Homecare Association

Homecare Association Submission to the Public Accounts Committee on Skilled Worker Visas

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Executive summary

The recent decline in visas[1] issued reflects not only the legal changes introduced in March 2024 but also a more stringent assessment of applications from late 2023 - particularly the increased demand for evidence of guaranteed commissioning. However, the High Court[2] has ruled that the Home Office's approach to assessing guarantees of commissioning in care sector applications is 'irrational' and does not correspond to how the public sector actually commissions care.

There is now an urgent need for cross-government coordination on purchasing care. Care providers need guaranteed hours from NHS and local authority commissioners in order to offer employment to staff. Joined up policy thinking is essential – particularly in understanding how different policies (such as immigration salary thresholds) interact with workforce measures like the proposed Fair Pay Agreement.

We remain concerned the decision to restrict dependants for care workers under the March 2024 immigration rules signals a lack of parity and respect compared to other health and care professions.

Domestic recruitment remains challenging[3]. As the current international cohort move towards settlement, some are likely to move to different professions and sectors. Without action to address the underlying issue of genuine vacancies and domestic recruitment/retention challenges, the sector risks facing another workforce crisis within the next 12-24 months.

We fully support the National Audit Office (NAO) call for a joined-up approach to addressing exploitation in the sector.

Providers report ongoing issues in their dealing with the Home Office – including administrative complexity, delays and poor customer service, and rising costs.

International examples from Australia, Canada, New Zealand and Germany show more flexible sponsor-worker relationships. The UK could adapt these to suit the homecare sector's needs.

The Homecare Sector

The Homecare Sector provides vital support to enable people to live independently in their own homes. As at 2023/24, there were 13,733 CQC-regulated domiciliary care services in England, representing a 63% increase since 2017/18. This contrasts with a decrease of 1,400 (-8.8%) in residential CQC-regulated establishments over the same period, reflecting the 'home first' policy approach being adopted by local authorities[4].

Regulated homecare services in England employed c. 580,000 workers in 2023/24, with 10% of posts vacant, equating to 70,000 unfilled positions. While this represents an improvement from the peak vacancy rate of 13.2% in 2021/22, it remains significantly higher than the wider economy's 2.8% vacancy rate.

Recent data from the Department of Health and Social Care (DHSC) show that 71% of providers report difficulties in recruiting staff and 57% reported difficulties retaining staff[5].

International recruitment has been crucial in addressing workforce shortages in homecare. Skills for Care estimates that:

- Of the 105,000 people recruited internationally to the adult social care sector in 2023/24, 64,000 (61%) work in non-residential services, including homecare

- Homecare employed 45,000 sponsored workers between March 2022 and December 2023

