

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

First Delegated Legislation Committee

DRAFT IMMIGRATION ACT 2014 (RESIDENTIAL
ACCOMMODATION) (MAXIMUM PENALTY)
ORDER 2023

DRAFT IMMIGRATION (EMPLOYMENT OF
ADULTS SUBJECT TO IMMIGRATION CONTROL)
(MAXIMUM PENALTY) (AMENDMENT)
ORDER 2023

Monday 15 January 2024

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The Committee consisted of the following Members:

Chair: PETER DOWD

† Ansell, Caroline (*Eastbourne*) (Con)
 † Bradshaw, Mr Ben (*Exeter*) (Lab)
 † Coyle, Neil (*Bermondsey and Old Southwark*) (Lab)
 Doyle-Price, Dame Jackie (*Thurrock*) (Con)
 † Dunne, Philip (*Ludlow*) (Con)
 † Evennett, Sir David (*Bexleyheath and Crayford*)
 (Con)
 † Fletcher, Colleen (*Coventry North East*) (Lab)
 Hillier, Dame Meg (*Hackney South and Shoreditch*)
 (Lab/Co-op)
 † Kinnock, Stephen (*Aberavon*) (Lab)
 † Mak, Alan (*Havant*) (Con)

† Mills, Nigel (*Amber Valley*) (Con)
 † Morrissey, Joy (*Lord Commissioner of His Majesty's*
Treasury)
 † Pursglove, Tom (*Minister for Legal Migration and*
the Border)
 Smith, Cat (*Lancaster and Fleetwood*) (Lab)
 † Sunderland, James (*Bracknell*) (Con)
 † Thewliss, Alison (*Glasgow Central*) (SNP)
 † Tuckwell, Steve (*Uxbridge and South Ruislip*) (Con)

Liam Laurence Smyth, *Committee Clerk*

† **attended the Committee**

First Delegated Legislation Committee

Monday 15 January 2024

[PETER DOWD *in the Chair*]

Draft Immigration Act 2014 (Residential Accommodation) (Maximum Penalty) Order 2023

4.30 pm

The Minister for Legal Migration and the Border (Tom Pursglove): I beg to move,

That the Committee has considered the draft Immigration Act 2014 (Residential Accommodation) (Maximum Penalty) Order 2023.

The Chair: With this it will be convenient to consider the draft Immigration (Employment of Adults Subject to Immigration Control) (Maximum Penalty) (Amendment) Order 2023.

Tom Pursglove: It is a pleasure to serve under your chairmanship, Mr Dowd. May I welcome you to the Chair and welcome members of the Committee to this debate?

I turn first to the draft Immigration (Employment of Adults Subject to Immigration Control) (Maximum Penalty) (Amendment) Order 2023. The Home Office is the first line of enforcement against illegal migration and works across Government to prevent individuals without lawful status in the UK from accessing work, benefits and services. Illegal working often results in abusive and exploitative behaviour, the mistreatment of unlawful migrant workers, and revenue evasion. It can undercut legitimate businesses and have an adverse impact on the employment opportunities of people who are lawfully in the UK.

Employers have a role to play in ensuring that all their employees have the right to work in the UK. Since 2008, this has been underpinned by the right-to-work civil penalty scheme, under which employers are required to carry out prescribed checks on individuals before employing them, to ensure that they are lawfully allowed to work in the UK. If an employer employs someone who does not have the right to work in the UK, that employer may be liable for a civil penalty. Employers can avoid liability for a civil penalty if the correct right-to-work checks are carried out before the individual commences employment.

The level of civil penalty for non-compliance has remained the same since 2014, diluting its impact as a deterrent to those who seek to allow illegal working and labour exploitation to take place. Accordingly, the Government intend to increase from £20,000 to £60,000 the civil penalty for employers, by virtue of the draft Immigration (Employment of Adults Subject to Immigration Control) (Maximum Penalty) (Amendment) Order 2023. This will ensure that the scheme continues to act as a deterrent to employers who employ illegal migrants, and will send a clear message that only individuals with the right to work in the UK can secure employment.

