happens next if that does not happen? What are the consequences?

Josh Hardie: If we build an immigration system that does not allow skills gaps and labour shortages to be filled, then we struggle to complete the projects that are in the pipeline. It is unlikely that we will come to a place where we put on such severe restrictions that we cannot. The Government seem to be clear that allowances need to be made for where there are legitimate skills and labour shortages in the economy. They

realise that, if we block it or stop it, then, yes, we will have shortages that will impair our productivity.

The Chairman: Can this gap be compensated by those already here from the EU?

Josh Hardie: If you look at the modelling around the current projects, it is very hard to see how that can be achieved.

Q35 **Lord Watts:** EU migration is just part of this issue; non-EU migration is at a high level, much higher than the Government would like and much higher than they set targets for. What lessons are to be learned from the failure to control non-EU migrants, when that is already in the control of the Government and the Government could have introduced measures to restrict it? Are there crossovers here? Are there lessons to be learned about the migration system that we have to put in place if the Government are to achieve their aims?

Marcus Mason: There are a couple of points here. First of all, this question is asked within the context of a net migration target, which we would argue is not most helpful way of looking at this, because it is not nuanced enough to deal with the complexity that businesses face day in, day out. The current system for non-EU migration shows that there are certain categories of migrants that will have a big impact on your net migration figures. Students are a very good example here. Does it really make sense to class them alongside other types of migrants?

The non-EU international student numbers have massively increased those inflows from non-EU. That is why we call for that category of non-EU migrants to be taken out of any net migration target, if you plan to have one. If you are going to stick within the constraints of that net migration target, it is very important to look at the different types of migrants within it and whether you want to take them into that calculus.

Seamus Nevin: The fact that non-EU migration has consistently exceeded the Government's net migration target is a reflection of the fact that we have very serious skill gaps and, indeed, labour shortages in some sectors, and that the net migration target is not based on the needs of our labour market. Marcus is right in saying that, when you look at the composition of the net migration target, typically in an average cohort, about one-third are students. We know from various polls that the public are not concerned about them. They do not consider people who are coming here to study and then, by and large, return home to be permanent residents. Their concern is with permanent migration.

About one-sixth of the net migration target is typically comprised of returning Britons. British citizens who live abroad and come back to the UK are counted as immigrants when they return, for the purposes of the net migration target. We have had consistent concerns around the net migration target for a long time. It is, again, a reflection of the need for a migration system that is built on the needs of our labour market.

Lord Watts: If you start to exclude students, the highly skilled, farm

workers, care workers and other groups, then you are going to be at odds with the point you made at the start about the public perception of immigration and the reality of the numbers of people required to drive the economy. Is there not a contradiction between those two things?

Josh Hardie: There is potentially a tension, which is why it is so important to understand what the public concern really is. Is the public concern about the big number, or is it about the impact on public services, communities and things like that? We need to be very clear about what we think success looks like. If you take a proper, demand-led approach, where you have numerical targets at all, you build them from the bottom up by identifying the need in the economy, the benefits of immigration and, therefore, what the likely quantum is.

If you start top-down and say, "This is the quantum that we will accept," unless you have assessed that number in the context of public services and the labour market, it is hard to see what role it plays in an economy that changes and evolves, and whose needs change and evolve, all the time.

Lord Watts: Is anyone doing that, to your knowledge? Is anyone working on the design of the sort of scheme we would need, based on the skill requirements and economy requirements?

Josh Hardie: It is happening. We are certainly looking sector by sector at where the pinch points are. Are we able to quantify that into a national figure of what immigration is needed? Not at this stage, no, but it is an interesting question.

The Chairman: Are you anticipating doing any work on that?

Josh Hardie: At this stage, it is unlikely that we will be able to come up with an accurate national figure. We can look at what the work we are doing, sector by sector, might imply for that figure, but I would not want to commit to that at the moment.

Lord Cormack: Mr Hardie, you reeled off a list of infrastructure programmes: HS2, Hinkley and all the rest of it. I am not sure I would agree with you that they are all good things, but set that one side.

Josh Hardie: That is a separate committee.

Lord Cormack: Is it conceivable that what will be built with Chinese money might have to be built with Chinese labour?

Josh Hardie: I come back to the conversation we had earlier: if you have a skills or labour shortage, the nationality of the people who fill that, if you have to bring them from overseas, is in some ways not a matter of particular concern. The caveat to that is the conversation we had earlier about proximity: movement of labour goes hand in hand with trade, and generally you have better trade and, therefore, more movement of labour with your near neighbours. It feels sensible to have

a system that is preferential to EU labour. I would not say much more than that at this moment.

- Q36 **Lord Soley:** Putting students to one side for a moment, do you have any indication as to the levels of skill among non-EU migrants and EU migrants? Are we more reliant on unskilled EU labour or unskilled non-EU labour? Do you have an assessment of that? Again, I say leave aside students, because students, in a sense, distort the numbers on this.

Seamus Nevin: We had a seasonal visa system for agricultural workers prior to 2013, which was removed because there was no longer a need for it, given the ability to recruit EU migrants to fill those roles. When you look at the composition of non-EU immigrants, they typically are slightly more highly skilled than EU workers, because they tend to fill gaps that we are not filling by ourselves, for example in the STEM—science, technology, engineering and maths—sector. I do not have the data to hand but, based on those two factors, it is likely that non-EU migrants are slightly more on the side of filling the highly skilled roles that cannot be filled.

That is not to say that EU migrants are not highly skilled as well; a large amount of them are. In fact the UK, as a member of the EU, has been the most successful in recruiting high skills. Typically, immigrants here are better educated than native workers. I think we have eight of the top 10 regions in the EU for that, so we have been very successful in recruiting the best and brightest from around the world.

Baroness Pincock: Is there a correlation between low-skilled and high-skilled migrant labour? For instance, if there is an argument that accepts we need high-skilled immigration for universities—and I ought to declare an interest because I am on the council of Huddersfield University—is that restricted if we take out low-skilled migrant workers?

