

Report

**FOCUS ON
LABOUR
EXPLOITATION**

The UK labour migration system after the end of free movement: Employer views on recruitment

September 2024



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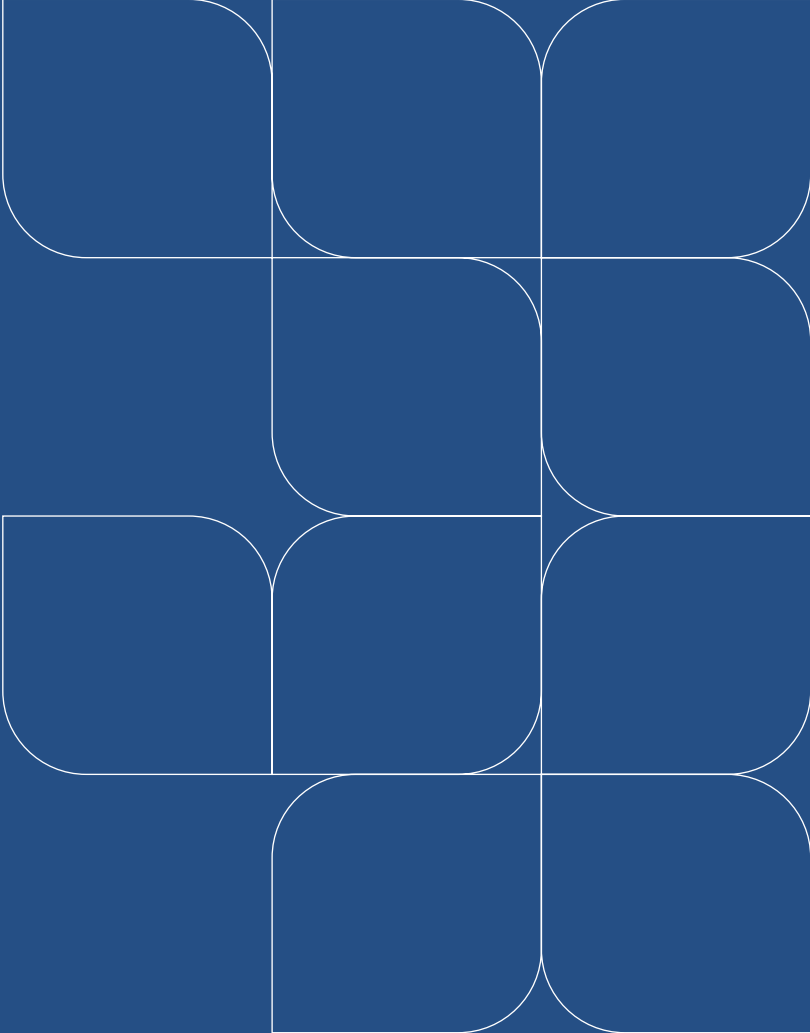
Focus on Labour Exploitation (FLEX) is a research and policy organisation working towards an end to labour exploitation. FLEX seeks to achieve this vision through the prevention of labour abuses, protection of the rights of those affected or at risk of exploitation and by promoting best practice responses to labour exploitation through research and evidence-based advocacy.

Illustration by Simón Grosman Rovira.

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“I think we should make it easier for people to come to the UK where we have labour shortages, we shouldn’t be ideological, you know, have these fantasies... the ideology is that these people will suddenly magically appear from the domestic workforce.”

Asif Yusuf, Live-in Care Friends.

1. Introduction

As the UK's withdrawal from the EU approached – signalling the end of freedom of movement – employers in sectors previously highly reliant on migrant labour from the EU found themselves faced with potential labour shortages. This includes low-paid work such as roles in agriculture, hospitality, care work, transportation, warehousing and food processing.

To help alleviate these expected shortages, the government updated its visa schemes, whilst also calling for employers to change practices to automate their operations or attract more workers from the UK (GOV UK, 2024a).

The new system replaced the Tier 2 (General) visa with the Skilled Worker Visa, the Tier 2 (Health and Care Visa) with the Health and Care Worker Visa, and introduced a new temporary migration programme, the Seasonal Worker Visa. Each of these visas comes with various barriers, restrictions and fees, for both workers and employers. In some sectors, such as care work, these visas have been taken up in large numbers (Migration Observatory, 2023). In many other jobs historically reliant on labour migration (such as roles in construction and hospitality – both of which include roles eligible for Skilled Worker Visas), there has been limited use of labour migration routes. For hospitality, this could be due to the skill level classification of many roles, with most not meeting the threshold for Skilled Worker visa eligibility (Migration Advisory Committee, 2023b). For construction – which has a much larger share of eligible workers than the hospitality sector – usage of the route has been much lower than expected (Migration Advisory Committee, 2023b).

Subsequently, many occupations were added to the Shortage Occupation List (SOL) – a suite of roles deemed to be in shortage in the UK that formed part of the Skilled Worker Route. The SOL allowed employers to hire workers from overseas more easily, and pay them just 80% of the 'going rate', the minimum salary for a given occupation (based on a 37.5 hour week) (Migration Advisory Committee, 2020). This has now been replaced by the Immigration Salary List, a set of roles with 'minimum general thresholds' that allows employers to hire people overseas at salaries 20% lower than the 'general thresholds'.