In the case of a first breach, the starting point is £45,000. Employers who elect to pay the penalty via the fast payment option will benefit from a further 30% reduction in the overall amount after reductions have been applied for any specific mitigating factors. It remains a criminal offence for migrants to work illegally in the UK, or where the individual is in the UK unlawfully. The offence of working illegally carries a maximum penalty of 51 weeks' imprisonment in England and Wales, or six months' imprisonment in Scotland or Northern Ireland, or a fine.

The draft Immigration Act 2014 (Residential Accommodation) (Maximum Penalty) Order 2023 will be in force in England only. Since 2014, anyone who offers rental accommodation in the private rented sector has had to carry out checks on new adult occupiers before renting to them. This is to check that the individual has the right to rent. These checks are commonly known as the right-to-rent scheme.

Allowing those without a lawful right to be in the UK to rent property enables them to establish a settled life in spite of being here unlawfully. This creates a cost to the public purse, including through the provision of local authority support, and reduces the amount of housing stock available to those who lawfully reside in the UK. The practice can result in abusive and exploitative behaviour, with rogue landlords housing unlawful migrants in what is often unsafe accommodation. The maximum civil penalty for landlords, including letting agents, will be raised from £3,000 to £20,000, by virtue of the draft Immigration Act 2014 (Residential Accommodation) (Maximum Penalty) Order 2023. In the case of a first breach, the starting point is £10,000.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Can the Minister tell us how many times the employer and landlord fines have been imposed, and what that money is used for?

Tom Pursglove: If I may, I will come back to the hon. Gentleman's point. It is worth saying that the figure we are proposing is £45,000 per worker for a first breach and £60,000 for a repeat breach; that is the position we are taking. To give the hon. Gentleman some context as to the number of illegal working penalties issued, I am happy to write to him with a chart that sets out in a granular way, month by month, the number and the value of penalties issued.

I can give the Committee some illustrative examples. In November 2023, 123 illegal working penalties were issued, with a value of over £3 million—a considerable number, and important in context. In the same month, 40 illegal renting penalties were issued, with a value of £38,320. From January 2023 to November 2023, 140 right-to-rent civil penalties were issued, an increase of over 380% on the same period in 2022. Between January 2023 and November 2023, the value of right-to-rent civil penalties issued was over £136,000, an increase of over 495% on the same period in 2022.

Neil Coyle: I can see why the Government want to use employers and landlords to try to help the failing, chaotic Home Office, but the second part of my question was about what those funds are being used for, because they do not seem to be supporting the Home Office in delivering its core function.

Tom Pursglove: I am covering this statutory instrument today for the Minister for Countering Illegal Migration, my hon. and learned Friend the Member for Mid Dorset and North Poole (Michael Tomlinson), but I will gladly come back to the hon. Member for Bermondsey and Old Southwark with a substantive answer to his specific point about the funds and the way in which they are deployed. I have been able to set out quite comprehensively, I think, the nature of the funds that are being collected for both these important schemes. If I may, in my wind-up speech I will pick up that point directly.

Neil Coyle: The Minister is being very generous in giving way. I was unaware that he was covering for his colleague, but of course it takes multiple Government Ministers to cover one excellent shadow Minister, my hon. Friend the Member for Aberavon.

In how many instances has the Home Office been notified of an employer illegally using someone who is unlawfully working in the UK, and then failed to take action? I have at least two constituency cases involving people who are working in this country who should not be in the country, because they have committed very serious criminal offences and should have been removed. One of them was in prison until 2016, and the Home Office has failed to issue the deportation order.

Tom Pursglove: I suppose I might say that it is very easy for a party to have one shadow Minister when it has a very limited policy platform to advance on the substance of the migration and borders portfolio.

On the Home Office's ability to collect the fines, we have robust debt recovery strategies in place to maximise the opportunities to collect outstanding debt. This is difficult debt to collect, as the hon. Gentleman will appreciate. The organisations that we are dealing with are often determined to act in a non-compliant way. That is the nature of the activity to which we are responding through these schemes.

Of the £355 million raised throughout the life of the scheme, approximately 56% of debt has been recovered or discounted for compliance and faster payment. More recently, between January 2023 and November 2023, more than 1,400 right-to-work civil penalties were issued, to a value of over £26 million. Within the same period, 140 right-to-rent civil penalties were issued, to a value of over £136,000. I know that the Department continues to strive to improve collection rates wherever possible; it is a real area of focus.

