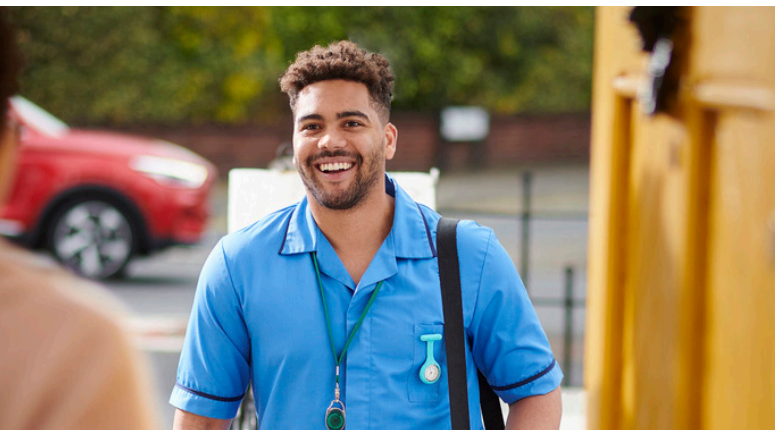


MAY 2024

UK LABOUR SUPPLY CHAIN SURVEY RESULTS

“Cost of labour is the biggest challenge currently facing employers, resulting in lack of volume and reducing margins for labour providers. Our next government has a lot to do.”



ALP

Association of Labour Providers

INTRODUCTION

The **Association of Labour Providers** (ALP) has conducted labour market surveys of labour providers and labour users (employers) since 2017 to provide data and trends to inform access to labour policy and priorities for the UK labour supply chain.

This survey ran between 1st May to 10th May 2024. The Labour Provider Survey had 77 responses and the UK Food Supply Chain Survey had 50 responses.

HEADLINES

- For labour providers, the biggest challenge is lack of client/volumes with two thirds supplying fewer workers
- For food businesses the biggest challenge is the cost of labour and 6 out of 10 are choosing to recruit temporary workers directly
- Labour supply has improved with 40% of labour providers meeting all their clients demands for workers – nearly doubled since the last survey
- The highest reported impact of labour availability continues to be increased recruitment and employment costs – 54% of employers have seen their labour costs increase.
- Having peaked in October 2021, only 9% of businesses are still suffering from a chronic shortage of lower/unskilled workers – almost down to pre-Brexit levels
- Government support to recruit UK based workers continues to be ineffective. Only 18% of labour providers find that their local Jobcentre provides useful support and only 6% find government return to work and employment support schemes helpful.
- Both labour providers and employers are calling on government to incentivise UK workers to take up jobs in the industry as well as extend the immigration visa routes to other lower skilled roles
- Changes to the EU Settlement Scheme application process have not produced significant changes in applicant availability with less than a quarter of labour providers seeing fewer Certificates of Application than last year

RESPONDENT COMMENTS

Labour Providers:

“Make it a legal requirement for clients to pay at a percentage that covers labour providers costs”

“Applicants registering saying they are looking for fulltime work when they only want 16 hours to comply with claiming benefits”

“Uneven playing field. We don’t use an umbrella model and just can’t win new business due to agency with the model under cutting us”

“You can’t encourage workers when there are none available.....”

“Tried the Job Centre on numerous occasions in the past but not fit for purpose!”

Food Growers and Manufacturers:

“Government need to wake up to who the working population in the country are and make the benefits system less attractive”

“We are not in a position where we can start paying for flights and visas for workers”

“This varies across the country, some are better than others” (Jobcentres)

“Seasonal workers are critical for the horticulture industry and the UK population is not attracted to this work despite our seasonal staff being able to earn £16-£17ph”



LABOUR PROVIDER SURVEY SUMMARY

2024 EXPERIENCE SO FAR

- Lack of volume has taken over from lack of labour as the biggest issue currently facing labour providers (53%), with reducing margins a close second (48%).
- The last six months has seen an improvement in labour supply with the number of labour providers unable to meet all their clients' labour requirements decreasing from 79% to 60%.
- However, labour shortages are still widespread with 39% of labour providers citing it as the biggest issue they are currently facing.
- The top three changes seen by businesses over the last 6 months are:
 - Supplying fewer workers (62%)
 - Increased recruitment costs (57%)
 - Decreasing margins (52%)
- The most successful methods in helping to source workers were unchanged from last time:
 - Increased general advertising including social media channels (62%)
 - Encouraged more word of mouth amongst existing workers (57%)
 - Increased advertising on job boards (47%)
- 22% of labour providers have seen clients generally demanding rate reductions to support their own cost increases.
- The top five things that labour providers believe that clients need to do to attract workers are unchanged from last time:
 - Improve pay and other terms and conditions (61%)
 - Be a welcoming, friendly, nice place to work (43%)
 - Offer more regular hours (52%)
 - Supervisory staff to treat workers with more respect (38%)
 - Improve the working environment (26%)

2024 SUMMER EXPECTATIONS

- 58% of labour providers expect to meet all their client demands for the 2024 summer peak
- 13% expect to short supply their customers more than 10%

