
Worker Exploitation Task Group – Report and Recommendations.

Culture and Neighbourhoods Scrutiny Commission

Date of meeting: 23 April 2025

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

Useful information

- Ward(s) affected: All
- Report authors: Professor Nik Hammer, Dr Joseph Choonara, Dr Chandrima Roy, Dr Guillaume Willeme (University of Leicester).
- Report version number: 1

1. Summary

- 1.1 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 was proposed to inform this work.
- 1.2 Between November 2024 and February 2025, the group met with the following 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
- 1.3 The findings of the group are set out in the report appended.

2. Recommended actions

- 2.1 Economic Development, Transport and Climate Emergency Scrutiny Commission is recommended to agree the recommendations of the Task Group to be taken to the Executive for a response set out in Section 1.3 of the report.

3. Scrutiny / stakeholder engagement

- 3.1 The following stakeholders were engaged over the course of the Task Group:
- Margaret Beels - Director of Labour Market Enforcement
 - Leicester City Council (Adult Social Care)
 - Leicester City Council (Procurement)
 - Leicester City Council (Economic Development)
 - HMRC
 - Police
 - Highfields Centre
 - GMB
 - Unseen
 - Leicester & Districts Trades Union Council

- Health and Safety Executive
- Gangmasters and Labour Abuse Authority
- Crimestoppers UK
- Wesley Hall Community Centre

4. Financial, legal, equalities, climate emergency and other implications

4.1 Financial implications

This report makes recommendations for the Council to take on a role in the co-ordination and support of a local partnership. This would require additional staffing resource, beyond that currently available within existing Council teams. It is anticipated that this would require a *minimum* of 1 FTE officer at a cost in the region of £60k per year (including staffing on-costs). This could be higher, subject to the scale of involvement that is envisaged. The cost of any specific initiatives would need to be considered as they arise and develop.

No funding has been identified to pay for the costs outlined above. Opportunities for grants to support this work should be explored, both by the Council and community organisations.

Signed: Stuart McAvoy – Head of Finance (37 4004)

Dated: 7th April 2025

4.2 Legal implications

There are no specific legal implications.

Signed: Shazmina Ghumra – Principal Lawyer Civil Litigation

Dated: 9th April 2025

4.3 Equalities implications

The Equality Act 2010 provides legal protection against discrimination and harassment, including those that could constitute exploitation. Public authorities also have a duty to eliminate unlawful discrimination and advance equality of opportunity, as outlined in the Public Sector Equality Duty. This paper 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, 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. The report recommendations aim to help the Council to be more proactive in helping to tackle worker exploitation and to work more effectively with other organisations to address the issue across the city. Initiatives that improve our understanding and 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.

Signed: Equalities Officer, Surinder Singh Ext 37 4148

Dated: 7 April 2025

4.4 Climate Emergency implications

There are no significant climate emergency implications arising directly from the recommendations in this report. However, there is a relationship between worker exploitation and climate change because:

- i. Those suffering workplace exploitation are likely to be experiencing poverty, and there is an established link between poverty and exposure to negative environmental conditions and risks. For example, households living in poverty tend to be more likely to live in more polluted neighbourhoods.
- ii. Households living in poverty are less likely to be able to do anything about the negative environmental impacts on them, such as poor air quality or the risk of flooding to their homes, and are less likely to be able to take steps to reduce their own environmental impact, such as by insulating their homes, due to lack of financial resources.

Therefore, any reduction in worker exploitation leading to reduced poverty could, in the long term, help make those households more resilient to negative impacts of climate change. Similarly, certain steps to tackle climate change, such as securing grant funding for energy efficiency measures to homes of fuel poor households, can help address some of the poverty related symptoms of worker exploitation.

Signed: Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249.

