

**Labour Market: Worker Exploitation
Economic Development, Transport and Climate Emergency Scrutiny
Commission**

Stakeholder questionnaire

The City Mayor's Strategic Plan commits to tackle non-compliance across all sectors that may be blighted by low pay and poor conditions. This questionnaire is part of a collaboration by the Scrutiny Commission with the University of Leicester aiming to gather information on the monitoring, incidence, and practices of worker exploitation across different sectors in Leicester. For these purposes, worker exploitation is seen as a continuum stretching from low pay to poor conditions or Modern Slavery.

Given your expertise worker/community engagement and in combatting specific aspects of worker exploitation, Leicester City Council (Economic Development, Transport and Climate Emergency Scrutiny Commission) would like to invite you to complete this questionnaire prior to the evidence session on worker exploitation. The Commission considers matters which include regeneration, public transport and cycle and car provision, tourism, adult learning and job provision.

We understand that some information might be regarded as sensitive and, in this instance, would encourage you to submit this to either the secretary of the Scrutiny Commission, Dr Ed Brown (edmund.brown@leicester.gov.uk) or the University of Leicester research lead, Prof Nik Hammer (nh80@le.ac.uk). Any information received in this regard will be treated confidentially. Equally, you can submit your views to edmund.brown@leicester.gov.uk should you be unable to attend.

The information gathered will form part of a report that will be published by the Scrutiny Commission at a future date in 2025. The report will not name any individuals but may, in some instances refer to organisations. Please note, however, that anything highlighted to us as confidential in the process will be treated as such by the Commission and the research team and be appropriately protected in the report.

Name of your organisation:

What aspects of worker exploitation is your organisation concerned with?

Garment workers in garment factories around Leicester, Highfields, Evington and the City centre.

How do you gain access and/or gather information about this type of worker exploitation?

- During the 2020 covid pandemic Leicester was placed in the spotlight as we had tighter and longer covid restrictions than other counties in the UK and stayed in lockdowns longer, the reason cited in the media for the prolonged restrictions was the garment factories. Due to this media scrutiny the TUC, GMB and Unite along with fast Fashion Brands, Boohoo, I Saw It First, In The Style, Missguided, River Island, New Look, ASOS and Yours came together to form a steering group.

- From the steering group a document was formed the JRI (joint responsibility initiative) and a partnership with the local community centre the Highfields centre and the appointment of two community support workers was decided.
- JRI (Joint Responsibility Initiative) is a voluntary binding agreement between brands, suppliers and trade unions, supply chain due diligence, transparency, purchasing practices
- Two Community support workers hired through the Highfields Centre gained access to factories started to build trust and promote services
- Following a few factory visits it became clear that the factories were sometimes an oppressive environment to have open conversations and engage, the Fashion Workers Club was established based at the Highfields Centre once a week on a Thursday, light refreshments and childcare was provided, access to computer skills class and ESOL classes, GMB attended, and social welfare advice provided
- GMB met with all brands, discussed what we were looking for and visited factories at the first meeting with employers with the brands present
- GMB visited factories under ASOS, Yours and I Saw It First and started to establish a workplace agreement, started to put posters up in factories and visited over lunch breaks to talk direct to garment workers with the aid of the community support workers and made leaflets in different languages
- The GMB offered factories free health and safety inspections
- GMB attended the Labour Behind the Labels rally for the 1% campaign on 1 October and we spoke at the event, this rally was attended by well over 500 workers
- GMB arranged a rally in December to talk at the clock tower in the town centre about the plight of Leicester Garment Industry, we invited an MP but they did not come to speak, we invited factory owners and garment workers to speak but they did not come, community support workers came and spoke and GMB and Unite spoke as well
- GMB arranged a meeting between GMB, Unite and factory owners, sent the invite to over 30 factory owners only 5 showed up, we wanted to create a collective for factory owners to have more power over fast fashion brands
- GMB attended lots of community events, an awards night for garment workers achievements, a screening of a documentary on the garment workers in Leicester and the May Day event at the Highfields Centre where we held a stall
- The GMB contributed to Leicester University research piece of the garment industry and the manufacturing model
- The GMB attended an event at the Wesley Community Centre where Labour Behind the Label launched a workers rights toolkit, GMB is in useful contacts and is mentioned in the section on Unions, we had a meeting with a woman who runs a local advice service and she has access to 1200 migrant workers in Leicestershire and she joined the union and we are encouraging her to become a rep

What aspects of worker exploitation, requests for support etc, do you track systematically? Do you keep records?

GMB members and their cases go through our regional officers advising them and monitoring their case, the Highfields centre project workers have a case load reporting tool.

Do you have indications that beyond your worker engagement activities, there is any further, hidden, worker exploitation?