IMMIGRATION SYSTEM

- 51% want immigration visa routes extended to other lower skilled roles
- Only 13% have established a service to recruit workers for the Skilled Worker visa route
- 48% said they are seeing the same level of applicants with Certificates of Application to the EU Settlement as last year

GOVERNMENT SUPPORT

- 18% of labour providers found the Jobcentre helpful in finding workers, up from 15%
- Only 6% of labour providers find government employment support schemes helpful in supporting workers into work. 55% have not looked at them at all.
- 62% of labour providers believe that the Government should make the benefits system truly support and reward flexible working
- 58% believe that UK residents claiming Universal Credit should be incentivised to take up jobs and work more hours



EMPLOYER SURVEY SUMMARY

2024 EXPERIENCE SO FAR

- 40% of businesses said their biggest current challenge is the cost of labour
- The biggest change over the last 6 months was the increase in the cost of labour (54%), followed by employing more workers directly (24%), using fewer agency workers (24%) and using more agency workers (22%)
- 64% are using direct recruitment to recruit temporary/seasonal workers with 46% using a labour provider temporary agency worker supply model
- 38% of businesses are experiencing labour shortages in lower and semi-skilled roles – down by 10% - and only 9% of business are suffering chronic shortage of lower/unskilled workers, nearly back to pre-Brexit levels
- The top changes with a positive impact on addressing labour availability remain unchanged with improved labour planning moving up to take the number one spot:
 - Improved labour planning (64%)
 - Focus on being a better place to work (54%)
 - Working more closely with labour providers (52%)
 - Increased wage rates, bonuses, and incentives (46%)
 - Trained managers on how to better manage people (44%)

2024 SUMMER EXPECTATIONS

- 84% said there would be an impact on their business as result of labour shortages, with 66% expecting labour costs to rise further
- 24% of businesses expecting to struggle to recruit lower and unskilled workers but none are expecting it to be a crisis
- The most common recruitment changes businesses are planning to address labour availability are:
 - Working closely with labour provider/external recruiters (42%)
 - Improved labour planning and ordering (40%)
- The most common HR changes business are planning:
 - Implement a great place to work strategy (50%)
 - Increase wages rates, benefits, bonuses and incentives (28%)

IMMIGRATION SYSTEM

- 50% use the Seasonal Worker Scheme route for horticultural workers and 28% want the numbers increased
- 28% are Skilled Worker visa route sponsors, but only 20% have actually recruited via this route
- 62% said they would continue to use the Skilled Worker route following the recent salary threshold changes with only 18% saying they would stop using it

GOVERNMENT SUPPORT

- 50% want UK residents claiming Universal Credit to be incentivised to work
- 50% want confirmation that the Seasonal Workers Scheme will continue
- 48% want immigration visa routes extended to other lower skilled roles
- 44% want to work with sector bodies on a campaign to attract UK resident workers to the food supply chain
- 40% want asylum seekers to have the right to work whilst their application is being processed



LABOUR PROVIDERS SURVEY RESULTS

Labour Providers: Do you supply workers into?	May 2023	Oct 2023	May 2024
Warehousing and logistics	77%	83%	69%
Food processing and packaging	71%	75%	65%
General manufacturing	57%	70%	60%
Horticulture and agriculture	26%	27%	32%
Food service and hospitality	23%	22%	31%
Construction	16%	17%	17%
Social Care	5%	8%	14%
Retail	9%	4%	8%
Other	-	-	12%
<ul style="list-style-type: none"> ■ Hospitality ■ We plan to cover all other sectors ■ Contract packing/waste & recycling ■ Care homes ■ Contact centres, public sector ■ Waste and recycling ■ Engineering ■ Driving 			

Labour Providers: What is the biggest challenge currently facing your business?	May 2024
Lack of clients/volume	53%
Reducing margins	48%
Labour shortages	39%
Unethical competitors	38%
Compliance requirements	14%
Responsible recruitment requirements	14%
Clients service requirements	10%
Other (please comment)	16%
<ul style="list-style-type: none"> ■ Lack of getting demands from the UK employers, especially GLAA sector such as meat processing ■ Farmers taking on gang labour direct ■ Costs of compliance. Accounting/payroll/PAYE/vat/etc. Difficulties cancelling some unsatisfactory and unfair contracts. Long contracts 3-5yrs. 	

- Others not doing their compliance checks and Responsible recruitment checks, to undercut and underpay
- Recent NLW increases
- Unethical candidates
- Cost of advertising
- SAWS unfair competition
- Applicants registering saying they are looking for full time work when they only want 16 hours to comply with claiming benefits.
- Uneven playing field we don't use an umbrella model and just can't win new business due to agency with the model under cutting us
- Quality of candidates and clients' expectations
- Getting sufficient positions available in the UK

Labour Providers: During the last 6 months, did you meet your clients demands for workers?	Nov 2022	May 2023	Oct 2023	May 2024
We met all our clients demand for workers	17%	31%	21%	40%
We short supplied our clients by 0-10% of their demand	40%	38%	43%	42%
We short supplied our clients by 10-20% of their demand	21%	14%	22%	9%
We short supplied our clients by 20-30% of their demand	8%	5%	9%	3%
We short supplied our clients by 30-40% of their demand	6%	4%	3%	3%
We short supplied our clients by 40-50% of their demand	1%	4%	1%	0%
We short supplied our clients by over 50% of their demand	7%	4%	2%	4%

