

# Written evidence submitted by The Association of Labour Providers (LFS0017)

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## Contact

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## Inquiry

The Environment, Food and Rural Affairs Committee inquiry '[Labour in the food supply chain](#)' was conducted between 13 March and 24 April 2020 and provided the following context:

There is a high demand for non-UK workers in agriculture and in the wider food supply chain. Veterinarians, who provide certification for the import and export of animals to third countries and provide official controls at food exporting premises, abattoirs and border inspection posts, are currently on the Shortage Occupation List (SOL).

In February 2020, the Government published a policy statement on a points based immigration system, to take effect from 1 January 2021. The statement was clear that the Government would “not implement a route for lower-skilled workers”, because “we need to shift the focus of our economy away from a reliance on cheap labour from Europe and instead concentrate on investment in technology and automation”.

In 2017, the EFRA Committee conducted an inquiry on Feeding the nation: labour constraints, focusing on agriculture and horticulture, and took further evidence in 2018. In 2018, the UK Government announced a two-year Seasonal Workers pilot scheme to allow 2,500 non-EU nationals to come to the UK for 6 months each year to provide seasonal, agricultural support for fruit and vegetable farms. In February 2020, the Government confirmed the expansion of the pilot to allow farmers to hire up to 10,000 workers in 2020

## The Association of Labour Providers

Established in 2004, ALP ([www.labourproviders.org.uk](http://www.labourproviders.org.uk)) is a not for profit, member funded trade association promoting responsible recruitment and good practice for organisations that supply the workforce to the food supply chain, in particular edible horticulture and food processing. Members also supply the wider consumer goods manufacturing, warehousing and distribution sectors.

The ALP is providing evidence on behalf of its members. ALP members predominantly provide unskilled and lower skilled workers. Depending on the region EU workers make up between 70 and 100% of workers supplied by labour providers, the remainder being UK nationals and those migrants from non-EU countries that have been given right of residence in the UK.

ALP's 350 members supply approximately 70% of the temporary contingent workforce into the food growing and manufacturing supply chain. Many of these workers progress to form the permanent workforce for UK industry. All organisations that supply labour into these sectors are required to be licensed by the Gangmasters and Labour Abuse Authority (GLAA).

## Consultation Response

### 1. What impact will the Government's proposed points-based immigration system have on labour in the food supply chain? Which sectors will be most affected by a reduced ability to recruit from abroad?

1.1. The ALP's view is that the Government's proposed points-based immigration system is the biggest labour threat to the UK food industry and consequently UK food security and resilience since the ALP was formed in 2004.

On 25<sup>th</sup> February, prior to Covid-19 impact, ALP wrote to labour providers, growers, food producers, trade bodies and retailers as follows:

#### Immigration Policy Statement

The Government's [immigration plans](#) as outlined last week are deeply concerning.

UK employment is at record levels. Currently, many migrants come to the UK to perform key lower skilled roles in sectors such as agriculture, food production, care, construction and hospitality for which there are not enough local workers or which UK nationals and residents choose not to perform. That essential labour route is being switched off. As there will be no route for the production line workers, warehouse pickers, waste sorters, carers, service staff, cleaners, labourers and so on that underpin business and our economy, the inevitable impact of this will be to reduce investment in the UK, escalate business retraction and closures and drive production abroad. The UK needs a workforce at all levels. It is a false hope to expect to rely on 8m+ economically inactive individuals who have chosen not to or are unable to work.

The new Points Based System will open the UK up to uncapped immigration of semi and higher skilled migrants from all around the world. As described so far, the new system is rife with loopholes, open to abuse on a massive scale orchestrated by criminals and profiteers. One likely impact will be to lower and suppress salary levels for UK nationals and residents in roles at RFQ3 level and above. Once this starts playing out there will be significant political backlash.

The Home Office states that they "will continue to refine the system in the light of experience and will consider adding further flexibility into the system". They need to move quickly.

The ALP recommends to every business that does not agree with the Government's immigration proposals to write to their MP to express their views. We offer a template below.

To: [Find my MP](#)

[Enter your business name and details]:

- Supports Government policy to raise the National Living Wage and national insurance thresholds for lower paid workers.
- Acknowledges the overarching objective to control immigration but regards the rhetoric around ending reliance on "cheap, low skilled labour" to be derogatory to the UK food industry and even more so to the hard working individuals who perform the essential entry level roles needed in our country to maintain a well-functioning society and thriving economy.
- Calls on the UK Government to:
  1. Urgently build a sector specific evidence base to fully understand the impact on UK industry and the wider economy of this hard stop to lower paid migration
  2. Develop a holistic access to labour strategy to address national labour constraints within entry level roles
  3. Recognise food production and food distribution as essential national industries and introduce, as a minimum immediate step, interim transitional lower paid migration arrangements.

