Homecare Association

Supplementary evidence for the Earned Settlement consultation

Submitted via email, 12 February 2026

We are submitting additional information to support our submission to the Earned Settlement consultation:

- Further survey data on the impact of settlement and the state of local recruitment
- Further information on the skills associated with care work
- Evidence on how government policy drives low wages in the care sector
- What would be required to address exploitation and improve local recruitment

1. Summary and recommendations

This supplementary submission provides quantitative evidence from two surveys (450 providers in July 2025, 108 providers in January 2026), skills analysis demonstrating care work complexity, economic analysis showing government policy drives low wages, and policy recommendations for systemic reform.

The Earned Settlement consultation proposes extending the settlement period for careworkers to fifteen years. The rationale for this is that the Home Office expects careworkers will not be fiscal net contributors and are low skilled.

This document provides empirical evidence that challenges both premises: care work requires substantial skill (detailed in Section 3), and low earnings result from government commissioning policy, not worker capability (detailed in Section 4).

Sponsored workers are a vital part of the homecare workforce and, because many local staff are part-time, the sector's capacity depends disproportionately on them.

We argue that government purchasing practices drive volatile demand in the homecare market and lead to significant fluctuations in work availability. In combination with a visa system that requires full-time (37.5) hours from a single sponsor, this is driving non-compliance and job loss. To address this, the Government must either allow careworkers to settle; address commissioning practices to improve

work stability; or allow a visa structure that enables careworkers to move roles or work multiple roles more easily.

Careworkers undertake skilled, responsible, and often complex work that the state relies on every day. The UK Government benefits directly from this labour in the short term through suppressed wage costs and lower public expenditure. It is therefore unreasonable for the Government to penalise careworkers in immigration decisions for low pay that government policy itself creates.

On Earned Settlement, we recommend that the Home Office:

- Does not extend settlement for existing care staff. Settlement would go a significant way in addressing the exploitation of sponsored care staff.
- Recognise that care work is skilled work and not penalise careworkers for being 'low-skilled'.
- The Closed Loop Injustice: The Government cannot reasonably suppress careworker pay through its purchasing power, benefit from the resulting low-cost labour, and then exclude careworkers from settlement on the grounds that their earnings fall short. This approach creates a closed loop of injustice: the state drives low wages, then uses those wages to deny careworkers security and status. That contradiction sits at the heart of the Earned Settlement proposals and demands urgent reconsideration.
- Complete a regional impact assessment of this and other immigration policies on the health and social care system to prevent localised system failure, since some parts of the country rely more on sponsored staff than others.
- Improve the way it assesses vacancies to prove that they are genuine when assigning Certificates of Sponsorship. The Homecare Association is willing to engage with UKVI and DHSC on this issue.

The government needs a joined-up policy approach to address exploitation and work stability in the social care sector. While policy on commissioning sits outside of the Home Office's area of responsibility, it is vital that there is consistency across government for policy to be effective. In order to address the issues that the Home Office is seeing in social care, we recommend other parts of the government:

- **Legislate for fair commissioning**: Introduce a statutory National Contract for Care, with sustainable fee rates calculated using an agreed method, and a legal requirement on commissioners to pay at least this rate, supported by government investment.
- **Plan the workforce**: Develop a credible statutory workforce plan with the sector to ensure enough careworkers are available to meet the UK's ageing population and prevent continued drift to lower-skilled but better-paid employment.
- **Give clear commissioning guidance**: Issue statutory directions to commissioners on when it is appropriate to commission, promote or support unregulated care, to prevent unsafe practices and a two-tier system.

- **Reform commissioning practices**: Work with local authorities to develop a national plan for commissioning and funding that enables the shift away from zero-hours contracts required by the Employment Rights Act. This must include:
    - Ending the 'daily auction' of care packages to the lowest bidder.
    - Organising care geographically, with block contracts large enough to support efficient rotas and shift-based rather than minute-by-minute payment.
    - Requiring commissioners to pay for work cancelled at short notice and to fund providers to retain staff whilst the people they support are in hospital.

2. Survey data

These surveys represent a significant proportion of the homecare workforce. Skills for Care estimate that the homecare workforce covers 595,000 workers. Our workforce survey sample covers over 135,000 careworkers, which is a fifth (23%) of the total workforce. Our January survey covers 15,000 careworkers, representing 3% of the total workforce.

Summary

Below we outline data from our Workforce Survey in the summer of 2025 and a shorter survey undertaken on Earned Settlement in January 2026.

Key findings are as follows:

- In July 2025, 21% of providers were already reporting that staff were considering leaving the country due to uncertainty over settlement.
- In January 2026, 28% reported that staff had already left due to this.
- 50% reported that staff said they would leave in the future due to the policy.
- When asked about where workers were intending to go, 41% expected staff to leave the country, 21% expected staff to look for NHS jobs and 13% expected staff to look for public sector social care jobs.
- In 59% of cases, sponsored staff were doing more hours than local workers; meaning that losing sponsored staff could disproportionately reduce capacity.
- Half of providers (48%) said they expected that they would need to hand back care packages as a result of this policy. This suggests that providers are expecting some contraction in capacity.
- 28% of respondents received no suitable applicants that do not require sponsorship for job postings, and 40% received only 1-2.

Sponsored workers contribute significantly to social care capacity at present. Providers do not expect local recruitment to increase to compensate for the loss of sponsored staff. The settlement policy is likely to lead to some staff leaving and a loss of capacity.

Workforce Survey 2025

Between 17 June and 22 July 2025, we collected 450 responses from homecare providers across the UK, serving over 186,000 clients and employing over 135,000 careworkers. The sample includes small, medium, and large providers working with both self-funding clients and state commissioners.

At the time, we knew that the Home Office intended to extend settlement but not the details of the proposals.