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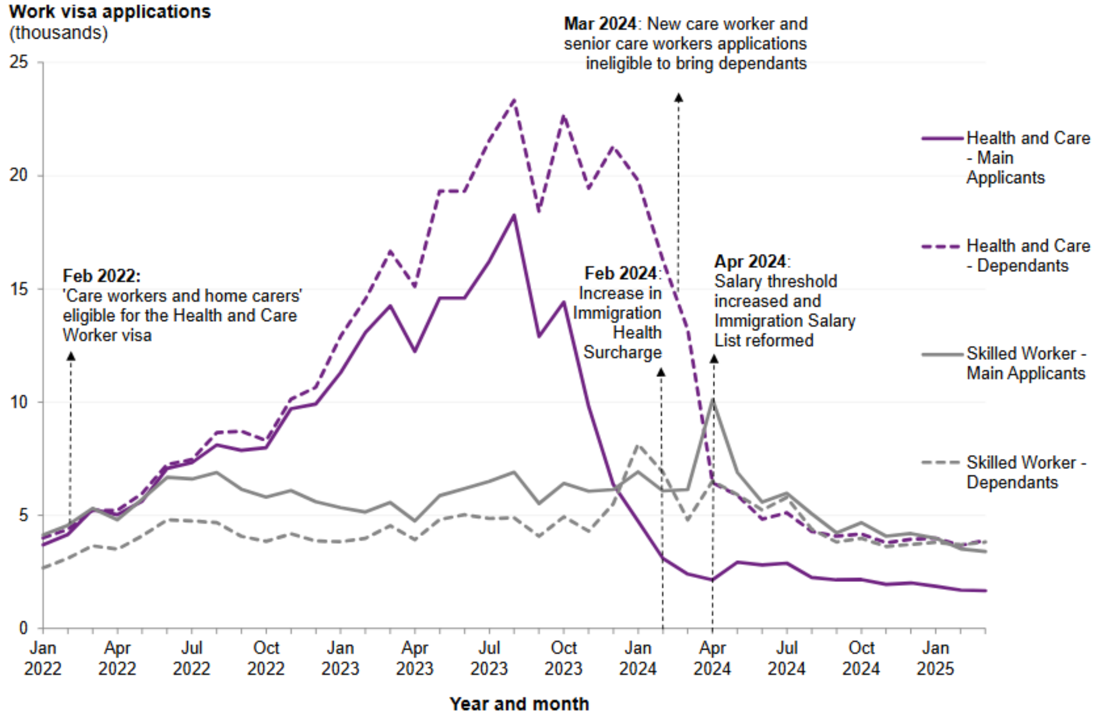
Internationally recruited workers have demonstrably improved staff retention in the sector. Data from Skills for Care[6] shows that employers with international recruits saw turnover rates decrease by 8.1 percentage points (from 41.5% to 33.4%) between March 2022 and March 2024, compared to just 2.9 percentage points for employers without international recruits.

The vacancy rate for employers with international recruits decreased from 12.8% to 8.5% over the same period, demonstrating the positive impact of the visa route on service stability.

Genuine Vacancy Test

In response to concerns about careworker exploitation and widespread concerns about international recruits not receiving sufficient hours of work or salary to meet visa conditions, the Home Office began to undertake more stringent checking of applications for certificates of sponsorship from care employers in autumn 2023. You can see in Figure 1 below that the number of visa applications had already reduced before the announcement of the March 2024 changes in December 2023 and long before March 2024 itself.

Figure 1: Monthly applications for 'Skilled Worker' and 'Health and Care Worker' visas, January 2022 to March 2025



Source: Home Office[7]

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The Home Office also recognise this in their own analysis, stating:

> "The falls seen since the latter part of 2023 are because of more scrutiny applied by the Home Office to employers in the health and social care sector, and compliance activity taken against employers of migrant workers."[8]

While it is right that the Home Office takes action to prevent exploitation, genuine providers have raised concerns about the evidentiary requirements imposed during the visa application process. Specifically, providers were asked to demonstrate – prior to a recruit's arrival -that they had guaranteed hours of work available. UKVI officials have requested evidence of contracts explicitly confirming this.

This requirement presents several significant challenges, including:

- **Regulatory constraints:** Care employers cannot commit to deliver care services without having appropriate staffing levels in place, as doing so could jeopardise the safety and wellbeing of individuals receiving care.
- **Nature of commissioning:** Around 80% of homecare is commissioned by local authorities and the NHS[9]. Public sector bodies typically contract work to providers via framework agreements which do not include documentary clauses specifying hours, even when providers are delivering thousands of hours of care a week.

This disconnect between commissioning practices and visa requirements creates an unrealistic burden on providers and risks penalising those who are operating responsibly within the regulatory framework.

The NAO report recognises this:

> "The Home Office has more rigorously applied its 'genuine vacancy' test to check whether the vacancies employers claim to have do exist, and has introduced a 'credibility' test for applicants. This was in response to the Home Office developing its understanding of how the route was being used in the care sector. Caseworkers had previously been unable to refuse applications when there were doubts, making it resource-intensive to refuse applications. However, stakeholders from the care sector reported that the Home Office's use of this test does not always reflect the way that recruitment works in the sector, as it requires them to prove they have a vacancy at the time of application, which does not always suit the way that care is commissioned or how care providers recruit staff in the sector."[10]

In recognition of ongoing concerns, UKVI working with DHSC launched a scheme where Directors of Adult Social Services can provide letters to support applications for Certificates of Sponsorship[11]. However, providing evidence remains challenging.

