

Report to Scrutiny Commission

Economic Development, Transport and Tourism
Date of Commission meeting: 17th September 2020

Leicester Textiles Sector (Modern Slavery & Labour Exploitation)

Report of the Director of Neighbourhood & Environmental
Services/ Director of Tourism, Culture and Investment



Useful information

- Ward(s) affected: All
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1. Purpose of report

- 1.1 To brief members on the City's proactive work around modern slavery and labour exploitation, particularly in Leicester's garment/ textiles sector.
- 1.2 Furthermore, the report highlights key areas that the Council and partners such as the police, have identified as further areas for development and the steps being taken to address these.

2. Summary

- 2.1 Leicester City Council is fully committed to doing everything it can to tackle poor employment practice. As a council we are committed to working with those many partners who have enforcement powers, assisting local manufacturing businesses to develop and grow, and supporting our local people and communities who work within the sector. Further to this, we want to be part of a dynamic partnership driven by a desire to ensure Leicester has the highest standards of employment, in the highest quality environments with the best possible pay and conditions.
- 2.2 This report illustrates the commitment made to addressing concerns in the textile sector is one that can be demonstrated through activity championed in the past and work the Council is taking forward into the future.

3. Recommendations

- 3.1 It is recommended that members of the Scrutiny Commission note and comment on this work and identify any additional steps that can be taken to address the issues.

4. Report:

- 4.1 Leicester's textiles sector has been the focus of much negative national attention recently. Whilst the city council has had plans and been previously undertaking work to address the issues in the garment industry, this has provided fresh momentum to a range of organisations nationally and locally, and the Council is leading discussions with a range of partners to bring about

positive improvements.

- 4.2 Many retailers want to source more garments from the UK, and this gives Leicester an opportunity given the concentration and breadth of textiles manufacturing businesses we have here. With over 1,500 businesses and 10,000 textile workers, Leicester has the second largest concentration of textile manufacturers in the UK, which provides both an imperative and an opportunity to deliver positive change.
- 4.3 Whilst this concentration is an opportunity for the future, it is also one of the reasons why the negative and concerning stories of workplace exploitation focus on the 'Leicester Supply Chain'. It should be noted that the supply chain goes through Leicester. It is not a supply chain in and of itself.
- 4.4 Outlined below are the activities which Leicester City Council has undertaken both in the past and more recently together with an overview of our on-going/future plans: -
 - a. In October 2017 Leicester's City Mayor hosted a meeting of over 60 representatives from national regulators, retailers and sector bodies to discuss how ethical compliance can be maximised. As well as suggestions around the work of national regulators, this concluded that tackling non-compliance in the textiles supply chain also requires the reporting of actionable intelligence.
 - b. Building on this initiative, the first National Labour Market Enforcement Strategy (published May 2018) concluded that joint working between enforcement bodies (including the Health and Safety Executive (HSE)), the City Council, industry bodies, suppliers and end users can help change the perceived culture of impunity for this business area.
 - c. In order to drive this work forward and ensure a step change in momentum, the City Mayor agreed for the recruitment and establishment of a Community Safety (Labour Market) Co-ordinator post with the sole remit of working on modern day slavery and labour exploitation issues. Our understanding is that this is the first post of this kind across the country.
 - d. Whilst local authorities do not have enforcement powers where working conditions in factories are concerned, we do have a clear leadership role. With that in mind the council has been instrumental in bringing together key national and local partners; establishing clear governance arrangements around this agenda which involves the public, private and the voluntary sectors. As part of these arrangements the co-ordinator has been supporting workstreams that enable activity across partner agencies covering the themes of Promote, Protect, Prevent and Pursue. This work is developing a better understanding around threat risk and harm (Prevent), seeking to improve community and business engagement (Promote and Protect) and where appropriate supporting multi-agency enforcement and disruption activity (Pursue), for example through Operation Tacit: <https://www.gla.gov.uk/whats-new/latest-press-releases/11082020-further-joint-visits-to-leicester-garment-factories/>.

- e. In terms of “pursue” work the approach the Council is taking/promoting, is one that encourages robust intelligence led enforcement by bodies such as the GLAA, HSE and Her Majesty’s Revenue and Customs, but also recognizes this must run in parallel to sensitive work, particularly with those being exploited and those at risk of exploitation. It is also clear that all such activity needs to be aligned to work aimed at protecting and promoting those many good businesses offering good jobs, and that resources should also be directed at creating many more good jobs in Leicester.
- f. A clearer pathway to dealing with enforcement activity when/ where intelligence/ information has been forthcoming has been developed. This was undoubtedly needed as there has been a distinct lack of understanding of individual organisations’ such as the Gangmasters and Labour Abuse Authority (GLAA), HSE etc enforcement powers. This pathway and understanding has served partners well, with our on-going collaborative work to plan and visit factories which have been identified via intelligence of non-compliance and/ or labour exploitation.
- g. Whilst there appears to be anecdotal evidence of labour exploitation unfortunately partner enforcement agencies need actionable evidence; with that in mind proactive work has commenced with national and local voluntary organisations to roll out best practice in engaging with local communities. In order to encourage more people to report issues as they happen, a webpage on the council’s website has been set up which defines modern slavery and labour exploitation and how to access support.
- h. In order to further develop this area of work; Leicester City Council is working with Crimestoppers on a campaign to raise awareness around this agenda and to encourage more reporting of issues from the community. This campaign is to be launched as part of the Leicester Business Festival on 4th November where Councillor Clarke will be the keynote speaker. Work is also being progressed to raise awareness and undertake training for key frontline council staff; so that as they meet individuals who engage with the different council service users, where there is evidence of modern slavery and labour exploitation then this will be dealt with proactively.
- i. Officers have presented this ongoing work and reporting process/ methods to the Community Gold colleagues, which include representatives from various sections of the community, to encourage those individuals to share the messages further within their own communities. These individuals have expressed their willingness to participate in future work around this agenda and officers will be working jointly to develop this further.
- j. At this current time, officers are ensuring that there is better understanding of the issues within the garment sector and which specific geographical areas and sections of the communities are most affected. This work is being progressed by working with partners; accessing soft