Although it is difficult to separate the impact on staff shortages of the end of free movement from disruption due to the pandemic, a range of sectors were severely disrupted in the period following the UK's exit from the EU. In January 2023, vacancy rates across the UK were up, on average, 42% from the period immediately preceding the pandemic (Migration Advisory Committee, 2023b). In construction, vacancies in 2022 were 65% higher than pre-pandemic levels (Migration Advisory Committee, 2020), in the hospitality sector, vacancies in 2022 were up by 93% (UKHospitality, 2022), and in social care, during 2021, 95% of employers were struggling to recruit staff (Care England, 2021).

In December 2023, following the publication of net migration figures that were higher than anticipated and a change in home secretary, the Home Office announced a sweeping set of reforms to migration routes to the UK, known as the “five point plan” (McKinney and Gower, 2024). Key new policies include a steep rise in the minimum income requirement of the skilled worker visa (from £26,200 to £38,700), no longer allowing people on the Health and Care Worker Visa to be accompanied by dependents, and reforming the Shortage Occupation List into the Immigration Salary List (GOV UK, 2024b). These changes began to be implemented in April 2024.

This report offers a temperature check of industry perspectives on employers' practices in some of the sectors historically reliant on migrant labour, focusing on live-in care work, and 'elementary' jobs in agriculture and hospitality. It seeks to highlight some risks and concerns to be aware of, during a time in which these routes are being overhauled. As the (already severely restricted) pathways to come and live and work in the UK continue to be redesigned, it is crucial that the oversights, risks and dysfunctionalities of the existing system are not maintained or intensified.

2. Background

Ahead of the end of free movement, several visa schemes were either redesigned or introduced. These include the Skilled Worker Visa, the Health and Care Worker Visa, and the Seasonal Worker Visa.

The Skilled Worker Visa replaced the 'General' or 'Tier 2' visa, and functions as the closest thing to a general-purpose work visa for high-skilled jobs and a number of medium-skilled jobs across sectors. To attain a visa, someone must be offered a job from the government's list of eligible occupations, and from an employer who carries a valid sponsorship license (GOV UK, 2024c). There is also a minimum income requirement – £26,200 at the time during which most interviews were conducted – which rose by 48% to £38,700 in April 2024. To use this visa route, there are costs involved for both workers and employers. On the worker's side, the applicant usually pays a visa fee (the standard fee is between £719 - £1,500), plus the Immigration Health Surcharge: an annual fee charged to people from overseas for accessing the NHS. This has recently risen to £1,035 a year. On the employer's side, before being able to offer a job they must register for a sponsor license, the fees for which can cost between £536 and £1,476. They must then pay for a certificate of sponsorship per worker – currently £239. Finally, in most cases they must also pay the 'Immigration Skills Charge', a fee of £1,000 charged for each visa holder they employ, to be paid every year.

The Health and Care Worker Visa is structured very much like the Skilled Worker Visa. Eligible occupations are restricted to certain jobs within the NHS or in adult social care, and employers must carry a valid sponsorship license. Unlike Skilled Worker Visa applicants, those on this visa are exempt from paying the Immigration Health Surcharge (£1,035 a year). There are also much lower visa fees, ranging from £284 to £551. In April 2024, however, the Health and Care Worker Visa underwent significant changes, including no longer allowing family or partners (dependents) to accompany those who come to the UK to work. Additionally, whereas the minimum income requirement for Skilled Worker Visas rose by 48% to £38,700, the minimum general threshold for the Health and Care Worker Visa has risen only to £23,200. There have been many reports of exploitative conditions for those entering the UK on this visa (Thiemann et al., 2024).

The Seasonal Worker Visa (SWV) is unlike the previous two routes described. It is a temporary migration programme specifically for agricultural work – particularly picking and packing fruit, vegetables and flowers (with a smaller number of visas for poultry) – and is in many ways the successor to the Seasonal Agricultural Workers Scheme (SAWs), a long-running route for employing migrant workers to carry out the harvest that was in place (in various forms) from 1945 to 2014 (McKinney, Coe, & Stewart, 2023). The SWV

began as a pilot in 2019, with 2,500 places. It has rapidly expanded, with 47,000 visas made available in 2023 (45,000 for horticulture and 2,000 for poultry production), with another 10,000 visas available based on meeting certain worker welfare standards. For horticulture (fruits and vegetables), it is a six-month temporary visa, limited to work on farms that have an agreement with one of a handful of labour agencies, known as scheme operators. In horticulture, there were six of these scheme operators at the start of 2024. For working in poultry, the visa validity period is less than 3 months (2 October to 31 December, in the same year), and at the start of 2024 there were two licensed scheme operators. There is no route to settlement, and workers cannot be accompanied by family members. The application fee is £298, although reports indicate that third-party recruitment fees levied onto workers are commonplace (Focus on Labour Exploitation, 2021a; Neal, 2022). There have been many reports of poor treatment and exploitative conditions on this visa .