Marcus Mason: There are two areas in which there is a very obvious link. One is on the perception side of things: already just the idea of imposing restrictions on migrants is having an impact for some EU workers who work here. We hear from employers about an increase in issues and concerns raised by their current EU workers, because of the talk of potential restrictions. The perception side of things would have an impact across skilled and low skilled. It is very difficult to measure, but also very important. The other element is progression. Businesses will recruit low-skilled workers, who then naturally progress on to higher-skilled positions. If you cut off one of the routes into those higher-skilled opportunities, then it would have a direct knock-on impact.

Seamus Nevin: Speaking from an economist's perspective, having high-skilled workers increases productivity, which therefore increases the capacity for that company to grow and create more jobs, which then creates demand for more high-skilled labour. That applies throughout the economy, in all sectors. Having high-skilled immigration increases the need for more high-skilled jobs, but it also has knock-on effects in terms of increasing the need for low-skilled occupations, because productivity

gains tend to lead to wage rises, meaning more spending power for employees. Those employees can then spend money on, for example, doing their house up, so you would have an increase across the economy, both for high-skilled and low-skilled workers. The two come hand in hand. It is not a case of one or the other.

Josh Hardie: I would echo that. We have an interrelated, symbiotic economy, as I said in the construction case. I do not think you can split the two out very effectively.

The Chairman: That is all from us. Thank you very much indeed for your evidence this morning. It would be helpful if you could give us any information you might have on modelling and, as you were saying earlier, on how things might impact on small and medium-sized companies. Any information you have, and any evidence you can give us in writing about the impact on different sectors from the work you are doing at the CBI, would be very helpful indeed. It remains for me to say thank you very much indeed.

Examination of witnesses

Danny Mortimer and Minette Batters.

Q37 The Chairman: We are very grateful to you for your time this morning. This is a public session and is being webcast live. We will send you the transcript of what you say, so, if there are any corrections you wish to make, please feel free to do so. If, after you have read it, you want to let us have any further information, please feel free to do that as well. Before I begin, can you tell us a little about yourselves and introduce yourselves, please?

Minette Batters: I am Minette Batters, deputy president of the National Farmers Union, representing 50,000 farmers and growers across England and Wales. I live and farm near Salisbury in Wiltshire.

Danny Mortimer: I am Danny Mortimer. I am the chief executive of NHS Employers. NHS Employers is an organisation that leads some areas of workforce policy on behalf of NHS employers in England, and represents their views as they relate to the 1.1 million people who provide healthcare in England.

The Chairman: Before I ask the questions, can I ask you to speak up a little, because it is difficult sometimes to follow? If you could do that, it would be very helpful. I would like to start by asking you what key considerations or choices, relating to UK-EU migration or any future migration issues, the Government need to be thinking about in the lead-up to the negotiations.

Danny Mortimer: There are a few things for us. First, healthcare is a global business. There are members of this Committee who know that through their own direct experience, but it has been the reality of the NHS ever since it was formed. Secondly, we want to see a system for workforce supply that complements what we do domestically. The majority of our workforce in healthcare, and that of our colleagues in social care, were born and trained in the United Kingdom, but a proportion of them have come from outside the UK. Thirdly, we want to see a migration system that recognises the value of public service. There is a risk at the moment, in that the system we apply in this country uses salary and earnings in particular as a proxy for economic worth and economic contribution. The vast majority of people in our sector are at a disadvantage relative to that, because as public sector employers or social care employers our salaries do not compete with those of our colleagues along the river in the City, for example.

Minette Batters: We have two aspects. One is specific to seasonal workers, and one to permanent workers. We currently require 85,000 seasonal workers, which by 2020 is set to rise to between 90,000 and 95,000. Those are people who come here for 10 months of the year and then go home again. We see that as slightly separate from a migration problem, because they are coming here and going home, and there is clear evidence from the historic SAWS scheme that they come here and go home again.

We are also, as a sector, reliant on a permanent workforce. Seasonal workers are specific to horticulture and crops that are reliant on the human hand, but also to poultry, especially at Christmas, with people coming in to pluck turkeys. Those people are roughly half UK and half EU. The supply chain is seemingly anywhere between 65% and 80% reliant on permanent workers.

We have three different asks. On seasonal, we are looking for support from you to trial a global, visa-restricted scheme, similar to the historic SAWS scheme. On the permanent workers, we ask that people who are working here at the moment can stay and that the Migration Advisory Committee does some research on what is needed out of the permanent workforce in the future.

The Chairman: Can you give us a snapshot of your sector, including in terms of how much of your workforce is from the UK, EU and non-EU?

Danny Mortimer: I will talk about both the NHS and our colleagues in social care. We employ about 1.1 million people in the NHS in England. Of those staff, 132,000, or 11% to 12%, are from outside the UK, and of that figure roughly half are from EU countries. One-third of the 60,000 from the EU are from the Irish Republic.

For social care, 90,000 colleagues from outside the UK work in social care. About 13,000 work in other areas of healthcare that are not provided by the NHS, such as dentistry, which is obviously privately provided. There are about 6,500 non-UK dentists working in the country, for example. Close to 250,000 people from outside the UK work in social care and health provision in this country.

Lord Cormack: What percentage of dentists is that 6,500?

Danny Mortimer: For the dental groups, the largest providers of dental services, it is about 17% to 18% of their workforce.

The Chairman: Are you able to provide a breakdown?

Minette Batters: On the seasonal workers, it is quite easy to do that. As I said, we are currently reliant on the 85,000. We do a quarterly survey, and we noticed a drop-off in people wanting to come and work here from the European Union about one year ago. We are now seeing, from the service providers, about 43% saying that they are not getting enough people coming from Europe. We were asking for a global scheme before the referendum, because we were seeing fewer people wanting to come here. That is now very urgent. On the permanent workers, it is more difficult to work out. Effectively, 3.9 million people work in the food and farming sector. The ONS and Resolution Foundation figures vary slightly. The ONS figures say that it is about 43%, and the Resolution Foundation are looking at 38%. We are very happy to give you more written evidence on the permanent sector as it develops, if that would help.

The Chairman: It would be very helpful if you could let us have that.

Lord Ribeiro: When you say 38% or 43%, is that EU workers?

Minette Batters: Yes.

