

# FOCUS ON LABOUR EXPLOITATION

Working to end trafficking for labour exploitation

## Focus on Labour Exploitation (FLEX)

### Tackling exploitation in the labour market

### Department for Business, Innovation and Skills (BIS) and Home Office (HO) Consultation

#### FLEX analysis

This consultation proposes an expanded role for key UK labour inspection agencies, proposing extra powers of criminal investigation for the Gangmasters Licensing Authority (GLA) and for labour inspection priorities to alter according to an annual strategy proposed by a new Director of Labour Market Enforcement. The consultation operates on the assumption that there is 'general labour market compliance' and the key problem faced in the UK is one of 'organised labour market exploitation'. The consultation proposes a shift away from licensing towards voluntary schemes.

The problems posed by this approach include:

- Labour inspection agencies have seen steep declines in budgets since the 2010 Spending Review – including more than 20% cut to the GLA - and look set for further cuts in this Spending Review;
- Criminal investigations absorb huge resources and could distract from core licensing and monitoring functions;
- Voluntary accreditation schemes are helpful when supported by robust State regulation and enforcement, but the UK has one of the weakest labour inspectorates in Europe and is proposing weakening it further through this consultation;
- Shifting priorities for labour inspection agencies according to an annual strategy produced by a Director of Labour Market Enforcement risks threatening the years of expertise agencies like the GLA have built up in their specialist areas of work.

In relation to specific consultation questions FLEX makes the following observations:

*Question 1: Do you agree that more needs to be done to tackle organised labour market exploitation?*

No clear legal definition of 'organised labour market exploitation' has been provided. Increased activity will require increases in resources, yet this consultation states that more should be done with the same resources.

*Question 4: Do you agree that a new offence of aggravated labour law breach is needed to tackle exploitation of workers?*

Any new offence must be combined with strengthened monitoring and inspection of labour standards, and the investigation and prosecution of this new offence should not be permitted to change or divert resources from these essential functions.

*Question 10: Do you agree with the proposal to expand the role of the Authority or should we retain the current model?*

Whilst the ETI and others, including FLEX, advocated an expanded remit for the GLA during the passage of the Modern Slavery Act 2015, all experts have been clear that the GLA should under no circumstances have its remit expanded without a matched increase in resources.

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*Question 12: Should the new Authority work with business to provide training, and develop codes of conduct and voluntary accreditation schemes?*

If business support work is conducted along side the GLA's regulation, inspection and enforcement work and it is a continuation of existing work rather than as an additional function without additional funding then it would be possible. However, if it is additional work that takes away from its core license monitoring function then it is a distraction and should not be part of the work of the GLA.

*Question 15: On the GLA investigating new labour market breaches and offences, including Modern Slavery Act offences.*

Caution is needed to ensure that any new powers do not transform the GLA into a law enforcement body that loses the trust and confidence that it has developed among vulnerable and exploited workers. The GLA must be adequately resourced and priority must be given to continuing its monitoring and inspection functions.

*Question 23: Do you agree that the current licensing criteria should be reformed?*

- A licencing and inspection framework that links to forced labour indicators is key to ensuring that there is a level playing field for business operating in the UK, preventing rogue operators from undercutting those who play by the rules.
- The UK government Migration Advisory Committee reports that the UK is 'light touch' in its enforcement of employment rights, particularly compared to 'the majority of developed countries' that have specialist labour inspectors conducting pro-active site visits.