Dated: 8th April 2025

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

5. Background information and other papers:

Task Group Report

Appendices

- Appendix 1 - Literature Review Presentation
- Appendix 2 - Meeting Summary (Meeting 1)
- Appendix 3 - Meeting Summary (Meeting 3)
- Appendix 4 – Summary of Meeting with Margaret Beels
- Appendix 5 - Stakeholder Questionnaire (HSE)
- Appendix 6 - Stakeholder Questionnaire (GMB)
- Appendix 7 - Stakeholder Questionnaire (Crimestoppers Trust UK)
- Appendix 8 - Stakeholder Questionnaire (Wesley Hall)
- Appendix 9 - Highfields Centre Report on Labour Market Worker Exploitation
- Appendix 10 - Unseen – Care Sector Press Release
- Appendix 11 - Modern Slavery Submission (Leicester City Council – Adult Social Care)

Employment rights guides

GMB Union

<https://www.gmb.org.uk/gmb-young-workers/your-rights-at-work>

Labour Behind the Label

<https://labourbehindthelabel.org/order-our-workers-rights-guide/> available in English, Gujarati, Punjabi and Bulgarian

TUC

<https://www.tuc.org.uk/research-analysis/reports/working-uk-guide-your-rights>

ACAS

<https://www.acas.org.uk/advice>

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Economic Development, Transportation and Climate Emergency Scrutiny Commission

Members:

Cllr Waddington (Chair),

Cllrs Aldred, Bajaj, Chauhan, Haq, Singh Sangha.

Evidence:

Margaret Beels

Annette Forbes, Bernice Lynch – Leicester City Council (Adult Social Care)

Andrew Button – Leicester City Council (Procurement)

Peter Chandler – Leicester City Council (Economic Development)

Representatives from HMRC

Jim Hatton – Police

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

Cassie Farmer - GMB

Justine Carter - Unseen

Chris Willars - Leicester & Districts Trades Union Council

Lydia Patsalides – Crimestoppers UK (Written submission)

Andrew Hine – GLAA (Written submission)

Amy McAvoy, Anita Rao – Wesley Hall (Written submission)

Barbara Hockey – HSE (Written submission)

Foreword

The following review has been a most important undertaking. Following on from work done to look into exploitation in the garment industry, the importance of looking at wider issues of exploitation has been highlighted, since worker exploitation occurs in a number of sectors and in a number of ways.

Not only does this review address a manifesto commitment, but it is an issue that is prevalent around the world and one that needs addressing. Whilst it is indeed a very widespread issue, it is necessary to consider what can be done locally to address the exploitation of workers within the city.

Worker exploitation itself is a spectrum, ranging from issues such as modern slavery, to under-payment and denial of rights. It is important that the Council looks across this spectrum and considers in depth how the Council can work with other organisations to prevent worker exploitation in the city.

We were fortunate to be able to run this task group in conjunction with the University of Leicester, and I would like to thank Professor Nik Hammer and his colleagues for their research that really helped us to understand the nature of worker exploitation.

I would like to particularly thank the various people and organisations who provided evidence for the group. Those from government organisations, such as the Police, HMRC, the GLAA, the HSE and the ASC department of the Council. Also, those from trade unions, NGOs and from civil society, such as the Highfields Centre, Unseen, GMB, L&DTUC, Crimestoppers and Wesley Hall. Their insights and knowledge were invaluable in helping us understand how exploitation occurs in its different forms and the obstacles to tackling it and helped us to form the recommendations as seen in this report.

We hope this report and the findings and recommendations from it will help the Council to be more proactive in helping to tackle worker exploitation and to work more effectively with other organisations to address the issue across the city.



Councillor Susan Waddington

Chair of Economic Development, Transportation & Climate Emergency Scrutiny Commission

1. Executive Summary

1.1 Aims and objectives

The aim of this report, building on a Scrutiny-led review, is to expand on proactive work under the auspices of the Leicester Labour Market Partnership in the garment sector¹. It informs the City Mayor's Strategic Plan which includes a commitment to tackle any other sectors which may be blighted by low pay and poor conditions. Taking into account the local authority's remit as regards worker exploitation, potential avenues were explored to marshal local intelligence and partnerships in countering worker exploitation, strengthen local labour market enforcement, and support viable business models for economic development.

This broad aim was underpinned by the following objectives:

- 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.

Embracing the spirit of local partnership and collaboration, the review has been conducted under the Civic Universities Partnership for Leicester, Leicestershire and Rutland² and funded by the Council's UK Shared Prosperity Fund programme.