and hard evidence and intelligence which their organisation hold. This information will be put into an analytical document which when completed is intended to help ensure that any work undertaken going forwards, is specifically targeted to the issues/ communities where input is required.

- 4.5 We have a firm ambition to increase community engagement around this agenda and with this in mind officers are working with the Citizens Advice Bureau Leicestershire and the Office of the Police and Crime Commissioner to establish a community engagement officer post. This will allow better contact to be made with key communities, reassuring them that any information which they share with agencies will be taken seriously and fully investigated.
- 4.6 Officers are also undertaking discussions with the Independent Anti-Slavery Commission (IASC) to map NGO/ community initiatives, to ensure that the local community engagement is further developed in Leicester. Discussions have been held with Hope for Justice, which is a national not-for-profit organisation, to explore the establishment of a Hub in Leicester to support this community engagement.
- 4.7 Councillor Clarke, in his role as Deputy City Mayor, has been creating and forging new opportunities to support best practice in the textile sector and expose exploitation wherever that might exist. He has held discussions with trade unions, who are looking to develop further support for employees within the garment sector and he has discussed with them how their input can add value going forwards. The involvement of trade unions will also ensure better understanding and in-roads into the supply chains used within the garment sector. The city council are hosting a summit for the TUC led by the City Mayor and Councillor Clarke on 29th September for which details are being finalised.
- 4.8 There has been considerable recent engagement with Leicester textiles manufacturers. Several of these local manufacturers have offered to work with the Council to help change the perception of Leicester's fashion and textiles sector and have cited examples of local fashion and textiles businesses that already run ethical, innovative and successful companies. Councillor Clarke has visited several factories over the last few weeks and has hosted two group discussions to debate the issues and to explore potential solutions.
- 4.9 Discussions have taken place over the last few months with key brands/ retailers that source from Leicester, along with intermediary organisations that work with or represent the sector. This has included:
- Senior representatives from retailers ASOS and boohoo.
 - British Retail Consortium
 - Alliance HR, who work with many major retailers on the Fast Forward ethical auditing labour standards improvement programme that seeks to uncover hidden exploitation and drive collaborative continuous improvement in supply chains
 - Labour Behind the Label – a campaign group for garment workers worldwide
 - Fashion Enter - a specialist not for profit social enterprise provider of accredited qualifications and apprenticeships in the fashion and textiles sector

- 4.10 In particular, the Council has also engaged with the recent independent supply chain investigation being undertaken by Alison Levitt QC for boohoo, submitting evidence to the review and outlining the work that the Council has been doing in response to the issues.
- 4.11 To complement this work, the Council has been delivering a series of ethical compliance workshops with local manufacturers, alongside a successful business support programme to help these companies to grow. Overall, the city council have leveraged over £3m investment/ grants for textiles businesses from the European Regional Development Fund, Regional Growth Fund and other programmes, and delivered economic development support to more than 200 textiles businesses over recent years.
- 4.12 Skills remains a key issue for local textiles businesses. The Council has been proactively developing a skills/ training centre for employers and employees in the sector, working closely with industry partners including Fashion Enter. The Council has earmarked funding of £200k from the Economic Action Plan to support the initiative, and is seeking match funding investment from industry. The initiative has currently paused due to COVID-19 and discussions are continuing with partners.
- 4.13 ESOL is an important focus for engagement with local communities and the textiles sector. The Council's Adult Skills and Learning service LASALS continues to deliver ESOL courses across the city. In 2019-20 the service engaged with 825 ESOL learners, although COVID-19 has disrupted the delivery of this during the current year 2020-21.
- 4.14 There remains an ongoing challenge around engagement of workers in the textiles sector for ESOL. By its nature those who are being exploited and/or working illegally are unlikely to engage with ESOL provision. A number of voluntary sector organisations provide valuable support to local communities in this area. For example Shama Women's Centre deliver textiles training courses for women who want to work in the industry or set up their own business. Their programme covers practical sewing machine skills and is accompanied by sessions on health and safety in the workplace, language support and advice for jobseekers. We are looking at options for how ESOL and language support for workers in the textiles sector can be developed in partnership with community organisations and the sector.

5. Financial, legal and other implications

5.1 Financial implications

There are no financial implications arising directly from this report

5.2 Legal implications

There are no legal implications arising directly from this report

5.3 Climate Change and Carbon Reduction implications

There are no climate change and carbon reduction implications arising directly from this report

5.4 Equalities Implications

There are no equalities implications arising directly from this report

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Section 17 Crime & Disorder Act: implications with regards to the duty of local authorities to consider the impact of their decisions and actions on crime and disorder in the local area.

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6. Background information and other papers: Not applicable

7. Summary of appendices: None

8. Is this a private report? No

9. Is this a “key decision”? No

10. If a key decision please explain reason: Not applicable