Nigel Mills (Amber Valley) (Con): Can the Minister help me with one question? I am trying to work out what the increase in the penalties is trying to achieve. Is the problem that people do not know that the penalties exist and therefore end up breaking the law unwittingly, or is it that they know the law but think, "Actually, I can make loads of money out of this, so it's worth the risk of a penalty because I probably won't get detected"? Is it the purpose of increasing the penalty to break that economic equation?

Tom Pursglove: My hon. Friend raises a good point. The rationale for the level of the penalty is to focus on deterring people from going about these practices, which are very harmful in many respects and which have the adverse consequences that I have mentioned. The Government believe that employers, landlords or letting

agents that employ or let to individuals without status should face much higher penalties as a matter of principle. Also, the value of the penalties has not been revised recently, so we think the time is right to have another look at them and revise the levels to those that I have set out. The higher expected cost of non-compliance aims to reduce the number of landlords, letting agents and employers who engage in this activity, with the ultimate aim of driving changes in behaviour and reducing the incidence of non-compliant letting and employment, which will deter individuals from remaining in the country without status, deter illegal migration, and deter all the root causes.

To finish the point that I was making before I began taking interventions, landlords and lettings agents who elect to pay the penalty via the fast payment option will benefit from a 30% reduction from £10,000 to £7,000 or from £5,000 to £3,500 as applicable. As is the case now, the maximum penalty will be levied only on an employer, landlord or letting agent that has breached one of the schemes on more than one occasion in a three-year period, where the fast payment option was not used and where no specified mitigating factors apply.

Across both schemes, employers, landlords and letting agents can appeal a civil penalty decision if, following an objection to the Home Office, that decision has been upheld. An appeal must be on the same grounds as the objection, and an employer, landlord or letting agent must appeal within 28 days, registering the appeal at a county court or sheriff court. That provides accidentally non-compliant employers, landlords or letting agents with safeguards against penalties.

In summary, the draft orders aim to change the behaviour of rogue employers, landlords and letting agents; to eliminate any financial gain or benefit from non-compliance; to deter those contemplating entering the UK illegally; to tackle, where appropriate, the harm caused by regulatory non-compliance; and to deter future non-compliance. I commend the draft orders to the Committee.

4.43 pm

Stephen Kinnock (Aberavon) (Lab): It is a pleasure to serve under your chairship, Mr Dowd. I will first respond to the Minister's comments on the illegal working penalties and then address the draft order that relates to rental accommodation.

Labour supports the principle of prohibiting those with no legal right to be in the UK from undertaking paid employment here. Indeed, it was a Labour Government who in 2006 enacted legislation that first established civil penalties for employers who fail to comply with those restrictions. For the restrictions to have teeth, civil penalties must be set at a level that is onerous enough to deter employers from knowingly and deliberately breaking the law.

With that goal in mind, it is right that the maximum fines for employers should be kept under review and, where necessary, increased. However, I am sure that the Government do not want to impose burdensome regulations on small businesses just for the sake of it. That can be avoided easily enough, provided that the Government consult with employers on the potential impact of any changes and take action to mitigate any undue burdens or unintended consequences for the businesses affected.

[Stephen Kinnock]

Not for the first time, the Home Office has fallen short of what might reasonably have been expected of it. The only reference in the explanatory memorandum to any consultation with employers is in a terse paragraph that confirms that none has taken place. Given the magnitude of the proposed changes—a tripling of penalties from £15,000 to £45,000 per worker for first offences—the failure to consult is surprising and disappointing. The party that the Minister represents claims to be pro-business, yet it appears not to have consulted with business on this important change. If the Minister can provide an explanation for the lack of consultation with business, I am sure hon. Members will be happy to hear it.

More broadly, the draft order represents a missed opportunity on the Government's part to set out a clear, comprehensive and effective strategy for combating illegal working across the board, including through the use of the civil penalty scheme. The failure of Ministers to do so is all the more disappointing in view of the fact that a review was promised by the Home Office following a recommendation from the independent chief inspector of borders and immigration back in 2019. It appears to have gone the way of most recommendations that are “accepted” by the Department, which is to say put in a drawer and forgotten about. Perhaps my cynicism is unjustified, in which case the Minister is more than welcome to correct me and tell me exactly when the fabled strategy on illegal working will be published.