1.2 Background

Structural change in the economy as well as emerging new business models have presented local authorities with considerable challenges over the last decades. Successive waves of outsourcing and the inroads of the online platform economy have distanced local production, services and the management of labour, on the one hand, from the control over delivery as well as control over much of the gains of the key areas of production and service, on the other. For local authorities, this has widened the gap between the responsibility for local economic development and the conditions under which it takes place, and is particularly felt in locally embedded areas of the economy such as food, housing, health services, and transport.³

While local authorities have some responsibilities for economic development, they have few powers in enforcing work and employment standards that underpin economic development. Where they are economic actors themselves, local authorities had to cede control over economic processes as they engaged with more distant contractors (some of which may still be regional as in the case of construction companies or care providers while those within the online platform economy – food

¹ Leicester City Council (2022) Leicester Labour Market Partnership (Textile) Review, November 2020 - March 2022 (Leicester), <https://www.leicester.gov.uk/media/05tnijty/leicester-labour-market-partnership-textile-review-2020-2022.pdf>

² Universities Partnership, <https://universitiespartnership.org/>

³ This report deals with a large part of local production and services of everyday basics, what is often called the 'foundational economy', <https://foundationaleconomy.com/introduction/>; Earle, J., Froud, J., Johal, S. and K. Williams (2018) Foundational economy and foundational politics, *Welsh Economic Review* (26), 38-45, DOI: 10.18573/wer.146

delivery and transport are prime examples – can be truly international). Austerity and budget constraints in key areas have further weakened local authorities' bargaining position with those contractors, pressure that often enough are passed on to workers. While these developments have led to increases in the extent and diverse forms of worker exploitation in often eminently local areas of the economy, local authorities however do not have powers to tackle worker exploitation.

Not having any powers, however, is not the same as not having power and this question of what can a local authority do in the current context forms the background of the present review:

- what is the extent of worker exploitation in Leicester's labour market?
- what are the key enforcement agencies and labour market intermediaries with access to workers at risk of exploitation?
- what initiatives could the local authority take in order to improve monitoring, compliance, and remedy for exploited workers?

Attempts to develop a picture of local labour markets, focal points of exploitation, and enforcement tend to be 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, as will be viable forms of collaboration with appropriate partners. Those partners are, in fact, crucial as it is them who possess – to varying degrees – detailed intelligence of worker exploitation, enforcement powers, trust and expertise within specific sectors and communities, and, in particular, access to workers at risk of exploitation.

A central part of this Scrutiny-led review, therefore was to identify key labour market stakeholders and to draw on their hands-on knowledge of worker exploitation. Equally, the approach most suited to fill gaps within national enforcement practices, to add a 'fair work' approach from a local perspective, very much rests on a local stakeholder model to labour market enforcement.

1.3 Recommendations

A local 'Fair Work' labour market partnership

1. Establish a local Fair Work Labour Market Partnership to provide leadership on the recommendations below: to focus on systemic change through partnerships with agencies and local stakeholders; to include community organisations that are engaged with people at risk of exploitation at work. The Local Authority should play an active role in coordinating this.
 - a. This would need to be a partnership with a different focus to the Community Safety partnership. Consideration could be given to re-establishing the Labour Market Partnership (with a wider remit to cover wider areas of employment).
2. To ensure that LCC has a relationship with the new Fair Work Agency that has been proposed in the government's Employment Rights Bill.

Supporting workers

3. Work with local partners to establish low-barrier and multi-issue 'fair work' points of support for workers at risk of exploitation.
 - a. In order for information campaigns to be effective, workers need to be able to access support they trust.

- b. While exploitation at work might be the root problem, workers might find it easier to first open up about a range of other issues – food poverty, housing, etc. This can be an important avenue to establish trust, not only with individuals but the wider community.
 - c. This could be delivered through established community organisation in priority areas.⁴
 - d. The Council should support the aforementioned organisations in gaining resources for their work to build on what they have been doing.
- 4. Online Platform Workers - Develop/support one 'fair work' point of support (e.g. with a trade union or worker body) to build specific expertise in supporting online platform economy workers (sometimes known as gig economy workers).
 - a. The issues gig economy workers face are quite specific (amongst others stemming from their classification as workers or self-employed), most likely making a tailored partnership more appropriate.
- 5. Care Workers - Establish a partnership between LCC, trade unions, and social care providers to improve work and employment conditions while at the same time combating labour shortages.
 - a. Such a partnership/agreement could follow the example of the Charter between Salford Council and UNISON where the Council became the 'employer of last resort'.
 - b. At the core would be a win-win link that drives up standards, reduces turnover in skilled care workers, and offers employment to local care workers while reducing the threat of being undercut through unscrupulous visa sponsors.
- 6. Align and expand ESOL provision with work and employment advice within community organisations and across the city.
 - a. ESOL can be an effective entry point to establish trust with organisations that can also provide support on work and employment issues.
- 7. Develop information campaigns through foodbanks, community organisations, places of worship, employers, job fairs, training providers, schools, colleges, etc. This can send out a clear message about workers' rights. Information could be produced in different languages so as to increase access. QR codes could also be used to disseminate information.

