

Nusrat Ghani MP  
Minister of State for Industry and Investment Security  
Department for Business, Energy, and Industrial Strategy  
1 Victoria St  
London  
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December 14 2022

Dear Minister,

Thank you for your time on the PBSC call today. I thought it might help if I set out a little detail on the points I raised, relating to the impact of the rising cost of living.

**The cost and complexity of getting into work - online Right to Work checks**

My first point related to the Government's new online right to work checking service for UK and Irish workers. By contrast to non-UK/Irish workers (where there is a free online check), this check is handled by service providers (usually with Home Office approval). The service is expensive, and most pressing, it requires the worker to have a current passport. Unlike the traditional in-person checks, an expired passport or birth certificate are not accepted. This has led to many UK workers facing additional costs and delays – travel to have their documents checked, or the cost of a new passport. If companies are left with no option but to do an on-site document check, they end up taking on the costs of early travel and a drop in their business productivity. All of this contrasts with the quick and easy system that was put in place during the pandemic - and the system that exists for workers coming from outside the UK and Ireland.

I also raised this point as an example of a particular challenge. When we raised this point with the Home Office, the attitude was very much one of “not our problem”. I am afraid that this is redolent of a wider issue – the Home Office does not see itself as having a role to play in developing growth and investment in the UK. For our prosperity ambitions to be met, this needs to change.

**Rogue umbrella companies putting workers and businesses at risk**

The second point was about outsourced payroll companies, known as “umbrella companies”. With workers under pressure, we are seeing a trend of some of these firms aggressively marketing themselves to workers, offering unsustainably high levels of take-home pay. The workers then demand that their agencies place them via these umbrellas. There are various forms of financial engineering used to achieve the higher take-home – including loans, which were at the heart of the loan charge scandal. We do not believe these schemes will stand up to HMRC scrutiny over time. But alongside HMRC, there is also a role for BEIS. Compliant agencies face losing both candidates and their own staff to rogue operators offering more net pay, at a time when everyone's income is under pressure. Medical staff are a focus of these rogue firms currently, which affects the NHS. This is a classic case of enhanced regulation and enforcement being needed, which the REC would be keen to help the Department bring forward.

Many thanks again for your time this afternoon.

Yours Sincerely,



**Neil Carberry**  
Chief Executive