

# Worker Exploitation Task Group – Meeting 3 summary.

## Attendance:

Leicester City Council - Councillors Waddington, Aldred, Bajaj. Peter Chandler, Ed Brown, Julie Bryant.

University of Leicester – Nik Hammer, Joseph Choonra, Chandrima Roy.

Highfields Centre – Priya Thamotheram, Fatimah Li, Ellias Mussa, Vandna Gohil

GMB – Cassie Farmer

Unseen – Justine Carter

Leicester & Districts Trades Union Council – Chris Willars

## Representations from Stakeholders and Witnesses

### Highfields Centre (including FAB-L)

- In the decade (approx.) that worker exploitation issues surrounding the garment industry have been widely known, there have been many interventions by government agencies, academics and media. Following initial engagement, the situation went quiet, and some actions have not been followed up.
- During the pandemic, a national network was set up with approximately 85 agencies (clothing brands, NGO's, regulatory bodies and unions. Leicester City Council (LCC) was also a part of this.
- Eight clothing brands, three trade unions and NGOs set up the Fashion-workers Advice Bureau - Leicester (FAB-L). This has made a positive difference to local Garment Workers' lives.
- The mission of the Centre is captured in its motto 'Enhancing Lives, Empowering Communities and Enterprise for All'. The work of FAB-L fits in with this ethos.
- A report has been produced to share insights and intelligence. This has been circulated to members of the group.
- Contact has been made with nearly 1,600 garment workers in the city and nearly 600 clients have been helped and there have been over 1,300 cases where support on housing, social welfare and employment rights had been given.
- Key achievements over the last three years:
  - Clients have been helped in recovering over £170k in missing wages.
  - Over 1000 hours of casework support has been provided in terms of wage theft, dismissals and unsafe working conditions.
  - Workers have been aided in claiming over £100k in benefits.
- The Centre has had direct insight into how challenges and barriers can be overcome. The Centre is in the vicinity of several factories, and so it is aimed to engage with

hidden factories. This issue came to light during the Covid-19 pandemic and it was realised that there was a problem in terms of connecting with garment workers.

- Garment workers felt unsupported as there was no connectivity with communities, particularly about language barriers and knowing how to access services. It had been necessary to get garment workers to access the Centre, so that issues could be drawn out.
- Issues identified included:
  - Workers had been exploited in terms of hours.
  - Men were treated differently to women. Women felt more vulnerable and more coerced.
  - There had been no training or development to help workers to progress.
- At FAB-L's outset, there had been 750 factories identified as in operation with UK brands making big profit margins online.
- There is concern around suppliers and brands. When a factory takes work on at a cost, they do not want to lose the brand as a supplier.
- There is a need for fair trade and reasonable prices.

### **Summary and Recommendations from Highfields Centre (Received following the Meeting):**

*We believe that that local council has a vital role to play in tackling worker exploitation across Leicester's labour market: -*

- 1. Take a direct lead on tackling Modern Day Slavery that resonate across the city, empower, and employ more local people who understand the community demographics and hardships better*
- 2. Invest in organisations that are in regular contact with workers and have their trust and confidence to provide support, IAG and advocacy.*
- 3. Support factory bosses/ companies with grants to re-establish self-employment and create jobs for others*
- 4. Increase publicity around breaking the Law and enforce fines for malpractices*
- 5. Increase publicity for workers to access help in multiple languages and a face-to-face service as many are digitally excluded*
- 6. Implement research findings to investigate issues and focus on sub sectors/particular demographic that is underserved, or an emerging issue*
- 7. It is important to approach the subject ethically, ensuring that data collection respects the privacy, safety, and dignity of those involved.*

### **Unseen**

- Safehouses are operated for victims of modern slavery and exploitation. Additionally, support in the community is given as well as training and work with the government on policy.
- There is a UK-wide helpline on modern slavery and exploitation.
- Work has been conducted with high street businesses such as JD Sports, Next, ASOS and Tesco, as well as with the construction centre and across the remit of the organisation.
- The organisation has been involved with the garment industry in Leicester.
- Numbers in terms of contacts to the helpline and the numbers of victims increases year-on-year.

- Cases fluctuate in Leicester. The organisation differentiates between modern slavery (where there is often control or threats) and labour abuse (which includes issues such as non-payment of minimum wage or a lack of breaks or general bad work practice).
- There have been 20-30 cases in Leicester, the majority of which are in the labour sector.
- Sectors where modern slavery is seen includes:
  - The care sector.
  - Hospitality.
  - Retail.
  - Services.
  - Transport and Logistics.
- Large companies have big supply chains which can include sub-contractors and a transient/temporary workforce. The 'Gig Economy' is a big issue.
- People reporting directly talked about desperation, a lack of status and issues in the financial crisis. These issues give opportunities to exploiters.
- The organisation supports the government and councils. Work has been done with LCC, as well as with councils in the East region and South West region. This work has engaged with social care and issues in the care sector. CQC and youth services have been worked with as well as Adult Social Care (ASC).
- County Lines gangs have been an issue.
- Understanding legitimate supply chains can provide scope for exploitation. It is necessary to think about what this means in terms of actions.
- Calls and contacts were made regarding issues at car washes. Also, exploitation in nail bars is widespread.
- The organisation has links with the DWP to work on fraud that occurs whereby people would be set up with accounts they do not know about, therefore they can appear to be working for a legitimate company, but the money was not going to them. It was aimed to educate people who might have the opportunity to spot someone in this situation and could report it to the police or other organisations who can support.