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;

⁴ Different dimensions of deprivation have been mapped across Leicester's neighbourhoods: Leicester City Council (2019) The Indices of Deprivation 2019: Map Pack, <https://www.leicester.gov.uk/media/pkgb4zin/the-indices-of-deprivation-2019-map-pack.pdf>

- d. support partners to secure appropriate funding.
 - i. This would be a route to emulate part of what the Labour Market Partnership was for the garment sector.
 - ii. It would have a crucial function in supporting local partnerships that support workers, on the one hand, and liaise with national enforcement agencies, on the other hand. Note, these enforcement agencies rely on local intelligence; thus, liaising and providing intelligence allows to draw on the resources of those agencies.
- 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.

2 Review findings

A review of worker exploitation and the role of local authorities necessarily encounters a wide range of policy areas that are defined and executed at the national level. The implications of collective bargaining, the definitions of employment status, the work and organisation of enforcement agencies, as well as more sector- or locally-based aspects such as the health and social care visa route, Operation Tacit within Leicester's garment industry, or budgetary constraints have been discussed numerous times during this review. Some of these areas will see significant changes, as presently debated with regard to the Employment Rights Bill in Parliament, with implications for the way local authorities can engage with worker exploitation.

It is striking that local authorities have a role in economic development but lack any formal role in labour market enforcement. Local authorities, in this sense, are pushed into a situation where protection services are left to deal with the fall-out from broken enforcement, even though local actors might often be better placed to understand local labour markets and have closer relations to relevant local stakeholders. A key question in this respect is how local authorities can go beyond occasional voluntary partnerships such as Leicester's garment-sector focused Labour Market Partnership and, for example, play an active and integral part of the Fair Work agenda.

Not having any formal powers, however, does not mean that local authorities have no power to address worker exploitation. This review highlights that, on the contrary, local authorities have unique capabilities to build appropriate partnerships that are tailored to focal problems, to gather relevant and robust intelligence, to support local suppliers and workers in a comprehensive way – that is, aspects that go beyond the strictly defined remit of national enforcement agencies.

Partnerships between the local authority, enforcement agencies and local stakeholders such as trade unions and community organisations will be central in tackling the '*enforcement gap*', that is, the gap between the number of workers thought to be exploited, on the one hand, and those being able to challenge and remedy that exploitation. The review has learned about the extent and details of this enforcement gap which is considerable, both at national as well as local level. There were numerous examples that suggested that partnerships, not only between government enforcement agencies but also with trade unions, NGOs, and community organisations, that is those with access to and trust of workers at risk of exploitation, will be central in bridging that enforcement gap⁵.

This holds even more as the review learned that government enforcement agencies are largely *intelligence-led*, suggesting that there need to be robust and reliable paths to such intelligence in order for labour market enforcement to be effective. Testimonies from organisations with a grassroots presence often indicate greater and more systemic levels of worker exploitation than what is picked up through formal channels. While trade unions and community organisations have intelligence, access and know-how to appropriately deal with different degrees of worker exploitation, any sustained partnership with established enforcement agencies will need to overcome the tensions and overlaps between worker rights and immigration status.

Taking into account the specific structures of subcontracting in supply chains and the varied forms of precarious, at times bogus, employment, it became evident that different sectors require different approaches.

