

Written evidence submitted by the Association of Labour Providers (LS0088)

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The Environment, Food And Rural Affairs Committee Inquiry: Labour Shortages in the Food and Farming Sector ALP Supplementary Evidence Submission

Contact

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Inquiry

The Environment, Food and Rural Affairs Select Committee's inquiry [Labour Shortages in the Food and Farming Sector](#) invited evidence by 8th October 2021 as follows:

1. What is the extent and nature of labour shortages currently being experienced in the food supply chain?
2. What are the factors driving labour shortages in the food supply chain?
3. What is the outlook for the labour shortage situation in the coming months and years?
4. What other issues are affecting the food supply chain?
5. What impact will the timetable for introducing physical checks at the border on food and live animal imports from the EU have on the current issues being experienced by the UK food supply chain?
6. What measures has the Government taken to alleviate the problems being faced by the food supply chain this year? To what extent have they been successful?
7. Does the Government need to take further steps to support the food supply chain?

The ALP submitted a comprehensive [written response](#) to this consultation in October 2021 providing detailed statistics based on food industry and labour provider survey results and proposing wider actions that the UK government and industry should take to address workforce shortages.

On 7th January 2022 a further invitation was received to submit supplementary written evidence in the light of the Committee's hearings to this Environment, Food and Rural Affairs Select Committee's inquiry and specifically:

“to include other matters which you wish to draw the Committee's attention to, such as the extent to which labour shortages affected preparations for the festive period, and also updates on topics such as: the latest position on labour availability (e.g. compared to when you originally submitted evidence); the Government's temporary short-term visa scheme for specific sectors; and the latest information about the impact of labour shortages. You might also wish to comment on the Government's recent announcement on the Seasonal Workers Pilot if this is applicable to you.”

The ALP is pleased to submit the following further evidence and information.

Supplementary Evidence Submission

1. The Skilled Worker visa

- 1.1. The [number of job vacancies](#) in the UK in October to December 2021 rose to a new record of 1,247,000. This is an increase of 127,800 (11.4%) on the previous quarter and up 462,000 on the pre-coronavirus pandemic level in January to March 2020.
- 1.2. Home Office UK [immigration to work statistics](#) show that there were 205,528 work-related visas granted in the year ending September 2021 (including dependants). This was a 55% increase on the year ending September 2020, and 9% higher than in the year ending September 2019. New Skilled worker routes introduced in late 2020 (Skilled work, Skilled worker Health and Care, and Intra-company transfer) accounted for 101,712 or 49% of the total work-related visas granted, and made up 81% of all Skilled work grants.
- 1.3. Around 35,000 UK companies are Skilled Worker [sponsors](#) and so may recruit overseas workers into a variety of defined [Skilled Worker visa roles](#).
- 1.4. The roles in the food supply chain that may be recruited via the Skilled Worker visa route are as follows:

5111 Farmers <ul style="list-style-type: none"> · Agricultural contractor · Agricultural technician · Crofter · Farmer · Herd manager 	5112 Horticultural trades <ul style="list-style-type: none"> · Grower · Horticulturalist (market gardening) · Market Gardener · Nursery Assistant (agriculture) · Nurseryman 	5431 Butchers <ul style="list-style-type: none"> · Butcher · Butcher's assistant · Butchery manager · Master butcher · Slaughterer
5432 Bakers and flour confectioners <ul style="list-style-type: none"> · Baker · Baker's assistant · Bakery manager · Cake decorator · Confectioner 	5433 Fishmongers and poultry dressers <ul style="list-style-type: none"> · Butcher (fish, poultry) · Filleter (fish) · Fish processor · Fishmonger · Poultry processor 	9119 Fishing and other elementary agriculture occupations not elsewhere classified <ul style="list-style-type: none"> · Vent chick sexer · Deckhand on large fishing vessel · Both require 3 or more years exp

- 1.5. There are additional costs to recruiting through this route, which the following indicative example of recruiting 50 workers over three years demonstrates:

Cost	Unit Cost	Total Cost
Sponsor application – large company	£1,000	£1,000
Skilled worker visa	£610	£30,500
Certificate of Sponsorship	£199	£9,950
Recruitment - advertising, short-listing, interviewing, translation and interpretation	£2,000	£100,000
Travel from home country to place of work	Est £800	£40,000
Immigration Skills Charge	£1,000/year	£150,000
Immigration Health Surcharge	£624/year	£93,600
Total - equivalent to £2,834 per worker per annum, or £1.54 per hour, on top of cost of recruitment, employment, training, management etc.		£425,050

