

Supplementary written evidence submitted by the Horticultural Trades Association (HTA)(LS0081)

Tuesday, 25th January 2022

Additional evidence to the Efra Committee's inquiry on labour shortages in the food and farming sector

Thank you for the invite to provide additional evidence to the Committee's inquiry into labour shortages in the food and farming sector, following the Government's decision to include ornamental horticulture growers in the Seasonal Workers visa scheme.

As a reminder the Horticultural Trades Association (HTA) is the trade body for the ornamental horticulture industry – representing garden centres, tree and plant nursery growers, landscapers and manufacturers of garden products. Our evidence set out below is focused entirely on the seasonal labour needs of our tree, plant, flower and bulb producer members.

Executive Summary:

- While we welcome the Government's recent decision to include ornamental horticulture as part of the Seasonal Worker visa route, with a three-year scheme providing certainty, there is increasing examples of tree and plant growers struggling to access the current visa scheme. This is due to labour providers having full order books for this year for existing edible horticulture producers. Demand from edible growers is up 30% on last year with demand outstripping supply. Orders for next year are filling up fast as well.
- We need to see the scheme extended by a further 10,000 visas¹ now if ornamentals are to benefit at all this year.
- The current 6-month visa needs to be extended to 9 months so that the seasonal workers scheme can be as productive and efficient as possible for the needs that the industry has across a long and varied growing season. This would particularly benefit tree growers.
- We want to see the Government's long-awaited Automation Review published. Our industry uses and is committed to using more automation, but we need specific government support to the ornamentals sector, recognising the differences between edible and ornamentals, to bring this fully onboard. Automation won't replace seasonal labour in entirety.
- As an industry we are doing everything we can to attract and retain not only local seasonal labour. However, there are on-going and consistent challenges around perception of the industry, access to rural locations and a low pool of available labour that continues to make this extremely challenging.
- A shortage of labour is a barrier to industry growth - the ornamental horticulture industry has recently launched a £13bn growth strategy which includes commitments to continue to make horticulture an attractive sector to work in, but these measures will take time. We need a change in policy on seasonal workers now.

¹ Home Office media release, 'Industry given certainty around seasonal workers but told to focus on domestic workforce, 24 December 2021, <https://www.gov.uk/government/news/industry-given-certainty-around-seasonal-workers-but-told-to-focus-on-domestic-workforce> [accessed 25th January 2022].

- Having a vibrant UK horticulture sector will help the Government tackle climate change and deliver its net zero commitments, 'green the economy' through more investment and jobs, in an industry that's products are positive to the environment and create a stronger post-Brexit UK production sector.

Background:

- The UK horticulture and landscaping industry is worth over £28bn to GDP, supports around 674,000 jobs and generates £6.3bn in tax revenues.
- UK plant and tree production is worth around £1.6bn, supporting over 31,000 jobs.
- Around one third of the UK ornamental horticulture workforce is made up of seasonal workers, currently c6,000 full time equivalents (FTEs). This rises to even more during key parts of the respective seasons for plant, flower, bulb and tree producers.
- Garden centre sales have continued to go from strength to strength since 2019, with gardening sales in 2021 up 32% on 2020 and up 65% on 2019².
- 60% of plants are sold through retail, 40% into amenity such as local authority planting, showing how crucial the UK plant production is to the wider horticulture supply chain.
- According to the Oxford Economics/Foresight Factory report, [Growing a Green Economy](#) by 2030 the industry can deliver a £13bn boost to the UK economy, supporting an extra 39,000 new direct jobs – with UK plant and tree growers contributing £2.4bn of this and an extra 7,000 jobs. The industry is present in constituencies up and down the country.

Ornamental producers are struggling to access the already over-subscribed visa scheme:

The HTA Wages and Benchmarking Survey in 2021 found that 68% of members reported shortages in labour recruitment, resulting in UK plant and tree growers being short of 1,200 full time equivalents (FTEs) annually, which equates to around 3,000 individual workers annually³.

Inclusion in the seasonal workers scheme can help alleviate this issue, but ornamental growers are facing challenges around accessing the scheme, given that it has been capped at 30,000 visas and is already oversubscribed. This is because edible horticulture producers have existing relationships with the providers of the scheme and have put orders in before the ornamental sector has been able to react. The confirmation of ornamentals being included as late as Christmas Eve 2021 has put ornamental growers at a disadvantage.

One labour provider told us that their 2022 order book is now closed, with every client from last year ordering more visa places for this year. Demand is up 30%. Next year's orders are filling up as

² HTA news release: 'A prosperous year for horticulture in 2021 sets the scene for growth in 2022 - but challenges must be overcome'. 14 January 2022. <https://hta.org.uk/news-current-issues/news-current/news/prosperous-year-for-horticulture-in-2021.html>

³ HTA Wages & Labour Benchmarking Survey, September/October 2021.

well. The danger is that ornamentals will miss out on spaces in 2023 as well because of the acute demand and competition from edible horticulture producers.