As with the other statutory instrument that we will be discussing, there is a risk of these higher fines feeling like another case of the Government running out of ideas and just making things that are already illegal a bit more illegal.

Mr Ben Bradshaw (Exeter) (Lab): Does my hon. Friend agree that tackling this problem would be an awful lot easier if the Conservatives, the Liberal Democrats and the SNP had not ganged up to defeat our plans for identity cards when we were in government? Every other European Union country has them; there is absolutely no reason at all why we should not. That is why the Government are facing these humongous problems.

Stephen Kinnock: I thank my right hon. Friend for that excellent intervention. The debate around identity cards has been raging, one could say, for a very long time. It is something that needs to be looked at very seriously, but as he knows, the whole project was kiboshed at the time. It is certainly something that merits further discussion.

I turn to the right-to-rent checks and the civil penalties for non-compliance. These are a means of supporting the objective of tackling and deterring illegal migration. On that basis, the argument goes, the higher the penalties imposed on landlords for letting to migrants who are in the UK illegally, the stronger the deterrent against further unlawful migration. Given how emphatically the Government draw a direct link between these higher penalties and tackling illegal migration, hon. Members might have expected Ministers to put forward stronger evidence to support the policy and to support that link, yet they have not done so. Again, it feels rather as if the Government are running out of ideas and resorting to making illegal things more illegal.

It feels fairly unlikely that channel crossings would be deterred if only immigrants could see that it would be hard to rent a home on arrival in the UK. If there is genuine evidence to support the effectiveness of these penalties in deterring irregular migration, I am sure hon. Members would be very grateful if the Minister pointed it out.

For the sake of argument, let us say that penalties on landlords do serve as a deterrent. The question the Government then have to answer is whether there could be any unintended consequences of the proposed increase. If so, what steps would be taken to mitigate any harm to those who are here perfectly legally?

I do not think the Minister mentioned this in his comments—my apologies if he did; I may have missed it—but I am sure he is aware that there is evidence that lawful residents, including British nationals, have faced significant barriers to securing accommodation as a result of landlords' fears of being penalised for even unintended breaches of the right-to-rent requirement. Evidence published by the Minister's own Department shows that; as early as 2014, when the scheme was first piloted, research showed that landlords, out of an abundance of caution, reacted to the new rules by favouring would-be tenants who were white and who could produce a UK passport on request—and even, in 27% of cases, those who did not have “foreign-sounding” accents or names.

As was all too common with the old hostile environment policies, at least as much of a burden seems to be being placed on lawful migrants and British-born citizens as on the unlawful migrants the policy is supposed to target. The problem is not that the Home Office was not aware of this evidence; the problem is that it simply dismissed it. In doing so, Ministers said that clear guidance to landlords was available in the case of any doubt as to what they are or are not required to do. In the Minister's view, is the guidance sufficiently clear? More importantly, has the guidance been made known to landlords so that any risk of unintended discriminatory consequences is minimised as far as is practically possible?

To be clear, the Opposition are not saying that the right-to-rent system is inherently unworkable or unacceptable, but it is incumbent on Ministers to set out what specific steps the Government will take both to mitigate any adverse effects on lawful migrants and citizens and to ensure that any evidence of discrimination that is brought to Ministers' attention is swiftly acted on with appropriate remedies and safeguards. I look forward to hearing a clear commitment to that effect from the Minister.

4.50 pm

Alison Thewliss (Glasgow Central) (SNP): It is a pleasure to see you in the Chair, Mr Dowd. It is nice to see the Minister in his place, substituting as he is for the other Minister. We have the Minister for Legal Migration and the Minister for Illegal Migration, the Tweedledee and Tweedledum of the topsy-turvy world of the Home Office—I always forget which one is which, but it is nice to see this Minister here today.

I am a little confused by the provisions relating to the residential accommodation maximum penalty order. The statutory instrument states:

“This Order extends to England and Wales, Scotland and Northern Ireland”.

whereas the explanatory memorandum is clear that “the Right to Rent Scheme is not in force in Scotland, Wales and Northern Ireland.”

If the Minister explained why the territorial extent is being extended in a statutory instrument, that would be quite welcome. Is it a further overstretch by this Parliament into the legislative competence of the devolved Governments? I would not be surprised.