Q38 **Lord Condon:** As we look at modifications and alternatives to free movement, the Committee has been drawn initially to four main options. You are probably aware of them. They are free movement with an emergency brake; free movement for workers with a job offer; labour market restrictions on EU migrants; and a visa restriction system. Looking at your sectors and the impact on recruiting, wages and so on, are you horrified at the prospect of any or all of those four high-level options? Are there strengths and weaknesses that appeal to you? Knowing that we are moving from where we are to something that will be new and different, is there anything that you can help us with on those four high-level options, which most people seem to put on the table as a starting package?

Minette Batters: We have a real concern about the certainty. On the brake clause, we would want to know the timeframe around that. Our concern would be whether there would be a two-year warning on a brake, or 12 months, or whether it would be weeks. By far and away, our preferred option is the second one, for free movement of workers with a job offer. We have concerns about the other areas.

Danny Mortimer: We would echo those concerns. With the brake, one would want to know whether it was a handbrake being applied, or a slightly gentler brake in terms of a warning to the sector. Migration with a job offer is our more common experience, in terms of how we have tended to recruit internationally as a sector. We have had experience, as part of that, of the application of a resident labour test. That is part of how we recruit nurses from outside the EU at the moment, and that feels entirely appropriate for us.

The questions there are more about enforcement. What is the balance between what the employer has to do and what the state has to do? Like our colleagues in agriculture, we would want to minimise the burden on employers, large or small, in terms of that enforcement piece. With that caveat, of the four options, it seems however like the most proportionate and sensible one.

Lord Condon: If you both accept that restrictions with a job offer is the least offensive of the changes that are on the table, do you accept that the point of enforcement, policing, checking and bureaucracy will probably be at the point of employment, rather than at the border? In terms of cost, infrastructure, what we currently have available and the pragmatism of checking, the burden will probably have to fall on the employer to become even more involved in a job offer system. Is that something your members and your sectors will be able to cope with in the short to medium term?

Minette Batters: As a representative organisation of other sectors, we are also asking for full access to the single market. Our ask on labour, at

the moment, so as not to compromise that ask, is for access to a competent and reliable workforce. We worry about a restriction and what it will mean for access to the single market, but I accept what you say. The only thing I would point out is that the horticultural sector is already under enormous price pressure. You have the apprenticeship levy, auto-enrolment pensions, the national living wage and ethical trading, all of which are new costs that have come on to the supply chain. There is also an ongoing, savage retail price war, which is putting enormous pressure on any potential for price increase.

An ask that has to be put back to this Committee or to Government is whether they would be prepared to step in and ensure that the margins and the cost are reflected and put back to the grower.

Lord Condon: Do you fear that market forces would take a lot of that production elsewhere? There is nothing unique about our terroir or climate that says strawberries, or whatever the product is, must be grown in the UK. Do you fear that market forces might take some of that production and processing away from the UK?

Minette Batters: There is absolutely no doubt that we will shrink the sector to the size of the workforce. We are probably 10 years away from mechanisation that can pick those hand-harvested fruits. You also have to look at massive investment to do that. Our growers have businesses globally, so if they cannot find the workforce here they will have no choice other than to move those businesses outside the UK, without the mechanisation and without the workforce.

The UK is a costly place to have horticultural businesses at the moment, but the climate is enormously conducive to doing it. This is a great place to grow fruit and vegetables, and there is huge potential to grow the sector. However, if we cannot find the workforce, without doubt the growers will have to export their businesses out of the UK.

Q39 **Baroness Massey of Darwen:** If the immigration system for EU migration were to merge with non-EU migration, would this lead to increased wages or employment for British workers? In the case of the agricultural sector, could higher wages be at the expense of higher prices for consumers, and what impact might we expect that to have on the publicly funded NHS?

Danny Mortimer: The way in which pay is set for the NHS and for social care, over the course of the last Parliament and this Parliament, has been typified by pay restraint. Because we have, in effect, national control of wages, either through national contracts or through the price paid for social care activity, we do not believe that changes in the migration system would affect what we pay. It is a matter of government policy to restrict what we pay; it has been for the last six years and will be for the next three years.

We have many concerns about a straight application of the non-EEA approach to migration to all. We believe that there is an opportunity to

completely revise the way in which we manage migration policy, for the reasons I stated in my opening remarks.

Baroness Massey of Darwen: Can you say more about that?

Danny Mortimer: In our experience of trying to recruit staff from outside the EEA, up until about this time last year, when nurses, our largest workforce within health and social care, were added to the shortage occupation list, the competition for Tier 2 permits was very fierce. Social care and health organisations were losing out to other organisations that, in effect, paid more wages. We have proposed to MAC that it reviews this, as the criteria used are relatively inflexible and treat salary as a proxy of contribution to our national interest. That does not reflect the reality of our sector, and we think it is too inflexible a way of managing the labour needs that our sector has. We would propose, instead, that the whole system is reviewed.

Going back to the conversation I was having with Lord Condon, the process of using job offers, for many areas of our workforce, works very well in terms of EU and non-EU recruitment. I appreciate it may be slightly different for colleagues in agriculture, but that has worked for us. As I said, we think the whole system could be reviewed.

Minette Batters: We do not see that it would lead to increased wages. It was very evident from the Westminster Hall debate that there are simply not enough workers here to do those jobs. Helen Whately from Kent said that Kent is currently employing anywhere between 5,000 and 10,000 seasonal workers, yet she has only a very small percentage who are on jobseekers allowance. Jo Churchill, from Bury St Edmunds, made a similar point. She reckoned that 95% in her area were foreign workers, and she only had 635 currently unemployed. We see it more as a problem that there are simply not enough people here to do those jobs.

Q40 **Lord Cormack:** You are here today together, which is very good. You have many problems in common, although there are great differences. My friend and colleague will deal with the NHS side of things, but do you talk regularly outside this room? Do you try to co-ordinate your approach to Government, since you both have such reliance upon immigrant workers?

Danny Mortimer: As well as my responsibilities for the NHS, I chair a group, the Cavendish Coalition, which includes our friends and colleagues in social care as well as non-NHS healthcare providers and trade unions. The social care sector has worked very closely with the NFU and other organisations over recent years, whether on the national living wage or, as now, on the implications of Brexit. Since the decision in June, a large number of representative organisations have come together. We have also done a degree of work with the colleagues you saw prior to us in recent months.