Labour Providers: Has the quality of labour (English language, productivity, reliability etc) been:	Nov 2022	May 2023	Oct 2023	May 2024
Better than this time last year	9%	14%	9%	17%
About the same	46%	47%	49%	58%
Down on this time last year	45%	39%	43%	25%

Labour Providers: What changes have you seen in your business over the last 6 months? (Choose all that apply)	Nov 2022	May 2023	Oct 2023	May 2024
We are supplying fewer workers	48%	61%	56%	62%
Recruitment costs have increased	68%	69%	68%	57%
Margins have decreased	-	-	32%	52%
We have gained new clients	-	-	-	35%
We have lost clients	32%	27%	38%	35%
We are working more closely with clients	47%	48%	44%	32%
We are struggling to recruit and keep good managers and co-ordinators	25%	17%	27%	18%
We have become more choosy as to which clients we accept	34%	39%	28%	17%

We are supplying more workers	14%	7%	9%	10%
Margins have improved	32%	18%	13%	8%
We can charge more for workers	34%	19%	18%	5%
We are working with other recruitment intermediaries such as umbrellas or sourcing agents	2%	1%	3%	4%
None	-	-	-	4%
Finding new clients is easier	33%	10%	10%	1%
We are working with other labour providers more on joint or secondary supply	21%	8%	8%	1%

In the last 6 months which were the most successful methods in helping you to source additional workers (choose all that apply)	Nov 2022	May 2023	Oct 2023	May 2024
Increased general local advertising including social media channels	56%	47%	58%	62%
Encouraging word of mouth amongst existing workers	80%	69%	69%	57%
Increased advertising on job boards	59%	62%	53%	47%
Targeted social media adverts	47%	40%	44%	45%
Contacted former workers to attract them back to work	49%	44%	50%	32%
Increased pay rates to attract workers	55%	56%	33%	21%
Advertising in local communities such as signs outside sites/ flyers in community organisations	28%	16%	21%	19%
Offered more flexible working hours and shifts	30%	18%	15%	17%
Closer collaboration with clients such as using their name/ website/reception/social media to advertise	16%	13%	22%	13%
Rewarding introductions through refer-a-friend schemes	23%	13%	21%	12%
Offered guaranteed hours	14%	5%	11%	9%
Targeted new sources of workers such as young people or the economically inactive	9%	6%	14%	8%
Offered opportunity to work additional hours	16%	8%	11%	6%
Targeted workers with EUSS status living overseas	13%	8%	14%	4%
Introduced sign on bonuses	5%	3%	3%	0%
Other (please specify)	-	-	1%	3%

- Referrals
- We have not found a shortage of workers
- Overseas Skilled Workers until 04/04/24

Labour Providers: Have you passed on the increased costs of and labour supply to your clients?	Nov 2022	May 2023	Oct 2023	May 2024
Yes, most of our clients have accepted a rate increase but does not cover our increased costs	32%	29%	21%	23%
We tried, but most clients have not covered our increased costs	16%	26%	28%	22%
No, and clients have generally demanded rate reductions to support their own cost increases	6%	12%	14%	22%
Yes, most of our clients have accepted a rate increase which mostly covers our increased costs	22%	16%	13%	18%
We have not attempted to pass cost increases on to our clients	16%	10%	15%	8%
We have not had any increased costs	8%	8%	9%	6%

Labour Providers: For Summer 2024, how much do you expect to short supply your clients?	Nov 2022	May 2023	Oct 2023	May 2024
We do not expect to short supply	20%	35%	35%	58%
Yes - we expect to short supply our clients by 0-10%	39%	34%	34%	29%
Yes - we expect to short supply our clients by 10-25%	25%	19%	19%	6%
Yes - we expect to short supply our clients by 25-50%	10%	6%	9%	3%
Yes - we expect to short supply our clients by over 50%	6%	6%	3%	4%

Labour Providers: What are the top 5 things your clients need to do to attract workers to their site (choose 5)	Nov 2022	May 2023	Oct 2023	May 2024
Improve pay and other terms and conditions	87%	88%	79%	61%
Offer more regular hours	61%	64%	52%	52%
Be a welcoming, friendly, nice place to work	56%	66%	55%	43%
Supervisory staff to treat workers with more respect	55%	58%	50%	38%
Improve the working environment	45%	52%	50%	26%
Offer more flexible hours and shifts	43%	34%	27%	26%
Pay a higher margin	16%	14%	26%	25%
Offer more overtime	25%	14%	25%	22%
Offer opportunities for progression	15%	17%	29%	25%
Pay for/subsidise daily travel to work	37%	17%	30%	19%
Increase lead times for order	17%	16%	27%	19%
Offer a fixed term contract	9%	4%	15%	18%
Minimise early finishes	16%	10%	16%	12%
Pay for/subsidise worker accommodation	8%	3%	7%	9%

Pay for/subsidise travel to the UK	6%	5%	7%	3%
Offer access to client's employee assistance programme	-	1%	3%	0%
Other (please specify):	3%	1%	3%	5%
<ul style="list-style-type: none"> ■ They should stop employing our candidates directly without informing us especially before the expiration of 6 weeks. Sometimes do not get work until they leave. We just need to be more ethical. ■ You can't encourage workers when there are none available. ■ We work with a recruitment agency in the UK and not directly with the client. Difficult to answer the question 				