We asked members how their sponsored staff had responded to the announcement on settlement (Figure 1). Out of 253 responses:

- 38% reported staff had raised concerns with them.
- 21% said staff were considering leaving the country.
- 13% of the staff were considering leaving their jobs.

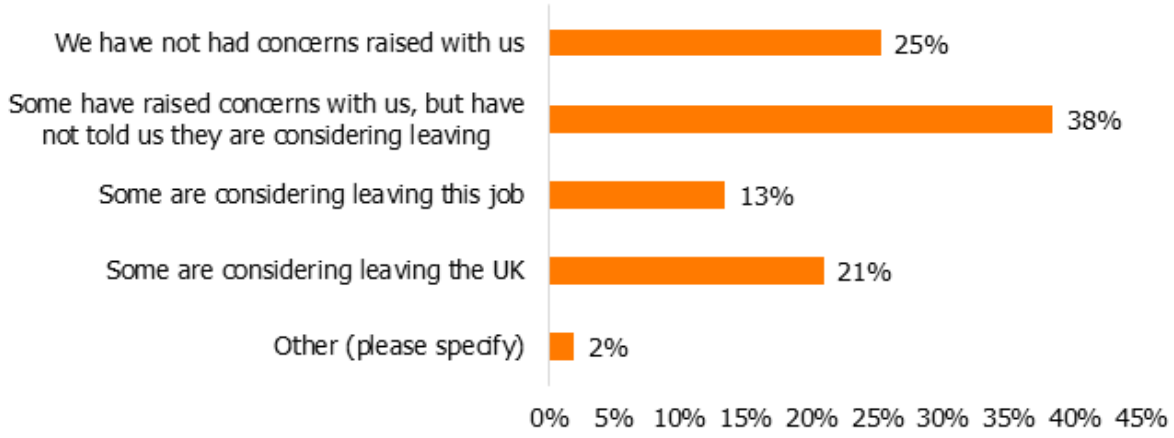

Figure 1: How have your sponsored staff responded to announcements about potential changes to the settlement period? (n=253)

Comments from respondents showed many staff feel anxious, concerned, scared or powerless to act while waiting for further details. Sometimes, employers that did not sponsor staff directly, but employed sponsored workers in second jobs, were also hearing concerns.

In summer 2025, around a fifth of providers were aware of staff already considering leaving the country.

Earned Settlement Survey – January 2026

We undertook a short survey to provide additional information on Earned Settlement in particular. Between 8 January and 19 January 2026, we collected 108 responses from homecare providers across the UK, employing around 15,000 careworkers.

Staff who have left and are likely to leave

We asked our members how many sponsored staff have already left the UK because of uncertainty over the settlement period (Figure 2). **28% of respondents said that staff had already left** their organisation. Of those that reported staff leaving, many reported low numbers. However, there were a small number of cases where 80-100% of sponsored staff had already left (N.B. this may have been due to employing small numbers of sponsored staff).

This shows that the sector is already being impacted by uncertainty.

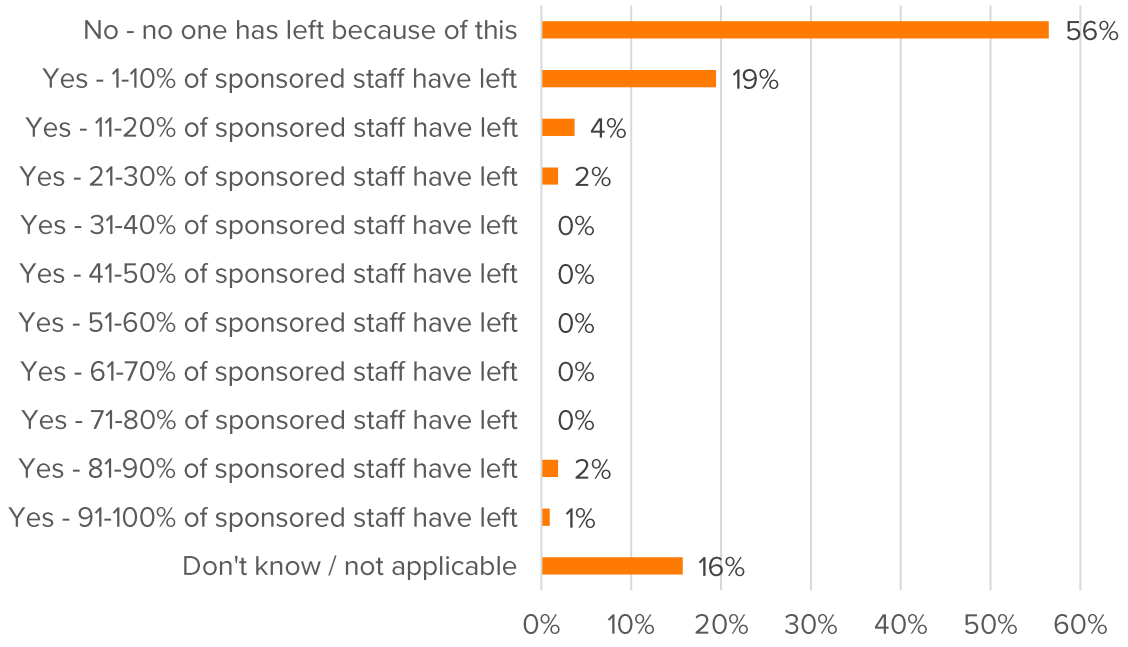

Figure 2: Have any of your sponsored staff already left the UK or the social care sector because of the uncertainty over the settlement period? (n=108)

We asked members whether staff had said they would leave due to the changes in settlement (Figure 3). **50% reported that sponsored staff had said they would leave.**

There was significant variation in how much of the workforce this would impact. 12% would lose only 1-10% of sponsored staff. However, 13% reported that they could lose more than half of their sponsored workers.