Lord Cormack: On agriculture, I live in Lincolnshire, and you will know better than I that Lincolnshire produces something like one-quarter of the

nation's vegetables. Do you think this is truly at risk?

Minette Batters: I do. I spoke on "You and Yours" last week, and I talked about the horticultural sector being on red alert. It is on red alert, because if we cannot get the workers to come here we will have fruit and veg rotting in the fields next year. We can make a very different argument around seasonal labour, because there is clear historic evidence to show that it is not an immigration problem. It is about people who come here, do a job and go away again, so you do not have the same needs within the seasonal workforce.

As for your thoughts on presenting a united view to Government, that is really important. We are building alliances and coalitions. We are keen to talk to the care sector—and we are already—so that we can present the evidence. That is how I see it. Absolutely understanding the political situation, we have to present evidence so that businesses can survive and consumers are not taken short. We have got so used to being able to buy strawberries, raspberries and British blueberries from March until November, and we have not thought anything about it. We have a duty to consumers, to make sure that they can continue to do that.

I see building alliances with other sectors, such as care, construction, health and hospitality, as critical to dealing with the short-term problem of how to build these transitional bridges to where we need to get to.

Lord Cormack: In short, the pre-eminence of this country in aspects of horticulture and fruit-growing is in jeopardy unless we can get this properly solved during the negotiations.

Minette Batters: It is in jeopardy, and that is only one part of it. This has been a cultural problem, much as it has within care: we have a supply chain in which we have stepped back from doing those jobs, for whatever reason. When we had all the processors and manufacturers in our headquarters, they said that, for them, labour is on red alert too. In many cases, they are up to 80% foreign workers. We would not want our supply chain, which for processing and for dairy and meat products is already too consolidated, to export its businesses. They are global businesses; they do not have to be based in the UK. That is of critical importance. They need the reassurances to make sure that they stay here and do not move away from the UK.

Lord Cormack: Finally, all the focus at the moment is on the three Brexiteers: the Foreign Secretary, the Trade Secretary and Mr Davis. However, are you content with the help you are getting from your own Defra Ministers? Are they as alive as you are to the problems you have alluded to?

Minette Batters: I think they are alive to the problems. Our worry is that Defra now, politically, is seen as a smaller department. It is not part of the trade negotiations, so agriculture is not currently part of that. I am sure the Defra team will be batting for us very hard, but it depends on how much of a priority food security is for this nation.

Lord Cormack: The question is: are their bats broken or not? You may remember the famous speech.

Minette Batters: It is a small department; it is not a ring-fenced department. Is food security an absolute national priority? We believe it should be, but it has not been, and I would say it needs to be now.

Lord Cormack: I would like to come back later to seasonal workers, but thank you very much.

Q41 **Baroness Massey of Darwen:** We know there is a problem about getting workers to stop the crops rotting in the fields. Can you do something to attract workers in? Can anybody do anything about that, or are we stuck?

Minette Batters: We can do something about it; I just do not think we can do anything quite quickly enough. It is about building the transitions to get to where we want to be. I believe our education system will need reform. People need to know about the jobs that are on offer. My frustration with the one in eight people who work in food and farming is that they get there by default. They have no idea that those jobs are currently available. We need to make that clearer.

Growing businesses—the people who are picking fruit and vegetables—are in very rural locations. You go there; you live on-site. There is a real problem with getting people in this country to move, go to very rural areas, leave their families and live on-site. We talk about skilled labour; there is a huge skill to picking fruit and veg. People are picking over half a tonne of strawberries in a day. It is very hard work, and there is a real skill to it. The same goes for cutting broccoli and cauliflower. There is a skill to it. It is about the rural location and getting people who will want to come.

In Kent, they need 10,000 workers, and only 600 people are currently unemployed. Will people go from other parts of the country to Kent, to live in these very rural locations and do those jobs? You could not expect younger people to do it. You could not expect apprentices to do it, because it is not part of the current apprenticeship, and we only have 1,000 on-farm apprenticeships currently.

Baroness Massey of Darwen: What is the answer to this?

Minette Batters: The seasonal one is solvable, as long as we can have your support on a global scheme, like the historic SAWS scheme, so we can bring people here from countries across the world, to work and go home again. That is the answer. We have met with Robert Goodwill. We need support to achieve that large-scale trial in 2017. We really need to achieve it in 2017.

Baroness Massey of Darwen: Would students do it?

Minette Batters: The old SAWS scheme was linked to students. We have clear evidence on the seasonal workers: we have done it before; it

has worked; and we can do it again. I see it as separate. Much as the permanent sector is huge, for both of us, the seasonal one is very different and can make a different case.

- Q42 **Lord Ribeiro:** You have very kindly appeared, Mr Mortimer, at the Select Committee on the Long-Term Sustainability of the NHS on 1 November, and unfortunately I was not there. In response to a question from Lord Kakkar, you described the fact that you want a system for managing migration policy that is flexible and responsive to skills shortages. We have noted the claims that population growth, which has been fuelled by immigration, has put public services at risk, and the NHS in particular has been under considerable pressure. The question we need to ask is whether you anticipate that a reduction in EU migration will ease the pressure on the NHS. If so, what would the effect be on the workforce?

Yesterday we had another session of the Select Committee. I put the question to the Secretary of State that we are seeing a reduction in GPs of nearly 10,000 by 2020. We are seeing a significant reduction in nurses in the UK, and of course the cost implications of agencies to make up that shortfall. Despite the fact that he has increased the number of medical students by 1,500 or so, there is a huge impact on the NHS now. Given this question, is immigration actually fuelling a problem for the NHS? Would you like to tackle that?

Danny Mortimer: In simple terms, no, it is not. The growing demand that we see for care, both from social care organisations and from the National Health Service, is driven in simple terms by the fact that we are all living longer. As we live longer, we have many more care needs and many more complex care needs. The reality is that, when the NHS was founded in 1948, about half the population died before they were 65. Some 60 years later, only 10% of the population die before they are 65. It is one of the successes of the NHS and of our development as a developed country since the war, but we are living longer and that is driving the demand for our services.