Labour Providers: Have you established a service with overseas businesses to supply workers to food sector clients under the Skilled Worker visa route?	Nov 2022	May 2023	Oct 2023	May 2024
No	93%	91%	87%	87%
Yes, we have established this service, but as yet have not supplied any workers	1%	3%	6%	3%
Yes, we have established this service and have supplied some workers, but we only see this as a small part of our business	2%	1%	1%	4%
Yes, we have established this service and we have supplied workers, and we see this as a growing area of our business	3%	5%	6%	6%

Labour Providers: How would you rate your local Jobcentre in the last 12 months?	Nov 2022	May 2023	Oct 2023	May 2024
We have not approached our local Jobcentre	30%	38%	39%	51%
We tried to work with our local Jobcentre, but they were of no help	49%	49%	45%	31%
We work with our local Jobcentre, and they provide useful support	21%	13%	15%	18%

Please provide further information:

- Boston and Sleaford Jobcentre working closely together
- We don't have local contracts but we can get local candidates.
- Tried the Job Centre on numerous occasions in the past but not fit for purpose!
- This varies across the country, some are better than others
- My experience is the job centre staff are forcing people onto sick. I have worked in the job centre for 2 years and seen this first hand and reported it to the management.
- Regular interview days scheduled to recommend candidates
- Recruitment days every 3 month with pre-arranged appointments
- Newton Aycliffe are very good
- Due to low orders

- Mixed feedback. They have reached out to us on a number of occasions and we tried to work with them but the majority of candidates were not suitable or not interested in work.
- Box tickers, no real or meaningful offering to the tax payer. Get rid!
- They were referring candidates that were not suitable for the roles we had and we were being referred candidates with a lot of barriers such as social anxiety, needing to be accompanied to interview and work trial etc.
- Shirebrook Job Centre
- We do 2 recruitment/ interview sessions with our local jobcentre for one of the sites.

Labour Providers: What proportion of your current workforce do you estimate still have late applications to the EU Settlement Scheme?	Oct 2023	May 2024
0% - 5%	50%	61%
5% - 10%	23%	14%
10% - 25%	16%	18%
25% +	11%	6%

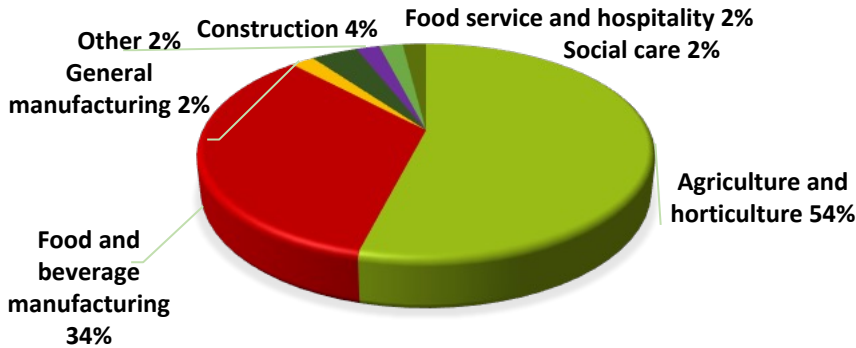
Labour Providers: How many applicants are you seeing with Certificates of Applications to the EU Settlement Scheme?	May 2024
About the same as last year	48%
Slightly fewer than last year	23%
Significantly fewer than last year	22%
More than last year	6%

Labour Providers: What actions do you think the government should take to address labour shortages in the food supply chain (choose all that apply)	Nov 2022	May 2023	Oct 2023	May 2024
Make the benefits system truly support and reward flexible working	61%	58%	54%	62%
Incentivise UK residents claiming Universal Credit to take up jobs and work more hours	61%	65%	54%	58%
Work with sector bodies on a campaign to attract UK resident workers to the food supply chain	62%	62%	54%	52%
Extend immigration visa routes to other lower skilled roles	69%	70%	66%	51%
Allow labour providers to supply workers through the Skilled Worker visa route	43%	43%	39%	43%
Allow asylum seekers the right to work whilst their application is processed	64%	64%	51%	38%
Allow apprenticeship levy funds to be used for more flexible types of training across the sector	29%	40%	30%	36%
Incentivise economically inactive to take up jobs e.g. over 50s, carers, young people etc	-	31%	29%	35%

Work with sector bodies on a campaign to attract harder to reach communities such as disabled and older workers	21%	25%	19%	17%
Allow undocumented workers (those present in UK, but without the legal right to work) to work in essential industries	33%	45%	26%	14%
Other (please specify)	9%	1%	9%	12%
<ul style="list-style-type: none"> ■ Making sure that the employers get a healthy margin considering other costs related to employment. Everything else, can be approved according to safety. ■ Publish more info for companies on funding available to support people back into work, provide visibility of workers available and how they will support getting them back to work (transports costs covered etc) ■ Widen Youth Mobility Programme to include S Africa & Zimbabwe ■ Offer free childcare places from 1 year old ■ I think the government should remove umbrella and 3rd parties to increase the true and fair pay and tax system which will in turn place more funds available to support people into work ■ Allow asylum seekers the right to work in UNSKILLED JOBS whilst their application is processed ■ What labour shortage? ■ Reduce the amount of time people can claim job seekers allowance so it reduces year on year and give people a nudge to get into work. ■ Make it a legal requirement for clients to pay at a percentage that covers labour providers costs 				

EMPLOYERS SURVEY RESULTS

A total of 50 companies completed this survey.