Paragraph 6.7 of the explanatory memorandum states:

“However, this Order will only produce a practical effect in England, until the remaining provisions giving the Scheme operative effect are fully brought into force in respect of premises located in other areas of the UK.”

I am not aware of it being the intention of any of the devolved Governments to bring this into force, so I am not sure why this is in the explanatory memorandum and what the Minister is intending to happen here. If it is his intention for that to happen, that is quite a worry. I want his reassurance that such a scheme, which has been proven to be discriminatory and to have a chilling effect on the ability of non-UK nationals and UK nationals who do not have a passport—perhaps they cannot afford a passport—to rent accommodation in England, will not be extended to the rest of the UK against our will.

I am also concerned by the scale of the increases in penalty notices; these are really significant increases and I have not heard terribly much from the Minister to justify that. He has talked about the amount that his Government cannot and do not even collect at the moment; they are not doing a competent job of collecting those fines, so it seems ridiculous that they have been given the chance to collect yet more money from people when they are not collecting what they should at the moment.

I also want to speak to the second statutory instrument. In the Minister’s world, it seems to be very simple: people are either legal or not legal, able to work or not able to work. But he may be interested in the case of a gentleman who came to see me at my surgery just last Friday. That gentleman has been here for 10 years and he has always had the right to work, but when he went to check his digital status on the Home Office website when his biometric residence permit was renewed nine months ago, he was told that he did not have the right to work any more. Since finding out that suddenly he did not have the right to work any more, he has been trying to get this fixed: he has a family to feed and rent to pay; and he is indebted to his friends now as well, because he has been trying to gather the money to do these things and to keep going.

This gentleman has been to a lawyer, the lawyer has been to the Home Office, and they are going round and round in circles. He has been told that it is some kind of technical glitch in the system. Well, that is not good enough. This man has the right to work—he has all the paperwork as far as anybody can figure—but the Home Office is saying that there is a technical glitch. If he were to work, he would be caught by this order and his employer would be fined. If he was renting in England, he would also be caught by it, because he cannot prove that he has the right to work due to the Home Office’s incompetence and their system’s technical glitch. I would be happy to pass on this gentleman’s details, because he is not illegal, so his case does not fall to the other Minister. He is not in the UK illegally, and he should be

getting on with his life and beginning to work. He should be providing for his family, as he wants to, but the Home Office’s system says no.

Will the Minister tell us whether people who end up in circumstances such as those of my constituent will lose their jobs, homes and everything else because the Home Office’s computer says no? Given the digital checks, the system is supposed to work better than that, but it has not done so in the case of my constituent. He has been trying his best—waiting and emailing constantly—but he is getting absolutely nowhere. How many other people in England might end up in similar circumstances, only to find that they lose their homes? I am glad that in Scotland this gentleman would not face losing his home in these circumstances.

I have worked with employers in the past. As the Home Office’s systems have not properly notified them that a visa is expiring—or that they need to renew their licence because the paperwork has gone to another address or somewhere the person did not expect, there has been a change of personnel or the wrong email address has been used—people have inadvertently ended up on the wrong side of the Home Office’s rules. They can be fined up to £60,000, which could finish some businesses all together. We know from the many cases of things that the Home Office has got wrong over the years—from the TOEIC scandal to the highly skilled migrants scandal and the Windrush scandal—that so many people have ended up on the wrong end of the Home Office’s rules and not even received an apology, never mind recompense for the loss of earnings. In many cases, they have felt outright embarrassment within their community about ending up on the wrong side of those rules.

Will the Minister tell us what leeway people have to appeal when they have inadvertently ended up breaching the orders through some administrative error? It goes from being quite a significant fine for that error to being an absolutely devastating fine for the person, the business and everybody involved. I know the Home Office will exercise a degree of discretion should something like this occur, but I have not found it to be a particularly forgiving Department when such things happen. After all, it is the Department of “deport first and ask questions later”.

I will conclude my remarks there. I will vote against the draft orders, because I believe that they are far too heavy a burden on individuals and businesses. The Minister has not justified the increase that he is providing today, and I seek reassurances on the issues I have raised.

