

Rt Hon Andrea Leadsom
Secretary of State for Business, Energy and Industrial Strategy
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

September 2019

Dear Secretary of State,

We are writing to you as trade associations representing a wide range of service and manufacturing industries from all points of the supply chain that have come together to discuss some of the key issues impacting our workforces.

Below, we outline a number of issues that are impacting all of our respective industries, particularly as we look towards the future, and we are keen to explore ways in which these industries and the Government can work together to address some of these key concerns.

One of the most pressing issues for us is the impact of Brexit on immigration. Like many industries, we employ foreign workers in roles across the skill spectrum, as well as in temporary and seasonal roles. We would urge the Government to revise down the suggested £30,000 minimum salary threshold for skilled workers coming to the UK to enable our businesses to continue to thrive. We would also suggest that the proposed short-term route set out in the Immigration White Paper is extended to at least three years and allows migrants to switch to the skilled visa if eligible. This would ensure our industries are able to prosper and continue to grow. An Australian style point system has also been proposed by the Government and this would clearly impact on our respective industries due to the kinds of workforce we are reliant upon. We would welcome clarity as soon as possible on how the government intends to implement this.

Another key issue is around increasing wage rates and the knock-on impacts. Whilst we are all supportive of the National Living Wage (NLW), we would like to see far stronger consideration given before making further increases above inflation and the impact these increases are having on our businesses and those that we represent. We understand that the next increase to the NLW is likely to be to 60% of median earnings and there will be corresponding pressures on business for example in relation to the numbers of people we can employ and wage differentials for those above the minimum wage. If this increase was to go further, for example to 66% of median earnings, we would be concerned about the significant impact this ambition will have on our respective industries. The broader economic outlook must also be considered when decisions are being made on NLW increases, even more so in light of any potential impacts to the economy as a result of the UK leaving the European Union.

We also believe that the pace and rate of increases to the NLW are best judged by the Low Pay Commission, and should not be subject necessarily to an arbitrary political timetable.

We would therefore be keen to meet with you to discuss the issues outlined in this letter in more detail and depth. As mentioned above, we are seeking to engage with the Government to form a positive working relationship with the aim of being a collective voice when key issues impacting our sectors are being reviewed by Government.

Please do not hesitate to get in touch if you have any further questions and I look forward to hearing from you.

Kind regards,

James Bielby, Chief Executive - **Federation of Wholesale Distributors**

Kate Nicholls, Chief Executive - **UK Hospitality**

Angela Coleshill, Competitiveness Director - **Food and Drink Federation**

Nick von Westenholz, Director, EU Exit and International Trade - **National Farmers Union**

Andrew Goodacre, Chief Executive - **British Independent Retailers Association**

Hilary Hall, Chief Executive - **National Hairdressers Federation**

Jim Winship, Managing Director - **British Sandwich Association**