- 83% - Medium or large companies**
- 86% - companies based in England**
- 8% - companies based in Northern Ireland**

Employers: Which recruitment channels do you use to source your temporary/seasonal workers? Choose all that apply.	Nov 2022	May 2023	Oct 2023	May 2024
Direct recruitment	61%	57%	59%	64%
SWS Operator – seasonal workers only	33%	41%	36%	50%
Labour provider – temporary agency worker supply model	34%	49%	55%	46%
Labour provider – recruitment only/direct employment model	67%	27%	26%	30%
Do not use temporary/seasonal workers	19%	27%	18%	18%

Employers: What is the biggest challenge currently facing your business?	May 2024
Cost of labour	40%
Shortage of skills	24%
Shortage of workers	12%
Productivity	6%
Compliance requirements	6%
Attendance	4%
Customer requirements	2%
Responsible recruitment requirements	0%
Other (please comment)	6%

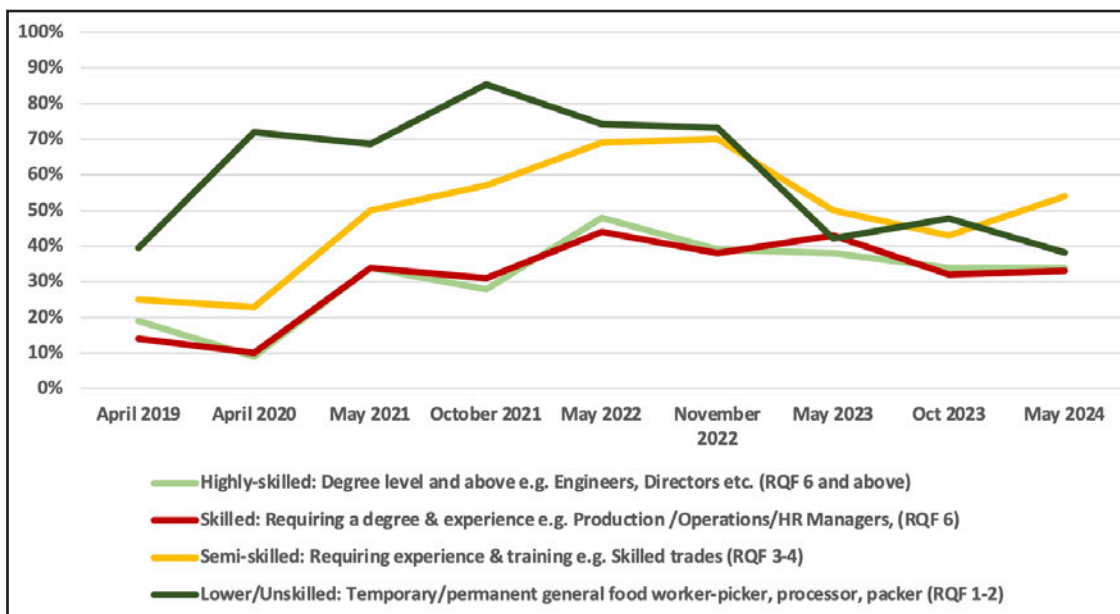
- Language, we are receiving workers from central Asia who do not speak Russian or English, which is complicating matters
- Shortage of demand
- Shortage of workers that want to work in a slaughterhouse.

Employers: During the last 6 months, how was your site with regards to availability of labour of the following types of labour/skill level?

	Fine, no problems	Just ok	Intermittent shortages	Chronic shortages
Highly-skilled: Degree level and above e.g. Engineers, Directors etc. (RQF 6 and above)	42%	26%	21%	12%
Skilled: Requiring a degree & experience e.g. Production /Operations/HR Managers, (RQF 6)	31%	36%	29%	4%
Semi-skilled: Requiring experience & training e.g. Skilled trades (RQF 3-4)	16%	30%	42%	12%
Lower-skilled Permanent: Requiring some training/experience e.g. Process operative, skilled field worker (RQF 2)	13%	29%	49%	9%
Lower skilled temporary/agency/seasonal	27%	38%	29%	6%
Unskilled: Requiring minimal training/ experience, e.g. Elementary roles, picking, packing etc. (below RQF 2)	28%	39%	20%	13%
Unskilled temporary/agency/seasonal	31%	42%	20%	7%

