



Sponsor Licence Compliance: Courts Send a Clear Warning to Employers

Two recent High Court decisions reinforce a simple message: sponsor licence compliance is no longer a paperwork exercise, it is a business critical responsibility.

FROM THE TEAM

A note from us

Welcome to this month's edition.

The spotlight on sponsor licence compliance continues to intensify, with two recent High Court cases providing important lessons for employers who recruit overseas workers. As immigration enforcement activity increases across the social care sector, providers can no longer afford to view compliance as an administrative task delegated solely to HR teams. The consequences of non-compliance can be severe, ranging from licence suspension and revocation to significant operational disruption.

This month, we're highlighting what these cases mean in practice and the steps every sponsor licence holder should be taking now to protect their organisation. Our message is simple: proactive compliance is always less costly than reactive remediation.

— Jasmine Sehgal, Director

SECTION 1

What's changing in the sector

Sponsor Licence Compliance Under the Spotlight: Key Lessons from Two High Court Cases

With Home Office compliance activity increasing across the social care sector, two recent High Court cases have provided valuable insight into how sponsor licence compliance is being assessed and enforced. The cases of *Prestwick Care Ltd v Secretary of State for the Home Department* and *Supporting Care Ltd v Secretary of State for the Home Department* demonstrate the serious consequences of non-compliance and the importance of maintaining robust sponsorship systems.

For care providers employing overseas workers under the Skilled Worker and Health & Care Worker visa routes, these decisions serve as a timely reminder that sponsor licence compliance must remain a board-level priority.

Regulatory & Policy Update

Sponsor Licence Revocation – What the Courts Are Saying

In the case of Prestwick Care Ltd, a large care provider employing 219 sponsored workers, the Home Office conducted a compliance visit in October 2022 and subsequently revoked the organisation's sponsor licence in February 2023. The High Court upheld the Home Office's decision, meaning Prestwick Care could no longer sponsor overseas workers.

In contrast, Supporting Care Ltd successfully challenged the revocation of its sponsor licence. The Court ruled that the Home Office had acted disproportionately when revoking the licence over a single compliance issue involving one employee out of a sponsored workforce of 68 workers. The licence was subsequently reinstated.

The differing outcomes highlight that while the Home Office takes compliance breaches seriously, decisions to revoke a sponsor licence must also be proportionate and properly justified.

Workforce & Immigration

Home Office Compliance Visits Continue to Increase

Both cases reinforce the importance of maintaining ongoing compliance with sponsor duties. The Home Office expects sponsors to:

- Maintain accurate records for sponsored workers.
- Report relevant changes through the Sponsor Management System.
- Ensure sponsored workers are undertaking the role described on their Certificate of Sponsorship.
- Comply with UK employment and immigration legislation.
- Monitor visa expiry dates and right-to-work status.

Failure to meet these obligations can result in licence suspension, revocation, civil penalties and disruption to workforce planning.

Funding & Business Impact

The Hidden Cost of Non-Compliance

Beyond regulatory consequences, sponsor licence revocation can have significant operational and financial implications. Providers may lose access to overseas recruitment pipelines, face staffing shortages, incur legal costs, and experience disruption to resident care.

For organisations already operating under workforce pressures, maintaining compliance is increasingly becoming a business continuity issue as much as a regulatory requirement.

SECTION 2

Protecting your business — tips & tricks

Tip 1 – Review Job Descriptions Against Actual Duties

The Risk:

One of the key issues identified in both court cases involved workers whose day-to-day responsibilities did not fully align with the duties outlined in their job descriptions and Certificates of Sponsorship. This can lead the Home Office to conclude that a vacancy is not genuine.

The Fix:

1. Review all sponsored worker job descriptions annually.
2. Speak with line managers to confirm duties match documented responsibilities.
3. Update records promptly where roles have evolved.

Tip 2 – Conduct a Sponsor Licence Compliance Audit

The Risk:

Missing employee records, inaccurate addresses, incomplete right-to-work documentation or failure to monitor visa expiry dates can trigger enforcement action.

The Fix:

1. Audit all sponsored worker files every six months.
2. Verify that contact details, contracts and visa documentation are current.
3. Maintain a central compliance tracker for key immigration dates.

Tip 3 – Train Your Key Personnel

The Risk:

Many compliance breaches occur because managers and administrators are unaware of sponsor licence obligations.

The Fix:

1. Provide annual sponsor licence compliance training.
2. Ensure Authorising Officers and Level 1 Users understand reporting requirements.
3. Create written compliance procedures that can be followed consistently across the organisation.