Some employers have challenged this position. In *Hartford Care Group Limited ("Hartford Care") (R (Hartford Care Group Limited) v SSHD [2024] EWHC*

3308) the care provider provided several contracts as evidence to the Home Office, but the Home Office rejected their application for Certificates of Sponsorship because the contract did not guarantee hours of work.

The High Court held:

> "[the Home Office should have] taken steps to gather relevant information before reaching the decision that [Hartford Care's] jobs were not genuine. Had the [Home Office] made any sufficient enquiry of those in the care sector, it would have been immediately clear that it was irrational to take into account the lack of official contracts with guaranteed hours. The guarantee of hours was properly found in the sample employment contract between [Hartford Care] and the care worker."

Following this ruling, providers are still being asked for extensive evidence.

We remain seriously concerned about a fundamental disconnect between how public bodies commission care from the sector and how UKVI assess visa applications for careworkers.

This disparity is particularly stark in light of the proposed Employment Rights Bill, which includes provisions for guaranteed working hours for all employees. These provisions are not reflected in the way local authorities and the NHS contract care services. Public sector commissioning often does not guarantee hours to care providers and typically expects them to respond to demand at short notice — creating a structural barrier to offering guaranteed hours to workers.

We are, therefore, calling for a joined-up cross-Government approach to ensure that public sector commissioning practices enable providers to meet the requirements of both the Employment Rights Bill and Genuine Vacancy test under immigration rules.

In the absence of this, there must be sustained and meaningful engagement between the care sector and the Home Office to develop a more realistic and sector-informed approach to assessing genuine vacancies.

March 2024 changes

Key changes in March 2024 included a requirement for care organisations seeking Certificates of Sponsorship for careworkers to be registered with the Care Quality Commission (CQC), as well as the removal of the right for careworkers to bring dependants.

However, as visa application numbers had already dropped sharply before the Government implemented these changes – and in the context of other policy shifts outlined above – it is difficult to establish to what extent the March 2024 measures affected recruitment levels. Where employers hold Certificates of Sponsorship, many appear still able to attract recruits.

We remain seriously concerned that careworkers are being treated detrimentally in the Immigration Rules compared to all other health and care professionals.

Future workforce shortage risk

The administrative and legal changes introduced in late 2023 and early 2024 have contributed to a dramatic 81% decline in visa applications between April and June 2024 compared to the same period in 2023. Health and Care visa applications fell by a further 30% from 2,400 to 1,700[12] between March 2024 to March 2025.

Skills for Care data show international recruitment has slowed significantly, with just 8,000 recruits in April-June 2024 compared to a previous quarterly average of 26,000[4].

As members of the current international workforce settle or transition into other roles, the number of people working in the care sector is likely to decline further.

The Home Office estimates Health and Care Worker visas could fall by 385,000 over the next 10 years. Meanwhile, Skills for Care projects an increase in demand for 430,000 additional posts by 2035, creating a potential workforce gap of 815,000 posts[13].

The number of British workers in adult social care has decreased by c. 70,000 since 2021/22. This is a significant and troubling decline of the domestic workforce, with 71% of providers reporting recruiting difficulties [14].

The Department of Health and Social Care's (DHSC) recent workforce survey[15] identified better pay and hours in other sectors as the primary barrier to retention of domestic workers. Recruitment challenges include low pay, candidates not meeting job requirements and candidates not holding a UK driving licence.

Our own workforce survey supports these findings. Homecare providers report recruiting British workers is increasingly difficult[16]. Key barriers included:

- Competition from sectors offering more attractive pay and conditions
- Perception of social care as low-status work
- Travel costs and irregular working patterns
- Limited career progression opportunities

While the Government has highlighted the proposed Fair Pay Agreement as a potential solution, it remains unclear whether H.M. Treasury has allocated any funding to support its implementation. Evidence from some individual providers, and international examples, shows even when pay has improved, recruiting enough people with the right skills and values to do care work well remains difficult.

