

MEETING NOTE **Labour Market Exploitation and Enforcement**

Roundtable discussion between ETI, members and stakeholders, and the Gangmasters and Labour Abuse Authority, the Home Office and Business, Energy & Industrial Strategy Department

Date: Tuesday 13 September 2016, 12.30-14.00
Venue: Church House Westminster, Dean's Yard, London, SW1P 3NZ
Chair: Cindy Berman

Attendees:

- **GLAA:** Margaret Beels, Paul Broadbent
- **Home Office:** Offer Stern-Weiner
- **BEIS:** Claire Vince
- **Ethical Trading Initiative secretariat:** Cindy Berman, Sean Roberts
- **ETI members:** Giles Bolton (Tesco), Sally Brett (TUC Global), Henrietta Lake & Damien Drumm (Sainsburys), Caroline Haycock (Debenhams), Rosie Howells (John Lewis Partnership), Caroline Robinson (Focus on Labour Exploitation), Katharine Stewart (Primark), Fiona Sadler (Marks & Spencer)
- **British Retail Consortium:** Peter Andrews, Fintan Hastings
- **Association of Labour Providers:** Kevin Roberts, David Camp

Agenda

- Roundtable introductions & setting the context for the meeting
- Modern Slavery
- Gangmasters and Labour Abuse Authority
- Director for Labour Market Enforcement
- Stakeholder engagement

Key messages from stakeholders:

Modern Slavery

- The Modern Slavery Act has greatly helped to level the playing field by requiring all companies – not only public-facing retailers – to demonstrate what they are doing to act responsibly in identifying, managing and acting upon labour rights risks and violations in their own operations and supply chains. However, there are real concerns that less visible B2B companies may not comply with their reporting obligations under Section 54.
- In light of this, there is a strong call for Government to publish a list of companies required to report. If this is not done, it will be impossible for the public at large to

hold companies to account because they will not know which companies are caught by the legislation. Also, high profile companies will continue to get negative headlines in the press while less visible but unscrupulous companies go unchallenged and unaccountable. This could undermine the Act: responsible companies will not see the benefits of being more transparent and honest about these issues if other companies can get away with doing or saying nothing.

- The Government's reasons for excluding Private Sector Procurement from the requirements of the Act are unconvincing. Government needs to demonstrate that it is applying the same standards to its own procurement systems and processes that it requires of companies in the private sector. Because modern slavery by its nature is hidden, it will not be uncovered or addressed unless there are specific measures to address it.
- As key stakeholders that advocated for the Act, ETI members and partners would like to meet with Sarah Newton MP, the Minister for Vulnerability, Safeguarding and Countering Extremism, to discuss these issues.

Gangmasters and Labour Abuse Authority

- We welcome the extension of the remit of the GLA under the Immigration Act 2016. However, there are real concerns about the extent of the GLAA's powers, how the Authority will be resourced, its priorities, and how its wider remit will be managed. There are also questions about the priorities and resources of the Director for Labour Market Enforcement once he/she is appointed; how the current government sees its own role in regulating industry and the labour market; the priorities of new Ministers; and changes in the responsibilities of different government departments and authorities.
- The GLA has played a critical role in preventing, managing and mitigating labour abuse in the food, farming & fishing sectors. It is hugely valued by companies in the food & farming sector – without it, the risks of labour rights abuses would be far higher. But how will the GLAA retain its global reputation and credibility if it is not adequately resourced to manage a 21-fold increase in its remit (in terms of workers covered)? Retail companies are uncovering labour exploitation in the UK supply chains in apparel and textile sectors, in household and homeware goods, in DIY, construction, cleaning, catering and hospitality. But they are also finding unexpected problems in their own operations such as warehousing and logistics. There are concerns about Brexit and the vulnerability of European migrant workers and unscrupulous labour providers operating outside of the GLA's current remit and authority. As such, the stakeholders are keen to see the GLAA assume its expanded powers and remit as soon as possible.
- Whilst retaining all of its existing powers of licensing and regulating the food & farming sector, we would like to see the GLAA's investigation and enforcement powers extended to all sectors – including a requirement for all gangmasters to be licensed. Without this, there are consequences: the UK's reputation as a global leader on modern slavery will be undermined (some companies have already decided that the UK is not a safe environment for their manufacturing operations); decent jobs may be lost, whilst hidden exploitation and abuse of vulnerable workers will increase; and the costs to businesses would be high.
- ETI requested to be kept informed of progress on GLAA strategy development.

