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PUBLIC BILL COMMITTEE ON THE DRAFT MODERN SLAVERY BILL WRITTEN SUBMISSION BY THE ASSOCIATION OF LABOUR PROVIDERS

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Introduction

The Institute of Grocery and Distribution reports the food and grocery industry as the leading employer in the UK with more than 400,000 businesses in the UK food chain providing more than 3.6m jobs, 13% of UK employment, or one in every seven jobs.

The Association of Labour Providers (ALP) is a trade association supporting and representing those organisations that supply seasonal, agency and contingent labour into the UK food production, horticultural and agricultural sectors. The ALP has approximately 270 organisations that voluntarily choose to be members of the Association on payment of an annual subscription and commitment to abide by the ALP Constitution. ALP member organisations supply approximately 60-70% of the temporary workers into these sectors. All organisations that supply labour into these sectors are required to be licensed by the Gangmasters Licensing Authority (GLA). The ALP provides a range of services to help labour providers achieve labour standards compliance and good practice in the supply of workers.

The ALP is a lead development partner in "Stronger Together" (www.stronger2gether.org) - a multi-stakeholder UK initiative to reduce modern slavery in supply chains.

The Stronger Together sponsors are most of the largest UK supermarkets. The development partners are the Association of Labour Providers, the Gangmasters Licensing Authority and Migrant Help. Supporting partners include Anti-Slavery International, British Frozen Food Federation, British Retail Consortium, British Growers Association, Crimestoppers, Food & Drink Federation, Forced Labour Monitoring Group, Recruitment & Employment Confederation, Salvation Army and Sedex.

Stronger Together provides pragmatic good practice guidance and free to download resources for suppliers and labour providers to implement at their work sites.

The Stronger Together workshops have had good take up from the supply chain with 456 individuals from 225 organisations at 294 sites having attended one of the 18 workshops and pledging that an estimated ¼ million workers will hear the Stronger Together message.

This submission is from the ALP and is not on behalf of any other Stronger Together partners or sponsors.

UK Labour Provision Overview and Patterns of Exploitation

Labour providers provide the business service of sourcing and supplying labour to their clients i.e. to growers, farmers, food producers, packers and distributors.

Seasonal, operational, promotional and other supply and demand variations create a fluctuating demand from these clients for labour to plant and pick crops and to produce, pack and distribute food.

It is normal for these client businesses to directly employ a core workforce and flex up and down contingent labour requirements with agency workers from labour providers. This enables these clients to have the exact number of workers they require each shift, each day ensuring that they meet their own clients' demands, generally the large supermarkets, wholesalers and foodservice companies, whilst controlling their labour costs. The exact number of workers required by these businesses is often only known at short notice, maybe week to week but commonly only on a day to day basis.

The labour provider will recruit a pool of workers from which workers will be selected to work. The pool will be large enough to meet the variations in demand of the clients. Those workers who show themselves to be reliable and hardworking are more likely to be provided with regular work, as are those who have been with the labour provider for a longer period of time to those that have just started.

Labour providers with a number of clients will allocate workers as demand requires and workers may work at a number of sites. Some labour providers may offer optional transport to workers to take them to and from work at a cost to the worker. Others may require workers to make their own transport arrangements.

The labour provider will source the workers; interview and contract with them (usually through a contract for services although some labour providers will use a flexible contract of employment); induct them; and organise for the correct number of workers to be supplied to the site for each shift required.

Clients often recruit their permanent workforce from the temporary agency staff in what is known as "temp to perm". This enables clients to experience a trial period with the workers before they recruit them directly.

Workers may be sourced through a number of routes – the Jobcentre, adverts in shop windows, direct recruitment overseas but often the cheapest and most productive route is through word of mouth from existing workers amongst their own community networks.

The work available may be physically demanding, exposed to the elements, require repetitive tasks and be at unsocial hours. Pay is often at or around the national minimum wage and for the reasons above is not guaranteed from day to day.

The great majority of workers who apply to labour providers to do this work are migrant workers. Often they are from Eastern Europe; Poland, Lithuania, Latvia, Slovakia and more recently Bulgaria and Romania. In certain parts of the country, for instance the Vale of Evesham, there are more workers of Indian and Pakistani origin, supplied from labour providers in Birmingham and the Black Country.

Since Spring 2008, when there was a brief labour shortage in soft fruit harvesting, there has been a sufficient supply of applicants wishing to work in food and agriculture through labour providers. However there is now

a definite tightening of labour supply and growing concerns for the 2014 Christmas peak, for 2015 and beyond. Fluctuation in demand for temporary labour varies by crop, product, site and client. There are general peaks in demand for labour in the period leading up to Christmas, during hot periods in the summer and at harvest time. There are product peaks e.g. flowers for events such as Mother's Day and Valentine's Day.

At other times there are more workers than work available with January to March generally being the more quiet times of the year. At quiet times some labour providers may share the work amongst the workers available being able to offer maybe only two or three days work per week. Others may keep a core of workers and continue to provide them with regular work whilst letting other workers know that there is unlikely to be any work available and that they should look for opportunities elsewhere.

Workers coming to the UK may register with one or more labour providers and accept work from whoever offers it until they find a labour provider / job / client that they are satisfied with and which provides them with regular work. It is a fact that the less English language skill an individual has, the fewer opportunities for work s/he will have. Workers may move around the country alone or with friends and/or family until they find regular work.