As our MP, we call upon you to make the above case to Government and would like to invite you to our site to discuss and understand our needs. I will call your constituency office to arrange a date and time.

1.2. ALP conducts an annual survey of Food Growers and Manufacturers. The 2020 survey was conducted between the 2<sup>nd</sup> and 13th March 2020, prior to Covid-19 impact. There were 101 company responses: 58 agriculture and horticulture businesses, 41 food and beverage manufacturing businesses and 2 food and beverage importers.

For over 70% of businesses, more than 50% of workers performing permanent and temporary picking, packing, production line level roles are non-UK EU nationals.as follows:

<b>Food Growers and Manufacturers: What proportion of your lower skilled workforce i.e. those workers performing permanent and temporary picking, packing, production line level roles are non-UK EU nationals?</b>	
Less than 10%	11%
10-24%	7%
25-49%	12%
50-74%	25%
75% or more	46%

1.3. Growers and food manufacturers were asked to describe their current position with regards to supply of labour and skills using the categories: We're fine; Just Ok; We're struggling; We're in crisis. Their responses highlighted that the lower skilled the role, the greater the shortage of workers:

<b>Food Growers and Manufacturers: How would you describe your current position with regards to supply of labour and skills?</b>				
	<b>We're fine</b>	<b>Just Ok</b>	<b>We're struggling</b>	<b>We're in crisis</b>
Highly-skilled: Degree level and above e.g. Engineers, Directors etc. (National Qualification Framework 6 and above)	63%	28%	8%	1%
Skilled: Requiring a degree & experience e.g. Production/Operations/HR Managers, (NQF level 6)	59%	31%	8%	2%
Semi-skilled: Requiring experience & training e.g. Skilled trades (NQF 3-4)	26%	41%	28%	5%
Lower-skilled Permanent: Requiring some training/experience e.g. Process operative, skilled field worker (NQF 2)	12%	23%	45%	21%
Lower skilled temporary/agency/seasonal	6%	20%	44%	29%
Unskilled Permanent: Requiring minimal training/experience, e.g. Elementary roles, picking, packing etc. (below NQF 2)	11%	16%	43%	30%
Unskilled temporary/agency/seasonal	11%	12%	45%	31%

The survey responses highlight that in March 2020 around:

- 10% expressed shortages in higher skilled roles
- 1/3 expressed shortages in semi-skilled roles
- However, 70-75% expressed shortages in unskilled roles with 1/3 stating that they were “in crisis” with regards to availability of unskilled workers

The comparable figure in 2019 with regards to shortages in unskilled roles was 40%. In other words, in one year the percentage of businesses expressing a shortage has almost doubled.

1.4. Over 90% of Food Growers and Manufacturers and over 95% of Labour Providers disagree with the UK Government's decision not to implement an immigration route for lower-skilled workers from January 2021.

<b>Food Growers and Manufacturers: Do you agree with the UK Government's decision not to implement an immigration route for lower-skilled workers from January 2021?</b>	
Agree	9%
Disagree	91%

<b>Labour Providers: What is your view on the UK Government's decision not to implement an immigration route for lower-skilled workers in January 2021?</b>	
I agree – there should be no immigration route for lower-skilled workers	4%
I disagree – there should be a limited temporary immigration route for lower-skilled workers in key sectors where there is an evidence-based shortage	26%
I disagree – there should be an ongoing immigration route for lower-skilled workers	69%

1.5. Covid-19 has brought home the essentiality of a secure and resilient UK food supply chain.

Here is not the place for a lengthy treatise on this issue, but ALP does commend Jay Rayner's July 2017 article: <https://www.theguardian.com/global-development/2017/jul/29/saving-britains-food-supply-manifesto-jay-rayner>. This presciently concludes:

“A few years ago, when discussing food security in the UK, Lord Cameron of Dillington – a farmer and first head of the Countryside Agency – said Britain was just “[nine meals from anarchy](#)”. It would take just three days of empty supermarket shelves, just three days of meals missed by hungry children and despairing parents, for the country to descend into massive civil unrest.

When I first heard that statement I regarded it as an interesting and diverting piece of hyperbole. Now it feels to me like a prediction. Of all the things that were said to me when I was researching my recent [article on the importance of migrant labour](#) to our food supply chain, the one that stayed with me most came from Ian Wright: “If you can't feed a country, you haven't got a country.”