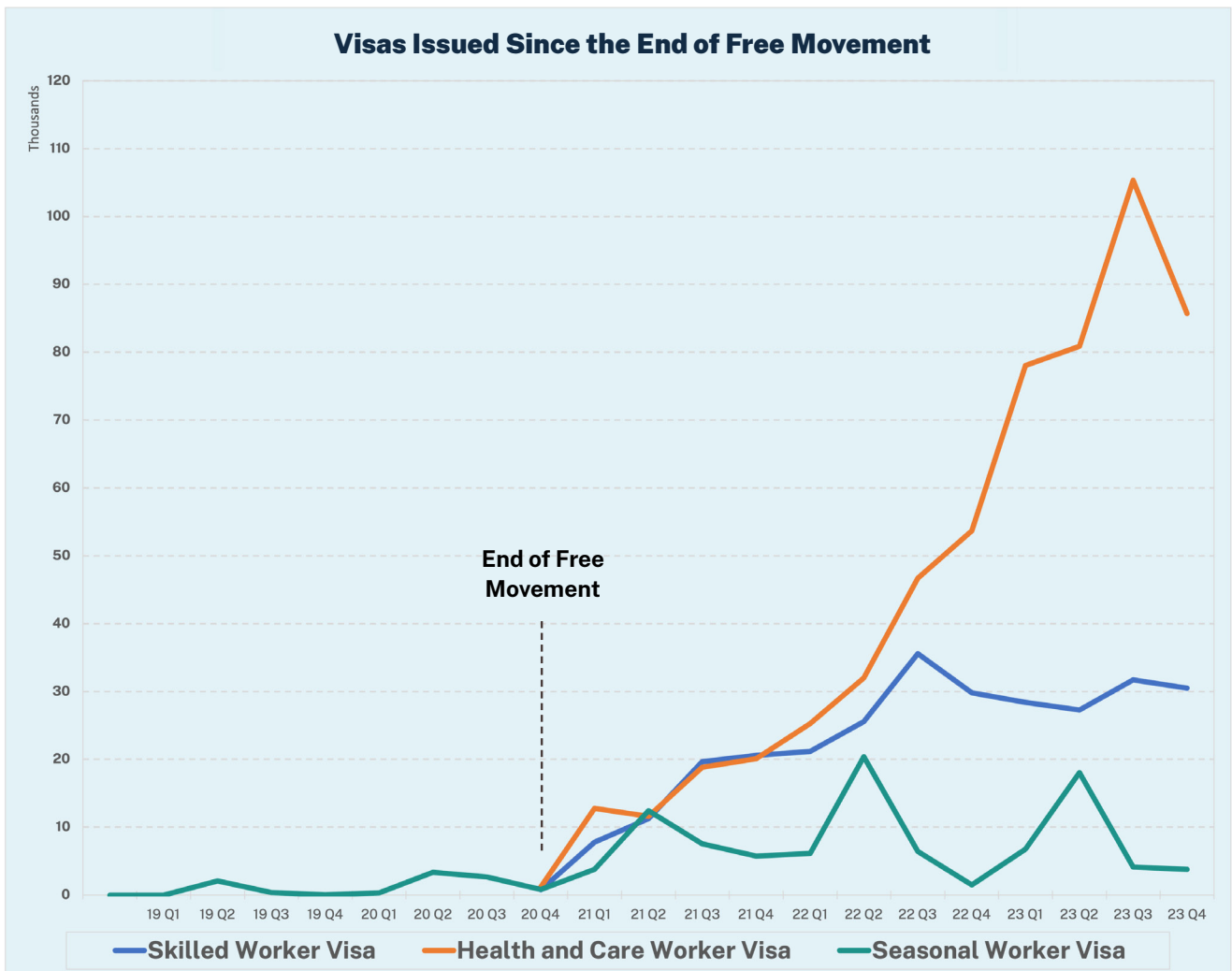


Figure 1: Visas Issued Since the End of Free Movement. Source: Home Office, Immigration system statistics data tables, Entry Clearance Visas - Applications and Outcomes, Year ending December 2023

None of these visa routes grant workers recourse to public funds, meaning that if their employment is interrupted or terminated they lack access to public support mechanisms such as universal credit, housing and homelessness assistance and housing benefit. This, as many have pointed out, can greatly heighten the risk of extreme poverty and destitution (Jolly et al., 2022). Additionally, workers on these routes cannot easily change jobs, as their visa status is tied to their employer or visa sponsor through the sponsorship system. Those on Skilled or Health and Care Worker Visas can work up to 20 hours a week in another job of the same occupation code, but to do so they need another certificate of sponsorship and to update their visa to cover both jobs. This leads to workers being tied to their employer and dependent on them to remain in the UK, which in turn can create conditions conducive to labour abuse and exploitation (Åhlberg and Granada, 2022; Boelman et al., 2023).

Post-Brexit Labour Migration Routes: Policy timeline for three key sectors.

