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**THE GLA AND SUPERMARKET PROTOCOL
RESPONSE BY THE ASSOCIATION OF LABOUR PROVIDERS
TO GLA CONSULTATION**

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Introduction

On 8 May the GLA published a consultation on proposals for a protocol for joint working with retailers (http://www.gla.gov.uk/embedded_object.asp?id=1013521). Responses are requested by 31st July.

The Association of Labour Providers (ALP) represents over 220 labour providers, all of which are subject to the licensing standards of the GLA and most of which supply businesses that in turn supply the supermarkets. The Association has been heavily involved in the regulation of labour providers over the last five years. It therefore has a major interest in this consultation.

Executive Summary

The Association supports the GLA in its mission of stamping out the exploitation of workers and its members want to play their part in ensuring that happens. Its members also want to operate in a market that provides a level playing field for competition and to achieve a fair return for their effort and risk.

The Association agrees with the GLA's approach of harnessing the support and contribution of the legitimate operators within the supply chain – labour providers, labour users and retailers – as one of the keys to it succeeding in its mission. As such we support the broad intention of this Protocol.

However we have concerns that a number of the clauses in the draft protocol seek to exclude labour providers and alienate labour users. We believe that a cross-industry representative approach will ultimately lead to greater success.

The Association is also concerned that the protocol does not go far enough in holding retailers to account. Retailers exhaustively audit their suppliers so should be in a position to identify malpractice before the GLA. Where a retailer has benefited from,

for example, unreasonably low charge rates then it seems that far from accepting any responsibility for this they are able to claim credit because they have worked with the GLA once the GLA has discovered the malpractice.

For ease of reference the draft Protocol is appended to this response and our comments follow the numbering in the consultation document.

Comments on the clauses of draft GLA and Supermarket protocol

Introduction – clause 5

We consider that where FOI requests are made that name specific labour providers, the GLA should also notify those labour providers of those requests. Where it is determined that information should be released under an FOI request the information being released should be provided to the labour provider prior to it being released.

Sharing information – clause 7

Whilst cooperation between the stakeholders is welcome it should be made clear how and in what situations information will be released by the Retailers to the GLA without breaching Social Compliance Audit Confidentiality.

The GLA should state that intelligence so received will not be accorded priority status and will be sorted using the National Intelligence Model.

The Draft Protocol implies a mutuality of obligation to the exchange of information with the following phrase: ‘The GLA would welcome access to this and in return will provide information on the outcome of its operations.’ This is inappropriate if it means that retailers will have access not available to others.

Working together – clause 10

This Clause states that “The GLA will work alongside retailers. The GLA would like to meet regularly with retailers so that inspection findings can be disseminated to inform best practice.”

The Association supports the GLA’s approach in working with the supply chain in order to further its aim of stamping out worker exploitation. Our contention is that the approach proposed by the GLA runs the risk of alienating labour users and excluding legitimate labour providers and their representatives.

A protocol that engages with retailers and representatives of labour users and labour providers is more likely to be received positively throughout the supply chain – regarding them as a part of the solution in stamping out the exploitation of workers.

Rather than meeting just with the Retailers the GLA should meet with cross-industry representatives of the retailers, labour users and labour providers together. This would provide an opportunity for the whole supply chain to work together on such issues as:

- Eradication of charge rates that do not allow legal obligations to be met
- Tax evasion

- Audit consistency and convergence
- Consistency of advice and guidance to the industry
- Dealing with late payment.

The ALP supports the point the NFU makes in its Consultation response as follows “It is also important that in seeking to benefit from the position of retailers in the supply chain, that the GLA is not seen to be condoning or endorsing the substantial commercial power that retailers hold. As an agency of Defra we do not believe that it is appropriate for the GLA to be perceived to be condoning such retailer power.”

Supplier visits - clauses 11 - 15

The Association supports the concept of joint inspections and sees this to be of particular relevance where there is evidence of the labour user being complicit in worker exploitation or tax evasion.

This may be a situation where a charge rate is being paid that does not allow legal obligations to be met or where there is evidence of bribery or collusion.

Action following GLA investigation – clause 23

This clause will be of more concern to labour users than to labour providers.