1.6. The food industry has a key role to play in the Covid-19 recovery and getting people back to work. As my father said to me in 1986 when I started my first role in the food industry, “People always need to eat”. We have much to learn from countries such as Ireland and New Zealand in how state and industry can work together to build and embed an efficient, high performing, export led food sector.

1.7. ALP recommends that:

- Sector based schemes for lower skilled workers are introduced for sectors identified as [essential and critical](#) by the Covid-19 pandemic. These as identified [here](#) include: health and social care, transport, utilities, food and key goods production, processing, distribution, sale and delivery.
- The [Temporary Worker - Seasonal Worker Visa \(Tier 5\)](#) be extended to facilitate this.
- The Migration Advisory Committee (MAC) is structured similarly to the Low Pay Commission. On an annual basis, the MAC makes evidence based recommendations (taking account of and balancing a wide range of economic and social factors) to government on sectors, roles and thresholds for temporary immigration of lower skilled workers
- In the development of this route, lessons are learned from the Seasonal Workers Pilot, as addressed in question 3 of this response.

**2. Will investment in staff retention, productivity, technology and innovation compensate for the Government not implementing an immigration route for “lower skilled workers”?**

2.1. No. Food growers and manufacturers have and are taking these actions but expressed unequivocally in the ALP March 2020 survey that such investment will not compensate for the Government not implementing an immigration route for “lower skilled workers”.

Actions taken are as follows:

<b>Food Growers and Manufacturers: If you have labour and skills shortages, which of these have or will you adopt to seek to remedy this (tick all that apply):</b>	<b>Have Done</b>	<b>Will do</b>
Improved labour planning	75%	28%
Working more closely with labour provider	77%	25%
Increased worker sourcing activity	59%	46%
Accessing harder to reach groups in the local labour market	43%	60%
Improving worker retention activity	69%	36%
Increased wages rates, bonuses and incentives	72%	35%
Improved benefits	63%	42%
Improved accommodation	70%	30%
Focus on being a better place to work	80%	30%
Paid for/subsidised travel to UK	48%	57%
Paid for/subsidised daily travel to work	57%	43%
Increased hours and overtime of current workers	75%	34%
Introduce guaranteed hours for agency workers	61%	42%
None of the above	5%	19%
Other	4%	0%

2.2. In their survey response, 90% of food growers and manufacturers forecasted that without a lower skilled immigration route in 2021 they will not be able to recruit the numbers of lower skilled workers their business will need. Over 50% state that “it will be a crisis”.

<b>Food Growers and Manufacturers: Throughout 2021, without access to a migrant route, how do you foresee the position of your site with regards to recruiting the following types of lower skilled labour/skill level.</b>				
	<b>We will be fine</b>	<b>We should be just OK</b>	<b>We will struggle</b>	<b>It will be a crisis</b>
Lower-skilled Permanent: Requiring some training/experience e.g. Process operative, skilled field worker (NQF 2)	9%	14%	35%	42%
Lower skilled temporary/ agency/ seasonal	3%	7%	38%	52%
Unskilled: Requiring minimal training / experience e.g. Elementary roles, picking, packing etc. (below NQF 2)	5%	6%	31%	58%
Unskilled temporary/agency/seasonal	5%	5%	32%	57%

2.3. Over time, an increasing number of lower skilled roles will become automated. This is a straightforward return on investment decision. Labour shortages have accelerated the development of automation and robotics. 39% of growers and manufacturers stated that in the coming year they will automate to reduce reliance on skills and labour.

2.4. A significant proportion of Food Growers and Manufacturers reported stark consequences in the immediate for their businesses due to labour supply challenges as follows:

<b>Food Growers and Manufacturers: For the rest of 2020, how are you planning to cope with future labour supply challenges as follows? (choose all that apply)</b>	
We will rationalise/reduce our UK output due to labour shortages	39%
We will move part of our growing/production overseas	6%
We will move all of our growing/production overseas	1%
Our business is becoming unviable	25%

**3. What impact has the Seasonal Workers pilot scheme had on agriculture and horticulture? What should be the future of the scheme, including whether it should cover more, or different, agricultural and horticultural sectors?**

3.1. The 2017, EFRA Committee on [Feeding the nation: labour constraints](#) inquiry concluded at Point 3:

“We note the Government’s assertions that a new Seasonal Agricultural Workers Scheme (SAWS) is unnecessary as long as the UK retains free movement of labour among the European Union. We further note the Home Office’s assertion that a new SAWS could be introduced very quickly—in five or six months—once the need for such a scheme had been identified. It is vital that the labour supply available to the agriculture and horticulture sectors does not suddenly dry up as a result of any uncertainty caused by the new immigration arrangements instituted following the UK’s exit from the EU. We note the promise made to us that this will not happen, and we are confident that our successor Committee will wish to scrutinise this area of Government activity closely throughout the next Parliament.”

