

Written evidence submitted by G's Fresh (LS0067)

ENVIRONMENTAL, FOOD AND RURAL AFFAIRS COMMITTEE

CALL FOR EVIDENCE

6th December 2021

BACKGROUND

A combination of the changing rules on employing EU citizens (settled and pre-settled status), the impact of Covid, the fall in value of sterling and the new immigration system have all contributed to making seasonal recruitment more difficult.

In March 2016, prior to the BREXIT referendum, the annual inflow of EU residents to the UK was circa 300,000. By March 2020 this had reduced to 184,000 (35.7% reduction). The outflow of EU residents has grown from 87,000 in March 2016 to 130,000 in March 2020 (an increase of 50% in EU residents leaving the UK). Covid19 has exacerbated this increase further, with many EU workers preferring to return home, so they are nearer to their families.

G's has a permanent workforce of 1500, of those 80% are employed in processing or operational functions (skilled and low skilled roles). Traditionally, we have not had any difficulty filling vacancies in these areas. However, in the last 12 months we have seen at least 60% reduction in the number of applications for these roles. Typically, if we have short term labour shortages, we will engage the services of Labour Providers to bridge the gap. In 2021, however, this was impossible because those same Labour Providers found themselves critically short of people available to work. In line with the rest of the industry the Labour Providers are struggling to attract and retain staff and cannot fulfil their primary contracts. Contrary to our experience over the last 30 years the Labour Providers are turning away new business.

Labour shortages in G's' production facilities and food manufacturing businesses across the UK are becoming more apparent as the national and local labour market continues to tighten. In order to maintain the UK fresh produce production, we need certainty that we will be able to access sufficient labour from outside the UK. We need this to be via a permanent (not a pilot) immigration scheme that provides growers with the flexibility to recruit from places around the world where talent is available, whilst ensuring the workers are protected.

HEADCOUNT STATISTICS

	2015	2016	2017	2018	2019	2020	2021*
British	29	33	13	26	10	363	16
EU-UK						98	
EU	2804	2750	3303	3147	2987	2628	1411
Non-EU	37	133	110	81	161	609	1619
Total	2870	2916	3426	3254	3158	3698	3046

* estimated.

UK RECRUITMENT

In 2020, G's ran a recruitment campaign to recruit colleagues from the UK as part of our Feed the Nation campaign. G's spent c£1000 per person providing them with special training for the demands of the harvest work, however, productivity was 60% of comparable labour from Eastern Europe and the percentage of early leavers at 82% was double that of other workers.

Applications 2020	Candidates Withdrew*	Rejected	Job offers made	Job offers accepted	Total new starter
3815	1863 (49%)	773 (20%)	473 (12%)	414 (11%)	283 (7%)
* Includes incomplete applications, no contact details provided & refused to answer and/or return calls					

EXPERIENCES OF THE NEW IMMIGRATION SYSTEM

EU SETTLEMENT SCHEME

In 2020, we encourage all EU seasonal employees to make an application to the EU Settlement Scheme, which many did. This resulted in sizable pool of experienced employees that were eligible to return to work in the UK in 2021. However, even though all eligible EU employees were offered jobs for the 2021 season, their interest in UK seasonal harvest work had dwindled. G's has always aimed for a seasonal worker returnee rate of 75%, historically this has been successfully achieved, however, in 2021 our returner rate fell to 46%. G's has lost a crucial number of experienced and trained EU colleagues to other competing countries in Europe. As we expect the number of European applications for work to reduce further, we estimate that G's will require an additional c700 – 1000 SWP colleagues for the 2022 harvest

At the start of the 2021 season, G's had a pool of 1900 seasonal workers with EUSS Status. Due to a reduced number of applications and a much lower than expected acceptance of job offers from our traditional recruitment channels i.e., Bulgaria and Romania, we had no option but to transfer our recruitment plans to SWP visa holders.