4.57 pm

Nigel Mills: I have a few questions for the Minister. I can remember serving on the Public Bill Committee on the Immigration Act a decade ago, and supporting these measures when they were introduced. I think the logic at the time was that it is almost impossible to stop people getting here, given that we have a relatively open border. If they arrive on a holiday visa and stay illegally, there is no way we can stop them. We need to make it as difficult as we can for them to stay here illegally.

What we do not really have is any evidence that the measures have actually worked to reduce the problem. An estimate I found suggested that 600,000 to 700,000 people are working illegally in the UK. Can the Minister tell us whether that number has gone up or down in the

[Nigel Mills]

last decade? I sense that it has probably gone up, which might suggest that the plan is not working as well as it should. Perhaps increasing the penalty is the way to make the plan work.

What also concerns me is the amount of enforcement action we are taking. The Government now publish data on this issue quarterly, and I think it took until the last quarter of last year to get back to the pre-covid level of inspections. The number of penalties is tiny. In 2022-23, 1,105 penalties were issued to employers in relation to the 600,000 or 700,000 people who we think are working illegally, and only 45 to letting agents. It is a hell of a lot of work for 45 penalty notices a year, so what plans do the Government have to increase the number of inspections and the number of penalties being issued to help tackle this type of behaviour? Do the Government have any targets or expectations for what the reduced number of people being employed illegally or letting illegally will be in, say, three or five years' time, so that we can judge whether the measures are working or whether we need a different strategy?

4.59 pm

Tom Pursglove: May I express my gratitude to colleagues from across the House for the scrutiny and insight that this debate has brought to bear on the undoubtedly important subject of the fees and fines in established schemes?

Before I address some of the issues raised and questions asked, I want to make the general point that we can deliver a comprehensive response to tackle illegal migration only if we work with UK employers, landlords and letting agents to deny employment and housing to those without the right to work or rent in this country. Illegal working and renting are the main incentives for illegal migration and often involve exploitation and unfair competition.

The civil penalty scheme encourages employers, landlords and letting agents to comply with their obligations to check the right to work and rent of all employees and occupiers, without criminalising those who make a mistake. Legitimate employers, landlords or letting agents will not face higher costs through increased penalties. The scope of the penalty regime has not changed. Those that continue to act in a legitimate manner, by checking and recording the documents of their employees or tenants, will not be affected by the strengthened penalty regime.

I will now touch on several points raised during the course of the debate. First, I would be keen to see the details of the specific case raised by the hon. Member for Glasgow Central; if she shares them with me, I will look at the case with the utmost urgency to help vulnerable users of the online checking system. The Home Office is developing its digital products and services for use by all, including vulnerable users. Users can contact the UK Visas and Immigration resolution centre, which provides telephone and email support to those using online immigration status services and supports all individuals interacting with online services.

The services include a priority response helpline specifically for employers, landlords and letting agents who need help accessing or using the online immigration status services. To ensure that service demand is responsive to need, there are separate lines for EU settlement

scheme applicants and for non-EUSS status-related queries. All callers speak to a trained agent who works to resolve their specific query. Again, if the hon. Lady shares the details with me, I will be happy to look at the specifics of the case.

Neil Coyle: In answer to an earlier question, the Minister did not say what the funds raised from the penalties actually pay for. Are the funds supposed to pay for this service? They are clearly not paying for crimes to be prevented or solved, given that nine out of 10 are unsolved, and they are clearly not cutting the asylum backlog. Where is the money raised through the fines going?

Tom Pursglove: The hon. Gentleman sort of pre-empts what I was going to say in my remarks; I was just trying to deal with each contribution in turn to ensure that the points are dealt with thoroughly. However, I can tell him that the Home Office is allowed to keep £19 million of the civil penalty regime income, and that is put into the consolidated fund, underpinned through the Immigration Act 2014.

The hon. Member for Glasgow Central rightly also asked about some of the safeguards around debt recovery and appeals against the civil penalties. People can appeal a civil penalty decision if, following an objection to the Home Office, that decision has been upheld. An appeal must be made on the same grounds as the objection, and the employer, landlord or letting agent must do so within 28 days, registering the appeal at a county court or sheriff court. The three grounds are as follows: the person is not liable to pay the penalty, which could mean they are not the employer, landlord or letting agent of the illegal migrant identified; they have a statutory excuse, which means they carried out checks as required; and the level of the penalty is too high. She specifically asked whether there is sensible discretion within the system, and the answer is yes: officials have discretion in order to deal with such matters appropriately.