Director for Labour Market Enforcement

- ETI requested to be kept informed of progress on DLME strategy development, and suggested that it might also be useful for ETI members to have a meeting with the new Director when in post, as well as the new BEIS Minister, Margot James.

Stakeholder engagement

ETI members, the BRC and ALP stressed the importance of multi-stakeholder engagement with all three bodies/areas of policy. This would enable the common concerns of key stakeholders with practical experience of these issues to be taken into account in a more holistic way – not only through specific liaison or interest groups. This means that policy makers can see how the different perspectives of stakeholders interact with each other to generate a shared understanding of the way forward – something that cannot be provided by a series of separate, parallel discussions. Most importantly, multi-stakeholder discussion enables each of the actors to understand where their own initiative contributes to the overall success of the agreed goals, and avoids duplication and confusion.

Key messages from GLAA and senior government officials (Home Office & BEIS):

Modern Slavery

- The Prime Minister, Home Secretary and the Minister for Vulnerability, Safeguarding and Countering Extremism have reiterated the Government's commitment to ending modern slavery in the UK and overseas. The TISC provision in the Modern Slavery Act was designed for the private sector and the Government wants to work with businesses and NGOs to maximise its impact. The Government welcomes work by Parliamentarians, businesses and NGOs who are seeking to amplify the value to consumers and businesses of the data contained within companies' annual slavery and human trafficking statements, so that it fuels a race to the top among key players in global supply chains. In this respect, Baroness Young's proposal that the Government should publish a list of the companies who are required to submit reports is worth exploring. In parallel, the Government is looking at whether and how existing safeguards on public sector procurement can be strengthened.
- In the meantime, it would be useful for ETI members to submit any views in writing to Home Office officials, ahead of a possible meeting with Home Office Ministers later this year.

Gangmasters and Labour Abuse Authority

- The GLAA is completing an intelligence report on the risk of modern slavery in the UK and hopes to share a public version of this by Christmas. High risk sectors identified include apparel, cleaning, care, construction, warehousing, transport, logistics, nail bars and car washes.
- Under the Immigration Act, the GLAA will have powers to investigate labour exploitation across the labour market regardless of sector and status of worker. In partnership with key stakeholders, the GLAA remains committed to pursuing criminality wherever it is found in the labour market.
- The likely date of introduction of the new powers for GLAA is in the Spring of 2017. Its primary jurisdiction will be England and Wales (but are in discussion about how this will relate to Scotland and N. Ireland).

- The current GLA regulated sector will remain as is with the successful model of intelligence - licensing – compliance – enforcement intact. GLAA will tackle the bad either directly or with or through other agencies. It will be the 'go to' agency for ALL labour exploitation-related information and intelligence.
- The GLAA's new strategy is based on promoting co-regulation and self-regulation. The GLAA sees its role as co-regulation with compliant business. This is seen as a critical element for the continued success of GLAA, working in partnership with others.
- The extension of the GLAA's remit will increase coverage from 500,000 workers to 31.5 million, 7-10 million of whom are in high risk sectors. This represents a 21-fold increase compared to GLA remit. GLAA has had its budget increased from £3.5m to £4m, and invested the new resources in intelligence gathering. GLAA is looking at different funding models, and is keen to explore all suggestions, however radical.
- The GLAA's priorities will have regard to the DLME strategy. The GLA Board is currently refreshing its own strategy in light of the forthcoming changes. GLAA is committed to engaging extensively with all partners across the entire labour market, making them aware of the forthcoming changes and how GLAA will operate moving forward.

Director for Labour Market Enforcement

- Interviews for the Director position will be in early October; the Director is expected to be in post before Christmas. Currently there is a Chief of Staff, office and support staff being put in place.
- The first DLME strategy is due in April 2017. Once in post the Director will determine how and when to secure stakeholder views.
- In the meantime, there is a window of opportunity for key stakeholders to share their ideas and priorities whilst the new Director is being appointed, and whilst Ministers are considering their own positions and priorities. BEIS welcomed inputs and ideas between now and the end of January, when this agenda is likely to be more clearly defined. ETI would share relevant email addresses and may help to coordinate messages.
- Once in post, the DLME will determine how he/she wants to engage with stakeholders and what governance they wish to put around their work, e.g. an advisory board and who will be part of it. DLME will arrange a meeting for ETI members with the Director for end-Jan/early-Feb.

Conclusion

Agreed that it had been a useful and constructive meeting. It was agreed that ETI should engage with officials again and arrange a further meeting in six months' time, along similar lines. But it was also felt that other sectors should be represented in future meetings, and ETI could work with the BRC and other industry bodies to ensure wider representation.