SECTION 3

How AC Solutions can support you

A reminder of the services we offer — and how they map to the challenges in this issue.

01

International recruitment

[Sponsor licence applications, end-to-end candidate sourcing, compliance and onboarding for overseas care workers.]

02

Compliance & advisory

[Mock CQC inspections, sponsor licence audits, immigration advisory, policy reviews, and ongoing compliance support.]

03

Workforce strategy

[Retention programmes, leadership coaching, training planning, and long-term workforce design.]

NEEDA HAND THIS MONTH?

Book a free 30-minute discovery call with one of our advisors. We'll review your current pressures and give you a focused, no-obligation action plan.

Email jasmine@acsolutions.org.uk • Call [+44 (0)77 2343 5400] • Visit www.acsolutions.org.uk

SPOTLIGHT

Sponsor Licence Compliance: Prevention is Better Than Revocation

The recent High Court decisions involving Prestwick Care Ltd and Supporting Care Ltd provide a clear message to care providers: compliance failures can have serious consequences, but preventative action can significantly reduce risk.

Small Errors Can Become Major Problems

In Prestwick Care's case, the Home Office identified multiple areas of concern including inaccurate employee records, underpayment of a sponsored worker, failure to monitor visa expiry dates, inappropriate recovery of sponsorship costs from workers and shortcomings in employment practices.

While some issues may have appeared administrative in nature, the cumulative effect led the Home Office to conclude that the organisation could no longer be trusted to fulfil its sponsorship responsibilities.

Genuine Vacancy Requirements Matter

A notable feature of both cases was the Home Office's focus on job descriptions.

Sponsors must ensure that overseas workers are performing the role described on their Certificate of Sponsorship. The Home Office is increasingly scrutinising whether sponsored roles genuinely meet the skill requirements of the Skilled Worker route.

Care providers should avoid generic job descriptions and ensure that duties accurately reflect the responsibilities being undertaken by employees.

Independent Compliance Reviews Can Reduce Risk

One of the strongest lessons emerging from these cases is the value of proactive compliance management.

Independent sponsor licence audits, right-to-work reviews and targeted training for key personnel can identify weaknesses before a Home Office inspection occurs. Providers who can demonstrate strong governance, accurate records and effective monitoring systems place themselves in a much stronger position should they face a compliance visit.

TAKEAWAY

- Sponsor licence compliance should be treated as an ongoing business-critical function. Regular audits, staff training and robust record-keeping can help protect your organisation, your workforce and your ability to recruit internationally.

Q & A

Ask AC Solutions

Each month we answer one real question from a client. Got something you'd like us to tackle next month? [Reply to this email or send your question to questions@acsolutions.com.]

Q I received a letter from UKVI stating the following. 'We are looking into concerns that suggest your current sponsored workers may not be receiving a salary that matches the salary stated on their Certificate of Sponsorship. As per Annex C1(aa) of the sponsor guidance where it states such circumstances where we will revoke your licence. I am very worried please can you guide?'

- Treat this as a serious compliance matter, but note that receiving the letter does not automatically mean your sponsor licence will be revoked.

- UKVI is investigating concerns that sponsored workers may not be receiving the salary stated on their Certificate of Sponsorship (CoS), which could be a mandatory revocation ground under sponsor guidance.
- Urgently review all sponsored workers' salary records, comparing CoS salaries against actual payments.
- Gather supporting evidence, including payslips, payroll records, bank statements, employment contracts, and timesheets.
- Identify and investigate any discrepancies, establish the cause, and take corrective action where possible.
- If salaries have been paid correctly, prepare clear documentary evidence demonstrating compliance.
- Respond to UKVI within the specified deadline with a full, accurate, and well-supported explanation.
- Seek specialist immigration advice immediately, given the potential consequences for your sponsor licence and sponsored workers.
- A prompt, proactive, and evidence-based response is critical to protecting your sponsor licence.

Q When applying to the Home Office for additional Certificate of Sponsorships what is the standard processing time?

- The standard processing time can take up to 18 weeks therefore plan to submit your application to the Home Office well in advance. Employers can use the Priority Service for £350 to get a decision in approximately 5 working days.

UNTIL NEXT MONTH

Thank you for reading. If this newsletter was useful, please forward it to a colleague who would benefit. We grow through your trust and your introductions.

Email jasmine@acsolutions.org.uk • Call [+44 (0)77 2343 5400] • Visit www.acsolutions.org.uk