Alison Thewliss: The Minister says that somebody has 28 days to appeal, which is quite a short period of time. How long does the Home Office take to conclude these cases?

Tom Pursglove: My understanding is that we try to deal with the matter as quickly as possible following an appeal being lodged and that we work to a similar 28-day timescale.

I understand why the hon. Lady asked about the devolved Administrations. They were not consulted on these measures, which are reserved policies, but the Government wrote to them to advise on the increase to the civil penalties when the draft orders were laid in November 2023. On whether the civil penalty increase applies across the UK, the right-to-work scheme has UK-wide application, as the hon. Lady knows, and the right-to-rent scheme is in force in England only. The longer-term intention is to explore rolling the scheme out to the rest of the UK.

The hon. Member for Bermondsey and Old Southwark asked an important question about how we ensure that the penalties are paid. The Home Office works closely with debt recovery providers and other Departments to do as much as we can to ensure that they are. Where a penalty is unpaid, it will be registered with the civil

court and enforcement action commenced. Where companies take action to dissolve and be struck off the companies register, we may lodge an objection against the application when a penalty has not been paid. Where an employer remains non-compliant or becomes liquidated or bankrupt, details are shared with the Insolvency Service, which considers action under the Company Directors Disqualification Act 1986. Successful action to disqualify an employer as a director can tackle the practice of carrying on the same business successively through a series of companies each of which becomes insolvent. As I mentioned earlier, we look carefully at what more we can do to ensure that the fines are paid as expeditiously as possible.

Let me turn to how the increase was calculated. Civil penalties for non-compliance have remained the same since 2014, despite periods of high inflation, and the approach to the increase in the civil penalties was based on evidence and research on international comparisons and other civil penalty schemes operated in the UK. Where illegal working is identified, the increased penalty level for the right-to-work scheme aligns the UK at the higher range of sanctions applied across international comparators, including France, Germany, Spain, Belgium and Australia.

An employer, landlord or letting agent may request permission from the Home Office to pay a civil penalty in instalments over an agreed period, which is usually up to 24 months. In such cases, they should provide the full reasons for their inability to pay the full penalty amount in one payment. I reiterate that the Home Office has discretion to handle such matters sensibly and appropriately, which I think addresses the points raised by the SNP spokesperson, the hon. Member for Glasgow Central.

The shadow Minister, the hon. Member for Aberavon, had an interesting approach, in that he alluded to things being a little bit illegal or more illegal. The fact is that the activities and behaviours that we are seeing are illegal and unacceptable, and it is right that we have a firm and robust approach to them. We welcome the shadow Minister's and Opposition Members' support for the changes to the level of the penalty. The Home Office has delivered an extensive, wide-reaching engagement programme to employers, landlords and lettings agents. Extensive communication strategies, including online guidance, webinars and engagement events, are in place to help ensure that employers, landlords and letting agents understand their obligations.

Between the announcement of the proposals to increase the civil penalties in August 2023 and 20 January, Home Office officials have supported more than 30 engagement events, reaching more than 11,000 stakeholders across the relevant sectors. The Home Office continues to work with members of the Home Office employers consultative group and landlord consultative panel, which cover all major employment and rental sectors. It meets them quarterly to seek their input and to inform our future guidance and communication products in respect of the operation of the right-to-work and right-to-rent schemes. As the shadow Minister will appreciate, the employers that we engage with are those that behave in a compliant manner; the individuals and businesses that we interact with through the penalties often have a very different posture. There was no duty to consult at the outset, but we have had extensive engagement.

A very valid question was asked about discrimination. Of course, all of us in this House and in Government want to ensure that we get this right. The Home Office has published codes of practice for employers, landlords and letting agents on how to avoid unlawful discrimination when undertaking checks. The codes of practice clearly stipulate that employers, landlords and letting agents are advised to provide individuals with every opportunity to demonstrate their right to work or rent. They should not discriminate on the basis of nationality or any of the other protected characteristics. We are clear that those who discriminate are breaking the law.

