



Worker Exploitation Task Group

Report and Recommendations

Culture and Neighbourhoods Scrutiny Commission
Report of the Chair of the Economic Development, Transport and
Climate Emergency Scrutiny Commission

University of Leicester
Nikolaus Hammer, Joseph Choonara, Chandrima Roy, Guillaume Wilemme

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Chair: Sue Waddington



Aims

- gain an overview of sectors and practices of worker exploitation across the UK
- develop a picture of the enforcement landscape, in particular as it appears from the perspective of local authorities
- map key local stakeholders and their intelligence/systems
- on the basis of broad stakeholder consultation, establish where in Leicester worker exploitation is prevalent (e.g. across sectors, business models, communities, etc)
- recommend, specifically as regards the local authority's remit, avenues to improve a) monitoring, b) compliance, c) remedy for exploited workers



Enforcement Gap (I)

Breakdown of Resolution Foundation (2022) numbers for Leicester

	UK	Leicester
NMW/NLW underpayment	400,000	2,300
No paid holiday entitlement	900,000	5,200
No payslip provided	1,800,000	10,500
Not auto-enrolled in pension scheme	600,000	3,500
Reported workplace discrimination	8,300,000	50,000

Source: Source: Judge and Slaughter (2023, 17; Resolution Foundation)



Enforcement Gap (II)

Evidence from Violation Tracker database

- Labour standards violations across UK, 2020-2024: 1,607
- Labour standards violations in Leicester, 2020-2024: 7

- Statistical data are mostly estimates
- Difficulties to bring 'reported non-compliance' to 'actionable non-compliance'
- Exploitation often in grey areas of economy, drawing on vulnerable workers, difficult to access



Findings/Sectors

- Continuum of violations of work and employment standards
- Vastly different subcontracting structures across sectors
- Social care: some LA involvement but very different forms of contracting, recruitment channels, management systems
 - Look at NW Migrant Social Care Worker Charter betw UNISON and Salford Council
- Procurement and licensing: lack of contractor and commissioner capacity in due diligence (self-reporting)
 - Look at Fair Work Wales and Fair Work Scotland frameworks
- Online platform/gig economy: most diverse and evolving
 - Suggests two-pronged top-down and bottom-up approach



A local 'Fair Work' labour market partnership to establish robust pathways to intelligence

National level – Enforcement Agencies

- Intelligence-led
- Require hard info to turn 'reported non-compliance' into prosecutions

Local authority

- No enforcement powers (exc for HSE)
- Delegated role in economic development
- Capabilities in monitoring and partnership

Trade unions/community orgs

- Access to vulnerable workers
- Comprehensive understanding of work everyday life, cultural, etc issues



Rationale

- Better monitoring/anticipation of issues on the ground
- Support low-level issues before they become more critical
- Signal a red line of minimum employment standards to employers and workers
- Partnerships to tackle issues before they become a public concern
- Quality evidence to feed into enforcement agencies; to demand action from enforcement agencies



Recommendations/ Delivery

8. Designate an LCC 'Fair Work' officer for coordination and support. Specifically, to
 - a. provide a link between the local authority, community organisations, trade unions, and sector specific initiatives;
 - b. develop links with partners (trade unions, NGOs, civil society partners) in other sectors at risk (e.g. construction, nail bars);
 - c. encourage partnership working between the local initiatives and the labour market enforcement agencies within the Fair Work Agency;
 - d. support partners to secure appropriate funding.
9. Integrate the above local fair work recommendations with other local authority functions (e.g. Trading Standards, Adult Social Care, Adult Education, Schools, Economic Development and Community Safety) in building partnerships and outreach.
10. Review procurement and commissioning processes within the local authority with a view to integrate and monitor work and employment standards in supply chain due diligence.