The Association believes that labour users are responsible for what goes on in their fields and in their factories - they cannot abdicate this responsibility. Labour users must pay a fair charge rate to labour providers that allows legal obligations with regard to pay, holidays and tax to be met and enables labour providers to earn a sustainable operating margin. Where labour users do not pay a reasonable charge rate they are knowingly or recklessly conniving in illegality.

It is reasonable therefore that labour users in these circumstances should share the blame and consequent damage to their brand and reputation.

The Association concurs with the view proposed by labour user representatives that retailers should establish a protocol for how they deal with situations where there is suspicion of supplier knowledge/involvement in worker exploitation.

Publicity – clauses 24 – 30

The Association does not regard it as acceptable that a labour provider finds out through the press about the outcome of a GLA operation or inspection to which it is subject.

Any amendments to the GLA’s Press Release policy should be discussed and approved by the GLA Board.

Protocol review – clause 31

The inclusion of labour provider and labour user representatives in the protocol means that they should also be included in the review mechanism.

GLA and Supermarket Draft Protocol

Introduction

1. This protocol establishes a common understanding of how the GLA and the retailers will work together. It provides a framework for the relationship between the GLA and retailers and details what the outcomes of this will be.
2. The GLA is required by law to carry out its functions and nothing in this agreement precludes any such action by the GLA.
3. There may be occasions when the GLA is not able to meet the terms of this protocol for operational reasons relating to the safety and protection of individuals. The GLA will advise the retailers if this occurs but reserves the right as a regulator to step outside this agreement if necessary.
4. There may be occasions when the retailer is not able to meet the terms of this protocol for operational reasons. The retailer will advise the GLA if this occurs but reserves the right to step outside this agreement if necessary.
5. The GLA agrees to keep all material of whatever nature disclosed by any retailer or supplier to it or which comes into its possession, confidential, subject to its obligations under the Freedom of Information Act 2000 or any other acts within UK law. Where requests are received that name specific retailers, the GLA will notify the retailer concerned.
6. This document refers to the GLA Licensing Standards. These are available on the GLA website: www.gla.gov.uk.

Sharing Information

7. Retailers have access to information that would be of assistance in identifying worker abuse. The GLA would welcome access to this and in return will provide information on the outcomes of operations. There should be a designated single point of contact (SPOC) within the GLA and each retailer for the exchange of information. It is expected that the individual who takes on this role will have sufficient seniority to be responsible for the exchange of information and an understanding of how sensitive information should be handled. In the GLA, this will be the responsibility of the Intelligence team using the intelligence@gla.gsi.gov.uk email address or 0845 602 5020. To avoid delays when the SPOC is not able to read emails, it would be helpful to have a generic email address for information to be sent to which can be accessed by other designated contacts.

It is agreed that the retailers will provide information to the GLA where it is believed breaches of the licensing standards have occurred.

8. Retailers will request their suppliers to notify the GLA of issues which they identify relating to labour providers. These issues should be notified to the GLA immediately by email, as these may indicate that a compliance inspection is required.

It is agreed that retailers will request that their suppliers make available to the GLA any information which may indicate that breaches of the licensing standards have occurred.

9. The GLA wishes to provide to retailers the same information as Labour Users who sign up for the active check. Therefore, the GLA will advise retailers when the following actions occur, if the GLA knows that the labour provider is providing workers to their supply chain:

- Revocation with immediate effect,
- Revocation without immediate effect when the decision date is met or any appeal is determined,
- A labour provider has two entries on the register as this will potentially identify cases where a licence is being revoked, and
- Use of an unlicensed labour provider (once a prosecution decision has been made).

It is agreed that the GLA will provide relevant data to retailers on known labour providers in their supply chain.

Working Together

10. The GLA will work alongside retailers. The GLA would like to meet regularly with retailers so that inspection findings can be disseminated to inform best practice.

Supplier Visits

11. The GLA and retailers believe that joint supplier visits will help to eradicate worker exploitation by labour providers within the supply chain.

12. The GLA will nominate senior operational staff to co-ordinate joint visits with retailers, and inform all retailers of the contact name and process for arranging and scheduling the joint visits.