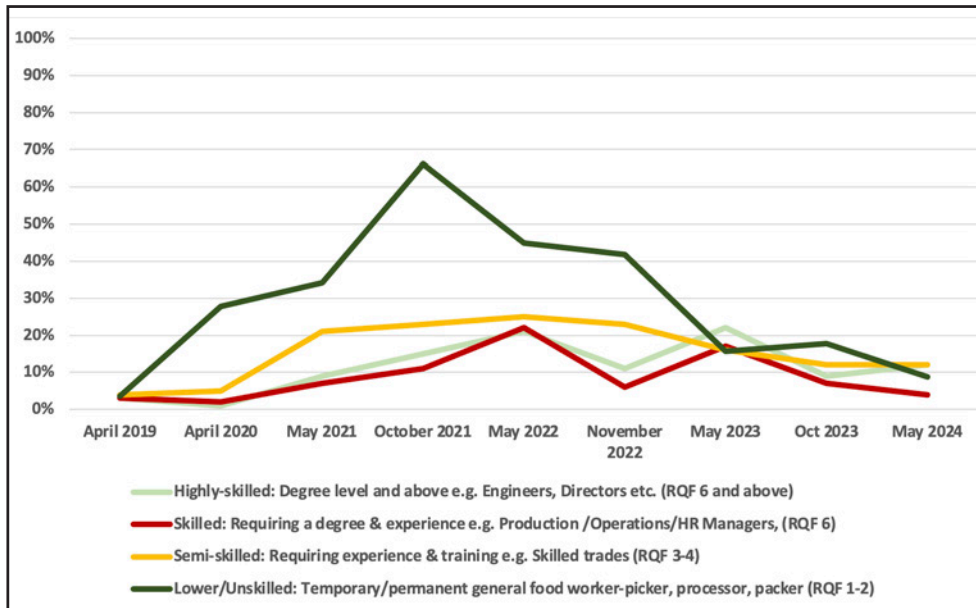
Got Significantly Worse	Got Worse	Stayed the Same	Got Better
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Food Growers and Manufacturers: % with intermittent and chronic labour shortages by skill level



- Labour shortages in high skilled, skilled and semi-skilled still higher than pre-Brexit levels
- 58% of food business are experiencing labour shortages in lower skilled permanent roles
- Labour shortages in unskilled, lower and semi-skilled roles have decreased by 10%

Food Growers and Manufacturers: % with chronic labour shortages by skill level



- Businesses expressing chronic labour shortages are almost down to pre-Brexit levels.
- Having peaked in October 2021, only 9% of food businesses are still suffering from a chronic shortage of lower/unskilled workers

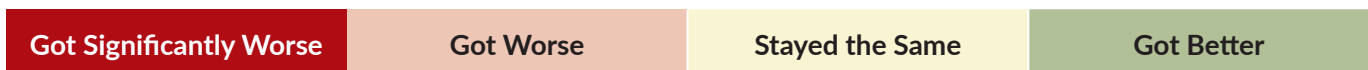
Employers: Which changes have you made over the last 6 months that have had a positive impact on addressing labour availability in your business? (Select all that apply)	Nov 2022	May 2023	Oct 2023	May 2024
Improved labour planning	45%	59%	48%	64%
Focused on being a better place to work	54%	48%	56%	54%
Working more closely with labour provider	51%	59%	54%	52%
Increased wage rates, bonuses and incentives	69%	63%	57%	46%
Trained managers on how to better manage people	-	-	41%	44%
Improved worker retention activities	35%	39%	44%	28%
Improve worker sourcing methods	41%	30%	26%	24%
Increased hours and overtime of current workers	21%	18%	23%	16%
Focus on UK recruitment	18%	20%	20%	16%
Used the Skilled Worker visa route to recruit from overseas	18%	15%	17%	16%
Offer access to your employee assistance programme	-	10%	21%	10%
We have tried but nothing has had a positive impact	18%	5%	8%	6%
Focus on EU recruitment	5%	11%	7%	6%
Other	-	-	6%	6%

- Language, we are receiving workers from central Asia who do not speak Russian or English, which is complicating matters
- Shortage of demand
- Shortage of workers that want to work in a slaughterhouse.

Employers: What changes have you seen in your business over last 6 months? (Choose all that apply)	Nov 2022	May 2023	Oct 2023	May 2024
Increased cost of labour	70%	71%	62%	54%
Employed more workers directly	-	-	-	24%
Used less agency workers	-	-	-	24%
Use more agency labour	53%	32%	32%	22%
Automated to reduce reliance on skills and labour	27%	15%	22%	20%
Rationalise/reduce our output	44%	32%	25%	16%
Expanded/increased our output	-	-	-	16%
No impact	-	-	17%	14%
Employed fewer workers directly	-	-	-	8%
Moved part of our growing/production overseas	4%	4%	0%	6%
Moved all of our growing/production overseas	0%	0%	1%	0%

Employers: Over the next 6 months, how do you foresee the position of your site with regards to recruiting the following types of lower skilled labour/skill level

	We will be fine	We should be just Ok	We will struggle	It will be a crisis
Lower-skilled permanent: Requiring some training/experience e.g. Process operative, skilled field worker (RQF 2)	22%	43%	35%	0%
Lower skilled temporary/agency/seasonal	35%	42%	23%	0%
Unskilled: Requiring minimal training/experience, e.g. Elementary roles, picking, packing etc. (below RQF 2)	33%	40%	27%	0%
Unskilled temporary/agency/seasonal	38%	40%	22%	0%



- 27% of businesses expecting to struggle and none are expecting it to be a crisis