To supply labour into the UK food production, horticultural and agricultural sectors a business must hold a GLA licence. The GLA holds powers to revoke licences and thus bar labour provider businesses from legally supplying labour into these sectors. To supply labour without a licence and to use an unlicensed labour provider within the sectors regulated by the GLA are criminal offences.

Labour providers range in size from micro-businesses to organisations supplying tens of thousands of workers per day. Consequently the resources a labour provider may have to dedicate to achieving compliance may vary greatly. The GLA's success in tackling deliberately non-compliant labour providers is affected by the ability of these businesses to continue to operate "under the radar" and the GLA's resources in identifying and tackling such matters.

Recent years have seen the increasing infiltration of legitimate labour providers by exploitative individuals and organised criminal gangs who may operate in one or a combination of the following ways:

- The friendly helper – may claim to have lots of contacts in his own migrant worker community. Supplies a ready flow of workers to the labour provider who are recruited and supplied in the normal way. In reality the "helper" may be receiving payment from the workers or may be trafficking them and subjecting them to forced labour through threat of penalty.
- The rogue consultant/supervisor – unknown to the labour provider, one or more of his recruitment consultants are extorting money from workers in exchange for provision of work.

In the case of the "friendly helper" and the "rogue consultant/supervisor" there are varying situations where the labour provider:

- Is negligent, suspecting that malpractice is occurring but the benefits means he turns a blind eye to the signs that things are not right or;

- Is naïve, in not recognising the signs of malpractice or;
 - Is genuinely duped by convincing and manipulative individuals
- The rogue landlord – an individual lets a number of properties and then sublets them seeking to maximise income by cramming in as many tenants as possible. There may be debt bonding, control of bank accounts, intimidation. There may be links to the provision of and transport to work. This is usually unconnected with the labour provider.
 - The trafficker – to all intents and purposes the workers apply and work in the normal way. Unknown to the labour provider some workers are under the control of organised criminal gangs that have trafficked workers, manipulated them into a bonded labour situation, control their bank accounts and retain their ID documents and effectively keep them in modern day slavery.

Modern Slavery Bill Transparency in Supply Chains

The ALP supports the UK Government's ambition to establish Britain as a world leader in the fight against modern slavery and welcomes the introduction of the Modern Slavery Bill.

The ALP's experience of having operated within a regulated sector for eight years and of being a development partner in running an industry scheme to combat modern slavery leads us to conclude that voluntary initiatives alone will not be enough to ensure that all companies take the necessary steps to eradicate slavery from their supply chains.

The ALP believes the Bill should contain appropriate provisions to protect, prevent and remedy modern slavery risks for workers in the UK and in global supply chains. The reasons are apparent:

- It is the right thing to do in order for the UK Government to meaningfully fulfil its commitment to establish Britain as a world leader in the fight against modern slavery.
- It is wanted by responsible business
- It does not add an onerous burden to business

A Transparency in Supply Chains clause should be included in the Bill requiring companies to make publicly transparent the steps they are taking to tackle modern slavery in their supply chains. The ALP supports the TISC proposals drafted by the NGO coalition.

As a legal reporting requirement this would drive greater engagement with initiatives such as Stronger Together and create positive competition to improve practices and efforts to end abuse and exploitation of workers in supply chains.

The Gangmasters Licensing Authority

The Joint Committee on the Draft Modern Slavery Bill Report stated that the Gangmasters Licensing Authority (GLA) “has been much praised as an internationally-respected model of good practice. The weight of evidence we received suggested that expanding the GLA’s powers and industrial remit would yield positive results.”

The GLA licensing regime, in the eight years it has been in place, has contributed to significant improvements in labour standards within the regulated sectors of labour supply to the food processing, agriculture and horticulture, and shellfish gathering. Legitimate businesses want, and have a right to expect, a “level playing field” in order to compete fairly within the law, as do those using their services. To enable this fair competitive trading environment to continue, it is essential that a regulator is maintained within the food industry labour supply chain that effectively prevents rogue businesses from undercutting legitimate labour providers, either through tax evasion, worker exploitation or both.

Labour providers support an intelligence-led, risk-based proportionate compliance and enforcement regime. Surveys of GLA licensed labour providers consistently demonstrate 80% in favour of the licensing regime. Statutory licensing of labour providers sectors is also supported by retailers, growers and food producers who believe that it facilitates a fairer competitive trading environment. Removal of licensing from the UK food industry labour supply chain would be a significant backwards step.

The GLA has demonstrated its effectiveness in targeting suspected serious and organised crime. However, an appropriate balance between the GLA’s mutually reinforcing activities of compliance and enforcement needs to be retained, with an appropriate level of resources being allocated to compliance activities. Ultimately, a compliance led approach is quicker and less expensive than having to deal with licensed, yet non-compliant, gangmasters through enforcement actions.

The Government should appropriately fund the GLA to undertake its responsibilities.

It is extensively documented that exploitation of vulnerable workers is widespread across a number of high risk sectors in the UK. The GLA has developed a specialist expertise on uncovering human trafficking for labour exploitation and forced labour and there are undoubtedly benefits in joint working with other enforcement bodies to extend this knowledge and experience to other employment sectors.

The ALP supports the Joint Committee Report recommendation that the Government conducts a review of the GLA’s remit. However:

- An extension of the GLA’s powers to other loosely defined sectors is too simplistic.
- Any extension of remit should not be at the expense of the removal of statutory licensing of labour suppliers to the UK food industry.