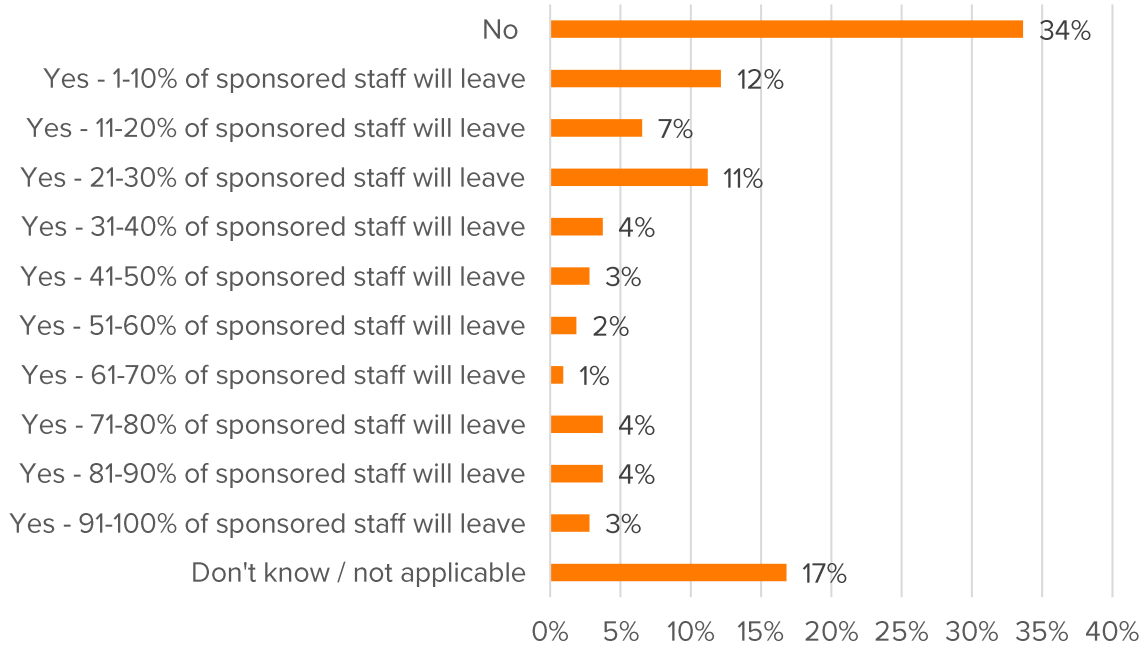

Figure 3: Have any of your sponsored staff said that they will leave the UK or the social care sector if the settlement period increases? (n=107)

This suggests that if the Home Office proceeds with the 15-year settlement proposal, we will see a significant loss of staff. Based on our analysis of this data, these providers expected 21-28% of their sponsored staff to leave the social care sector because of this policy (though not necessarily leave the UK). This accounts for 5-8% of the total workforce.

Half of care providers expect to lose staff if settlement is increased to 15 years.

Skills for Care Data (Figure 4) shows that sponsored workers are concentrated in certain regions. We would, therefore, expect a greater reduction in the workforce as a result of this policy in areas where there are higher concentrations of sponsored workers. This could lead to significant workforce and capacity loss in certain local authority areas; that could cause localised issues with extended waiting lists and difficulties with hospital discharge.

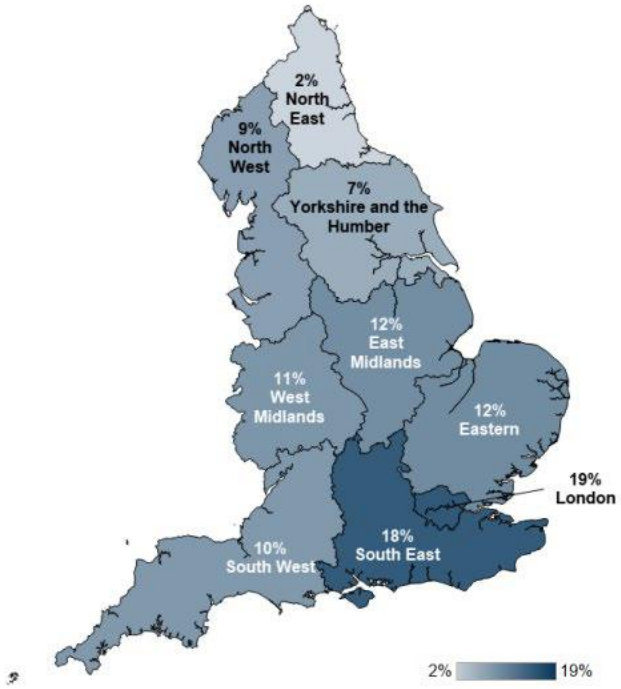

Figure 4: Skills for Care: estimated proportion of people recruited internationally starting careworker roles in adult social care in 2023/24 (The State of the Adult Social Care Sector and Workforce, p.129)

Careworker loss is likely to be regional.

We recommend that the Home Office complete a regional impact assessment on the Health and Social Care system before implementing this policy to prevent localised system failure.

We asked members for further information about where they expected sponsored staff who had said that they intended to leave to go (Figure 5).

41% expected staff to leave the country, 21% expected staff to look for NHS jobs and 13% expected staff to look for public sector social care jobs. (Please note respondents could select multiple answers, so this does not add up to 100%).