⁵ This is also taken up as a recommendation by the Director of Labour Market Enforcement's most recent strategy: United Kingdom Labour Market Enforcement Strategy 2024/25, p.19, <https://assets.publishing.service.gov.uk/media/67333fe1c10bb403d96bf2b9/uk-labour-market-enforcement-strategy-2024-25-print.pdf>

In the social care sector, for example, the local authority is involved in the supply chain and was very engaged in monitoring suppliers and workers, as well as in supporting them when particular problems became apparent. To some extent, this was made possible due to extensive inter-agency collaboration with relevant actors in the care sector. That sector, however, is known for a range of fairly distinct care settings and the local authority, for example, contracts with only 35 out of more than 200 homecare providers in Leicester.

Thus, there is a question to what extent a robust monitoring process can be developed that takes into account different forms of contracting, recruitment channels, management systems, etc. within social care. Given that labour supply is a critical issue in the sector, a closer collaboration with trade unions might be an effective instrument to create a win-win situation. The North West Migrant Social Care Worker Charter between UNISON and Salford Council can serve as a guide for other local authorities⁶. This might also be useful in the light of efforts at national level to implement collective bargaining and Fair Pay Agreements in the sector.

Procurement and licensing are important areas of local authority control. In order for them to be more effective in carrying out due diligence on worker exploitation, however, these processes will need to be strengthened significantly. Monitoring and enforcement of fair work principles in procurement will benefit from adopting the relevant standards and processes from the Fair Work Wales and Fair Work Scotland frameworks⁷. As it stands, due diligence in procurement and licensing suffer from standard issues of social compliance processes: they often rely on self-reporting; neither the contractor nor the commissioner have the skills and capacity to monitor work and employment standards; both have conflicts of interest as they try to meet budget constraints as well as quality standards.

The online platform/gig economy is a key area that is, both, very diverse and evolving rapidly. Most prominent, at the moment, are taxi licenses as well as a range of delivery services. Whereas local authorities might have some leverage when it comes to licensing, this might be more difficult in delivery. It is important, however, to consider two aspects: first, given reports from elsewhere as well as evidence to the review, the gig economy contains a large number of workers at risk of exploitation, that is, workers who will benefit from low-barrier support on employment and welfare issues. Second, it will be important to stay engaged with the practices of online platform companies, possibly in collaboration with local authorities across the region, as these business models tend to drive down local conditions while capturing profits outside the locality. Taking into account the specific expertise required around the employment relationship of online platform workers, a comprehensive approach (noting the approach by FAB-L/Highfields Centre) seems appropriate in this case.

In contrast to the above approaches that aim to tackle problems ‘from above’, a *comprehensive ‘bottom-up’ approach* is crucial to support workers at risk of exploitation. The Fashion Advice Bureau-Leicester (FAB-L)/Highfields Centre and Wesley Hall approaches stands out in this respect, due to their comprehensive perspective as regards the issues covered, as well as their partnerships

⁶ <https://www.unison.org.uk/content/uploads/2024/10/North-West-Migrant-Social-Care-Worker-Charter-Final.pdf>

⁷ See for example the ‘Code of Practice. Ethical Employment in Supply Chains’ by the Welsh Government, <https://www.gov.wales/sites/default/files/publications/2019-09/code-of-practice-ethical-employment-in-supply-chains.pdf>; the ‘Social Partnership and Public Procurement (Wales) Act 2023’, <https://www.gov.wales/social-partnership-and-public-procurement-wales-act>; and ‘Fair Work and Procurement’ by the Scottish Government, <https://www.gov.scot/policies/public-sector-procurement/fair-work-in-procurement/>

with the GMB trade union and leading brands in the garment industry. This approach does not isolate and compartmentalise different aspects of vulnerable workers' lives.

Much of the foregoing evidence highlights that problems with pay rates and hours very quickly stretch to problems with rent and other costs of daily life. Thus, an approach such as FAB-L/Highfields Centre's that focuses on trust, skills, employability, housing, benefits – as well as wages – is powerful as it links access, support and empowerment, monitoring, and enforcement. Aspects of such approaches could be delivered in partnerships between community organisations and trade unions for other parts of the city too.

Finally, particularly as formal powers are dispersed, as industry structures and worker vulnerabilities are very diverse, *strategic leadership and coordination* will no doubt be crucial in tackling worker exploitation. It will be useful to develop a coherent vision of work and employment standards – e.g. around Fair Work standards – as well as a process of putting them into practice, of monitoring and enforcing them – for example, through a range of partnerships that work through different levers, from local authority-trade union charters, to the access and support community organisations can provide. Local authority leadership and coordination will help to ensure effective learning across different contexts and areas of the city, and to secure resources for local initiatives and partnerships. In many ways, this is a key route for the local authority to give local legs to the Fair Work Framework.