## GMB

- GMB had come together with the TUC on the garment industry from a union perspective.
- There had been a struggle to access factories and factory workers are in need of representation for grievances. GMB have leafleted outside factories to inform workers that they could join.
- Brands have come on-board, they had given GMB access to the supply chain so that workers could be engaged with directly. Additionally, GMB had been partnered with the Highfields Centre, who are a link of trust for workers.
- Community Project Workers have approached the union as they had noticed oppressive environments and workers had not wanted to talk in front of their employers. This had led to the creation of a club whereby people could talk in a safe space about issues with unions present to advise.
- Unpaid wages are a major issue and a major reason why people have joined GMB and asked for help. There had been instances of factories employing workers for 15 hours a week so PAYE would look legal and above board but workers would actually be working 40 hours a week and sometimes they would get cash in hand for the rest

of the hours but still working below national minimum wage or workers were not paid anything above 15 hours even though they worked 40 hours or more, so not clocked in for anymore than 15 hours or recorded anywhere that they worked more than 15 hours.

- Brands have been approached to find out why factories are using this illegal system, but there has not been much comment from brands as it is hard to prove if workers are not clocking in or recorded.
- Brands take 90 days to pay invoices which leaves factory owners out of pocket trying to pay workers and materials.
- Production has declined, partly due to orders declining following a surge during the Covid-19 pandemic, and partly due to outsourcing as the national minimum wage is increasing.
- It is difficult to tackle the issue of labour abuse in procurement and purchasing practices.
- The organisation Labour Behind the Label ran the '1% Campaign' which suggested that 1% of brands' production should be made in the Leicester, this could increase accountability of orders coming through Leicester.
- It was aimed to achieve a wage above the national minimum for workers in the future.
- Fast fashion from abroad can avoid repercussions.
- There is a need for effective factory regulation, however, it needs to be approached carefully so as not to drive them underground.

## Leicester & Districts Trades Union Council

- As an organisation the LDTUC does not work directly with many workers.
- Workers at risk other than those in the garment industry include delivery riders as they can earn less than it appears depending on the way they are employed.
- The Independent Workers Union of Great Britain (IWGB) attempted to organise Deliveroo riders, but it was now uncertain as to whether they could find ways in.
- Trade unions can be part of the solution, but there are barriers to getting unions in touch with workers and raising trust. Additionally, if a person is earning less than minimum wage, then subscription fees can be a barrier.
- Exploitation is not just about pay, but about conditions (for example, denying leave). Therefore, it is important to consider employment legislation.
- Working conditions can also be an issue. The worst exploitation is difficult to find out about and the perpetrators can easily disappear. This is an issue that needs to be looked at.

## Questions

- It was asked as to whether unions offered information in different languages. Chris Willars noted that the Baker's Union, who often deal with food production workers who often work in other languages than English, have literature and representatives and literature that can cater for South Asian and Eastern European Languages. They often try and organise in factories where pay is poor. Cassie Farmer noted that GMB produced leaflets in different languages which had QR codes that directed to videos in different languages. It was hoped to get a GMB representative in the community to help communicate.