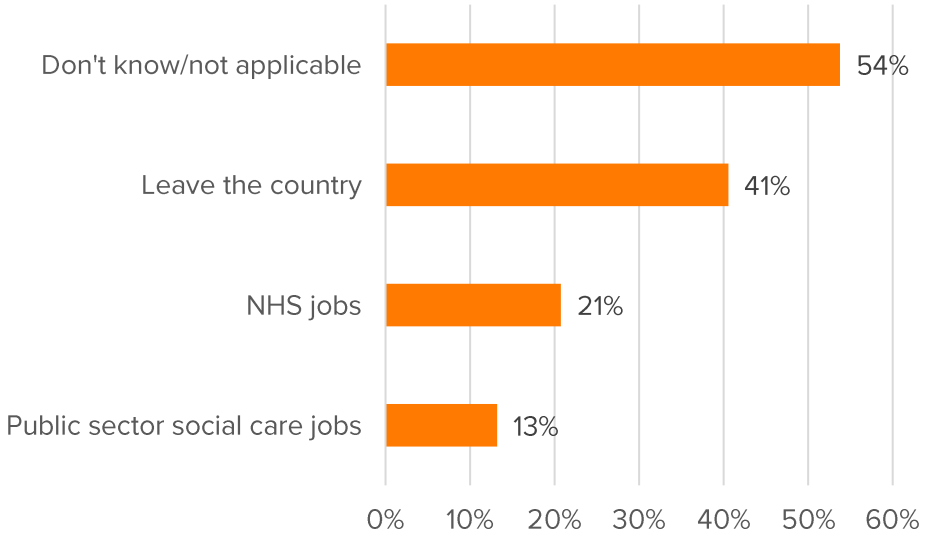

Figure 5: Where do sponsored staff who have left, or plan to leave, intend to go (please select all that apply)? (n=106)

The Earned Settlement proposals suggest that the new settlement rules may treat public sector employees more favourably (i.e. with a five-year settlement period rather than 15 years), so some careworkers seem to be looking for alternative sponsored roles in the NHS and local authorities.

It is not clear whether these are always careworker equivalent roles (some NHS and local authority teams do directly employ careworkers in, for example, reablement). In some cases, sponsored careworkers are overqualified for the roles that they have and have worked in healthcare roles in their countries of origin, which could also make the NHS attractive.

Sponsored staff work more hours

We asked our members to tell us what proportion of their workforce are sponsored workers and what proportion of their work is delivered by sponsored workers (Figure 6).

- In 59% of cases sponsored workers were delivering a higher proportion of work than they made up of the workforce.
- 38% reported that their sponsored workers delivered a proportion of work corresponding to the proportion of the workforce they made up, and
- 2% reported that sponsored workers delivered a lower proportion of the work than their proportion of the workforce would suggest.

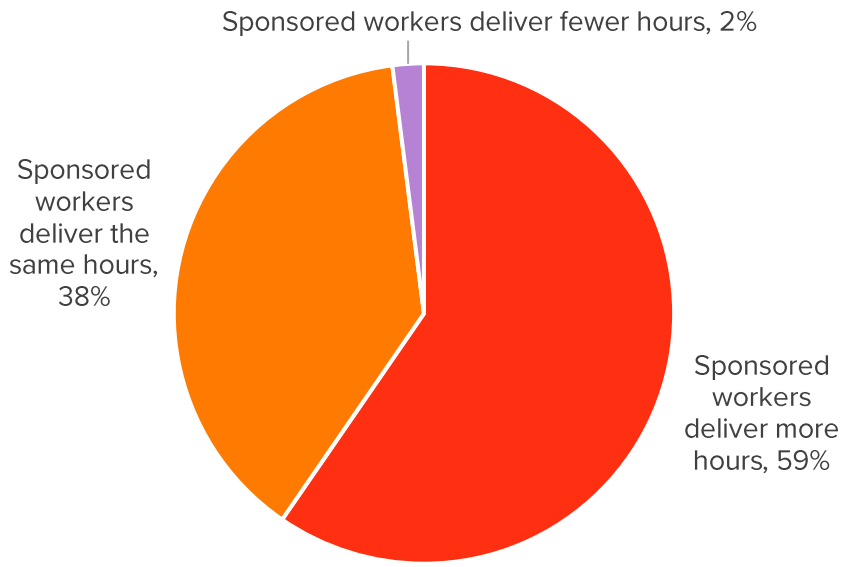

Figure 6: Analysis of comparison between sponsored workers as a proportion of workforce and the number of hours delivered (n=107)

Many locally recruited workers in homecare work part-time, often on zero-hour contracts. Sponsored workers must work full-time hours.

If a care provider loses 10% of their sponsored workers due to this policy, they will be likely to lose more than 10% of their capacity.

Many sponsored care staff also work part-time for other care providers, meaning that the loss of sponsored staff could also reduce capacity in organisations that do not hold sponsorship licences.

Case study 1: Sponsored staff bring stability

Local recruitment remains extremely challenging in social care, driven by long-standing underfunding and the resulting constraints on pay, progression and the perceived status of care as a long-term career. This varies by place – for example, we currently have:

- In one city: 38 (out of 99) Care Workers on Skilled Worker visas sponsored by us (38%) delivering around 1,700 of ~2,800 care hours per week (61%)
- In another city: 15 (out of 125) Care Workers on Skilled Worker visas sponsored by us (12%) delivering around 600 of ~2,800 care hours per week (21%)

This demonstrates that a "local workforce only" approach is not currently viable in some areas without significant investment to attract and retain local people, alongside commissioning, procurement and wider policy reform that enables providers to pay fairly, build progression routes, and properly recognise social care as the skilled, safety-critical sector it is.

Our sponsored workforce brings stability that directly supports quality and continuity: sponsored colleagues are typically full-time with consistent hours, easier to coordinate, and in our experience help reduce reliance on costly agency cover while allowing deeper investment in training, supervision and service improvement.

That stability is critical as the government's 10 Year Health Plan for England sets out a shift towards prevention, moving more care from hospital to community, and a more integrated system supported by new ways of working and digital transformation. These changes that cannot be delivered without a stable, valued workforce.

