Executive Summary:

On 21 November, the Better Hiring Institute hosted a Parliamentary Briefing, chaired by Lord Lucas and Professor Jon Hall, attended by **65** employers representing a workforce of over **1 million** employees in the UK alone. The session was to discuss the implementation of the Digital Right to Work Scheme, which came into effect on 1ˢᵗ October. Praise for the implementation of the Scheme during the Parliamentary Briefing was clear throughout. Employers commended the clear benefits of utilising ID Service Providers (IDSPs) to better safeguard their organisations against fraudulent documents and illegal workers.

Earlier, prior to the launch of the Digital Right to Work Scheme, the Better Hiring Institute polled a total of 600 employers, **97%** of which stated that they were planning to, or had the intention to, implement the new regime. In addition, **79%** of 200 employers believed that digital identity is fundamental to modern hiring. Furthermore, **76%** of 400 employers believed that a digital solution to right to work checks would be better at identifying fake documents prior to 1ˢᵗ October. With such a positive response to the new regime and its ability to create a faster hiring process, questions have since been raised about how we can build upon the new digital scheme to increase security.

However, whilst the advent of digital right to work checks is incredibly positive, there are ways that we can build upon the scheme to make it more secure whilst also delivering wider benefits such as inclusion and productivity. Employers gave evidence to show a significant drop in people applying to roles since the change, a far higher dropout rate during the hiring process than before and concerns about the security whereby illegal workers now find it easier to get a job.

Working with employers, the Better Hiring Institute proposes four recommendations that will improve security, address the inclusion and levelling up issue, and help the UK tackle staffing shortages by maximising the UK workforce rather than relying on immigration:

1. Allow expired British and Irish passports to be assessed by IDSPs just as they are accepted by IDSPs for the purpose of Disclosure & Barring Service (DBS) checks
2. Allow other safe document combinations (driving licence, birth certificate, NI, POA) to be assessed by IDSPs as this is more secure than the current face to face/postal route being used by illegal workers
3. Allow vouching by professional parties on behalf of employers such as Post Office just as this is accepted by HMPO when renewing a passport

Background

The Home Office's COVID-19 adjusted checks were critical in enabling UK employers to hire remotely during the pandemic. Building on the success of this scheme, the Home Office launched digital right to work checks in October 2022. Comparably, the new scheme created a more secure and permanent solution than the temporary adjusted checks, and meet the needs of post-pandemic businesses, where so much activity is now transacted remotely and online.

The new digital system was met with overwhelming positivity from UK employers, with less than **1%** of 400 employers not welcoming the scheme, the Digital Right to Work Scheme is an excellent creation that builds upon the ***COVID-19 Adjusted right to work checks*** by allowing businesses to continue conducting right to work checks remotely but in a more secure way than before.

The Better Hiring Institute believes that digital right to work is a hugely positive step forward and working with employers we have identified how to build upon this excellent start by making the scheme more secure, more beneficial to the UK economy, and to ensure the UK workforce is maximised reducing the strain on immigration.

Findings

1. **Business reported concerns about security and that illegal working is now more likely**
   - Whilst there was praise for the ability of IDSPs to identify fake documents, there was significant concern that technology is now driving illegal worker documents such as a fake birth certificate and National Insurance document, through the face to face or postal route, making it almost impossible for employers to detect;
   - Cifas, the UK's fraud prevention service, reported in November 2022 that identity fraud cases are up **34%** (210,886 cases) on the same period for 2021 and up **23%** on pre-pandemic levels. This raises concerns about a fraudster's ability to obtain and utilise sensitive information to create fraudulent documents for illegal workers to obtain work.

2. **Businesses are concerned about increased barriers for legitimate British and Irish workers and are reporting a larger dropout of candidates and therefore a reduction in hires**
   - There was a general unease from British and Irish work-seekers without an in-date passport to send sensitive documents in the post, meaning they can only now get jobs in the UK face-to-face, placing them at a huge disadvantage to overseas workers;

- On average, employers are finding about **20%** of applicants without an in-date passport;
- Employers reported that many British and Irish workers without an in-date passport drop out of the hiring process at various stages. One case study can be seen below:

Case Study 1

One business providing 300-500 workers a month have lost **20%** of candidates a month since the change. With a head office in the North-West of England marketing a mobile app offering flexible work and allows work-seekers to obtain work through their phone. The business covers the breadth of the UK and **95%** of its hiring is completed remotely. Historically, the business has found that **19%** of their workforce have been in possession of the documentation that, since 1st October, falls into the postal or face to face route. Owing to the remoteness of their workforce, the business must therefore cover the cost of securely receiving documents and sending documents through the post back to the applicant. The business reported that, since the implementation of the new scheme, every candidate who opted for the postal route eventually dropped out of the hiring process. The business has lost anywhere between 50-100 candidates per month.

3. **Employers reported concerns over a decrease in overall job applicants entering the hiring process since the implementation of the scheme:**
   - There was a concern over the ability for organisations to reach talented candidates in remote locations, where jobs are most scarce and unemployment at its highest. Even businesses that operate anywhere between 50-100 sites across the UK and able to receive physical documentation found an increase in candidates in remote locations exiting the hiring process.
   - Another business responsible for high volume hospitality in Scotland recruiting thousands of people per year similarly reported a **20%** decrease in onboarded staff since the changes. The workforce mainly consists of younger work-seekers and those nearing retirement age. The business remarked that the candidates who are now less likely to apply for jobs or drop out are young people not in possession of in-date passports. This means that legitimate British and Irish workers who are able to work become less desirable than overseas workers with a share code.

Case Study 2

A Healthcare employer supplying staff to the NHS reported a 43% decrease in the number of applications being received compared to volume of applicants during the adjusted checks. This is largely due to challenges meeting workers face to face.

- For work seekers needing to send documents by the postal route, one business projected a total expense of £8,000 to receive and return documents due to a requirement to keep offices open. This is money that they, in their testimony, said that they would rather be spending on an IDSP that is able to not only speed up the hiring process, but also better identify fraudulent documents where the naked eye cannot.

Conclusion:

The Better Hiring Institute and its employer members believe the digital right to work system is hugely positive and was an excellent initiative implemented by the Home Office. The Better Hiring Institute is keen to support Home Office to build upon this excellent initiative by addressing security concerns whilst also delivering wider benefits such as a better utilisation of the UK workforce to reduce heavy reliance on immigration.

The Better Hiring Institute proposes four recommendations that will improve security, address the inclusion and levelling up issue, and help the UK tackle staffing shortages by maximising the UK workforce rather than relying on immigration:

1. Allow expired British and Irish passports to be assessed by IDSPs just as they are accepted by IDSPs for the purpose of Disclosure & Barring Service (DBS) checks
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