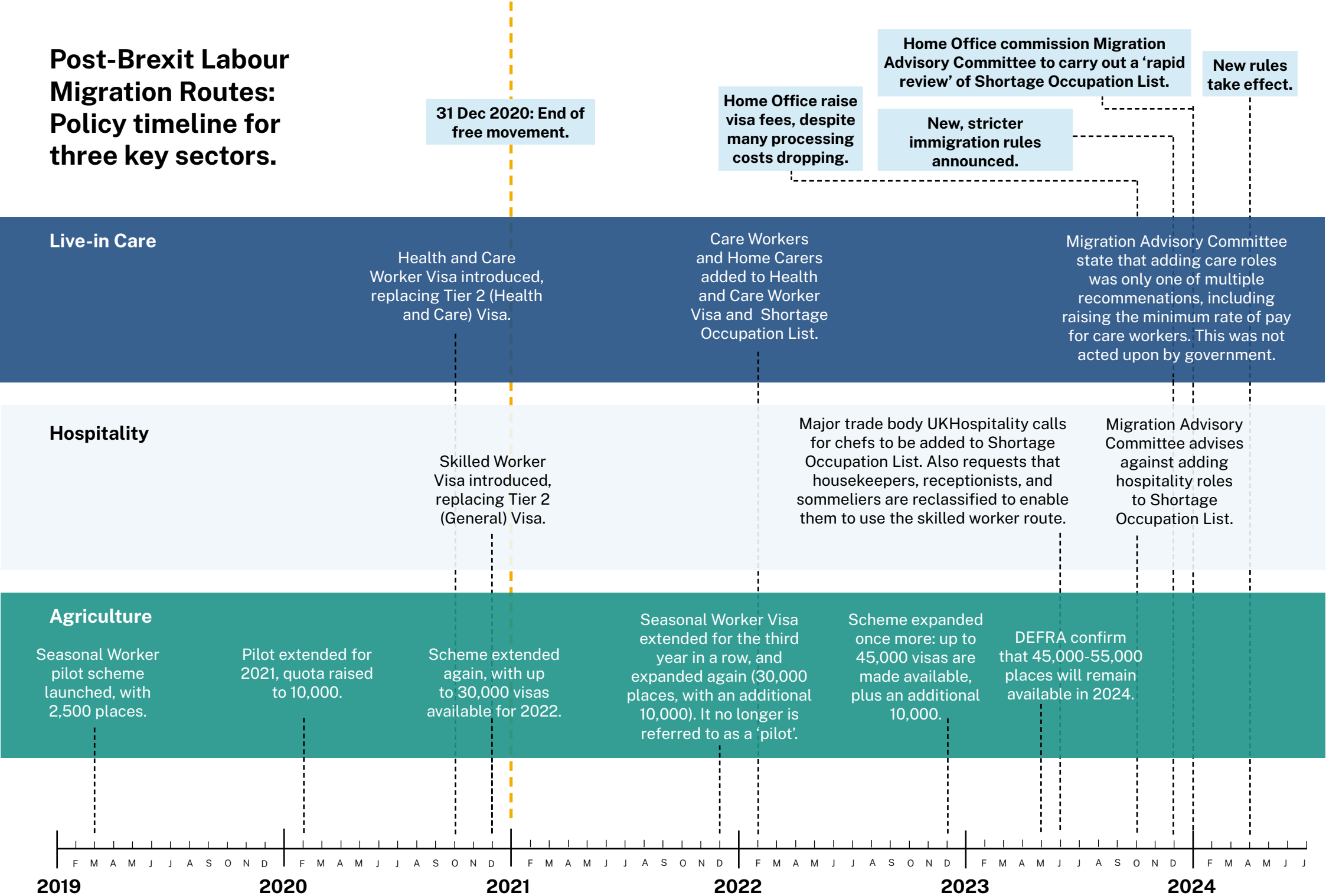


Figure 2: Policy Timeline for three key sectors in post-Brexit labour migration routes.

3. Methodology

This report is based on interview data collected between September and December 2023, backed up by desk-based research on several sectors that historically have been reliant on workers from the EU, and had been experiencing reported labour shortages in recent years. This included the live-in care, hospitality (particularly hotels) and agriculture sectors.

We contacted many employers and employer associations, including small to medium sized farms, construction firms, hotels and live-in care providers. We contacted people via email, phone and on LinkedIn. In agriculture, we interviewed two farmers and one trade association. From the live-in care sector, we interviewed one care provider, one membership body and one recruitment consultant. From the hospitality sector, we interviewed one professional association and one trade body. Interviews were semi-structured and lasted about an hour.

By exploring employer's experiences of labour migration routes across three of the industries most impacted by the changes introduced to the UK's labour migration system post-Brexit, this report offers some insight into some of the shared challenges across sectors and recurrent issues with the current design of visa routes.

4. Findings

4.1 Barriers to Recruitment for Employers

4.1.1 Barriers to Sponsorship

Cost of sponsorship and administrative burden were the two most cited reasons for a lack of employer's engagement with visa routes.

In addition to the initial and ongoing fees required by the Home Office (Sponsor License, Certificate of Sponsorship, and Immigration Skills Charge), interviewees from the care and hospitality sectors also made reference to other costs associated with overseas recruitment, including legal support, training and pastoral support. As an employer of care workers told us:

“It’s quite a substantial chunk of money, just to bring someone over here. It is. Yeah. And so that can be an inhibiting factor as well. And people end up just settling for lesser people.”

Director, AZ Caring Services

These costs are particularly acute for smaller organisations, that make up a significant proportion of the care and hospitality sectors. As a recruitment specialist in live-in care told us:

“...lots of homecare providers are quite small. They are small community-based providers that might only work with maybe 15 or 20 families. Right up to you know, businesses that work with 100 or so. So it’s just not worth their while jumping through all the bureaucracy and the hoops ...”