3. Report

3.1 Rationale

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 was proposed to inform this work.

3.2 Approach

In order to contextualise worker exploitation from the perspective of a local authority, an overview was first developed of sectors and practices of worker exploitation across the UK. In an important next step, a picture of the enforcement landscape was developed, in particular as it appears from the perspective of local authorities. This is where a gap was expected to open up, a gap between the local incidence of worker exploitation and the formal powers of local authorities to address worker exploitation.

It was therefore considered useful to map key local stakeholders and their intelligence. The aim was, on the basis of broad stakeholder consultation, to get a better sense of where in Leicester worker exploitation is prevalent (e.g. across sectors, business models, communities, etc). The focus here was less on intelligence that would be considered actionable by enforcement agencies but information about the extent and form of worker exploitation by actors that operate and are embedded locally. This information forms the basis of the recommendations which aim to specifically take into account the local authority's remit, looking to improve a) monitoring, b) compliance, c) remedy for exploited workers.

The following sections of this review contain a brief review of the literature to establish a baseline of worker exploitation and the enforcement landscape in the UK (Section 3.3) followed by the evidence key stakeholder witnesses have given to the Scrutiny commission (Section 3.4). The review findings can be found in Section 2 and draw on the Section 3, that is, debates on worker exploitation and labour market enforcement in the UK as well as the evidence submitted to this review, and identifies potential avenues for the local authority to counter worker exploitation, take a lead in local partnerships, and strengthen its role in labour market enforcement

3.3 Worker Exploitation and Enforcement: The picture across the UK

3.3.1 Worker exploitation

Worker exploitation needs to be seen as a multi-faceted phenomenon, a spectrum, that goes far beyond pay and conditions. For the purposes of this review, worker exploitation is considered to consist of violations of national or international minimum standards that impact workers as well as practices that underpin violations of those norms. This can occur along the following lines:

- contract (formal as well as informal employment, part-time, (bogus) self-employment, zero-hours),
- pay (monthly, hourly, overtime, bonuses, deductions), lack of holiday and/or sick pay,
- working time (total hours, guaranteed hours, scheduling, shifts),
- working conditions (training, health and safety),

- discrimination, bullying and harassment,
- gender,
- citizenship and ethnicity,
- visa and right to work status
- modern slavery

The intersection of such factors impacts on workers’ ability to organise collectively, their individual ability to move across jobs, sectors, different areas of the country, as well as their ability to access any remedies. While these factors are not simply additive, they do compound workers’ vulnerabilities. Equally, worker exploitation is not simply a result of worker characteristics, rather, it needs to be seen as an outcome in the context of wider business, management and regulatory practices.

The broader austerity policies over the last decade have increased workers’ vulnerabilities and increased the share of insecure employment. The Taylor Review of Modern Working Practices acknowledged problems related to precarious employment, problems that seem particularly acute in those parts of the economy that are characterised by fragmentation (subcontracting, franchising, gig economy workers, bogus self-employment, see below)⁸.

An analysis of government data by the Trades Union Congress (TUC), for example, showed that the number of insecure jobs has risen to 3.7 million people in 2022, up from 3.6 million the year before. These strains can also be seen in increasing demands on food banks which are particularly concerning as 5.2 million people who face hunger and hardship live in households where at least one person is working.

The actual extent of worker exploitation in the UK remains difficult to assess and depends on the methods used. An important reference study conducted by the Resolution Foundation, however, provides sound estimates that non-compliance with work and employment regulations in the UK is pervasive (see Table 1).