Impact on business

We asked members what the impact on their business would be as a consequence of the settlement policy outlined in the consultation (Figure 7).

- 55% reported they will reduce or stop the plans they have to grow the business
- 48% will hand back care packages or reduce the amount of care we are delivering
- 28% will hire more sponsored staff (e.g. from the displaced worker pool)
- 21% will hire more local staff
- 20% don't know
- 8% will close the business

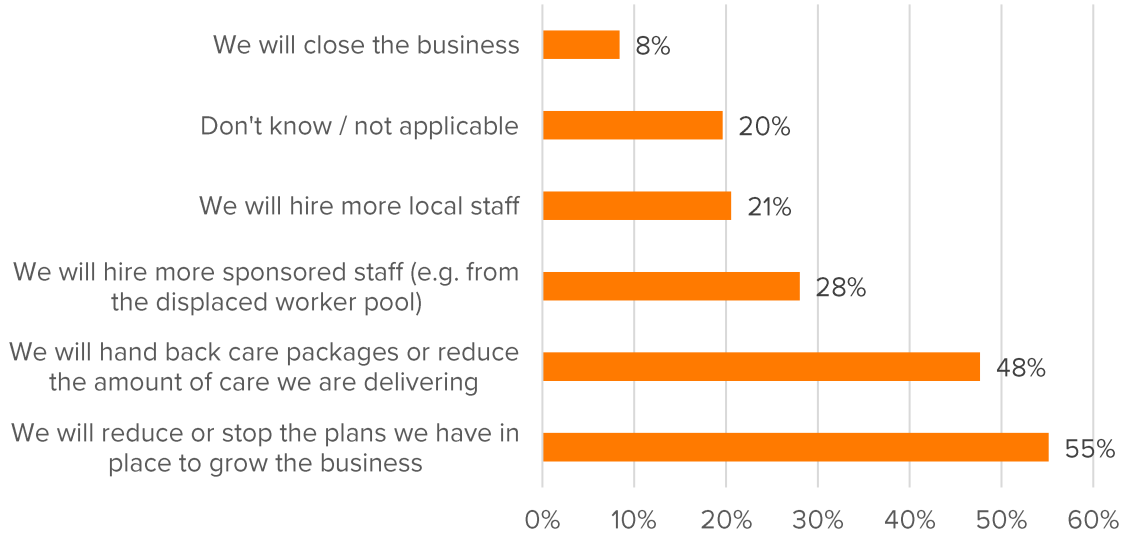

Figure 7: What will the impact on your business be if you lose current sponsored care staff because of the new settlement policy (select all that apply)? (n=107)

This shows widespread systemic impacts.

Half (48%) of the care providers that responded expected that they would have to hand back care packages as a result of this policy. This suggests that there will be a contraction in capacity in the market.

Only 21% of businesses expected to be able to hire more local staff.

Case study 2: Sponsored staff provide critical workforce capacity

Our organisation undertook a careful, strategic approach to engage sponsored staff to address unprecedented workforce shortages. These staff have been integral to the organisations ability to grow and maintain high quality services.

Across multiple branches, international sponsored workers have provided critical workforce capacity and stability where domestic recruitment could not keep pace. This has allowed timely contract mobilisation by providing sufficient hours to meet the requirements of block contracted services and services that need consistent staffing. It has also reduced persistent overtime reliance: international staff eased pressure on existing teams, reduced burnout risk, and stabilised weekly rota coverage.

Lower turnover amongst sponsored staff has translated into better continuity of care, improved relationships with service users, and reduced recruitment costs.

Sufficient staffing and reduced overtime, supported by international workers, has reduced reliance on agency staff, improved reliability for commissioners and regulators, reduced missed visits, reduced careworker fatigue and enabled more consistent training.

It has also brought diverse lived experiences and approaches to care, increased linguistic and cultural competency and supported a strong commitment to a values-led culture.

We are carefully managing our risk and compliance controls. Our values-driven approach to sponsorship has built a sustainable international recruitment model that reinforces our mission: delivering safe, reliable, compassionate care across the communities it serves. Without our sponsored staff our capacity to grow as an organisation would be significantly impacted.

Hiring local staff

We asked members how many suitable applicants they receive from people who do not need sponsorship (Figure 8). 28% received no suitable local applicants and 40% received only 1-2.

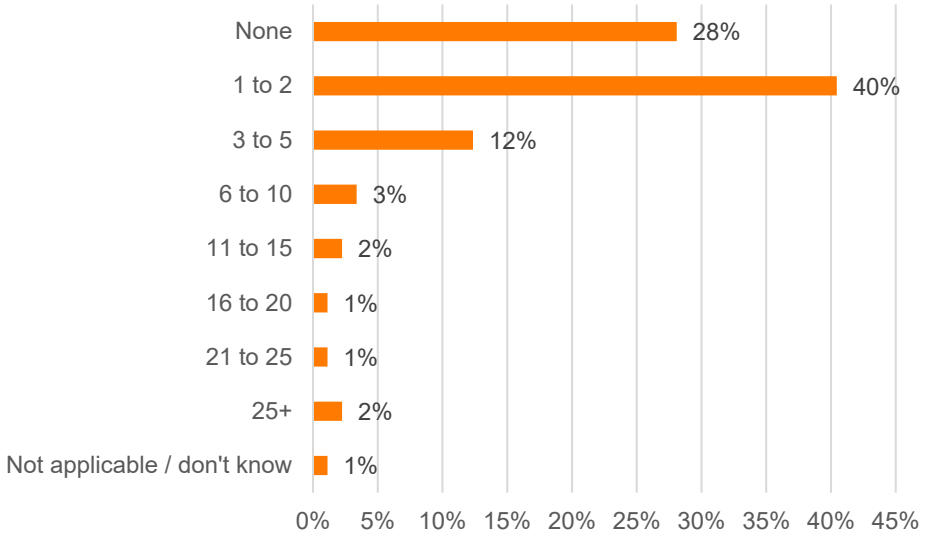

Figure 8: On average, how many suitable applicants who do not require sponsorship apply for each care job you advertise locally? (n=89)

Many applicants do not complete the interview and induction, so 1-2 applicants is not sufficient to guarantee you will find an employee. This suggests that two-thirds of employers are struggling significantly with local recruitment. These difficulties partially explain why employers are more likely to hand back a package of care than aim to recruit locally in response to losing sponsored staff.

