



## **IMMIGRATION BILL: Part 1 – labour market enforcement BUSINESS, TRADE BODY & NGO BRIEFING**

As a coalition of business representatives, trade unions and NGOs, we welcome the government's commitment to tackling labour market exploitation.

In advance of discussions by the House of Lords on the Committee Stage of the Immigration Bill on 18 January, please find below a number of points that we would like to draw to your attention on Part 1: Labour Market Enforcement.

### **Reforms to the licensing regime should not weaken GLA licensing standards or reduce application and compliance inspections that protect vulnerable workers**

We welcome the Government's commitment to retain the existing licensing regime of labour providers in the farming and food processing sectors as set out in its response to the consultation on [Tackling Exploitation in the Labour Market](#). The licensing regime operated by the Gangmasters Licensing Authority (GLA) was introduced in the wake of the Morecambe Bay tragedy in 2004. It has effectively raised employment standards and protected vulnerable workers from exploitation and it has prevented rogue labour providers gaining an unfair advantage over legitimate businesses. It is strongly supported by retailers, food manufacturers, labour market providers, trade unions and charities representing victims of exploitation. Indeed, the Association of Labour Providers biennial survey on the GLA shows 93% of labour providers surveyed were in favour of licensing.

However, we are concerned that government's reforms to make the licensing regime more 'flexible' may result in a dilution of licensing standards or reduce the application and compliance inspections that have been essential in preventing and uncovering instances of exploitation. This would weaken the credibility of GLA licenses, lead to rogue gangmasters re-entering the licensed sectors, and greatly undermine efforts to protect the welfare and interests of vulnerable workers.

Of all 93 consultation respondents, just 19 per cent supported the proposal for a more flexible approach to licensing.

Reducing controls of the labour market at point of entry without sufficient resources to allow adequate inspections could allow an increase of rogue gangmasters, which will not only undermine efforts to protect the welfare and interests of workers but also weaken the credibility and efficacy of the GLA and its licensing system overall. The GLA itself reports gangmasters are able to act nimbly, shifting sectors in order to avoid oversight, and with a flexible system rogue gangmasters will be able to find yet more loopholes to exploit and abuse.

We hope that the House of Lords challenges Government on any proposals that risk weakening a proven and effective means of preventing and identifying worker exploitation.

**An expanded role for the GLA should be matched by additional resources**

We welcome the expanded role for the GLA as set out in the Government's response to the consultation on Tackling Exploitation in the Labour Market. However, there has been no clear commitment to increase funding for these new enforcement activities. The Government has said in its response that it is "considering resources for the new Authority as part of the Spending Review settlement". It also says that it believes that "the new Director role will help target the enforcement resources towards the areas of greatest benefit and impact."

We are concerned that the already stretched resources of the GLA will be redirected to new investigation and prosecution activities, further undermining the licensing regime and its strong role in preventing exploitation.

It is essential that all the enforcement agencies are sufficiently resourced to effectively carry out their work. In particular, we would like to see the Government commit to increasing resources for the GLA to mirror its expanded role so that licensing is not undermined.

## **The Director of Labour Market Enforcement must be required to engage with stakeholders**

We realise that the creation of the post of Director of Labour Market Enforcement has the potential to improve coordination of work across the enforcement authorities.

The Government states in its response to the consultation on 'Tackling Exploitation in the Labour Market' that it will consider how to ensure that stakeholders are properly involved in the preparation of the labour market enforcement strategy. This is an important issue for stakeholders as we have developed positive working relationships with the GLA which we would hope continue. The Director will have powers to determine the work priorities and funding for the GLA and GLA officers are being legally required to carry out their functions in accordance with the labour market enforcement strategy issued by the Director.

We believe it should be a statutory duty for the Director to engage stakeholders and it is crucial that the Government clearly sets out in the Director's role the expectation and process of engaging stakeholders in the development of priorities, strategy and allocation of resources.

For further information, please contact:

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