Factories not paying correct hours, so 15 hours put through PAYE but work 40 hours, rest of the hours is cash in hand or just not paid so the garment worker is only working for half the minimum wage. When the factory has no work, workers are laid off with a letter that just states your contract has ended so no redundancy regulations or payment, the workers are then taken back on after a few months with a new contract so now they have a new start date and no length of service. Garment workers are automatically enrolled in a pension as per regulations but then many choose to opt out, so no pension provisions in the industry. No longevity of work so it is a precarious sector. Fast Fashion brands are exploiting factory owners by pushing the price down knowing that factory owners can not afford to pay national minimum wage and for the materials without making cuts somewhere, no enforceable purchasing practice and brands can just choose to outsource abroad if factory owners defend the prices.

In your experience, are the forms of worker exploitation you encounter more prevalent in specific forms of business organisation (gig economy, supply chains, etc)?

Garment factories, small self-employed factory owners taking on staff and not regulated, factories go bust and workers left with no jobs, frequent occurrence so no repercussions.

In your experience, are the forms of worker exploitation you encounter more prevalent in specific localities, sectors, gender, ethnicity, etc?

In Leicester city centre area, Highfields and Evington, in garment factories made up of South Asian, Eastern European and Portuguese Goan Indians.

Have there been any notable increases/declines in worker exploitation in your experience?

Covid saw an increase at a rapid rate of orders being placed in Leicester garment factories. Post covid, fast fashion brands started outsourcing abroad again as it was cheaper which saw a big decline and factories closing.

What, in your view, are the drivers of worker exploitation?

Fast fashion brands outsourcing abroad and no repercussions for brands, no local or government procurement contracts in Leicester for PPE or uniforms, no steady work all year around it's constantly precarious work. New arrivals to the UK struggle to find work and garment factories sometimes become the only option which leaves them open to exploitation when it comes to not receiving the national minimum wage or decent terms and conditions.

How do you address the worker exploitation or requests for support you encounter?

A Union officer represents our members at grievances, disciplinaries, members settlements or helping to get a members job back when redundancy policies were not followed, if we suspect a business of not paying the minimum wage we have tried to report this to HMRC but they told us to report it to ACAS who didn't do very much with it so not really sure if that system works? We also notify the brand if the factory is supplying a certain brand. If we get any reports of employers asking employees to get cash out of the bank after they have been paid to repay the employer we advise to report this to the police, also the same would apply if a member reported any kind of abuse.

Do you report any incidence of worker exploitation to other organisations/agencies?
HMRC, ACAS, Employment Tribunal service, report to fast fashion brands, if any criminal issue we tell members they must report to the police.
Do you collaborate with other organisations/agencies with regard to worker exploitation? Which ones?
Highfields Centre, Wesley Hall Community Centre, Labour Behind the Label, TUC, Unite and fast fashion brand ethical compliance officers.
Is there anything specific the local Council could do to support labour market enforcement?
<p>We want Leicester to have a good reputation as currently it's got the sweat shop tag and unethical, it's hidden in plain sight.</p> <p>As it's currently the HSE responsible for health and safety in factories is there a joined-up approach with councils on visiting premises and who gets sent the reports?</p> <p>Will there be community grants for local businesses to grow and survive?</p> <p>Can the local council stipulate or through government that fast fashion brands source a certain number of products from the local area if selling products to the UK?</p> <p>Could the council source some insourcing like uniforms, PPE from Leicester factories?</p> <p>Gang Masters and Labour Abuse Authority and Operation Tacit in 2020, Operation Tacit sent enforcement agencies into factories during 2020, in August 2022 the director Margaret Beels visited Leicester and led a review into whether operation tacit was successful, we have not seen the review and we checked on the government website and the review is not yet published.</p>
Is there anything else you would like to add/we should pay attention to?
<p>We would like to see the garment industry and its workers lifted out of poverty, once out of poverty the advantages for the local economy is spending in the local economy when people have more money, it can reduce homelessness and temporary accommodation and reduce the number of unemployed people, unsure where all the garment workers that have lost their jobs will be able to source new work from.</p> <p>We would like to see remedy for workers as:</p> <p>Must be paid the national minimum wage, but ideally in the future we would like a cost of living wage</p> <p>A safe working environment</p> <p>Accountability with brands that if there are problems in the supply chain then they will be penalised</p> <p>Brands have to produce a certain percentage of clothes sold in the UK in the UK</p> <p>Call out brands that are part of the ETI that have issues with supply chain</p>

Promote success of factories that are operating fairly so there is a distinction between good and bad and make sure the bad examples are publicised and the good get orders and positive press so that we can save what is left of the garment industry in Leicester