

Executive Summary

**FOCUS ON
LABOUR
EXPLOITATION**

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

September 2024



Please cite as **Focus on Labour Exploitation. 2024. The UK labour migration system after the end of free movement: Employer views on recruitment.**

Available at: www.labourexploitation.org

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Acknowledgements:

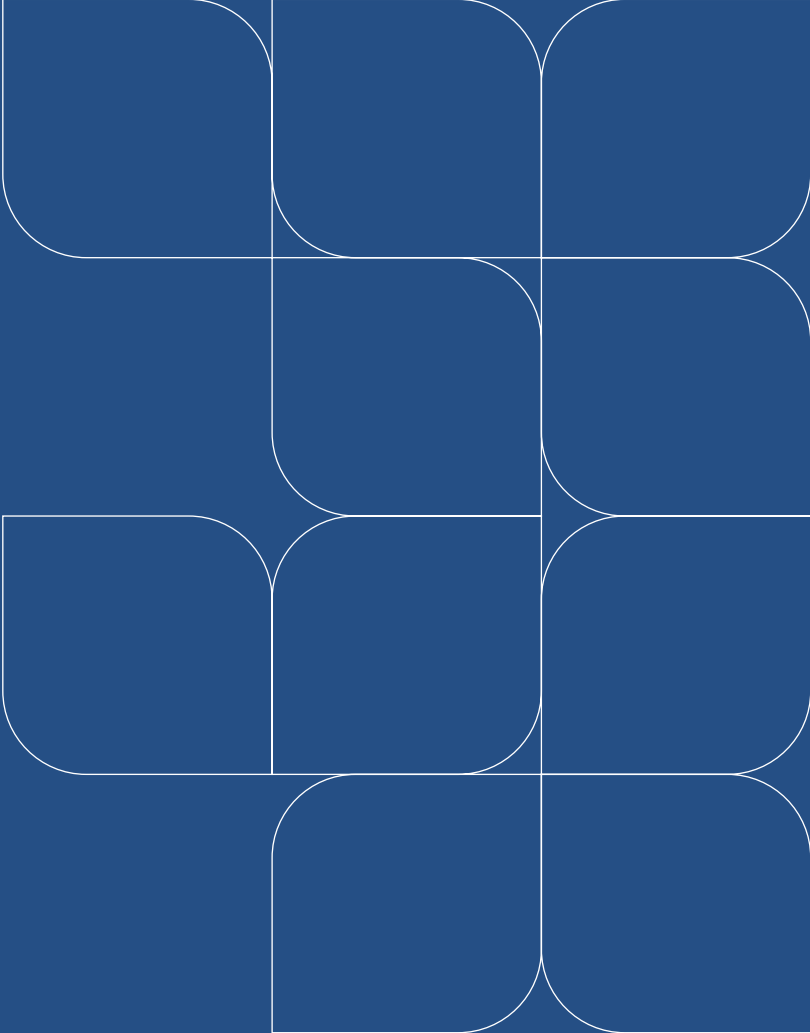
This report was written by Jacob Bolton, and edited by Oliver Fisher, Kate Roberts and Lucila Granada. The FLEX research team that worked on this report over the course of design and data collection also included Eleonora Paesani and Meri Åhlberg.

We are grateful to everyone that made this report possible including all the employers that agreed to share their insight and knowledge for this research project. We would like to thank Asif Yusuf (Live-in Care Friends and Disruptiv Media), Arbuckle's, David Camp (Association of Labour Providers), Jane Pendlebury (HOSPA), David Sheen (UKHospitality), and those who participated but chose not to be named.

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.

Designed by Riccardo Guido.



“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.

Executive summary

1. Introduction and background

This report looks at industry perspectives on the end of free movement in sectors historically reliant on migrant labour. Focusing on live-in care, agriculture and hospitality, it explores how employment practices have shifted since the UK's labour migration system was overhauled. It seeks to highlight some risks and concerns to be aware of, during a time in which these routes are being redesigned.

By exploring employers' 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 design of visa routes.

2. 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. We conducted 8 interviews with employers and employer associations from the live-in care, hospitality and agriculture sectors. Interviews were semi-structured and lasted about an hour.

3. Findings

3.1 Barriers to Recruitment for Employers and Workers

3.1.1 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. These costs include all the employer-side Home Office fees, as well as additional costs associated with overseas recruitment such as legal support. The administrative burden is also an issue, which not only discourages employers from recruiting from overseas, but also acts as a barrier for recruiting people already in the UK on work visas who have the right to take a job for a number of hours elsewhere.

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

3.1.2 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. Home Office visa fees are often significantly more than their processing costs, and this excess has actually increased following the October 2023 rise in visa fees (GOV UK, 2023). Multiple interviewees from the care and agriculture sectors discussed the possibility of visa fees for workers being waived.

3.1.3 Difficulty Attracting Domestic Workers

All three sectors reported difficulties in recruiting domestic workers. In live-in care and agricultural work, the difficulty in attracting domestic workers was perceived to be due to the undesirability of the work. It 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.

3.2 Changing Employment Practices

3.2.1 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.

3.2.2 Changing Shift Patterns

We heard mixed accounts on changes to shift patterns. In hospitality, we heard that hours and share of weekend working had improved, as a result of a tight labour market and the need to attract more domestic workers. On the other hand, we heard that labour shortages were leading to increased workload and intensity of work. 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.

3.2.3 Use of Employment Agencies or Labour Providers

All sectors interviewed had used recruitment agencies or labour providers, with varying degrees of success. It was not always clear if the use of recruitment agencies had increased because of the end of free movement, as the three sectors interviewed each have a history of recruiting this way. We also heard that the use of recruitment providers effectively outsourced responsibility for monitoring worker welfare and recruitment pathways, and that this could be creating or exacerbating risks for exploitation.

3.3 Risks for Future of Sectors

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

Within adult social care, the downward pressure on the quality of care provided was consistently raised. One example is 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.

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.

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.

4. Conclusions

The visa routes introduced or amended following the end of free movement have created risks and issues for both workers and employers.

For the hospitality sector, changes have reportedly led to increased workloads for workers. 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.

Employers have reported taking various approaches to adapt to the new labour landscape following the end of free movement, such as changing wages, shift patterns and recruitment processes. However, in many cases improvements have been driven by increases in standards at a national level, for example, increases to the national minimum/living wage, rather than practices by employers. 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.

To address the issues identified above, the following recommendations should be considered

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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