3. Skills required for care work

The Earned Settlement consultation emphasises that care work does not require a degree and is below the skill level that is now required in order to obtain a visa.

The degree-as-skill-proxy fallacy: The consultation's focus on degree-level qualifications ignores that care work requires:

- Clinical competencies (medication, catheter care, end-of-life support)
- Legislative knowledge (safeguarding, MCA, data protection)
- Emotional intelligence and judgment that many graduates lack

The absence of degree requirements reflects historical undervaluation, not actual skill demands.

Care work requires a huge amount of kindness, empathy, responsibility, and the ability to think on your feet when working alone. Care jobs can also involve undertaking technical tasks. There are many, but some of them include: helping people with medication, catheter care, skin integrity, communicating with people in sign language or Makaton, understanding the needs of people with dementia, or supporting people in the last days of their life. Many graduates would struggle with some of these skills.

Careworkers are being increasingly asked to undertake healthcare tasks previously done by nurses. This has been the direction of travel for many years as services have turned to integration to improve people's experience and to reduce pressure on NHS staff. Recent government policies have brought this into focus; including the shift from hospital to community and the focus on increased delegation of healthcare tasks in the NHS 10-year plan.

Careworkers are also being asked to undertake tasks that require awareness of various pieces of legislation around safeguarding, mental capacity, data protection, care regulation and more.

It is important that the government recognise this in public debate and that Ministers and officials speak about carework as a skilled profession. Without recognition, the sector will struggle to improve its local recruitment position.

We urge the Home Office to recognise that care work is skilled work and not to penalise careworkers for being 'low-skilled' just because they do not need to have degrees to do the jobs that they do.

We include below an excerpt from a public sector contract outlining, at length, what skills public sector commissioners expect care employers to ensure their workforce is capable of. As you can see the skills required extend over 6 pages and require wide ranging knowledge of health conditions, legislation (around safeguarding, mental capacity), psychology (e.g. Positive Behaviour Support) and medication administration. It also includes handling very sensitive conversations and working in multi-disciplinary teams. This is not an unskilled workforce.

Excerpt from a public sector contract outlining skills required from the care workforce

The following 6-page excerpt from a public sector contract demonstrates the **extensive clinical, legislative, and technical knowledge** required. Key requirements include:

- Understanding of complex legal issues like Mental Capacity
- Administering medications and undertaking healthcare tasks delegated by nurses and other health processionals
- The ability to have complex and difficult conversations, including about dying
- Understanding of diverse spiritual and cultural needs
- Knowledge of diverse health conditions, autism and learning disabilities
- Knowledge and ability to connect a person and their family to other organisations, advice and support
- Use of psychological interventions for challenging behaviour, like Positive Behaviour Support
- Working in Multi-Disciplinary Teams with other professionals
- Knowledge of Assistive Technology and ability to use it innovatively

[We included a 6-page excerpt of a contract between a local authority and a provider. This detailed the skills outlined in the summary above. Due to any potential commercial sensitivity, we have redacted the contract from the public domain version of this document.]

4. How government policy is driving low wages

A policy-created problem used to justify punishment: The consultation cites low wages as evidence careworkers shouldn't settle. Yet government purchasing decisions create those low wages. This section demonstrates causation.

The Earned Settlement consultation characterises adult social care as a low-wage sector, noting that the median earnings are significantly below the UK average salary of £37,000. The policy proposals then use this as a rationale for restricting access to settlement, arguing that careworkers are unlikely to make significant fiscal net contributions. This framing ignores a central fact: low pay in care is not a reflection of

the value or skill of the work. It directly results from government funding and commissioning decisions.

Careworkers undertake skilled, responsible, and often complex work that the state relies on every day. The UK Government benefits directly from this labour in the short term through suppressed wage costs and lower public expenditure. It is therefore unreasonable for the Government to penalise careworkers in immigration decisions for low pay that government policy itself creates.

When assessed against established job evaluation frameworks, most entry-level care roles (given the skills required, outlined above) meet at least NHS Band 3 equivalence under the NHS Agenda for Change. Those roles that involve supervisory elements or delegated healthcare tasks may be Band 4. Despite this, careworkers now earn close to the statutory minimum wage. Because public funding has failed to keep pace with increases in the National Living Wage, experienced careworkers with 5+ years service often only receive 4p an hour more in pay than an entry-level staff member.

Careworkers	Senior Careworker	NHS Band 3	NHS Band 4
• Provides personal care and support • Carries out delegated healthcare tasks • Implements and monitors care plan • Records medication administration, wellbeing of individual and escalates concerns	• Provides personal care and support • Supervises careworkers • Monitors and contributes to care planning and delivery • Carries out delegated healthcare tasks • Records medication administration, wellbeing of individual and escalates concerns	• Undertakes a range of delegated clinical care duties • Records patient observations and changes to patient clinical conditions • Carries out limited clinical care duties[1]	• Implements care package under supervision; • Carries out specific delegated tasks; • Monitors and contributes to care delivery and escalates concerns • May supervise support workers
Estimated £12.71 per hour[2]	Estimated £13.46 per hour[3]	£12.75-£13.60 per hour[4]	£14.06-£15.43 per hour