To help alleviate this issue we need to see the Government move quickly in the first quarter of this year to extend the visas to the possible further 10,000 places. Further specific evidence is to follow on this need.

Recruitment locally:

The industry has a proud record of hiring and investing in UK workers. Part of the industry's success has been how it has nurtured the technical skills of its workforce, including supporting apprenticeships and T-levels. The ornamental sector recruits locally for seasonal work but facing consistent and on-going challenges around the perception of the industry and the difficulties of recruiting sufficient workers from limited labour pools in rural areas. These issues are further expanded upon in our initial evidence⁴.

The feedback from our members is that while the situation has partly improved on the ground over the last year thanks to the response to their own advertising campaigns and some partnership approaches, particularly with the Department for Work and Pensions (DWP), the available supply of labour is still a long way from fulfilling their need – only 20% of the offered places being filled. One member was involved in the Home Office's prisoner rehabilitation programme and participated in the DWP's Workplace Academy programme – both showed some encouraging early promise, but the final numbers coming through these programmes have been disappointing.

The Government are encouraging the industry to use the Find A Job website more, but some members have reported many enquiries for roles have been made from overseas, rather than locally.

Members and labour providers are reporting that EU Settled Status workers are not presenting for work as expected, meaning shortages are already being expected. We are concerned that the Government has been placing significant emphasis on EU Settled Status workers as being part of the answer. As far as we know, neither the Home Office nor DWP have done any studies into the availability of EU Settled Status workers regarding local employer demand planning. Other sectors are seeing demand for these workers as well and we're concerned that there is too much emphasis on this group as the answer.

Automation:

The ornamental horticulture sector already has high levels of automation but increasing this further requires considerable research and capital investment which takes both financing and time. It is often the smallest businesses, 92% of our industry has less than 10 employees, who face the biggest barriers to automation⁵. We want to see the long-awaited review into automation

⁴ HTA evidence to EFRA select committee. LS0025 - Labour shortages in the food and farming sector. Oct 2021

⁵ 2019 Horticulture Sector Skills Survey: A report for the Ornamental Horticulture Roundtable Group, Pye Tait consulting, October 2019.

[https://projectblue.blob.core.windows.net/media/Default/Research%20Papers/Horticulture/CP%20189%20Skills%20surveys/Orna mentalHorticultureSkillsSurvey-Main%20Report-FinalReport-29Oct19.pdf](https://projectblue.blob.core.windows.net/media/Default/Research%20Papers/Horticulture/CP%20189%20Skills%20surveys/Orna%20mentalHorticultureSkillsSurvey-Main%20Report-FinalReport-29Oct19.pdf), p18.

published as soon as possible. If an increase in automation is a part of the solution, then having solutions that are specifically focused on the ornamental industry are needed. We have different needs and products than the edible sector, so this requires a tailored approach. This also means grants or business development funds being made available – we know funding is a key barrier to our members. Providing new, innovative tech companies a degree of certainty will help.

The Government should extend the length of the visas from 6 to 9 months

The Government should also extend visas from 6 to 9 months which will help ensure that early Spring field-based flower picking and tree growing in early Autumn are covered. It'll ensure that those workers who are here are as productive as they can be – working across both edibles and ornamentals. It'll relieve some of the pressure on the need for additional visa numbers.

We continue to closely follow how the visa scheme will run, particularly for how tree growers (late season) are impacted. We will report further findings to the government and to the committee.

UK needs a thriving ornamental production sector to keep pace with the popularity of gardening:

Despite a host of Covid restrictions, total garden centre sales for the year were up 23% from 2020 and up 36% from 2019. Within this, garden/gardening sales were up 32% on 2020 and up 65% on 2019⁶. This is likely due to the increased demand for garden products, with HTA research showing that pandemic gardeners broadly staying engaged in their new hobby⁷.

The recent Oxford Economics and Foresight Factory report into the future growth potential of the industry has highlighted that while plant and tree producers could grow from £1.6 billion in 2019 to £2.4 billion by 2030, if its labour supply issues remain unresolved then it would lead to a drop in GDP annually of £210 million and £80 million in lost tax revenue. Access to seasonal labour is a strong part of this.

We will continue to monitor the situation closely as it develops and are happy to continue to provide further evidence to the Committee.

Kind regards,

James Clark

⁶ HTA news release: 'A prosperous year for horticulture in 2021 sets the scene for growth in 2022 - but challenges must be overcome'. 14 January 2022. <https://hta.org.uk/news-current-issues/news-current/news/prosperous-year-for-horticulture-in-2021.html>

⁷ HTA Market Update, January 2022.

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