

June 2018

## Executive Summary

- The number of EU nationals working in UK charities has more than doubled since 2000 from 14,000 to 31,000 – around 4% of the current charity workforce.
- They are largely concentrated in social work, residential care, education and membership organisations tending to be younger and more highly qualified than UK workers.
- **The report has found that if the same rules that apply for non-EU workers were applied for EU workers post-Brexit that 82% of EU charity employees would not be eligible. This increases to 87% in social care and residential care.**
- **This could significantly impact the ability of the charity sector to care for our aging population.**
- CFG's survey of over 100 charity representatives also found that over half of charity respondents thought that it would be even more difficult to recruit for hard to fill vacancies after the end of freedom of movement.
- Charities also need help in getting to grips with the new system as 62% of respondents had no experience of the recruiting system for non-EU nationals.
- The charity sector is also ill-prepared to train up UK workers due to lack of funds. More than half of charities say that they would have committed to more training in the past year – with 2/3rds of those respondents saying that funding was a key barrier.

## Recommendations

- **Swift guarantee of free movement rights for current EU nationals and a light-touch system for providing documentation.**
- **The creation of a “quasi-alignment with free movement of people” system with the EU which would enable people to continue to come to the UK but giving the UK the right to introduce controls when needed and support local workers.**
- If a visa-system is introduced, then we need a Trusted Sponsor Scheme where employers (including charities) can recruit a wider array of workers than the current non-EU nationals system allows (such as carers).
- A “skills and training strategy for the charity sector” – which could be part of the Civil Society Strategy which the government is developing.
- Urgent reform of the Apprenticeships Levy into a wider “Skills Levy” which will apply to more employers but fund a wider range of skills.
- **If it stays, greater flexibility in the Apprenticeships Levy so that charities can give all their unspent levy funds to other charities, keeping investment in the sector.**

## Main report findings

- The UK charity sector depends on a large number of EU and non-EU nationals, with 6.5% of our workforce coming outside of the UK.
- This workforce is particularly concentrated in London, where around 14% of charity workers are EU nationals.
- EU nationals working in the charity sector tend to come from the pre-2004 accession countries i.e. countries in Western Europe – around 72% are from the EU14 – far higher than the rest of the country.
- The EU nationals in the charity workforce are concentrated in a handful of sectors: social work (33%), residential care (12%), membership (13%) and education (12%) organisations – in total these sectors make up 70% of all the EU nationals working in the charity sector.
- EU nationals in the charity sector are **not** low skilled and low paid. They are generally more highly qualified than their UK counterparts and are in jobs which are slightly higher paid than UK nationals.
- If the current rules for non-EU nationals are applied to EU nationals they would have a significant impact on charities ability to recruit from the EU. 82% of EU employees would not be eligible under current Tier 2 rules.
- Lowering the salary and skills thresholds and the points based system would also have a significant impact with both leaving around 2/3rds of EU nationals being ineligible for their jobs.
- The most generous system would be permitting free movement for high demand occupations, such as care, which would increase the eligibility rate to 52%.
- The UK charity sector is hampered because the current Tier 2 system does not cover high demand roles such as care and salaries in charities are lower compared to the private sector.
- Small charities will also be hampered because the administrative costs of accessing the Tier 2 system would be prohibitive.
- Although some sectors may see a decrease in the need for employees, demand for charities services is growing. In the social care and residential care sector, for example, there will be another 500k jobs created by 2030.
- Given the record low levels of unemployment in the UK, there will be challenges in hiring more UK nationals to fill these roles.
- There are also challenges for charities in keeping hold of EU employees, with 44% of charity employers saying that they struggle to retain staff due to low pay – higher than private sector.