It is agreed that the GLA and retailers will work together in order to assist suppliers in the management of the use of temporary labour. This may be achieved by joint GLA / retailer visits, telephone advice or education seminars. Retailers are invited to participate in two joint GLA / retailer visits per year but may decline any such invitation (in accordance with clause 4) if it is considered that this action may not be in its best interests.

13. Any joint visit will be conducted in a spirit of cooperation with the labour user (subject to those situations referred to in paragraphs 3 and 4). The retailer will notify the GLA of the location and the key reasons for the proposed joint visit. As retailers will not be aware of any detailed intelligence that may be held by the GLA they will nominate each one on an unprejudiced basis, and the GLA will then decide as to whether the joint action is appropriate and/or possible taking into account the available GLA resources. The purpose of the visits will be to enable the retailer to appreciate the work that the GLA do, and to check that the supplier is acting responsibly in managing the use of any temporary labour and to offer advice or guidance as required.

14. The purpose of the visit will be clearly communicated to the supply chain. If the GLA declines joint action, the reason, as far as possible, will be communicated to the retailer.

15. In addition retailers agree to provide support where the GLA is finding a labour user to be uncooperative with the GLA inspection process. This support could take the form of a phone call or a joint visit.

Communications

16. Retailers will encourage suppliers / labour users to register for the GLA's active check service.

17. The GLA will advise the retailers as to which of their suppliers have signed up to the active check service.

18. The GLA will maintain a list of labour users who have signed up for the active check.

19. Retailers will request their first tier suppliers to provide the information set out at annex 1 to the GLA directly on an annual basis. This sensitive information will not be disclosed to any other party without the express permission of the supplier or retailer but it will be used as the basis for the active check alerts so it is important that it is kept up-to-date. The GLA will inform individual retailers about which of their suppliers have provided contact information to the GLA for whatever use they may wish to make of it.

It is agreed that the retailers will request their suppliers to provide the contact information requested by the GLA.

20. The GLA will run an event twice a year to provide details of the top ten inspection findings and the outcome of any joint inspections. These events will be publicised on the retailers' supplier facing websites.

21. Where appropriate, retailers will invite the GLA to attend their supplier conferences to provide information on inspection findings and steps suppliers can take to eradicate worker abuse.

22. The GLA will send copies of Licensing News to the retailer SPOC for dissemination to auditors as this provides information on licensing issues and legislative changes.

It is agreed that the GLA and retailers, individually and collectively, will communicate regularly.
Action Following GLA Investigation

23. The GLA expects the retailers to be seen to be taking decisive action following any operation which identifies worker abuse within their supply chain. The GLA would support this by highlighting this as a positive step in any press release or comment to the media.

It is agreed that where the GLA finds that a supplier in a retailer's supply chain is complicit in worker exploitation, the retailer will consider whether to take appropriate action which may include suspending or de-listing that supplier.

Publicity

24. The GLA communications strategy is to have a high media profile which will be achieved by issuing regular information to the press whenever it takes any action.

25. Retailers will provide the GLA with contact details for their media team and a named point of contact. Retailers can contact the GLA press office on:

□ 0115 900 8962 or 07825 797 130, or

□ communications@gla.gsi.gov.uk

26. The GLA will notify the retailers of the outcome of operations before information is released to the press, if it concerns their supply chain, up to 24 hours in advance depending on media interest.

27. The GLA will acknowledge collaborative work with suppliers and retailers in its press releases and media engagement.

28. The GLA will work with the retailer's media team when a joint press release can be issued. However, if a press release cannot be agreed then the GLA will still issue a release where it concerns an operation or revocation of a licence.

29. The GLA will provide copies of its press releases to the SPOC in advance of issue.

30. The GLA will advise the retailer's SPOC of any approaches for interviews if it considers that the retailer may wish to make a comment too.

Protocol Review

31. The purpose of the review is to ensure that the Protocol is a living, working process and is an actionable series of steps which reduce worker exploitation.

The retailers and the GLA will meet at least every six months to discuss progress, issues and exchange views and information. The retailers and the GLA will review the Protocol every twelve months.