The Government needs to give urgent wider consideration to workforce planning both domestically and internationally. Domestic recruitment alone is unlikely to meet demand in the short to medium term, while the Government works on developing a workforce plan.

We are, therefore, deeply concerned that, unless the Government resolves current issues with international recruitment, the sector will face another wave of workforce shortages. The consequences of this are sadly predictable. We will see increasing waiting times for people in the community needing care and difficulties discharging people from hospitals.

Exploitation

There is currently insufficient cross-government coordination to address compliance issues and labour exploitation in the care sector.

- Data sharing between the Home Office, local authorities, HMRC, and the CQC remains inadequate. Many councils are unaware of which providers in their areas employ sponsored workers. While the Home Office now informs local authorities before revoking licences, this is a reactive step rather than a solution.
- Regulatory bodies lack the resources to monitor and enforce regulations. As of June 2024, 60% of homecare providers had either no CQC rating or one that was out-of-date[17]. The NAO reports that "In November 2024, the Home Office had 46 full-time equivalent (FTE) compliance officers, compared with 65.5 FTE in 2021. It told us that a recruitment freeze and difficulties in retaining staff had limited the capacity of the compliance team" [18]. This is despite rising levels of non-compliance.
- Impact of licence revocations is significant. The Gangmasters and Labour Abuse Authority estimate that the Home Office revocations of sponsorship licenses have affected 34,000 workers in the care sector, creating major disruption to care provision.

We are very concerned that local authorities and NHS commissioners of care services are not paying sufficient attention to labour exploitation when they commission services. In 2024/25:

- Many commissioners continued to purchase care on a zero-hour basis with no guaranteed work (discussed above).
- 6% of public sector commissioners[19] purchased care at a price that was lower than that required to meet the direct employment costs of the careworker at National Living Wage.

- 99% of public sector commissioners were not covering the full overhead costs required to run a compliant and responsible care business – including management, IT, insurance, training and other costs.

For example:
Hammersmith and Fulham have written to us to confirm they are paying £18.76 per hour of care delivered in 2025/26. However:
- The National Living Wage is £12.21.
- Wages for travel time (8 minutes on average) cost £2.75.
- Employers' National Insurance and statutory pension contribution cost £2.54.
- Holiday pay would cost £1.95 (at required 12.07%).
- **Total:** £19.45 – and this is without accounting for sick pay, training time, travel reimbursement (like mileage), maternity pay, or notice and suspension pay. It also excludes any contribution to running costs, e.g., wages of the Registered Manager, care coordinators and other office staff, CQC fees, PPE, office costs, insurance, etc.

The Government must align commissioning practices used by public bodies with its own regulatory expectations. If the public sector continues to purchase care below the true cost of delivery, it undermines providers' ability to meet legal obligations, including those required for visa sponsorship, and risks perpetuating labour exploitation.

The experience of providers – Customer Service

Providers consistently report the sponsorship process to be complex, expensive, lengthy[20] and the guidance hard to interpret. There are also significant concerns about the quality of customer service – including long wait times and a lack of transparency in the complaints process.

The NAO has highlighted this in its recent report:

> "Our analysis showed that the proportion of [sponsorship] cases taking longer than the average processing time increased from 34% in 2022 to 49% in 2024, but the Home Office could not provide reliable data on the distribution of processing times"[21].

We are particularly concerned about the number of Certificate of Sponsorship applications from the care sector marked as complex, leading to prolonged delays or the need for repeat submissions. This was a notable issue throughout 2023-2024. In our Workforce Survey (data from March-April 2024), 13% of respondents reported average processing times exceeding 18 weeks. We understand 18 weeks to be the processing standard for Undefined Certificates of Sponsorship. For providers and potential employees, awaiting clarity on employment status, this is clearly unacceptable.