Asif Yusuf, Live-in Care Friends

This is echoed in the hospitality sector, with the added caveat that the 2024 salary threshold for the Skilled Worker Visa will more or less eliminate what existing recruitment there is via that route.¹

Interviewees also commented on the administrative burden associated with registering as a sponsor. This not only discourages employers from recruiting from overseas, but also acts as a barrier for recruiting people already in the UK.² To arrange this, employers wishing to hire someone must be registered as a sponsor (which, again, can cost between £536 and £1,476), and must obtain

1 Interview with Public Affairs Director, UK Hospitality.

2 Note that not all visas allow people to switch employer or sponsor once in the UK: the Seasonal Worker Visa, for example, does not permit workers to change sponsor.

a new Certificate of Sponsorship (£239) for each person they wish to hire. A representative from a membership association for homecare told us that Home Office delays in processing applications for certificates of sponsorship have prevented employers from hiring people already in the UK working with someone else. This creates a risk for workers on the Health and Care Worker Visa route, who have no recourse to public funds, as it leaves them in practice tied to and dependent on one employer who acts as their visa sponsor; evidence suggests that this multiple dependency can heighten people's vulnerability to labour exploitation (Commonwealth of Australia, 2013; Thiemann et al., 2024). It also means that if their employer drops or loses a care contract – as was the case with a provider employing 100 migrant care workers in Cambridgeshire in 2023 – staff must quickly find a new employer and visa sponsor, or, if they cannot do this within 60 days, face deportation (Unison, 2023).

Additionally, workers on the Skilled Worker Visa and Health and Care Worker Visas are able to work 20 hours a week for another employer – but only if they obtain another certificate of sponsorship (GOV UK, 2024d). Delays or difficulties in securing this mean that they may be less able to carry out the additional work they are entitled to. In situations of unsteady or irregular shift patterns associated with care work, this may become necessary to secure an income and avoid destitution – particularly given increasing pressures on the cost of living from food and energy price inflation (Boelman et al., 2023; Low Pay Commission, 2021). An employer of live-in care workers that we spoke with hinted that some employers may even be discouraging employees from seeking out this additional work, as it would reduce their dependency on them.

“So for example, the new workers when they come here, I don't think that they're well informed, that most of them are not even aware that they're allowed to work elsewhere. For another 20 odd hours per week... And there's a bit of misinformation, if you like, or worst still, intimidation: taking advantage of, you know, exploiting these new people. This is just my take.”

Director, AZ Caring Services

These costs can put both parties under additional, conflicting pressure: for the employers to cut costs and for the workers to earn more.

4.1.2 Recruitment Related Costs for Workers

In our interviews with employers and associations, the most frequently mentioned barrier for workers was recruitment-related costs, including visa fees. These costs can put both parties under additional, conflicting pressure: for the employers to cut costs and for the workers to earn more. Multiple interviewees from the care and agriculture sectors discussed the possibility of visa fees for workers being waived.

In the agriculture sector, costs borne by workers are of particular concern due to the shorter length of the Seasonal Worker Visa (six months) and the reduced time people have to recuperate recruitment-related costs. Loans to cover the visa, flight and other costs are common. Multiple studies have pointed out the risks associated with high levels of recruitment-related debt, in particular the risk of debt bondage (Neal, 2022). As one labour provider representative told us,

“Of course, the real big issue is, is it right that workers who are earning minimum wage mostly, not always, but generally around minimum wage - higher performers will earn more - should pay for their own visa, their own visa processing and their own travel to work?”

Chair, Association for Labour Providers.

In the care sector, a membership association recommended that visa fees for care workers ought to be waived. A recruitment specialist also supported this, noting how this could benefit the wider UK economy, citing the “net positive gain from every immigrant that comes over, because they will work, they will need to spend money, they will need to pay rent” (Asif Yusuf, Live-in Care Friends).

It ought to be noted that the Home Office visa fees are often significantly more than their processing costs, and that this surplus has actually increased following the October 2023 rise in visa fees. For example, although processing costs for the Skilled Worker Visa did rise by 10% between November 2022 and October 2023, the fee was raised by 15%, bringing the profit that Home Office make from each worker up to £590 – a 457% ‘return on investment’ of their £129 processing cost (GOV UK, 2023).

4.1.3 Difficulty Attracting Domestic Workers

All three of the sectors we engaged with (live-in care, hospitality and agriculture) reported difficulties in recruiting domestic workers.

In agriculture, British nationals have rarely formed a significant portion of seasonal labour. A grower we spoke to stated that prior to the end of free movement (and the launch of the Seasonal Worker Visa), around 10% of his workforce were domestic, but that now there is ‘basically no locals’ (Farmer, Family Farm). One reason for this is the seasonality of the work. Another employer told us that “folk aren’t going to give up full time work to come and work for me for eight weeks”, and that for those who are not in work, the short timeframe of the employment doesn’t interact well with the setup of UK’s current welfare system: “nobody wants to come and work for eight weeks, because I think they lose, you know, two, three months of benefits” (Farmer, Family Farm). It is worth noting, however, that this is not necessarily true: whilst there is a 5 week wait for a Universal Credit payment from the point of application, people can remain registered for the first few months of an employment and receive a payment sooner than 5 weeks if their contract terminates or their earnings drop below the threshold (GOV UK, 2024e).

In the live-in care sector, the difficulty in attracting domestic workers was perceived to be due to the undesirability of the work: one employer we spoke to stated that:

“British people in general are not so keen on doing this, our sort of work, this is just my opinion. And the few that come along, are very unreliable. Probably they just do it as a means to an end out of desperation.”