The evaluation has found that the right-to-rent scheme is not discriminatory, although that does not rule out discriminatory behaviour from individual landlords and letting agents. It is often easier for landlords, letting agents and employers to carry out checks digitally, with no requirement for them to understand the types of documents that renters and employers have. In some cases, it is actually easier to bring a migrant into employment or a residential tenancy agreement than a British citizen.

My hon. Friend the Member for Amber Valley and the hon. Member for Aberavon raised a point about immigration enforcement. That of course fits within the portfolio of the Minister for Countering Illegal Migration, my hon. and learned Friend the Member for Mid Dorset and North Poole, but I can say that we are very much scaling up immigration enforcement work in tandem with the changes. The Home Office immigration enforcement teams are surging the number of enforcement operations being conducted to bring those violating our laws to justice.

Over the first three quarters of 2023, 10,509 enforcement visits took place, of which 4,721 were illegal working enforcement visits, which is a rise of more than 40% compared with the same period in 2022. Between January and November 2023, over 1,400 right-to-work civil penalties were issued, which is an increase of 40% compared with the same period in 2022; the value of right-to-work civil penalties issued was over £26 million, which is over 45% more than in the same period in 2022, and demonstrates that those efforts are being stepped up and are delivering results; 140 right-to-rent civil penalties were issued, which is an increase of over 75% compared with the same period in 2022; and the value of right-to-rent civil penalties issued was over £136,000, which is an increase by over 80% compared with the same period in 2022.

Neil Coyle: One loophole that a letting agent could use is the guarantor system. Does the Minister have any data or information on the number of fines paid by a guarantor as opposed to the letting agent? If the Government are serious about stopping a behaviour, they need to ensure that the business itself is fined rather than passing it on to a guarantor covering for someone who is illegally in the country.

Tom Pursglove: If the hon. Gentleman does not mind, I would like to take that point away. In the earlier part of the debate, I said that I would provide him with a letter that sets out in more granular detail the statistics that he asked for. I was able to give the headline numbers, but it is valuable for the scrutiny of these measures to share with him those more granular month-on-month numbers of fines issued, and the level at which they come in. That is a point that I am very happy to pick up on in my response to him.

Neil Coyle: What about the wider loophole?

Tom Pursglove: On the wider loophole, we will gladly provide as much insight as we can. I will raise the point directly with the Minister for Countering Illegal Migration. The Home Office wants to continue to work closely with business, landlords and letting agents, across Government and with law enforcement partners to promote collaboration on activity aimed at tackling illegal working, ensuring safe and responsible recruitment and onboarding practices while upholding the safeguards that protect legitimate workers and those at risk of exploitation. As the hon. Gentleman would expect, in that spirit we want to directly deal with and address, in the fullest sense, all areas or avenues of abuse that emerge.

Addressing illegal working and renting not only protects the domestic labour and housing market but identifies unscrupulous employers, landlords and letting agents who exploit vulnerable migrants. Equally, it ensures that only those who are in the UK legally, with permission to work and rent, are able to do so. On that basis, I again commend the draft orders to the Committee.

Question put.

The Committee divided: Ayes 9, Noes 1.

Division No. 1]

AYES

Ansell, Caroline	Morrissey, Joy
Dunne, rh Philip	Pursglove, Tom
Evennett, rh Sir David	Sunderland, James
Mak, Alan	Tuckwell, Steve
Mills, Nigel	

NOES

Thewliss, Alison

Question accordingly agreed to.

Resolved,

That the Committee has considered the draft Immigration Act 2014 (Residential Accommodation) (Maximum Penalty) Order 2023.

Draft Immigration (Employment of Adults Subject to Immigration Control) (Maximum Penalty) (Amendment) Order 2023

Motion made, and Question put,

That the Committee has considered the draft Immigration (Employment of Adults Subject to Immigration Control) (Maximum Penalty) (Amendment) Order 2023.—(*Tom Pursglove.*)

The Committee divided: Ayes 9, Noes 1.

Division No. 2]

AYES

Ansell, Caroline	Morrissey, Joy
Dunne, rh Philip	Pursglove, Tom
Evennett, rh Sir David	Sunderland, James
Mak, Alan	Tuckwell, Steve
Mills, Nigel	

NOES

Thewliss, Alison

Question accordingly agreed to.

5.16 pm

Committee rose.