[1] Job description based on NHS Staff Council Job Evaluation Group
[2] Skills for Care data from 2024 suggested careworkers earned around 50p per hour higher than the minimum wage (National Living Age - £12.21) – 2025 data is not available, but if this trend continued then for 2025/26 this would be around £12.71 per hour. Experienced staff earnt 4p per hour more.
[3] Skills for Care data from 2024 suggests senior careworkers earned approximately 75p per hour more than careworkers. In the absence of 2025 data, a 75p per hour increase is modelled.
[4] Agenda for Change Pay scale for 2025/26

Providers are struggling to recruit staff, yet wages remain low because providers do not control the prices they receive for delivering care. The state purchases 80% of homecare. Local authorities and NHS commissioners of homecare services set fee rates and have consistently driven down prices in order to manage their budgets. While this approach protects public finances in the short-term, it directly suppresses careworker wages, risks destabilising the sector in the long-term and drives labour exploitation.

Each year, we calculate the rate that we believe represents the minimum price for safely delivering care that meets all regulatory requirements. In 2026/27 this figure will be £34.42 in England-based on employment at the National Living Wage (£36.20 at NHS Band 3 equivalent). This includes the following elements (Figure 9):

Figure 9: Minimum homecare delivery costs at National Living Wage 2026/27

In our 2025/26 Freedom of Information request research, **29% of councils and Health and Social Care Trusts pay average hourly rates that fail even to cover the direct employment costs** of careworkers at the statutory minimum wage in each UK administration. To be clear, direct employment costs include:

- Hourly rate of pay for the careworker while they are with the person they support
- Pay for travel to the person
- Pay for waiting time to cover gaps in rotas
- Mileage or travel reimbursement
- Training time
- Statutory sick, maternity and paternity pay
- Notice and suspension pay

- Holiday pay
- Employer's National Insurance
- Pension contribution

When commissioners fail to cover these basic costs, higher pay becomes mathematically impossible. Government policy decisions, such as the decision not to fund employers' National Insurance Contributions for social care in 2024, have worsened this position.

The Care Funding Gap: £3.25 billion annually

This is the shortfall we calculate is required to pay careworkers at NHS Band 3 equivalent and maintain provider sustainability.

Low pay in care does not result from a lack of skill, effort, or value. It is the predictable outcome of long-standing government decisions on funding, commissioning, and workforce policy. While underfunding spans all political administrations, Labour -run councils are over-represented among those paying below direct employment costs, reflecting both historic policy choices and the greater fiscal pressures in more deprived areas with higher care needs and lower tax bases.

The Government cannot reasonably suppress pay through its purchasing power, benefit from the resulting low-cost labour, and then exclude careworkers from settlement on the grounds that their earnings fall short. This approach creates a closed loop of injustice: the state drives low wages, then uses those wages to deny careworkers security and status. That contradiction sits at the heart of the Earned Settlement proposals and demands urgent reconsideration.

5. Addressing exploitation

The Home Office is right to be concerned about exploitation, but wrong about the solution. Extending settlement from 5 to 15 years will worsen exploitation by increasing worker dependence on employers. This section explains why systemic reform is required.

We agree that it is vital that the government, commissioners and providers work together to address the exploitation of sponsored workers as soon as possible. In some cases this exploitation is the result of criminal gangs or networks (journalists have exposed this in the Times and the BBC), and we urge the government to take strong and fast action to address this.

However, the government can only partially address exploitation by better enforcement action.

Some of the non-compliance in the sector is driven because there is significant volatility in how many hours of work care providers have. There is a high turnover in

the people supported. For example, people will recover; go into hospital or residential care; move geographically or pass away. For many businesses, new work comes via commissioning, and most public sector contracts do not guarantee providers any quantity of work. This means that providers can unpredictably lose work, and local authorities do not guarantee them any new work to replace it.

In some regions, commissioners fragment work between a large number of providers, meaning that providers do not have predictable hours. This makes it hard for them to plan their workforce and drives the use of zero-hour contracts for locally recruited staff. Figure 10 below shows how commissioners can improve route planning and scheduling if they address fragmentation by commissioning a smaller number of providers in each geographical area.