During the 2020 and 2021 seasons we have spoken to many of our seasonal employees, below are some examples of their experiences with the EU Settlement scheme:

- Difficulty in updating personal information on the EUSS website, resulting in concerns that they would not be allowed to enter the UK if their information was not up to date.
- Difficulties in communicating as no translators were available to answer questions during the application process.
- A general perception that it was a very slow process to apply (in 2020) for those individuals without biometric passports – waiting times for receiving documents exceeded the published standard of 4 weeks, reaching 17 weeks on occasion.
- There is a general feeling that workers from the EU are not welcome in the UK and are therefore reconsidering their choices and opting for alternative destinations where they feel more welcome and valued

The importance of EU migrant workers is evidenced by the Labour Force Survey (July 2021), highlighting that there are 2.3 million EU citizens working in the UK on a permanent basis. It is thought that a fifth of these work in the Food and Drink supply chain. Reliance on EU workers is particularly evident in seasonal agriculture, evidenced in a report from the Migration Advisory Committee (2018), highlighting that 99% off seasonal agriculture workers are from EU countries

SEASONAL WORKER PILOT (SWP)

The SWP immigration route has fast become the only credible recruitment channel for a high volume of seasonal workers. This is despite a focussed effort on recruitment and retention of those with Settled Status and UK residents. The SWP scheme is not, however, an ideal scheme for the agriculture sector due to the inflexibility of length of contact and break in service required. Growers with a long harvest season (April to October) train and develop a team of people who become highly productive and experienced. These workers are unable to return for the start of the following season due to the six-month requirement to be outside UK. This has a detrimental effect on productivity and profitability of the harvest operation, fails to provide maximum opportunity to earn for colleagues, who may elect to take a role in another EU country.

The Home Office have a track record of announcing/confirming the following year's visa allocation and additional operators very late in the year. This creates planning issues for both SWP operators and growers, especially for those with an early start to the harvest season. The policy announcements are far too late to expect all stakeholders (including UKVI & TLS) to plan to the level and standards required.

SWP operators report that the SWP visa is not appealing to potential workers which is contributing to the shortage of labour availability. Potential applicants are not prepared to go through a prolonged application process which can take between two and twelve 12 weeks. The UK is competing with European countries where there are less restrictive, and far more attractive, immigration systems. For example, in the EU, migrant workers are permitted to undertake work with various contract lengths and a much shorter requirement for the individual to return to their home country. There is ample work in the EU where there is a simple, faster application process and is therefore more appealing to the applicant.

In G's we need the SWP visa length to be extended to at least to 9-months per annum, with a break of 3 months or less outside the UK. This would be a win-win situation for growers and workers, by creating a more attractive immigration scheme and increased likelihood of continuity of employment of trained colleagues.

SKILLED SHORTAGE OCCUPATION LIST

G's was experiencing skills shortages before BREXIT and the pandemic for skilled roles such as engineers, food technologists and farm managers with specific knowledge of certain crops. Since the beginning of 2021, the situation has deteriorated. Skills shortages have started to 'bite' and very soon will be hitting crisis levels. Candidate availability is declining at its fastest rate since 2017, without the ability to source the number of skilled and unskilled workers we need, our UK operations will be severely restricted.

Roles, such as mushroom harvesting are becoming increasingly difficult to fill. These roles do not require any formal qualification; however, they are complex and challenging roles that can take up to 12 weeks to master. This type of role would be classed as "low skilled" and therefore not valued by the Government. We have responded to the Call for Evidence from the Migration Advisory Committee (MAC) on the Shortage Occupation List and strongly requested that the 'on-the-job' skill level for some of the sector's most difficult to fill roles, e.g., Mushroom harvesting are recognised and added to the shortage list, without success as yet.