More than half the activity in our hospitals is geared towards people who are over 65. Immigration helps us to care for these people. In my experience, immigration to many of the communities where I have worked in the NHS has probably been driven by the hospital in particular. Those are people who have come to this country to help us care for our local populations. They have contributed in terms of that care; in terms of education and training of others; and in terms of tax, which helps us to fund the services for the people they are caring for.

Our sense in social care and health is that we benefit from immigration. We have done since the NHS was founded, but we have done in particular in recent years. That is true for the NHS, other healthcare providers and our colleagues in social care.

Lord Ribeiro: In the past, we have tended to target Filipinos and people from Africa to come and work as nurses here. It is said that quite a few of the EU nurses that we have do not stay the distance and tend to move

jobs, because they have the freedom to do so and they can change from working for one trust to the other. If one were to reduce the number of migrants coming in from Europe, is the answer then to expand our recruitment programme, as we have done in the past, in the Far East?

Danny Mortimer: We have seen a significant growth in the employment of trained, registered nurses in this country in the last four or five years. Our recent experience is that the number of nurses who have come from the EU has grown significantly. It was about 10,500 nurses three years ago, and it is 22,000 nurses now, so it has more than doubled in size. Our experience is that those colleagues come and they stay. It is a slightly different pattern of recruitment and settlement, perhaps, compared to colleagues we have recruited from outside the EU, but those people are coming and they are staying.

Our view is that, whether it is nurses, doctors, care assistants or other parts of our workforce, we need at times access to a global supply of labour, not just EU and not just non-EU. Both have featured in recent years and over the history of social care and healthcare in this country.

Lord Ribeiro: I know this to some extent on the medical side: we would be reliant on the EU exchange, because of the collaborations, particularly in terms of research.

Danny Mortimer: That is true. We have a very diverse workforce across all sorts of sectors. In particular, in the NHS, we see a close relationship and interaction in biomedical research between many of our leading teaching hospitals and colleagues in universities and in the life sciences sector. That is a truly international market and makes a massive contribution to the economy of this country. It is part of our sector; it is not the same as the nurses or care assistants we recruit, but it is a very important part of our sector.

There are some particularly important issues there. The European Union has developed a vitally important network of research organisations, in health research in particular, and the UK plays a leading role in those networks. Our economy is enriched by that international collaboration. For example, it is estimated that the UK leads about 25% of the European research networks that the EU funds. We, and your former colleagues, are significant players in those networks and work on trials that span multiple countries. We benefit greatly from that as a country.

Lord Ribeiro: As a Committee, it is important not to narrow down to the migration figures, but to think more widely in terms of the implications and benefits to the UK as a whole. As part of our recommendations, do you feel this is something that we should stress?

Danny Mortimer: Absolutely. Social care and health account for about 10% of the GDP of this country. We are significant employers. Between social care and health, we employ about 2.5 million people in England alone. In most local communities in this country, the NHS is probably the single biggest employer. We accept that we can do much more in terms

of our economic contribution as a local employer, but we also know that the markets we work in, and the type of people we need to recruit, will at times come from outside the UK as well as from the UK. We have many countless examples of where that benefits our communities and the economic health and wealth of this country.

Q43 Lord Cormack: As far as agriculture is concerned, you are probably more dependent upon seasonal labour and people coming in than any other sector. I know hospitality and construction experience this to a degree, but you have a very real reliance, and again I know this from Lincolnshire. You, the NFU, have been recommending a visa control system scheme for seasonal agricultural workers, to replace those from the EU. Would not those visas go almost entirely to EU people? We do not have seasonal workers coming from anywhere else in any numbers, do we?

Minette Batters: It is not to replace the workers coming in from the EU. Two years ago, we noticed there was a shortfall in people wanting to come here, which has been massively exacerbated by the exchange rate and people feeling unwelcome. It has been massively exacerbated, but it was a problem beforehand. Regardless, on seasonal workers we would have been coming to Government and saying that we need to trial a global, visa-restricted scheme for seasonal workers.

Lord Cormack: I do not ask for exact percentages, but whereabouts, in the main, do your seasonal workers come from? I know in Lincolnshire we have a lot from Poland, the Baltic states and so on. Where are we targeting?

Minette Batters: Globally, when we mentioned this to Minister Goodwill, he said that we have asylum problems with quite a lot of countries. We have left it with them globally to look at where they feel it would be feasible to have a trial global scheme. Within the European Union, yes, you are absolutely right: a lot of Polish and Bulgarian people are coming to work here at the moment. We have left the global scheme with the Immigration Minister, to see with which countries he thinks it would work best globally.

Lord Cormack: You were clearly worried, in answers to earlier questions that were not aimed specifically at seasonal workers, about the future of your industry. What would be the impact of a scheme that did not encourage, let alone allow, large numbers to come?

Minette Batters: In the short term, there is this issue of mechanisation.

Lord Cormack: Perhaps you can expand on that in your answer.

Minette Batters: You could fast-track that, if Government were prepared to massively invest and it became part of the industrial strategy. You could fast-track mechanisation, without any doubt. However, for hand-harvested fruit and flowers, the size of the sector will be comparable to the size of labour. There is nothing else that you can do about it. There is a really strong consumer angle here. We have done a

phenomenal job with British strawberries, for instance: we are now 50% sufficient in strawberries. It is something that we have taken for granted and not realised is a huge success story. There is also growth in raspberries and blueberries.

The horticulture sector has been a massive success story. It is, without doubt, the one sector that has huge potential for growth and can really be part of the nation's solution to the health crisis. With 9 pence in every pound being spent on diabetes, you could offer that the home-grown fruit and vegetable system is integral to a healthy country. I do not say it lightly, but it is a sector on red alert. It will shrink to the size of the workforce it can get. That is not to say that this is going to devastate it and nothing can be done. Something can be done, but it either needs massive investment or it needs to be done in a transitional period.

We cannot say strongly enough to you that your support for a global trial scheme is essential to achieve for 2017. We need the green light on that as soon as possible from Government.