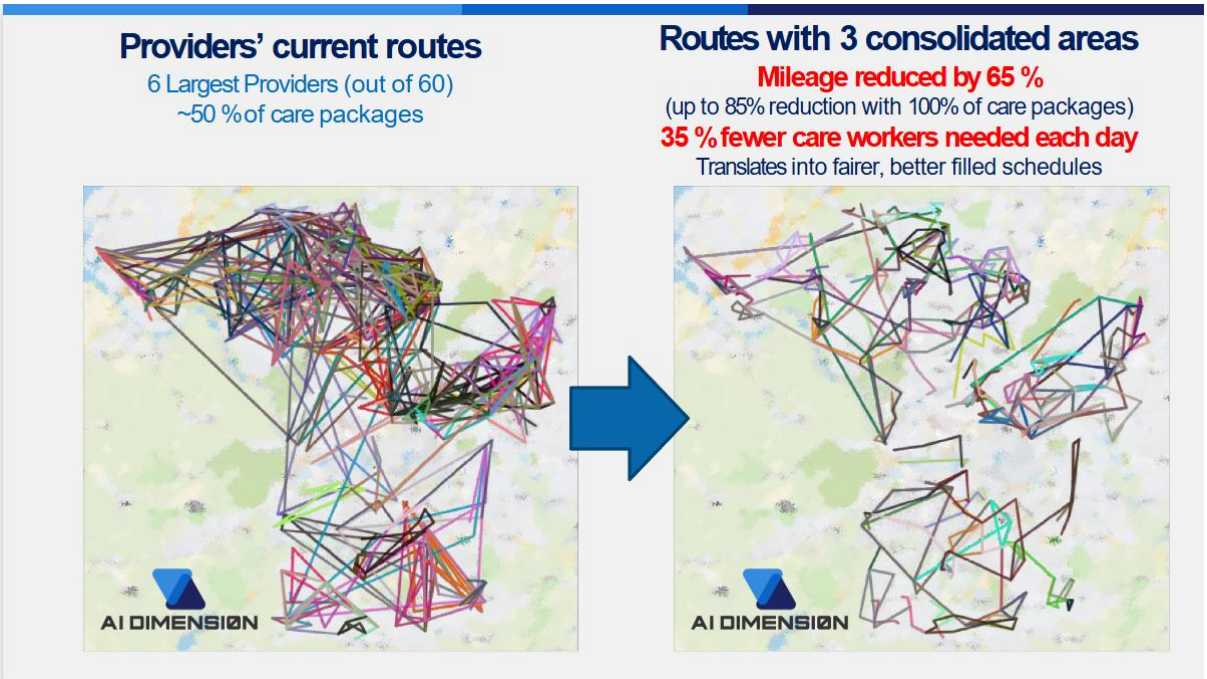

Figure 10 – AI Dimension analysis of careworker routes in Bristol, with potential to reduce mileage and improve scheduling through more geographically focused commissioning

Locally recruited staff may manage unpredictable hours that result from fragmentation in a number of ways. Some staff want to work in homecare because they want flexible part-time work arrangements; some work for more than one employer.

However, this is a particular problem now for sponsored staff who need 37.5 hours of work to meet their visa conditions, are unable to work part-time and need to get 37.5 hours of work from one employer to meet their visa conditions.

Employers with a larger volume of hours in a locality are usually more able to guarantee hours and arrange regular shift patterns. This supports both local and sponsored staff.

Our research shows that 61% of councils and Health and Social Care Trusts across the UK purchase an average of no more than 500 hours per provider each week - a third or fewer of the 1,500 hours needed for efficient operation and financial sustainability. Only 1% use block contracts guaranteeing provider income. This also has implications for the Employment Rights Act provisions on guaranteed hours, which will be unworkable in practice unless the government reforms commissioning.

UKVI could improve the way it assesses vacancies to prove that they are genuine, to ensure that there is secure work when assigning Certificates of Sponsorship. The Homecare Association is willing to engage with UKVI and DHSC on this issue.

However, the mismatch between the need for guaranteed hours for visa compliance and the way that the commissioners purchase care from care providers is likely to continue to cause non-compliance problems unless the government adopt one of the solutions in Figure 11:

Figure 11: Three pathways to resolve the exploitation risk

The current proposal chooses none of these and will worsen the problem. This is because careworkers who find themselves in situations where their employer does not have enough hours are likely to find it hard to find an alternative sponsor and are afraid of needing to leave the country if they lose their jobs. Careworkers may find it tempting to make up for the lack of income through cash-in-hand work or working a second job; or even to try to purchase 'fake' Certificates of Sponsorship in order to stay in the country.

Despite it being clear that, if they do not have enough hours, employers should terminate employment, some employers feel a sense of moral jeopardy in doing so

where this has clear negative consequences for the individual (i.e. that they are likely to have to leave the country) and the people that they support (who will lose a careworker they trust). Other less responsible employers may use the situation to allow them to abuse workers and force them to accept poor working conditions.

This set of circumstances – i.e. sector demand volatility in combination with visas designed for salaried jobs with one employer - is likely to give rise to non-compliance, abuse and people turning to the grey economy; no matter how much enforcement activity the Home Office undertakes.

When settled, careworkers will be able to move jobs or work more than one job or move employer more easily, and this will reduce the issues with them not having sufficient hours of work from one employer. Greater security and access to work opportunities would reduce the incentive to work in the grey economy and reduce incentives to engage in fraudulent, non-compliant behaviour for both workers and employers.

Extending the settlement period to 15 years goes directly against this solution and ties careworkers to their employers for a longer period; requiring those employers to secure hours for their workforce. While some larger and more responsible employers, or those working on block contracts, may be able to offer security of work now, it is likely that many smaller care employers who are current sponsors will run into difficulties with demand fluctuation.

Settlement would go a significant way in addressing this issue. We, therefore, recommend that the government does not extend settlement for careworkers.

If the government wants to extend settlement and address exploitation, then it must either change the visa system (as UNISON proposes[5]: they are calling for sector-wide sponsorship); and/or the government must address the way that it commissions care (as we are calling for) in order to sustain homecare hours.

In relation to commissioning, we recommend the government:

- **Legislates for fair commissioning**: Introduce a statutory National Contract for Care, with sustainable fee rates calculated using an agreed method, and a legal requirement on commissioners to pay at least this rate, supported by government investment.
- **Plans the workforce**: Develop a credible statutory workforce plan with the sector to ensure enough careworkers are available to meet the UK's ageing population and prevent continued drift to lower-skilled but better-paid employment.

[5] UNISON has proposed sector-wide sponsorship licensing, which would allow workers to move between approved employers without losing visa status - addressing the single-employer lock-in problem.

- **Gives clear commissioning guidance**: Issue statutory directions to commissioners on when it is appropriate to commission, promote or support unregulated care, to prevent unsafe practices and a two-tier system.
- **Reforms commissioning practices**: Work with local authorities to develop a national plan for commissioning and funding that enables the shift away from zero-hours contracts required by the Employment Rights Act. This must include:
    - Ending the 'daily auction' of care packages to the lowest bidder.
    - Organising care geographically, with block contracts large enough to support efficient rotas and shift-based rather than minute-by-minute payment.
    - Requiring commissioners to pay for work cancelled at short notice and to fund providers to retain staff whilst clients are in hospital.

We recognise that commissioning is outside of the control of the Home Office, but it is vitally important that government coordinates policy across departments to address this issue.