Table 1: Evidence of widespread non-compliance with UK employment laws

Estimated scale of labour market violations: GB/UK, various dates

	Estimated scale of the issue	Estimated number of people affected
National Minimum Wage/National Living Wage underpayment	32 per cent of employees aged 25+ at the wage floor (2022)	400,000
No paid holiday entitlement	3 per cent of employees (Q4 2022)	900,000
Not provided with a pay slip	7 per cent of employees (2019-20)	1.8 million

⁸ See also Judge, H. and Slaughter (2023) Enforce for good. Effectively enforcing labour market rights in the 2020s and beyond (Resolution Foundation), <https://www.resolutionfoundation.org/app/uploads/2023/04/Enforce-for-good.pdf>; DLME (2024) United Kingdom Labour Market Enforcement Strategy 2024/25, <https://assets.publishing.service.gov.uk/media/67333fe1c10bb403d96bf2b9/uk-labour-market-enforcement-strategy-2024-25-print.pdf>; Low Pay Commission (2023) Compliance and enforcement of the National Minimum Wage. A report by the Low Pay Commission, https://assets.publishing.service.gov.uk/media/65004e0657278000142519c1/NC_report_2023_final.pdf

Not auto-enrolled into a pension scheme	3 per cent of eligible employees	600,000
Firm-reported fatal and non-fatal injuries at work	0.2 per cent of all in employment (2021-22)	60,000
Worker-reported workplace accident or injury in the past 12 months	2 per cent of people who have worked in the past 12 months (Q1 2022)	400,000
Reported workplace discrimination in the past 12 months	20 per cent of working-age adults (September 2022)	8.3 million

Source: Judge, H. and Slaughter (2023) *Enforce for good. Effectively enforcing labour market rights in the 2020s and beyond* (Resolution Foundation),

<https://www.resolutionfoundation.org/app/uploads/2023/04/Enforce-for-good.pdf>

A major challenge in labour market enforcement stems from the emergence of new business models that redistribute gains upwards (to lead firms at the top of the supply chain) and the risks of exploitative work downwards (to vulnerable workers), leaving local authorities with the consequences of exploitative practices. Across industries, however, we can find widely different structures, such that effective interventions likely have to take into account these specific forms of industry fragmentation, for example in focusing on particular practices or developing tailor-made partnerships⁹.

While power, gains, and risks are distributed differently across sectors¹⁰, the management of labour tends to be dissociated from the source of economic power, shifting responsibility for pay and conditions to subcontractors and workers. The construction and garment industries, for example, are characterised by long subcontracting chains which can be difficult to monitor, while the franchising models in the restaurant and hospitality industry stick to the corporate policies and branding of the lead firm but leave the day-to-day operations and labour management to franchisees. This, again, differs considerably from platform labour – often referred to as ‘gig economy’ – that can be found in transport and food delivery which developed a form of ‘management by algorithm’. There is also a range of small businesses such as nail bars, food and hospitality, (hand) car washes that have a more direct relation to their customers but balance business risks by operating on the border of the informal economy.

In consequence, different forms of industry fragmentation underpin the way work and employment is organised, from ‘bogus’ self-employment in the construction industry to workers in the online platform economy who, in formal terms, buy a ‘service’ from a platform company; from workers sourced through labour intermediaries, those employed through zero-hour contracts, to unauthorised subcontracting.¹¹

Worker exploitation in the health and social care sector highlights how exploitation has been exacerbated by inappropriate policies. Shortages of skilled labour have been building up over more

⁹ Weil, D. (2009) Rethinking the Regulation of Vulnerable Work in the USA: A Sector-Based Approach, *Journal of Industrial Relations* 51(3), 411-430.

¹⁰ Weil, D. (2014) *The fissured workplace: Why work became so bad for so many and what can be done to improve it* (Harvard University Press)

¹¹ Weil, D. (2014) *The fissured workplace: Why work became so bad for so many and what can be done to improve it* (Harvard University Press)

than a decade¹². Even recently, labour shortages, particularly in local authority adult social care, vacancy rates rose from 7.5% to 11.6% from 2020-22, with turnover increasing from 13.6% to 17.1% over the same period.¹³ Particularly adult social care and live-in care are characterised by low pay and poor working conditions. Key problems are National Minimum Wage (NMW) violations, high agency fees, non- or inadequate accounting of travel, stand-by and scheduling, as well as inadequate health and safety.

Many agencies and experts have raised well-founded concerns about modern slavery and forced labour, concerns that were raised by the Joseph Rowntree Foundation more than a decade ago¹⁴. The anti-slavery charity Unseen, for example, saw a 600% increase in cases reported by potential victims of modern slavery in 2022, rising by another 32% in 2023 (in absolute numbers, that is 918 potential victims in the care sector in 2023)¹⁵.