Q44 Lord Soley: If I can develop this economics of what happens after Brexit, there are other options, such as the Norwegian option, which could help you. Normally, in the circumstances that we are thinking about here, the employers might mechanise, and you have indicated that might take 10 years; they might simply put up wages in the hope of attracting more workers, which does not seem to be a very productive step; or they might close down, so we buy those products from overseas. It is not that they will not move overseas; it is a matter of us buying those products, such as strawberries, from Spain and so on. Is that not right?

Minette Batters: No, not at all. Many of our growers have global businesses, so they can export those businesses abroad very easily. They have much lower rates of pay operating a business in other parts of the world. We have a high rate of pay here, which we are fully behind. We do not want to be seen as a low-paid sector. With the exchange rate as it is now, we are not a low-paid sector. We have to pay well above the national living wage, in order to make it an attractive place to come to. That is very important for the sector.

I would put it back to you that this retail price war is the first one that we are ever going to live with. This is due to the rise of the discounters. We are now living with probably the most savage retail price war that we have lived with for a long time, and it will not end. That is putting huge downward pressure on price and will massively impact on where future investment will come from. The potential of added costs from bringing workers in on restricted schemes has been raised earlier. Who will pay for that? We do not want to see food prices rising. As farmers, we have always prided ourselves on providing quality, affordable food.

When I hear talk about people paying more for British, it is not something farmers want to see, and it is certainly not something the consumers want to see. We want to provide fresh food for everyone, and the market,

at the end of the day, will dictate what shoppers buy, as you are well aware.

Lord Soley: If someone were arguing the case for, as it is called, a “hard Brexit”—I do not particularly like the phrase, but if they are thinking in those terms, which I am not—one of the things they would say is, “You then put up the taxes on imports”.

Minette Batters: Yes, you can, but current government policy is for full trade liberalisation and not to do that. In this country, we have very high standards of food safety and farm assurance, and an independently audited supply chain, which is great. However, our regulation sits much higher than a lot of our global counterparts, not to mention our wages and the costs associated with the supply chain. It is about that level playing field, and not disadvantaging growers or consumers.

Lord Soley: I understand that, and I am not unsympathetic to the argument. I am not happy with the situation we are in, but we are in a situation where it is likely to happen. Therefore, you have to face this. One of the other areas with which you must be concerned is food processing, which will also be vulnerable in this situation. While you can go for major mechanisation, which I think will happen, as you are indicating, certainly for soft fruit and possibly for other things, you also have to think of the possibility that people will look for other uses of the land that currently grows food. That is the economic history of what happens in situations like this.

Minette Batters: Yes, I would agree. My job is only to represent farmers and to make the case for them. Of course, they are real lives and real businesses, and they are looking after 71% of the United Kingdom. If they do not have businesses, they will need massive levels of support in order to manage the 71%. With the current deficit and balance of payments situation that we have, if we can keep those businesses in business, and a market that functions fairly for them, it is a massive help for everybody, rather than turning the country into a national park.

Lord Soley: There are other options besides a national park, but I understand what you are saying. The position is that we are focusing on what we do after Brexit; it is not what we can do now. The Norwegian option is one; a transition period is another, although I am not sure how the transition period helps you, other than to enable the mechanisation to come in in time. Does it help in other ways?

Minette Batters: It depends on the access of trade and what the trade situation looks like, as to what the transition and a future agricultural policy will look like. Until we have more clarity on our access to the single market and to labour, it is very hard to make any guesstimate about what a transition period would look like. If we went to WTO rules and we did not have access to the single market, you would need a seismic transition period for people to prepare those businesses. We have clear global evidence of that. When New Zealand ceased subsidising its farmers, it lost 75% of farm businesses. That was also with fluctuation in

the currency. You saw seismic change beyond belief, and we have to be aware of that. I see a transition period as being essential, but being dependent on the trade agreement. As you said, with Norway, there are clear examples of countries that are working with Europe but not part of Europe.

Lord Soley: The transition would have to be a very long period, given what you are describing, and presumably was with New Zealand.

Minette Batters: It depends on the access. We just do not know. We are asking for access to a competent and reliable European workforce. We are asking for full and unrestricted access to the single market. That is why we are making such a different case on the seasonal workers. That side of it is looking ahead, and we are looking at the seasonal workers right here right now. We have months to get the answers on that, so it is too different.

Lord Soley: Can I briefly turn to the NHS—certainly briefly, because there is not much you can do about mechanisation or moving them overseas, to the best of my knowledge? One of the issues about the health service is that, interestingly, staff have traditionally been recruited from the Commonwealth and the Philippines, predominantly. Is that not right?

Danny Mortimer: We have seen in recent years a growth in EU nationals joining our workforce, particularly as trained nurses. Our colleagues in social care have also seen quite significant growth in EU nationals coming in to do the non-diploma, non-degree-type roles, so the care assistant-type roles, domiciliary roles in people's homes and in care homes, and so on. We have seen that proportion of our workforce grow fairly significantly. In different parts of our workforce we see different patterns of recruitment. The reliance on the former Commonwealth countries has tailed off in the last 10 or 20 years.

The Philippines, along with one or two other countries, has been a good source of well trained nurses in particular. Medicine is far more global now, in that there is no one country or one area that we access or indeed where UK nationals might choose to work. We see different things, and it has changed, as I said. This is the point I would leave the Committee with: the movement of EU nationals to come and work in our social care sector, and in health in its broadest sense, has grown, particularly in the last three or four years.

Lord Soley: I have a brief last question to Ms Batters: have you done any economic modelling on the alternatives, such as the transition period, the Norwegian model or the World Trade Organization rules?

Minette Batters: Yes, we did. We commissioned a Wageningen report, which was done in the run-up to the referendum, to look at scenarios such as trading under WTO rules and not having access to the single market.

Lord Soley: I would like to see that, if it is possible.

The Chairman: Can you send it to us, please?

Minette Batters: Yes, absolutely.

Q45 **Lord Ribeiro:** Going back to agriculture, you are giving me some good answers, so I will press you a bit more on this. I will declare an interest as somebody who has a very small landholding, but receives rural payment moneys. One thing that has happened to farmers, even to those with 250 acres, 400 acres or so, is that they have gone mechanised. For example, not every farmer owns a combine harvester; they often have a contract at the harvest to do it.