3.2. In July 2017 ALP published a policy paper [Building a Model Seasonal Workers’ Scheme](#). Many of the recommendations were incorporated into the design of the Seasonal Workers pilot scheme currently being operated.

3.3. In September 2018, the MAC in its report [EEA migration in the UK](#), said, “*The labour market for seasonal agricultural labour is completely separate from the market for resident workers in a way that is unlike any other labour market. According to the ONS, 99 per cent of seasonal agricultural workers are from EU countries and it is difficult to imagine a scenario in which this workforce can come from the resident labour market.*”

3.4. The pilot Seasonal Workers Scheme opened in April 2019 to trial a scheme to bring in non-EU workers into the UK to work in edible horticulture. In the first year, 2500 workers were recruited and worked on farms across the UK. The two scheme operators, both ALP members, were able to source and recruit good calibre workers, and feedback from farmers, the operators and workers has been positive.

3.5. As labour shortages exacerbated throughout 2019, the ALP and other sectoral bodies lobbied for the pilot worker numbers to be increased and the scheme operators to be extended. The pilot was increased to 10,000 but only with the same two operators. Covid-19 is substantively impacting on the scheme operation in 2020.

3.6. The successes and challenges in the delivery of the pilot in 2019 are detailed in the ALP July 2019 report [Achieving a Successful Seasonal Workers Scheme](#). This report was issued to the Defra Access to Labour Team, the Home Office, the Modern Slavery Unit and the Gangmasters and Labour Abuse Authority amongst others.

This report identifies that to be “successful”, a Seasonal Workers’ Scheme needs to fulfil four objectives:

- Meet farmers and growers need for a productive and reliable seasonal workforce
- Be attractive to workers, ensuring expectations are managed, workers receive what they are entitled to and are protected from exploitation
- Meet political needs – such as the effect on net migration flows, impact on local communities and that seasonal workers return to their home country at the end of the season
- To be operationally and commercially sustainable for scheme operators

3.7. To widen the debate around the structural and operational challenges that remain inherent in the pilot, in October 2019 the ALP initiated a “Seasonal Workers Scheme Code of Good Practice Multi-Stakeholder Working Group”. Working Group members consist of a range of stakeholders with an interest in ensuring the successful operation of the current and future seasonal workers scheme. These include the ALP, the scheme operators, labour providers who are not scheme operators, Scheme Users, NFU, FPC, the Defra Access to Labour team, the Gangmasters and Labour Abuse Authority, Office of the Director of Labour Market Enforcement, Focus on Labour Exploitation, Anti-Slavery International, Ethical Trading Initiative and the UN International Organisation for Migration.

3.8. The core aim of this group is to ensure that good work practices and the protection of workers are an integral part of a future scheme. The working group has developed comprehensive recommendations under eighteen separate headings, which at the date of this submission are at sign off stage.

#### **4. How many seasonal workers are required in agriculture and horticulture each year, and how can this demand be reasonably met from 2021?**

4.1. The 2017, EFRA Committee inquiry on [Feeding the nation: labour constraints](#) concludes at Point 2:

“We are concerned that the industry has such different experiences to those reported by the Government. It is apparent that the statistics used by the Government are unable to provide a proper indication of agriculture’s labour needs. These statistics and their utility for measuring supply of, and demand for, seasonal labour must be reviewed by the end of 2017 to give the sector confidence in the adequacy of the official data on which employment and immigration policies will be based for the period after the UK leaves the EU.”

4.2. The ALP is dismayed to report that there is still no commonly developed and agreed analysis of UK agriculture’s or the wider food supply chains labour needs. Despite repeated ALP requests, pleas and offers to collaborate since 2017, the EFRA Committee’s “Feeding the nation: labour constraints” recommendation above has not been actioned.

4.3. The ALP still does not have “confidence in the adequacy of the official data on which employment and immigration policies will be based”. This is because this official data is not shared or published.

4.4. ALP requests that the EFRA Committee expresses to Defra the urgency and importance of the Defra Access to Labour Team collaborating with key industry representative bodies such as the ALP, AHDB, BG, FDF, FPC and NFU to develop a “proper indication of agriculture’s labour needs” on which all agree and which provides the sector with the “confidence in the adequacy of the official data on which employment and immigration policies will be based”.

**This is the end of the evidence submission**