JOURNEY TIMES - APPLICATION TO ARRIVAL

G's workers are mainly recruited from Romania, Bulgaria, and the Ukraine. Our recruitment methods are either direct or via a Seasonal Worker Pilot Scheme

DIRECTLY EMPLOYED

Generally, at the beginning of the season, the timeframe from sourcing candidates to arrival can be as short as one week. Workers returning to G's (directly employed, EUSS) usually know when they will be contracted to return to G's, as it is discussed and agreed at the end of the previous season. Recruitment later in the harvest season or around busy holiday periods can take longer for the employee to arrive, due to the shortages and cost of flights.

There were no noted significant delays in 2021.

SEASONAL WORKER PILOT

SWP operators generally claim a four-week time frame to placement of workers. Although, when sourcing 'top up' workers later in the season, in our experience, the time frame can take as long as eight to twelve weeks at times. Generally, SWP Operators meet their customer's expectations by factoring in additional time when congestion (April to July) is expected.

Job seekers are unwilling to commit to employment contracts many weeks in advance, therefore, it is in the Labour Providers interest to act quickly and place the applicant within two weeks, to retain their commitment.

Delays in applicant interviews and issues with biometric passports have all been quoted by both the operators and workers as frustrating. In addition, delays of six to eight weeks in processing visa applications have been experienced (published expected timeline is three weeks) and even worse, additional payments can be made to speed up the process, which is a scandal.

RED TAPE AND COMPLEXITIES

We have experienced situations where it can take eight to twelve weeks for visas to be issued in Ukraine. For a UK grower needing to replace early leavers or requesting additional staff, the complexities and lack of flexibility of this scheme makes it impractical and ineffective in addressing the labour shortages in the UK.

Many SWP employees would like to return to G's for the following harvest season, and they are extremely important to its success. We communicate regularly with the employee and reiterate the fact that we do have work for them. But without earlier confirmation from the Government of the:

- Continuation of the SWP scheme
- The number of visa's that will be available

And, then we need the agreement of the SWP operator to recruit the employee and place the employee with us, G's are unable to guarantee their return and give them the certainty they require. They are likely to seek work elsewhere.

It is widely understood by all stakeholders that when issues are raised with the Home Office, the speed of response is slow, provides a minimal level of service and demonstrates lack of support.

Delays in processing time are already anticipated for 2022 as the operators scramble to recruit and fill their visa quota and supply labour to the UK edible horticulture industry. It is anticipated that the "rush" at the start of the recruitment process will overwhelm the Home Office systems (UKVI etc) and will continue to cause issues throughout when growers need additional or top up employees in the height of the season.

TRANSFER REQUESTS

G's relied on the SWP scheme to fully meet its labour requirements in 2021 and expects to do so in future years. The poor retention of SWP workers is a growing concern. The FLEX report (2020) highlighted that the operators had not communicated effectively that workers could request to be transferred to a different farm. In 2021, it has been reported that some workers are requesting to be transferred 2-3 times during their stay in the UK, and workers are frequently demanding to be transferred to packhouse work and refusing work on farms. This is extremely detrimental to the original employer who will have borne the cost of quarantine, training, preparing the accommodation, collection of the workers from the airport, as well as the registration and SWP fees (in some instances in excess of £250 per person).

SWP SCHEME SIZE

There is sufficient information and evidence to demonstrate the necessity of a larger Seasonal Worker scheme. G's needs:

- an increase in the number of available visas
- an increase in the number of operators
- direct recruiters, e.g., G's eligible to become operators
- expansion in the type of work that can be carried

BUSINESS COSTS

The table below compares the cost of direct recruitment against the cost of recruitment via the SWP.

Source	Full Season Cost Cost per Person	No. of people	Total £'000
Pro-force	£367	1080	£398k
Concordia	£238	700	£167k
Total			£565k
G's equivalent cost of recruitment	£97	1780	£173k

(The figures above do not include the additional cost of transfers)

SKILLED WORKER VISA

We are concerned about the escalating costs to secure a Skilled Worker visa i.e., the cost of sponsorship and the additional immigration charges. The potential cost to hire one skilled worker for five years could reach c£10,000 which makes the new UK immigration system one of the most expensive immigration systems in the world.