Employers: Over the next 6 months, which recruitment changes are you planning make (tick all that apply):	Nov 2022	May 2023	Oct 2023	May 2024
Work more closely with labour provider/external recruiters	60%	38%	42%	42%
Improve labour planning and ordering	48%	34%	45%	40%
Focus on recruiting EU pre/settled status workers from Europe	28%	16%	14%	20%
Use additional labour providers to supply workers	29%	18%	28%	16%
Increase internal recruitment resource and budget	22%	15%	20%	16%
Increase recruitment of young people in the local labour market	18%	15%	19%	16%
None	-	-	-	14%
Improve UK resident worker sourcing methods	24%	6%	9%	10%
Work with Jobcentre to source from different hard to reach groups	-	8%	15%	10%
Increase recruitment of people with disabilities in the local labour market	8%	8%	6%	6%
Recruit from government resettlement schemes (Afghan and Ukrainian)	-	-	-	4%
Start or increase use the Skilled Worker visa route to recruit from overseas	13%	16%	12%	2%
Increase recruitment of older people in the local labour market	14%	8%	12%	2%
Consolidate current labour providers	9%	5%	7%	2%
Other			6%	2%

■ Recruit more fixed term contracts directly to cover seasonal periods to reduce reliance on agency

Employers: Over the next 6 months, which HR changes are you planning to make (tick all that apply):	Nov 2022	May 2023	Oct 2023	May 2024
Implement a great place to work strategy	38%	34%	34%	50%
Increase wage rates, benefits, bonuses and incentives	42%	28%	40%	28%
None	-	-	-	24%
Offer more flexibility of hours and shifts	-	14%	19%	16%
Introduce a labour turnover reduction strategy	27%	14%	14%	16%
Introduce or increase worker accommodation	14%	13%	8%	16%
Increase hours and overtime of current workers	20%	18%	13%	14%
Introduce guaranteed hours for agency workers	6%	11%	2%	8%
Provide financial wellbeing support	13%	8%	8%	6%
Reduce hours and/or overtime of current workers	-	-	-	4%
Introduce paid for/subsidised daily travel to work	5%	3%	2%	4%
Introduce paid for/subsidised travel to UK	3%	3%	2%	0%
Other (please specify)	5%	1%	6%	2%

■ Increase internal training

Employers: What impact do you expect workforce shortages to have on your business from now until the end of 2024 (choose all that apply)	Nov 2022	May 2023	Oct 2023	May 2024
Increased labour costs	80%	81%	53%	66%
Use more agency labour to meet shortfall	-	-	-	38%
Automate to reduce reliance on skills and labour	24%	18%	14%	22%
No impact expected	6%	9%	30%	16%
Rationalise/reduce our output	42%	25%	22%	12%
Our business is likely to become unviable	10%	5%	5%	8%
Move part of our growing/production overseas	4%	6%	0%	4%
Increase proportion of permanent workforce and use less agency labour	19%	18%	11%	0%

Employers: What actions do you think the government should take to address labour shortages in the food supply chain (choose all that apply)	Nov 2022	May 2023	Oct 2023	May 2024
Incentivise UK residents claiming Universal Credit to take up jobs and work more hours	61%	46%	58%	50%
Confirm the continuation of the Seasonal Worker Scheme beyond the end of 2024	-	-	-	50%
Extend immigration visa routes to other lower skilled roles	68%	56%	52%	48%
Work with sector bodies on a campaign to attract UK resident workers to the food supply chain	65%	49%	57%	44%
Allow asylum seekers the right to work whilst their application is processed	49%	38%	35%	40%
Make the benefits system truly flexible to reward working	51%	43%	43%	34%
Allow labour providers to supply workers through the Skilled Worker visa route	51%	33%	41%	32%
Allow apprenticeship levy funds to be used for more flexible types of training across the sector	44%	29%	34%	32%
Allow undocumented workers (those present in UK, but without the legal right to work) to work with limited rights in essential industries	35%	23%	24%	28%
Incentivise economically inactive to take up jobs e.g over 50s, carers, young people etc.	-	22%	27%	26%
Work with sector bodies on a campaign to attract harder to reach communities such as disabled and older workers	25%	14%	16%	4%
Other (please specify)	5%	9%	7%	4%

- Make the SWS more flexible for agri businesses with longer seasons - offering 9 months work would be attractive for many workers and for agri businesses with longer seasons
- Extend the skilled visa worker route to include roles that we cannot recruit for in the UK, the jobs that they don't want to do.