If we were pushed to the situation of having to lose our cheap low-skilled workers in the fruit market and the fruit picking areas in Lincolnshire and elsewhere, is that not an incentive to do what big farmers have done in harvesting crops, potatoes and so forth, using mechanisation? You referred to it early on. How long would it take to introduce mechanised picking for fruit, flowers, et cetera?

Minette Batters: You, I am sure, have picked a strawberry and cut flowers. If you try to imagine a robot that can achieve that job, it is not easy. We should not underestimate the billions of pounds that would need to be invested in order to achieve it. We could say it has already been the most efficient sector. People have gone to table-top production with strawberries. They have achieved every efficiency that can be achieved. They have also managed the marketplace: they are no longer producing a glut and flooding the market. The horticultural sector is a very efficient sector. Yes, it can mechanise, but it cannot mechanise overnight.

You would also see massive consolidation. The British consumer has, on the whole, rejected very large businesses. We think that large and small can survive in harmony, and you should not say that big is bad and small is good. They are both needed. However, as a membership organisation, we would not want to lose our very capable smaller businesses because the mechanisation can be swallowed up by only a few. That comes back to the transition, but it also comes back to investment. Unless the Government are prepared to step in, where will that investment come from?

Lord Ribeiro: That is the trade-off that I was asking for. In order to reduce migration in these areas, the Government will have to have a trade-off that says, "We will need to help to support you to fund the mechanisation of the industry".

Minette Batters: Yes, and it has to be part of the Government's industrial strategy to increase productivity, to help us become more competitive. That is the only solution.

Q46 **Lord Cormack:** As one who used in a very small way to keep pigs and poultry, I have a great liking for the smaller producer, and I would hate to see us have a few enormous, totally mechanised agricultural or

horticultural enterprises. However, you made it plain in your answers earlier that you have a strong preference for remaining in the single market, as being a better solution for agriculture than the alternatives. I hope I am not putting words into your mouth. Would that be right?

Minette Batters: I obviously represent all sectors. Some sectors, for instance the lamb sector, are reliant on the single market. 38% of sheep meat goes into the single market. We have been trading tax-free, and it has worked very well. If we do not have access to the single market for the lamb sector, with the ad valorem rate you will be looking at a 51% tariff on lamb, so you will price it out of the marketplace very quickly. We have 3 million tonnes of wheat, 80% of which is going into the single market, as is a lot of our malt and barley. It has worked very well, for farmers, that we have been able to trade tax-free.

Our concern is about not having access to that marketplace and what WTO rules could mean for us being allowed to perform on the global market. Many farmers would embrace the opportunity to have GM technology, but we have not had any signs from Government as to whether that would be feasible. It is about allowing an enabling environment for us to compete on the world stage, if we do not have our access to the single market.

There are many parts of this country that grow only grass so, in some sectors, such as the red meat sector, beef and sheep, they have no business alternative. Where I farm in Wiltshire, I could change my business and adapt, but if you are farming in Cumbria you grow grass, and there is not much else you can do other than beef, sheep and dairy. A large percentage of the UK is like that. The only thing that can drive their business is what they are doing at the moment. For them, it is critical to have access to the single market.

Lord Cormack: What access do you have at the moment to the Brexit Secretary and his officials? Are you satisfied with the level of communication and the depth of conversations, or should we be recommending that you have more opportunity to talk to them?

Minette Batters: I would really appreciate it if you recommended that we had more opportunity. As I said, the agriculture, food and farming sector is the largest manufacturing sector. It is bigger than cars and aerospace, and we are not part of Liam Fox's department. I would like to see agriculture featured in that portfolio breakdown. Agriculture, as we know, is always the sticking point. It is difficult, but as farmers we want to be able to trade with countries that have the same standards as we do. People who are shopping and buying food in this country also expect that they will be able to continue buying food that has been produced to high standards of welfare and environmental safety.

Lord Cormack: Do you have access to Mr Fox's department and to Mr Davis's Brexit department?

Minette Batters: Definitely. We have had contact. My president, Meurig Raymond, has met with Mr Davis. We have relationships there, but we would welcome your support for agriculture being part of all trade negotiations.

Q47 **The Chairman:** Mr Mortimer, could you say a little more about the implications for the National Health Service and social care if you were to lose access to the EU labour market? How easy would it be to access people from non-EU countries?

Danny Mortimer: As Lord Ribeiro touched on, steps are being taken to increase the supply of UK graduates in medicine, but a doctor takes 12 to 14 years to train, from entering medical school to being able to practise as a GP or a consultant. While we welcome the increase in medical school places, we are a long way off feeling the benefit of the extra 1,500 doctors entering our workforce, welcome though it is.

We face similar issues in terms of nurses and other healthcare professionals, such as physiotherapists. There is a lead-in time. If we decided now to increase the number of nurses and therapists¹ that we train in this country, and there are some steps being taken in that direction, it will be four or five years before we feel the benefit of that within our workforce.

We face particular regional challenges. Of those numbers I shared with the Committee earlier, a greater proportion of EU workers are concentrated in London and the south-east. The cost of living in London and the south-east means that we are more reliant down here on EU nationals entering our workforce than we are in some other parts of the country.

For some time, it is difficult for us to envisage not needing access to international labour to complement our domestic labour. The reality is that 92% of the social care workforce are UK nationals, and 94% of the NHS workforce are UK nationals, but the other 6% to 8% are an important feature of our workforce. If we were not able to maintain that level for some foreseeable time, we would be worse off as a result.

The Chairman: What would happen if, for the non-EU, there was a target set and the Government restricted it by putting a cap on the number of people they would allow?

Danny Mortimer: We have had some recent unhappy experience of that approach, and that led ultimately to nurses being placed on the shortage occupation list about this time last year, because having to operate within that cap was disadvantaging health and social care quite significantly. If such a limit were set, we would want to understand how that was done and we would want it to take account of the sheer variety of roles that we have working in social care and health.