Director, AZ Caring Services.

It of course ought to raise concern that migrant workers are considered fit to do jobs that UK nationals would be considered to only perform out of desperation. What this implies is that this work is deemed unviable for those with access to alternative work, and has instead become based on the differentials in international wages and restrictive arrangements of visa conditions that drive and characterise labour migration for low-paid work.

4.2 Changing Employment Practices

4.2.1 Changing Wages

All sectors reported wage increases in the period since the end of free movement. However, as predominantly low-waged work, this was often driven by increases in the national living wage.

We heard that wages for care workers were increased due to competition from other sectors, such as retail. However, research has also shown working arrangements that are pushing down actual wages. Local authorities often buy the provision of homecare by the minute, paying workers on zero hours contracts only for their contact time. In a pattern of employment similar to gig economy work (Focus on Labour Exploitation, 2021b), this results in care workers having unpaid segments of time (for example, travel time) in their day, which can lead to them receiving less than the minimum wage (Homecare Association, 2023).

Wages in horticulture on the seasonal worker visa have fluctuated, with wage changes driven primarily by changes in the national living wage. In March 2022, a £10.10 wage for seasonal workers was introduced, 60p above the national minimum/living wage at the time (Barbalescu and Robertson, 2024). The National Farmers Union (NFU) lobbied against this, and ultimately the mandatory supplement to the minimum wage/living wage was scrapped, announced at the NFU conference in February 2023. In April 2023, the baseline wage for horticultural labourers on the Seasonal Worker Scheme was raised to £10.42, and in April 2024 it was raised again to £11.44, in line with increases in the national living wage.³

³ In the UK, the National Minimum Wage applies to everyone under 23, whereas the National Living Wage applies to people over 23. People on the Seasonal Worker Visa receive the National Living Wage regardless of their age.

4.2.2 Changing Shift Patterns

A representative of the hospitality industry told us that shift patterns and hours had improved within the sector, as a result of a tight labour market and the need to attract more domestic workers:

“...you’re seeing a lot more sort of capped hours, whereas the sort of historical, historical and partly, partly inaccurate, sort of 80-hour a week, chef roles, there’s clearly no place for that... So very much people are looking at four day weeks, looking at guaranteeing a weekend night off. Which again, hasn’t always been the case.”

Public Affairs Director, UKHospitality.

Another hospitality representative, however, reported that although labour shortages may not necessarily be leading to longer shifts, they will lead to an increased workload and intensity of work.⁴

In the care sector, shift patterns have reportedly gotten much worse. For live-in care workers – many of whom must be available 24 hours a day whilst at work – a staff shortage means a longer time without any break from work:

“It is creating a lot of risks for the live-in carers because they’re having to put up with very long hours, doing a 24 hour work, because there’s no one to come in and replace them or relieve them. So, again, that has got a detrimental effect to the person who’s being looked after... For example, most of our live-in carers do two weeks at work, then two weeks off, but we are having to say okay, please can you go off for just a week instead of two weeks?”

Director, AZ Caring Services.

“However, chasing the cheapest care possible is pushing prices down, which in turn pushes wages down, makes the sector much less attractive to work in.”

Asif Yusuf,
Live-in Care Friends

As reported on by multiple interviewees, chronic underfunding of social care has led to a vicious cycle of low wages, staff shortages, and increasing demands on staff. A large portion of adult social care is provided by local councils, who must meet their statutory duties of care provision. However, chasing the cheapest care possible is pushing prices down, which in turn pushes wages down, makes the sector much less attractive to work in. This leads to a situation in which “there are less carers available, and the government wants to spend less on the provision of care” (Asif Yusuf, Live-in Care Friends).

For those on the Seasonal Worker Visa with jobs on farms, a guarantee of a minimum 32 hours a week of pay was introduced in April 2023. However, this is not accompanied with a guarantee of employment throughout the 6-month period of the visa, and those using this route do not have recourse to public funds. If a worker is dismissed, they can only seek new work through their visa sponsor (the scheme operator that arranged their recruitment), and only in jobs within horticulture. The difficulty these visa holders face in finding alternative work and accommodation and accessing public support leaves them at high risk

⁴ Interview with Chief Executive, HOSPA

of destitution if a job ends before their visa expires and is a disincentive against challenging poor conditions at work (Focus on Labour Exploitation, 2024).

4.2.3 Use of Employment Agencies or Labour Providers

All sectors interviewed had used recruitment agencies, with varying degrees of success. It was not always clear if the use of recruitment agencies had increased as a result of the end of free movement, as the three sectors interviewed each have a history of recruiting this way.

In agriculture, recruitment agencies have become the norm, due to the structure of the seasonal worker visa mandating that people are hired by one of six scheme operators for horticultural work (figure accurate as of the start of 2024).⁵ They also act as the worker's visa sponsor. However, both growers that we spoke to were critical of these labour providers or agencies, citing issues of costs and the suitability of the workers recruited via this route.

“All the schemes and labour agencies, they are quite expensive. And they are not providing as good quality as you would expect. So for the business, for all the costs you’ve got already on your back, plus that. It’s just not profitable.”

Farmer, Family Farm.