Employers: Do you use the Seasonal Worker visa route?	Nov 2022	May 2023	Oct 2023	May 2024
We do not use Seasonal Worker visa route	66%	56%	62%	50%
We use the Seasonal Worker route for poultry workers and think 2000 visas is enough	0%	1%	1%	0%
We use the Seasonal Worker route for horticultural workers and think 45,000 visas is enough	3%	14%	10%	18%
We use the Seasonal Worker route for poultry workers and think the number of visas should be increased	0%	0%	1%	4%
We use the Seasonal Worker route for horticultural workers and think the number of visas should be increased	29%	29%	26%	28%

If you think the number of visas should be increased, to how many and why

- Cannot get any UK staff. There will be no produce on the shelves. Unaware of the correct figure, surely can work out what is required rather than agreeing a number that looks large with little understanding of if that is enough
- 45,000 is more than enough if the number of months work was permitted is extended
- It is difficult to provide a number, however poultry dressers has just been removed from the skilled worker route. As much as we try, we cannot change the fact that we are a slaughterhouse. People do not want to work in a slaughterhouse. Depending on how recruitment goes, it is very possible that without the continued support of the skilled visa route for poultry dressers that we could suffer a significant shortfall and therefore require more during our seasonal peak.
- Minimum 10,000 to cover EU workers no longer coming to UK

Employers: Are you a Skilled Worker visa sponsor and have you recruited workers through this route?	Nov 2022	May 2023	Oct 2023	May 2024
No, we are not a sponsor	80%	84%	80%	72%
Yes, we are a sponsor but have not recruited any skilled workers yet	13%	4%	7%	8%
Yes, we are a sponsor and have recruited skilled workers from overseas directly ourselves.	3%	10%	8%	14%
Yes, we are a sponsor and have recruited skilled workers with an overseas based recruiter.	1%	1%	1%	2%
Yes, we are a sponsor and have recruited skilled workers, using a UK based labour provider to manage the process	4%	1%	4%	4%

If yes, and you have recruited skilled workers, please say how many and from which countries

- 96 from Nepal
- 1 from Kazakhstan

Employers: Will the salary threshold changes to the Skilled Worker visa impact on your use of this visa route?	May 2024
No – we will continue to use it at the same level	62%
Yes – we will use it only for a small number of higher skilled roles	20%
Yes – we will not use this visa route any longer	18%

Employers: How have labour shortages increased the cost of running your business?**INCREASED LABOUR COSTS**

- More overtime and increased inefficiency
- We have paid out a lot in overtime, the crop has gone unpicked.
- We have to pay more overtime
- Have to pay more to recruit labour
- We had to increase wages of key workers as we are worried that we can lose them and we do not see available an alternative for them.
- Longer hours at higher rates
- We have increased our basic hourly rate paid
- Increase in wage bill.
- Increased overtime at premium rates for the workforce
- It means we have to use more overtime to cover shifts which is more expensive as we pay 150% overtime rates, this then impacts our profitability.
- Poor performance against high wages have put our costs up significantly
- Increased agency fees (direct placement or through labour providers). Equally they are not skilled or committed to the Company, therefore their input is not what you can expect from a dedicated employee that is looking to build their skills and possibly move up the career path.
- Fewer workers means more overtime which, when regulated by SEDEX, becomes very expensive.

BUSINESS IMPACT

- Shortages have resulted in areas of crops not being harvested, meaning less revenue from not being able to provide expected volumes
- We have had to intently look at taking new volumes of orders and increased orders if we are able to support our customers with our products. Our business is a very manual labour intensive positions and we find it extremely difficult to find people who will commit to doing this job.

SEASONAL WORKERS

- By ordering people from overseas; buying houses for the overseas workers and accommodating them



Employers: Are there any other comments that you would like to add:
INCREASED LABOUR COSTS

- The change of approach of the Home Office on no deductions for energy usage for Seasonal Worker Scheme workers has been a surprise this year and as usual at the last minute 6 months after we negotiate our prices with our customers. It seems Sedex are expecting us to pay all travel costs moving forward. More notice for changes would be beneficial. This is putting farms out of business.
- We cannot absorb the extra cost to the business of paying for SAWS workers transport to the UK and the cost of their visas. They earn enough money when they are here. We do not need comments by people like Jacob Rees-Mogg that we should rely on imports rather than grow food ourselves - we might as well pack up now. Whichever Government gets into power, they need to work with and understand the challenges that face the modern farmer and the costs involved in picking our fruit as trying to get British workers into the workforce is nigh on impossible.
- We use SWS provider on a regular basis and many of our people who come to work for 6 months always wish to return. This would be more efficient for us on them returning after the break of 5 months is up! As we would not have to retrain new people, they would be already have the skills. This is not always possible from a visa point of view or recruiter or Country issues. In an ideal world we would like the seasonal worker to be for one year not 6 months.
- The regulation regarding the accommodation offset and the maximum what farmers can charge a worker in total for rent and all utilities (£69.93) and that there cannot be further charges on top of this will have a negative impact on sector (and on the environment as well). I think that Home Office does not help farmers.
- We are not in a position where we can start paying for flights and visas for workers, as a producer. This idea must be stopped immediately.
- Having use of the skilled visa route has given the Company a great boost, enabling us to recruit into the roles that people do not want to do. We have done the job centre events, over 50s events, disability events, autism events and general "get back into the workplace events" and continue to do so. We go to schools/colleges agricultural and otherwise and teach about the careers the poultry industry can offer from farm to fork. We work with various charities supporting individuals getting back into the workplace. We also recruit through the ROTL scheme and working with prisons for recruitment on release. We continue to face the same challenge. People do not want to work in a slaughterhouse. The increase in pay for the skilled visa route is not achievable.
- Seasonal workers are critical for the horticulture industry and the UK population is not attracted to this work despite our seasonal staff being able to earn £16-£17ph
- Government need to wake up to who the working population in the country and make benefits system less attractive.

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