While the NAO report focused primarily on customer experience of visa applicants, we hear from many sponsors who feel the Home Office is unaccountable in its interactions with them. Many report a lack of clarity about how to lodge a complaint, and dissatisfaction with the responses received. This is particularly in cases covering IT issues or administrative errors unrelated to the outcome of an application.

Another concern is the Home Office practice of, sometimes, cancelling applications that no longer comply with new immigration rules introduced during processing. While the logic for aligning applications with updated rules in understandable, cancelling long-pending applications because of delays – especially when those delays are on the Home Office's side – is deeply frustrating for providers and applicants alike. It undermines confidence in the system.

International examples of more flexible visa systems

Several international models show modifications to the UK's current employer-tied sponsorship system that could better serve the homecare sector:

- **Australia's change of employer pathway:** Australia allows sponsored workers to change employers without applying for a new visa. While the worker remains tied to a single employer at any one time, the process is more streamlined than in the UK. The new employer must be an approved sponsor and lodge a nomination, but the worker's visa remains valid throughout the transition[22].
- **Canada's occupation-based work permits:** For sectors with recognised shortages, Canada has introduced permits tied to occupations rather than specific employers. This allows care workers to move between employers within the same occupation category, as implemented through the Home Support Worker Pilot[23].
- **New Zealand's Accredited Employer Work Visa:** Introduced in 2022, this system pre-approves employers through an accreditation process based on compliance records. While workers remain tied to a single employer, the accreditation process provides greater assurance of employer quality and compliance[24].
- **Germany's Western Balkan Regulation:** This approach simplifies recruitment from specific countries for sectors with shortages, including care. Workers still require an employment contract with a specific employer, but benefit from streamlined visa processes and fewer restrictions[25].

Recommendations

1. **Ensure fair and ethical commissioning of care -** introduce a National Contract for Adult Social Care Services that **legally specifies a minimum price for care** that the NHS and local authorities **must** pay providers to prevent underfunding and the exploitation this can encourage.
2. Legislate to **commission for shifts rather than minutes or hours** before implementing changes to zero hours legislation. Ensure that providers have guaranteed hours of work. This will mean fully modelling, costing and funding the change in working practices.

Invest in workforce recruitment and retention in adult social care

3. The Government must **fund the Fair Pay Agreement** and adequately support providers to be part of this process.
4. The Government must join up its policy thinking and work with the sector on **credible workforce planning** (as recommended in the Skills for Care workforce strategy[26]) that sets out how to maintain staffing levels in the face of an ageing population, combining domestic and international recruitment.

Make the sponsorship system fit for purpose

5. The Home Office should work with the sector to find a **more effective way to assess genuine vacancies**.
6. The Home Office should implement **better customer service and complaint processes for sponsors.**
7. The Home Office should ensure that **its guidance is accessible and communicated clearly** to the care sector. Recent webinars have been helpful, but there are outstanding areas of confusion.
8. Work with the sector on **joined-up approaches to effectively address exploitation.**

Rebalance immigration policy towards health and care needs

9. Looking forward, unless the Government addresses social care commissioning issues, it could consider alternative visa structures for the social care sector, including:
    - **Sector-specific sponsorship**: Moving from employer-specific to sector-specific sponsorship, allowing workers to move between approved providers within the same region while maintaining appropriate safeguards.
    - **Licensed coordinating bodie**s: A limited number of licensed coordinating bodies could act as primary sponsors, managing

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recruitment, placement, and compliance monitoring across multiple care providers. This would reduce administrative burdens for small providers while centralising oversight.
- **Regional workforce coordination**: Regional bodies could facilitate sharing of workers across multiple employers, enabling full-time employment through combined part-time positions, addressing both visa requirements and the fragmented nature of homecare provision.
- **Strengthened compliance framework**: Any more flexible system would require robust compliance mechanisms, including regular audits, real-time reporting systems, and clear accountability frameworks for both individual providers and coordinating bodies.

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