Farms pay scheme operators a fee to hire a seasonal worker, which – according to a representative of labour providers we interviewed – typically averages around £300 per worker.⁶ On the worker's side, they pay the Home Office a visa fee of £298. A grower we interviewed told us that market conditions were pushing growers to cut costs – which included cutting labour hours – and that intermediaries that charge fees for recruiting workers were putting undue financial strain on farms whilst also creating a new set of problems. Instead, he prefers to recruit from a group of people from the EU who worked with him previously and now have settled status. He also reported negative experiences with the Seasonal Worker Visa, and highlighted the inherent risks within the scheme.

“Well, we’ve decided to cut back, really, because we were realising we weren’t looking after... two or three years ago we were getting the SAWS [Seasonal Agricultural Workers Scheme] in and they weren’t prepared really, you know, they weren’t informed at all, really. And so I don’t think agencies were doing a great job, personally [...] I think we’ve opened more avenues for exploitation in all honesty.”

Farmer, Family Farm.

⁵ There is a seventh scheme operator, RE recruitment, but they only hire people for the poultry scheme.

⁶ Interview with Chief Executive, ALP

Within care work, a recruitment specialist also flagged the risks of exploitation that arise from reducing immigration options, speculating that restrictions on movement “made it more profitable for people who work around the system.”⁷

Similarly in hospitality, we heard that the use of recruitment providers effectively outsourced responsibility for monitoring worker welfare and recruitment pathways:

“...people may rely on an agency to supply staff, and expect the agency, or even the agency may have agreed, to do the background checks. So, the hotel take on people in good faith, and the background checks, potentially, haven’t been done. So, yeah, there are risks.”

Public Affairs Director, UKHospitality.

4.3 Risks for Future of Sectors

Representatives of all sectors that we spoke to expressed grave concern for the longevity of their industries, and for the quality of service that they could provide.

Within adult social care, the declining quality of care provision was consistently raised. With a large portion of care being provided by the council, provision of live-in care was declining in favour of visiting homecare, in which one care worker looks after many people concurrently. One example that came up in multiple interviews was the practice of dwindling time allocations for care visits, particularly the rising practice of 15 minute visits. This is an inadequate amount of time for workers to carry out visiting homecare duties, resulting in poor quality care for service users and overstretched care workers. As one provider of live-in care and visiting homecare told us,

“How do you support someone who relies, who is very vulnerable, who cannot support themselves, who cannot clean themselves? Who cannot eat by their own, in 15 minutes? How do you do that?”

Director, AZCaring Services.

“How do you support someone who relies, who is very vulnerable, who cannot support themselves, who cannot clean themselves? Who cannot eat by their own, in 15 minutes? How do you do that? [...] it’s not something that you can just do, ‘wham, bam’ and you leave, you go to the next person. It’s not a conveyor belt. No, we are looking after the very vulnerable members of our societies who then suffer because they’re not being looked after properly.”

Director, AZCaring Services.

Similar time pressures were reported in a recent study of Health and Care Worker visa holders, with care workers expected to service 15 homes a day, at which they were expected to “fetch everything, wash clothes, dishes, prepare meals” (Thiemann et al., 2024). For all this they were only allotted 45 minutes, and travel time between houses was unpaid.

⁷ Interview with Asif Yusuf, Live-in Care Friends

In agriculture, growers expressed concerns over the future of UK fruit farming. A grower we spoke to who was reticent to employ people via recruitment agencies and the Seasonal Worker Visa told us that he faced a dwindling pool of returning staff on the EU settlement scheme. In light of this, he forecast that he would be stopping his fruit operation, and instead just planting cereals, which are much less labour-intensive to harvest. Speaking about other growers, he said:

So our industry will shrink and disappear. Maybe not disappear, but will be downsized significantly in the next few years. I'm quite sure about it."

Farmer, Family Farm.

"If they're old enough, they are not going to expand. They're downsizing the businesses. The young farmers are not interested in continuing because there is no future. So our industry will shrink and disappear. Maybe not disappear, but will be downsized significantly in the next few years. I'm quite sure about it."

Farmer, Family Farm.

Another grower shared a similar experience, stating that his choice of what to grow was guided by the expertise of his long-time returning seasonal workers, but that as those people stopped returning to the UK (as a result of financial stability or employment elsewhere), he no longer had a long term view on growing fruit:

"Well some of them have been here for 15 years or so in a row. They've reached their goals, they've built houses and whatnot. We've tried to change around to look after them, and as they sort of slow down, we'll just keep scaling back and have a bit of an exit strategy."

Farmer, Family Farm.

In the hospitality sector, the main occupation for those on the Skilled Worker Visa route was chefs, which we were told formed a large part of the 8,500 visas granted for food and accommodation services businesses (Public Affairs Director, UKHospitality). However, the April 2024 raise in the minimum income requirement for these roles put the future of this pathway into serious doubt:

"I think that route has been used quite successfully. I think there's quite a dichotomy within the sector of those who've kind of embraced the skilled worker visa route and just got on with it. And those have just said it's too difficult and too costly. But yes, there's certainly quite a few businesses that have made it work, subject to the salary threshold going up to £38,700, which kills it, basically, I think for hospitality."

Public Affairs Director, UKHospitality.

5. Conclusion

The visa routes introduced or amended following the end of free movement have carried with them risks for both employers and workers. By broadening eligibility whilst introducing much stricter new conditions, fees and restrictions for both employers and workers, the redesign of labour migration pathways has resulted in issues on both sides.

