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# **Labour Market: Worker Exploitation Scoping Document**

Economic Development, Transport and Climate  
Emergency Scrutiny Commission

Date of meeting: 18<sup>th</sup> July 2024

Lead director: Mike Dalzell

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## Useful information

- Ward(s) affected: All
- Report author: Peter Chandler
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- Report version number: 1

### 1. Purpose of Report

- 1.1 To provide members of the commission with a proposed scope for a review of worker exploitation across Leicester's labour market.
- 1.2 To invite members of the commission to comment on the scope for the review and to consider joining the working group.

### 2. Overview

- 2.1 Following proactive work to address concerns of non-compliance in Leicester's garment sector, the City Mayor's Strategic Plan includes a commitment to expand this work to tackle any other sectors which may be blighted by low pay and poor conditions. A Scrutiny led review of worker exploitation across Leicester's labour market is proposed to inform this work.
- 2.2 A picture of local labour markets, focal points of exploitation, and enforcement is hampered by two key aspects. First, official statistics might be too crude to support focused actionable measures while, second, enforcement powers rest at the national level. As such an evidence base will be important to inform any role for the Council in responding to these issues with partners.
- 2.3 Local university partners have been invited to support work to research and assess the scale and extent of labour exploitation in different sectors in Leicester. This work could then inform options for how the council might respond. The scope of this work would have a likely impact on a range of Council service areas, including for example Community Safety, as well as engagement with external partners so could provide a solid foundation for future work in this area.

### 3. Scope and Proposed Approach

- 3.1 Professor Nik Hammer, Director of the Future of Work Cluster at the University of Leicester, has suggested how this work might be progressed in order to establish a robust picture of labour market exploitation in Leicester.
- 3.2 The proposed scope of this review is set out below for consideration by the Commission:
  - Conduct a literature review of relevant research and policies at the national and local level, scoping sectors and practices of labour market exploitation.

- Gather and assess any data or intelligence relating to the existence of labour exploitation by economic sector, and specifically in Leicester.
- Map and engage with potential stakeholders, confirming their roles and the potential engagement, compliance and enforcement approaches to be used to tackle labour exploitation.
- Develop a systematic picture that emerges from a review of administrative data and local stakeholder experiences, to inform future multi-agency enforcement interventions, and in particular the potential role of the City Council (noting current and anticipated resource constraints)

3.3 It is proposed that the review has a specific focus on business sectors where labour exploitation may be more prevalent, including for example social care, hospitality, construction, nail bars, car washes, as well as food and textiles manufacturing sectors.

3.4 Scrutiny member's comments are requested on the proposed scope of the review and volunteers are sought to attend a working group to oversee the work. The findings of the review and recommendations will be reported back to the EDTCE Scrutiny Commission for comment and subsequent reference to the Executive for consideration.

## **6. Financial, legal, equalities, climate emergency and other implications**

### 6.1 Financial implications

There are no financial implications arising from the recommendations in this report.

Stuart McAvoy – Head of Finance

### 6.2 Legal implications

The Modern Slavery Act 2015 is the key legislation relating to the modern slavery and sets out the relevant criminal offences, prevention orders, the role of the Independent Anti-Slavery Commissioner and the obligations on organisations. The Act is supported by various regulations and statutory guidance. The Council is under a duty under Section 52 of the Act to notify the Home Office when they come across potential victims of modern slavery. It is also under duties to safeguard child and vulnerable adults who may be involved in modern slavery.

*Mannah Begum, Principal Solicitor (Commercial and Contracts Legal) Ext: 1423*

### 6.3 Equalities implications

This paper on Leicester's labour market focuses on worker exploitation in sectors other than the textiles sector and proposed approaches going forward.

As the number of people participating in the workforce continues to rise, it is important to ensure that workers employment rights are protected, and that, for example, they receive

the National Minimum Wage and the National Living Wage. Exploitation can happen to anyone, whether they are from the UK or abroad. Offenders often target people with vulnerabilities, whether that's down to their personal circumstances, their employment status, their language abilities or something else that isolates them from other people.

Initiatives that aim to deliver benefits by enforcing protection of workers from labour market exploitation should lead to positive impacts for people from across many protected characteristics. It is important to ensure that communities and employees are fully aware of their rights and how to seek support should they need it. Engagement with stakeholders and communities should be accessible.

Equalities Officer, Surinder Singh, Ext 37 4148

#### 6.4 Climate Emergency implications

There are no significant climate emergency implications directly associated with this report. In general, as project delivery generally contributes to the council's carbon emissions, any impacts of delivering this work could be managed through measures such as encouraging and enabling low carbon travel by staff, using buildings and materials efficiently and following sustainable procurement guidance, as relevant and applicable.

Aidan Davis, Sustainability Officer, Ext 37 2284

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

None

#### **7. Background information and other papers:**

N/A

#### **8. Summary of appendices:**

N/A

#### **9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

#### **10. Is this a "key decision"? If so, why?**

No