



BREXIT HUB

LABOUR AND EMPLOYMENT

Introduction

The transition period between the UK and the EU will end on 31 December 2020. This means that the UK will no longer be a member of the EU's Single Market nor the Common Customs Union. These changes will result in a series of significant, and depending on the timing, abrupt changes to how rural businesses operate. The rules regarding labour supply and immigration will change.

This briefing note, and others on different subjects that can be found on the CLA Brexit Hub - <https://www.cla.org.uk/brexit> - provides rural business owners with a detailed framework for the steps which will need to be taken and where you can find more information relating to labour supply and immigration after transition and has been independently compiled by CLA experts. It covers:

- Changes to immigration;
- Settled status for EU nationals;
- Seasonal workers;
- Visas;
- Rules for skilled workers;
- Becoming a sponsored employer;
- Implications for future labour supply.

Of course, the decision about what actions to take will be unique to every businesses' needs. This guidance is not intended to make a judgement on the specific activities you should be undertaking, or about the longer-term effects of the UK's exit from the EU.

What are the changes being made to the UK immigration system?

The Government is to introduce a points based immigration system that will take effect from 1 January 2021. Migrant workers will only be permitted to work in the UK if they have been sponsored by a UK employer. They will also need to be skilled, meet a salary benchmark and be able to accrue sufficient points.

Can my permanent employees, who are EU nationals, continue to work for me?

Yes. EU nationals currently residing in the UK can apply for Settled Status or Pre-Settled Status, which will allow them to live and work in the UK as they do currently. If they fail to apply for Settled or Pre-Settled Status, their right to remain will be questioned by the UK's immigration authorities.

Please note there is exceptions for Irish citizens are entitled to remain and work in the UK without needing to apply for Settled or Pre-Settled Status.

Those who have resided in the UK for over five years can apply for Settled Status, a permanent guarantee of the right to work in the UK.



Those who have resided in the EU for less than five years can apply for Pre-Settled status, which will allow them to stay for five years, after which they can apply for Settled Status. For more details, go to:

https://www.gov.uk/settled-status-eu-citizens-families?utm_campaign=transition_p1&utm_medium=cpc&utm_source=seb&utm_content=eut_act84&gclid=CNr4noSZmO0CFY-DhQodh1QH8g

Will I still be able to source seasonal labour from the EU?

The UK is intending to introduce a new Seasonal Agricultural Workers Scheme although the detail of this has still to be released. It is thought that the present 10,000 limit from the pilot scheme could be increased.

Will workers require a visa to work in the UK?

EU based migrant workers will require a visa and immigration routes are now open for applications to work, live and study in the UK from 1 January 2021.

For most visas a digital photo of the applicant will be required but fingerprint information will not be required.

If the worker is a non-EU citizen, they will need to continue to submit fingerprint information and a digital photo at an overseas visa application centre.

What are the rules for skilled workers?

The points-based system will allow skilled workers who have a job offer from an approved employer sponsor to be able to live and work in the UK.

From January 2021, the job offered by an approved sponsor will need to be at a required skill level of **RQF3 or above** (equivalent to A level). The worker will also need to be able to speak English and be paid the relevant salary threshold by the sponsor. This will either be the general salary threshold of £25,600 or the going rate for your job, whichever is higher.

It may still be possible for a worker to earn less, but no less than £20,480, if they are able to “trade” points on specific characteristics against salary. For example, if the job offer is in a shortage occupation or that person has a PhD relevant to the job. However, very few occupations on the shortage occupation list are relevant for rural economic sectors.

Employers who wish to become a licensed sponsor will need to apply. For more information, go to: <https://www.gov.uk/uk-visa-sponsorship-employers>

What do I do if I want to employ students?

Students will be able to apply for a visa to study in the UK if they:

- have been offered a place on a course;
- can speak, read, write and understand English;
- have enough money for support and can pay for the course.

What happens to visitors to the UK?



EU, EEA and Swiss citizens and other non-visa nationals will not require a visa to enter the UK when visiting the UK for up to 6 months. All migrants looking to enter the UK for other reasons (such as work or study) will need to apply for entry clearance in advance.

Until at least January 2026 the UK will continue to recognise identity cards used for travel by EU citizens and their EU family members who are both resident in the UK before the end of the transition period and hold status under the EU Settlement Scheme. The UK will also recognise ICAO compliant identity cards from this group beyond 2026.

How will I be able to prove that my workers are legally permitted to work in the UK?

Employers will continue to accept EU citizens' passports and identity cards as evidence of their immigration status until 30 June 2021. For further information, go to: <https://www.gov.uk/guidance/employing-eu-citizens-in-the-uk>

Non-EU citizens can continue to use a physical document to prove their immigration status. Those with a valid, current Biometric Residence Permit, Biometric Residence Card or status granted under the EU Settlement Scheme can prove their right to work using an online service. Employers will also be able to carry out a physical document check or online check. More details can be found at: <https://www.gov.uk/check-job-applicant-right-to-work>

What are the potential implications of restricting immigration to the rural economy?

The Covid-19 pandemic has already shown what can happen if there is a shortage of supply in certain rural economic sectors. For example, in agriculture, there are an estimated 80,000 migrant workers, both permanent and seasonal. During 2020, it was estimated that only 25% or 20,000 workers were able to travel to the UK as a result of border controls and closures. This led to a significant shortfall in available labour supply.

This meant that other methods had to be used in order to try and meet labour demand. The main route used was to try and employ domestic labour. Depending on the type of employment, however, this was less than successful.

Despite the possibility of an increase in the number of migrant workers as part of a seasonal agricultural workers scheme, even if this was 20,000, it would still mean a substantial labour shortage. The Covid-19 crisis has shown what the impact would be to the rural economy. Indeed, the consequences could be worse in that for some sectors which employ a high volume of migrant labour, such as rural tourism, the impact of Covid-19 meant that many businesses were required to close for long periods. Once the virus is brought under control, the shortage of labour is likely to have a severely destabilising effect on the rural economy.

What can I do to limit the impact of a changing immigration policy?

The Government believes that a drop in migrant labour will be replaced by domestic labour. Most businesses state that they already try to recruit British labour, but do not find adequate numbers or quality of applicants. It is, however, possible that British labour might meet some of the fall in migrant labour, particularly if economic uncertainty causes some redundancies.

The Government has, in the past, encouraged employers to meet the labour supply gap by hiring veterans and/or ex-prisoners in their business. For the former, The Ministry of



Defence's Career Transition Partnership (CTP) can provide a free recruitment service for UK employers. For details, go to: <https://www.ctp.org.uk/>

If a business wants help employing ex-offenders, they can contact the New Futures Network (NFN), a specialist part of the prison service that brokers partnerships between prisons and employers and can advise on the best way to engage with ex-offenders.

If a business is struggling to find people with adequate skills, they can consider running an apprenticeship scheme. The Government can provide aid in hiring an apprentice. If a business does not pay the apprenticeship levy (only applicable for businesses with an annual wage bill of over £3 million), then the Government will fund 95% of the costs of the apprenticeship. If a business does pay the levy, then the Government will also provide funding, but this will be calculated differently, depending on each individual business. Further guidance on how to employ an apprentice can be found at: <https://www.gov.uk/employing-an-apprentice>

Alternatively, you could look into ways to make your business more efficient and resilient. Further guidance on how to prepare for after transition can be found in the CLA "Brexit Ready" toolkit which will be available on the CLA Brexit Hub. You might, for example, investigate whether there is any machinery and/or technology which you could invest in, to limit the number of employees you need. Improved efficiency and greater innovation can lead to a business becoming more resilient.