Employers have faced administrative and financial barriers to sponsorship, particularly smaller operations that still form a large part of the sectors studied in this report. The additional administrative burden for the Home Office is also causing issues for workers, restricting their ability to exercise what few labour rights they have, such as the right to work an additional 20 hours for another employer.

All sectors studied faced issues recruiting workers from the UK. This ought to be a red flag, as in many cases this implies that the work is deemed unviable for those with unrestricted access to alternative employment, and is instead reliant on the restrictive arrangements of visa conditions and differentials in international wages that drive and characterise migrant labour.

Employers have taken various approaches to adapt to the new labour landscape following the end of free movement, but in many cases improvements have been driven by minimal improvement in standards at a national level, for example, increases in the national minimum and living wage. There are also examples of emerging recruitment models (such as those characteristic of gig economies) that see workers left with less than the minimum wage.

The post-Brexit immigration system is creating challenges for both workers and employers, casting doubt on the future of many aspects of these sectors. For the hospitality sector, it is reportedly increasing workloads whilst the sector heads towards new labour shortages in chef roles as a result of the April 2024 changes to the minimum income requirement. For care, it is resulting in vulnerable people in the UK being denied the care they need, whilst ramping up demands on an overstretched workforce. For agriculture, it was reported as posing a threat to the future of fruit farming in the UK.

The current labour migration system is producing obstacles and conflicting pressures for employers and employees, resulting in a system that is ill-equipped to deal with labour shortages in the UK. The instability this is creating risks endangering the future of some of the UK's core industries. As we heard from one interviewee:

“I think we should make it easier for people to come to the UK where we have labour shortages, we shouldn’t be ideological, you know, have these fantasies... the ideology is that these people will suddenly magically appear from the domestic workforce.”

Asif Yusuf, Live-in Care Friends.

If sectors historically reliant on migrant labour are to regain stability following the shocks and downturns of Brexit and the pandemic, then both employers and workers need an immigration system that offers stability, security and simplicity. For this to happen, workers’ rights must be enhanced and protected, rather than further eroded. The following recommendations seek to build this future:

- 1.** The Home Office should, at minimum, set visa fees and related sponsorship costs no higher than their administrative cost, in line with the principles of fairness and affordability/reasonability. This should be the case for both workers accessing these visas, and for employers registering as sponsors.
- 2.** The government must properly fund, resource and enforce both labour rights and pay through the establishment of a Single Enforcement Body (SEB), otherwise referred to as a Fair Work Agency. A SEB that incorporates the functions of the six current labour market enforcement authorities would make it easier for workers to navigate and protect their rights, whilst levelling the playing field for employers. This body should be accessible to workers in practice, provide fair and efficient remediation, and be able to address immediate needs. It should also have safe reporting pathways in place, to ensure that migrant workers can safely communicate abuse and exploitation without fear of detention, removal or losing their right to remain.
- 3.** Home Office resources should be diverted from immigration crime-focused inspections, and towards ensuring that registered visa sponsors can adequately provide enough work – in decent conditions – for those they sponsor. The Home Office should work proactively with a Single Enforcement Body (or Fair Work Agency) on this. This should include a risk assessment of visa sponsors to ensure that they are legitimate businesses rather than fronts for exploitation. There needs to be a safety net and support into alternative employment for workers who migrated in good faith and were then not offered work as promised.
- 4.** As part of due diligence for visa sponsors, the Home Office and UKVI should carry out additional checks to ensure that local demand and job vacancies match what sponsors can offer. This is to ensure that those who come to the UK have adequate work available to them during their employment.
- 5.** The Home Office should ensure that all work visas allow for workers to change employers in practice, are renewable in-country subject to ongoing employment, and have a route to settlement. Visas must not restrict workers to specific employers or workplaces. Restrictions

around requiring an additional certificate of sponsorship for working a secondary role should be removed so that employers can hire workers without barriers, and workers are not dependent on one employer.

- 6.** The Home Office should ban or regulate the use of repayment clauses that require workers to pay back the upfront costs that the employer has invested in recruiting staff if they leave employment.
- 7.** Following in the footsteps of the Migration Advisory Committee's recommendation, the government should abolish schemes designed to allow employers to access discounted workers, such as the Immigration Salary List (formerly the Shortage Occupation List). The government should instead focus on "changes to wages, terms and conditions, training and education and investment in technology that are likely to be a more sustainable response to the problems" (Migration Advisory Committee, 2023a).
- 8.** The Home Office should broaden existing visas with comparatively fewer restrictions (such as the Youth Mobility Scheme) for those from specific countries, to allow nationals from more countries to come to the UK.
- 9.** To protect people in the UK from destitution when experiencing fluctuating shift patterns, the UK Government should repeal the No Recourse to Public Funds (NRPF) policy (which has been shown to create and exacerbate extreme poverty and inequality), to ensure baseline access to social protection.
- 10.** The Illegal Working Offence should be repealed and secure reporting channels introduced to enable all workers to report workplace abuse and exit exploitative situations regardless of their immigration status. People whose employment rights are being breached must be able to challenge this early on and access support to enable them to ultimately leave exploitative work. Support should not require people to be at the point of destitution, homelessness, or experiencing exploitation so severe that it meets the threshold for modern slavery before protections are afforded to them.

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