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Th Rt Hon James Cleverly MP Home Secretary 2 Marsham Street London SW1P 4DF

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Dear Home Secretary

In December 2023, you announced that the Government would be imposing new rules to lower authorised immigration. From spring, the Government will increase the earning threshold for overseas workers by nearly 50% from its current position of £26,200 to £38,700. The Government will also increase the minimum income required for British citizens and those settled in the UK who want their family members to join them from £18,600 to £38,700. According to the announcement, all those who want to live and work here must be able to support themselves, contribute to the economy, and not be a burden on the state.

However, it will clearly be problematic to have two differing pay rates for the same role, particularly where the new rate would exceed that paid to current UK cohorts. Businesses who rely on the skilled worker visa to fill job vacancies for which UK workers cannot be found will therefore have two choices. Either increase salaries right across the organisation or, as we are already experiencing, they will be forced to stagnate their businesses due to the inability to source enough workers.

These recent changes to the skilled worker visa route will have a catastrophic effect on the ability of businesses to source labour and ultimately on their viability and competitiveness. Businesses have already budgeted for the new National Minimum Wage increase, and plan for ongoing inflationary rises. But an increase of 49% to the minimum salary threshold will curtail their ability to utilise the skilled worker visa route for butchers and will not support the challenges they face within the food production industry.

Unfortunately, there is a perception that UK businesses utilise migrant labour as a "cheaper option" to UK-based labour. This is simply not the case. The skilled worker route offers our industry access to labour that we are unable to source within the UK and is already at a significantly higher cost than recruiting a UK-based worker.

With UK unemployment at 4.3%, there is simply not an availability of local workers to meet labour needs, especially within food production. Meat processing in the UK currently employs around 97,000 people, of which approximately 62% are EU nationals. This has been the case for the last 15 years, and EU workers are now an integral part of the UK's food supply industry. Since Brexit, our ability to source labour has further decreased, despite extensive investment into our local recruitment.

Local recruitment activity varies between companies and poses challenges not faced by other industries due to the diverse geographic locations and the demographics of the local populations. Our sites are rural, have poor public transport links and often lack the housing and infrastructure to support local workers. This limits access to suitable candidates to fill vacancies.

The main types of local UK recruitment activity are categorised as follows:

- Job centre and "back to work" agency collaborations
- Apprentices
- T-Level students
- Graduate schemes
- Industrial placement schemes

- Company job board via their websites
- Online advertising such as job boards (Indeed, Reed, Total, Monster, CV library etc)
- Social media (such as LinkedIn and Facebook)
- Open days, graduate fairs, placement scheme fairs and similar
- School and college presentations, open days and collaborations
- Leaflet drops, shop and local facility advertisements, other media advertisements (radio, newspapers)
- Paid "Refer a Friend" schemes via existing employees.
- Use of labour agencies (permanent placement, headhunting, agency and temporary-to-permanent models)

In our view the changes announced by the government are a reactionary response to net migration figures with no consideration for UK skill shortages and labour availability. As of the tax year ending April 2023 the median annual earning for full time employees across the UK stood at £34,963, highlighting regional income disparities. The proposed shift in salary requirements will lead to a substantial increase in already high company overheads and will be exacerbated further by the upcoming 67% surge in the Immigration Health Surcharge payments.

The "going rate" for category 5431 butchers currently sits at £20,400 and butchers working in the UK are earning a minimum of £26,200, with additional earning opportunities available for higher skilled staff. The meat industry cannot absorb a 49% increase in wages across all our roles, as of course we would need to raise the earnings of existing workers to ensure pay parity, and to comply with both legislative and ethical requirements.

Not only is there a serious threat that our companies will become uncompetitive, but there is also the risk that we repeat the serious animal welfare issue that occurred in 2021 when a shortage of abattoir workers caused a build-up of animals and necessitated the emergency slaughtering of pigs on farms.

We therefore ask that the Home Office ask the Migratory Advisory Committee to include butchers onto the Immigration Salary List, which would mean that they could apply the lower salary thresholds. This would still mean an overseas worker would be earning £30,960 which is a considerable increase from the current £26,200. Even this lower increase in the threshold will have a damaging impact for the businesses that have to find the extra money and will stoke food price inflation as higher overhead costs are passed-on.

Yours sincerely

NP Allen.

Nick Allen Chief Executive