- It was asked as to whether workers from sectors other than the garment industry were approaching Highfields Centre. It was noted that there was connectivity with car washes and restaurants. Additionally, the centre has been approached by people who needed help with Home Office Applications. Highfields Centre had received numerous enquiries from gig economy workers, these people could be assisted, even if just through signposting.
- concern was raised that whilst FAB-L had been effective, there had not been as high a level of connectivity recently. Over the three years that FAB-L has been in operation, there has been initial funding from brands and unions. As there has been a decline of the garment industry in Leicester, some of these brands had been lost. The Midlands TUC had continued engagement, but financial support from unions had fallen away, so there is an issue about how the work can continue.
- It was noted that the government had set up the modern slavery fund, but this appeared to be aimed at modern slavery practices abroad.
- It was suggested that the approach needed to be more proactive than reactive. It would be useful to have a steering group of people with different skills and strategies in the community. People could be brought together for systematic change to address issues.
- It was suggested that it is important to educate young people on their rights. Justine Carter from Unseen noted that previously in Leicester the Football Association had been worked with on community programmes with children at risk of exclusion, many of which had chaotic home lives. As part of this, individuals vulnerable to exploitation were worked with as a chance to educate the next generation. Leaflet campaigns had been conducted in LE4 and LE5 on the garment sector issues and calls had been received in relation to it, which was a chance to raise awareness.
- Unseen runs a spotlight programme for 11-18 year-olds was run. This focused on County Lines and sexual exploitation as well as how to make decisions regarding the world of work.
- Additionally, it was noted that a number of people had entered the country on student visas and had then been encouraged to work outside of their visa requirements. This made them vulnerable to exploitation as they could be threatened in terms of being exposed that they were breaking visa requirements.
- Focussing on investors, investment companies were looked at by Unseen to ensure their investment strategies do not inadvertently fuel modern slavery.
- In response to questions about which interaction with government agencies had been useful, the representatives from the Highfields Centre noted that over more than three years they had been approached by various government departments and agencies. These agencies had reached out to the Centre to say that they were unable to connect directly with garment workers. The Director of Labour Market Enforcement had visited, and she had been taken to some factories to get a sense of what the issues are rather than trying to make pronouncements from outside.
- It was suggested that work coaches from the DWP could be a source of anecdotal evidence, although it was also noted that exploited people may not want to engage with the DWP.
- In response to questions about funding, Peter Chandler noted that one-off funding had been secured for a dedicated Community Safety (Labour Market) officer post in the Council, but this had been time-limited. An officer had been seconded from HMRC to the Council's community safety team in 2019 to help to work with relevant organisations such as the Local Authority, enforcement agencies, community organisations and NGOs. The funding for this post had now ended and hence it has

not been possible to replace the post. Resourcing pressures on local authorities, and indeed many organisations with a positive role to play, is and is likely to remain a challenge.

- In terms of powers and resources, the local authority has no powers or resources to go into factories and inspect them and enforce regarding any issues mentioned. Powers are held by national regulators rather than local authorities. For example powers/ resources around minimum wage issues are the responsibility of HMRC, and health and safety issues are the responsibility of the Health and Safety Executive.
- The local authority had hosted a select committee on the garment sector in 2019 at which it had stated that if it could be good if the local authority had the powers and resources to tackle issues. In the food industry for example Councils have licensing powers to inspect and close food premises, but this is not the case for other sectors.
- There are legal issues surrounding intelligence sharing between national enforcement agencies. The new government is proposing to create a new Fair Work Agency to bring enforcement bodies together into a single organisation, which would be a positive development.
- The Chair noted that recommendations can be made regarding the care sector as the local authority has involvement in this. In response to this, Highfields Centre noted that it should not be a top-down approach and should be about building trust and confidence in people who had gone through nefarious experiences.
- It was noted that people sometimes raised issues of exploitation on the back of other issues such as health and housing. As such a holistic approach is needed.
- GMB noted that funding for the Highfields Project had been a struggle as it was members' money and as such needed justifying. They would be happy to launch campaigns, but as it would be with members' money, it would need to be their voice on what they wanted to campaign on.
- The Chair noted that resources were an issue and could not be promised even though they are needed.

### **Potential Recommendations:**

- For further work to encourage schools / colleges to educate young people on employment rights.
- Unseen suggested collaborative engagement with Trading Standards to examine how legitimate supply chains, such as taxi firms, can provide opportunities for exploitation.
- The Secretary of Leicester and District Trade Union Council felt it would be useful to look further into the wages of food delivery drivers. Trade Unions may be able to assist but how can barriers with Trade Unions memberships be reduced?
- It could be useful to delve into issues of self-employment as this can be a tool to circumvent employment legislation on matters such as minimum wage and sick pay.
- The committee may wish to consider a delve into factories closing down and quickly re-establishing, often with the same staff – work with Trade Unions may be of help here regarding ensuring safe working conditions.

- The creation of a multi-agency steering or task group to examine root issues and work towards systematic change, looking at areas such as:
  - Leaflet delivery workers being paid well below minimum wage to work in all weathers.
  - Local shops obtaining licenses to bring staff in from overseas, these staff can be housed in poor conditions and could be considered the equivalent to modern day slaves.
  - Care Worker roles advertised on Social-Media paying low wages.
  - ESOL support required to prevent exploitation due to language barriers.
- The Highfields Team would like to connect more with the council.
- Could FAB-L be expanded to look at gig economy workers? This would require more resourcing from central or local government which might not be available.
- To review Care Sector issues around visas and levels of English language.
- A holistic approach was welcomed as those in low wage jobs can experience a range of issues affecting quality of life, such as poor housing and health issues.
- To examine how to improve communication with those in danger of exploitation. Information leaflets in different languages may help to inform people who to contact on work exploitation matters.
- More work was welcomed with Unseen relating to the Care Sector.
- To examine local authority procurement in further detail and look at how it can include regulation on worker exploitation.