- 1.6. Food companies can [apply](#) for a [Skilled Worker Sponsor Licence](#) to recruit the workers they need – this includes slaughterers, butchers and butcher’s assistants, poultry butchers (sic) and processors, fish butchers (sic), processors and filleters and bakers and baker’s assistants.
- 1.7. These workers may be recruited from countries around the world. Home Office UK [immigration to work statistics](#) show that the top five countries for recruiting Skilled Workers from are India, Philippines, Nigeria, United States and Pakistan.
- 1.8. Any business throughout the global labour supply chain that supplies operational workers into UK agriculture, shellfish gathering or food & drink processing and packaging must obtain and maintain a [GLAA licence](#). Any business that directly uses a non-GLAA licensed labour supplier is committing a criminal offence under UK law and, if a labour provider, is in breach of the GLAA Licensing Standards.
- 1.9. Overseas GLAA licensed labour sourcing businesses currently operate in Bulgaria, Croatia, France, Hungary, India, Ireland, Latvia, Lithuania, Moldova, Philippines, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Spain, Ukraine.
- 1.10. The employer must hold the Sponsor Licence, employ the worker, agree and pay the salary and decide all the duties/functions/outcomes/outputs of the job. A labour provider is currently not able to hold a Skilled Worker Sponsor Licence to recruit and supply a labour only service.

This particularly fails to support smaller food and farming businesses who do not hold the resource or technical ability to recruit globally for specialist roles e.g. Herd Managers. The EFRA Committee should recommend that the Home Office adapt the Scheme rules to enable GLAA licensed labour providers to recruit and supply Skilled Workers to their clients.
- 1.11. Some UK based GLAA licensed labour providers are now providing a ‘Recruitment Service’ where they are contracted to source and recruit the workers, working with and applying due diligence to the GLAA licensed global recruiters. They may arrange and manage travel, transport, accommodation, training, deployment, hours reconciliation and other services the client would like to sub-contract.
- 1.12. The ALP has promoted this route since late 2020 when it was first introduced, including the following webinar which is free to access:



**Recruiting Food Industry Workers
Using the PBS Skilled Worker Route**

[ALP webinar: Recruiting Food Industry Workers using the PBS Skilled Worker Route](#)

- 1.13. In ALP’s experience, some large meat, poultry and other food processing businesses are only now adapting to this new recruitment route and consequently have not yet been able to take advantage of the opportunities that this route provides to resolve their labour shortages in the roles that may be recruited via the Skilled Worker visa route.
- 1.14. The Home Office has committed to commissioning the Migration Advisory Committee (MAC) to review the Shortage Occupation List (SOL) in 2022. Previous reviews of the

shortage occupation list have led to occupations having their skills level reclassified and being made eligible for the skilled worker route.

The Environment, Food and Rural Affairs Select Committee should seek evidence as to what roles in the food supply chain should be reclassified as skilled. It should also request from the MAC a user guide as to what types of evidence should be submitted to the MAC and in what format to make the case that an occupation should be eligible for the skilled workers route.

2. The Temporary Work - Seasonal Worker visa

2.1. On December 24th 2021 the Home Office and Defra press release announced “[Seasonal Worker visa route extended until end of 2024, to allow foreign workers to come to the UK for up to six months to pick both edible and ornamental crops.](#)”

2.2. The press release confirmed that, “*There will be 30,000 visas available next year, but this will be kept under review with the potential to increase by 10,000 if necessary. The number of visas will begin to taper down from 2023.*”

There is no transparency as to how the number of visas issued has been arrived at. Industry bodies had [called for](#) 55,000 visas and that Government plans to taper the seasonal workers scheme show a “*complete disconnect*” with the farming industry.

In 2017, the EFRA Committee inquiry [Feeding the nation: labour constraints](#) concluded: “*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.*” ALP has always concurred with this, yet five years later and despite repeated industry requests there is still no commonly developed and agreed analysis of UK agriculture’s or the wider food supply chain’s labour needs.

The EFRA Committee should recommend that the Home Office instruct the MAC to conduct a transparent evidence led process in the proceeding months to determine how many horticultural Seasonal Worker visas workers are required in 2023 and for this exercise to be repeated annually.

2.3. Because of extreme worker shortages pre-Christmas, Defra and the Home Office introduced “one off” [temporary visas](#) allowing sponsors licenced under this route to supply 5,500 poultry workers, 800 pork butchers and 4,700 HGV food drivers. The Home Office and Defra were aware of labour shortages in these roles for months before a decision was made – multiple media stories and sector representative submissions attest to this.