¹ 'Therapists' here refers to Physiotherapists – Footnote added by Danny Mortimer

There are some quite different dynamics at play, from the world-class researchers that Lord Ribeiro talked to me about, to colleagues working in people's homes who perhaps do not have a degree or a diploma but are a hugely skilled and important part of how we provide care within our communities. We would want to understand how any cap was therefore set, and how in particular it was set relative to other sectors. As I said, our recent experience for non-EU recruitment has not been a positive one. That is why nurses, in the end, had to be placed on the shortage occupation list.

The Chairman: It has not been positive.

Danny Mortimer: The Government placing nurses on the shortage occupation list was a fantastically welcome step, but our experience prior to that happening was a very difficult one.

Q48 **Baroness Browning:** I was going to ask about compatibility of qualifications, particularly in medicine, but also in veterinary medicine and the agricultural stuff. At the moment within the EU, because of free movement of travel and opportunity to work, it is decided centrally on qualification levels and what they stand for. There is a mutual recognition of qualifications within the EU. It is slightly different outwith the EU. I wonder if you have any concerns once we leave the EU about whether comparable standards in qualifications will go up or fall and give more cause for concern.

Danny Mortimer: Additional protections are already put in place for some of our professions. For example, doctors from within the EU have to sit a language test, and there is not mutual recognition of qualifications for all our different professions, although it covers the largest: medicine, nursing and midwifery. In the scenario that Lord Condon talked to us about, where there is movement with a job offer, we would need to have a sensible approach to regulation and where possible recognition of qualifications. We do manage to achieve that with other parts of the world as well, and our regulators have arrangements in place with some non-EU countries.

Baroness Browning: If we left tomorrow, from then on there would need to be a new system.

Danny Mortimer: There absolutely would need to be a new system, and it would, one imagines, be equivalent to the system that regulators have to have in place for either non-EU training institutions and universities, or registration within those countries. If you are a nurse and you are coming from the Philippines, which we have talked about a lot this morning, you have to sit a language test and go through something called an OSCE, which is an observed clinical examination.

You can sit the language test in the Philippines, but you can sit the clinical examination only in this country, so you have to travel to the UK with a job offer and a work permit, and access one of three or four centres in the United Kingdom to pass that examination. We would then

have to identify the range of arrangements we needed to put in place with different countries across the EU. Not every country has that set of requirements; the Philippines does. Our regulator colleagues would need to work out what they needed to do in that respect.

Baroness Browning: Presumably there would be a similar system for veterinary medicine.

Minette Batters: There would. The UK has been a very desirable place to come to; I am sure it is the same with the National Health Service. It has been seriously seen as adding value to your CV to have come and trained or seen practice in the UK. That is great, and I would concur with your comments on research. We have been pioneering in a lot of our human and animal research. The UK has been a very desirable place for people to come to, to further their training or even start their training here.

I have spoken to many vets, and I have asked them why they came to the UK: "It really helps me in my job prospects going forwards to have been able to see practice within the UK". We, without a doubt, are reliant on foreign vets. It is something that has just happened. There are not many UK males who want to train to be vets, and we are reliant on a lot of people coming from Europe and through the supply chain.

Baroness Browning: I wanted to ask you about defining what seems to be a rather generic term of "low skilled". We heard earlier that picking fruit and vegetables is not completely unskilled. There needs to be training and proper skill in it. To what extent do you feel there is this underlying rationale that, if you curb low-skilled immigration, but not high-skilled jobs, it will somehow resolve the immigration problem as such? In other words, how are we defining "low skill", and is it at all helpful in this debate?

Danny Mortimer: We are very nervous about the language of "high skilled" and "low skilled". In our sector, it tends to equate to educational qualification. If you have a degree or a postgraduate degree, or as many degrees as Lord Ribeiro has, you are indeed highly skilled. People who provide a large part of our care, particularly in social care and community settings, do not have a degree or a diploma, but they are also we are clear skilled; they are trained. The situations with which we are asking them to deal on our behalf, and on behalf of our families, are very important and involve a great deal of skill. We prefer not to think in terms of high skill and low skill. We have differences in terms of educational qualification, but everyone, and particularly everyone who has contact with the public and provides care to them, in my experience, is hugely skilled. We should value the skills they bring, regardless of their level of educational attainment.

Minette Batters: I would absolutely agree with that. We do not like to use the words "migrant labour"; we do not like to talk about "low skilled".

Baroness Browning: What would you like to call it?

Minette Batters: We see it as a skills shortage. The point I want to get across, and I am always conscious of this when I am being interviewed, is that our farmers and growers have embraced the foreign workers who come here to do the jobs. They work hard, and, like you said earlier with the National Health Service, as far as we are concerned, they are welcome and they have done a fantastic job. We do not like talking about "high skilled", "low skilled", "medium skilled"; there is a skills shortage, and that is what they are needed for.

Q49 **Lord Ribeiro:** It strikes me that, whether in agriculture, medicine, nursing or whatever, we will be stuck with the need to find a way of deciding how we admit people into the country, leaving aside the different levels of skills. Would it be easier to say, "We have one immigration policy, which we are currently pursuing at the moment with non-EU migrants"? Is that the solution, or would you be looking for something else because you still want access to the single market?

Minette Batters: I am probably going to sound in danger of wanting to have my cake and eat it, but I am there to represent and do as good a job as I can for the people I represent. All I would urge this Committee to do is, in this very short period, to focus on this seasonal scheme. That is what we need the green light for. On the permanent workers, we want to be engaged in this debate. We want to help you and help Government to make the right decisions, so that our farmers and growers can remain viable and expand, be part of the new industrial strategy, become more productive and stay in business. That is our priority.

Danny Mortimer: For us and our colleagues in social care, we would argue that, if there is to be a single system, which seems highly likely, it should not be the present non-EEA system applied to everybody. As a country and a Government, we need to have a proper look at the system and pick up the issues that we have both talked to you about today, in terms of what our economy needs and what our communities need in respect of the services we provide to them. We would argue that that opportunity should be taken and should be recommended by this Committee.

Minette Batters: To add one final point, when we are talking about the permanent workers and what you are talking about, we would want to look at something like a five-year timeframe, so that there was long enough for it to be a permanent period, rather than any shorter than that.

The Chairman: Can I say thank you again for very helpful evidence? Can you send us any research or reports you have done that would help us with the inquiry? If you can forward those to us, we would be very grateful indeed. Thank you very much.