The pre-Christmas seasonal need for poultry workers is not a “one off”. There are seasonal needs in other food processing sectors as well such as summer salads and BBQ meats.

A concession has been introduced from 1 January 2022, allowing sponsors licenced under this route to issue visas to workers undertaking specified roles in ornamental horticulture including bulbs and cut flowers, pot plants, hardy ornamental nursery stock and tree and forest nurseries. ALP is not averse to this, but is not aware of the objective justification for this decision when concessions have not been allowed for food production and distribution sectors regarded as [essential and critical](#) during the coronavirus pandemic.

The EFRA Committee should recommend that the Home Office instruct the MAC to conduct a transparent evidence led process in the proceeding months to determine roles and thresholds for temporary visas for essential and critical food production and distribution roles that can evidence a seasonal or peak worker requirement which cannot be met through the domestic workforce or skilled worker route.

- 2.4. ALP presented the case in its previous [written response](#) as to why eligibility to be a Temporary Seasonal Worker sponsor should remain restricted to GLAA licence holders. This remains the case.

There are only four GLAA licensed labour provider companies that were appointed by Defra and the Home Office through an [open tender process](#) to source and supply temporary seasonal edible horticultural workers through the Temporary Work - Seasonal Worker visa route.

During the tender process the scope of the visas did not extend to poultry workers, pork butchers, HGV food drivers or roles in ornamental horticulture which have subsequently been added.

Holding this sponsor licence presents a competitive advantage compared to other GLAA licensed labour providers. Only these four businesses are able to recruit workers globally for these roles. All other businesses can only recruit from the domestic workforce and from those workers with EU pre/settled status.

Defra has confirmed that there will be a further open tender opportunity to apply to be a scheme operator and is looking at optimum numbers of operators and RFIs. ALP seeks an early determination on the detail of this tender.

The EFRA Committee should recommend that Defra and the Home Office seek input from the Competition and Markets Authority and publish an impact assessment on fair competition between labour providers in this market prior to the forthcoming tender. Defra and the Home Office should ensure that fair market competition applies within the Seasonal Workers route and that the Competition and Markets Authority would not regard the arrangements in place as a [‘market problem’](#).

- 2.5. A number of the scheme rules contained within [Workers and Temporary Workers: guidance for sponsors - Sponsor a Seasonal Worker](#) go beyond UK employment, are nebulous and their legal status is not clearly made.

The December 24th [press release](#) says: ‘Changes to the route, which has run since 2019, will force companies to pay those using the route a minimum salary to discourage poor conditions.’ There has yet to be further detail published upon this.

The EFRA Committee should recommend that Defra and the Home Office collaborate with key industry representative bodies and other stakeholders to better define the scheme rules.

- 2.6. This Seasonal Worker route should have worker welfare and good work practices at its core with protection of workers designed into the Scheme rules.

After a two year wait, a joint Home Office and Defra review of the performance of the pilot [Seasonal workers pilot review 2019](#) was issued on December 24th 2021. The report is sparse but states that, “*alleged welfare issues identified are unacceptable*”. Findings include that: “*22% of respondents alleged they were not treated fairly by farm managers*”, “*responses reported racism, discrimination, or mistreatment by managers*”, “*15% said their accommodation was neither safe, comfortable, hygienic nor warm and 10% said their accommodation had no bathroom, no running water, and no kitchen.*”

Other reports with regards to worker welfare within the Seasonal Worker route that have been issued include:

- FLEX 2021 report [Assessment of the Risks of Human Trafficking for Forced Labour on the UK Seasonal Workers Pilot](#).
- [FLEX's response](#) to the Government's review of the 2019 Seasonal Workers Pilot
- Multi-Stakeholder Working Group [Seasonal Workers' Scheme - Recommendations for future scheme design - June 2020](#) and January 2022 draft “Seasonal Workers Scheme Good Practice Guide”

Despite repeated offers and requests to do so, Defra and the Home Office have yet to collaboratively work with key industry representative bodies and other stakeholders with regards to improving worker welfare within the Seasonal Worker visa route.

The EFRA Committee should recommend that Defra and the Home Office :

- Issue the Seasonal workers pilot review for 2020 immediately and the pilot review for 2021 early in 2022.
- Meet with stakeholders in the near future to discuss actions that can be taken by both government and the industry against these areas.

This is the end of the supplementary evidence submission