Most importantly, however, the increase in exploitation in the care sector is linked to the system of tied visas, the central plank of the social care visa route, which increase workers' dependency on their employer and limits their voice at work. The health and social care visa route was introduced in August 2020 in order to deal with labour shortages. An independent report¹⁶ highlighted the Home Office's 'shocking' handling of visas, putting care workers at risk of exploitation. In this case, one of the key problems was that the Home Office did not foresee the demand (the number of registered sponsors tripled to 95000 by end of 2023) and did not put appropriate checks in place (e.g. when awarding 275 certificates of sponsorship that did not exist).

This system puts workers at risk of exploitation in the recruitment process, through debt bondage, poor accommodation, and organised immigration crime. Many reports exist about debt bondage in the range of £20,000 where jobs might not even materialise. The Guardian, for example reported on a case where dozens of Indian care workers paid the above sum to intermediaries but did not get a single hour of work¹⁷. A recent study by the Work Rights Centre¹⁸ found that in the period 2020 - July 2024, 177 care companies who have a sponsorship licence to recruit migrant care workers have accumulated 250 labour rights violations. These violations, tracked through the Violation Tracker UK database, concern only Employment Tribunal decisions, that is, a small share of exploitative working practices. Still, this period saw 225 cases lost by care companies and orders to pay £6 million in

¹² Skills for Care (2024) The state of the adult social care sector and workforce in England, 2024 (Leeds, 2024), <https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/State-of-the-adult-social-care-sector/The-state-of-the-adult-social-care-sector-and-workforce-in-England-2024.pdf>

¹³ Samuel, M. (2023) Government quizzes adult social workers on working conditions, <https://www.communitycare.co.uk/2023/08/18/government-quizzes-adult-social-workers-on-working-conditions/>

¹⁴ Allain, J. et al (2013) Forced labour's business models and supply chains (Joseph Rowntree Foundation), <https://www.jrf.org.uk/sites/default/files/migrated/migrated/files/forced-labour-business-full.pdf>

¹⁵ GLAA (2024) Exploitation is on the rise in the care sector, <https://www.gla.gov.uk/whats-new/latest-press-releases/181024-exploitation-is-on-the-rise-in-the-care-sector>

¹⁶ See Emberson, C. (2024) How visas for social care workers may be exacerbating exploitation in the sector, *The Conversation*, <https://theconversation.com/how-visas-for-social-care-workers-may-be-exacerbating-exploitation-in-the-sector-227090>

¹⁷ Stacey, K. and P. Joshi, 2024, <https://www.theguardian.com/society/article/2024/jun/02/he-didnt-have-a-contract-for-me-the-indian-careworkers-who-paid-agents-to-work-in-britain>
also: <https://www.theguardian.com/society/2023/jul/10/uk-care-operators-accused-of-shocking-abuse-of-migrant-workers>

¹⁸ WoRC (2024) The forgotten third: migrant workers' views on improving conditions in England's adult social care sector (Work Rights Centre), <https://www.workrightscentre.org/news/the-forgotten-third-migrant-workers-views-on-improving-conditions-in-englands-adult-social-care-sector>

compensation. A key consequence of sponsor licenses being revoked – between July 2022 and December 2024 the Home Office revoked more than 470 licenses – is that workers are left without a sponsor (affecting more than 39,000 workers during the aforementioned period)¹⁹.

Food and parcel delivery constitute further areas where the regulation and enforcement of work and employment has not kept abreast of disruptive business models. Delivery workers²⁰ have long fought for recognition of their employment status as workers of the large branded platform apps. Instead, they are still seen as gig economy workers – e.g. if working for Deliveroo and Uber Eats – and are paid per delivery which means that their earnings often fall below the NMW. On top, workers are responsible for their own equipment, insurance and maintenance of vehicles and have no access to pension, sick pay, holiday pay, or parental leave.

The ambivalence of the government and platforms is also evident in the – legal – practice of rider substitution, whereby riders rent out space on their apps for others to work on. Whether this comes out of needs to cope economically or is purely organised with exploitative intent – or, in fact, both – is open to question and will always be a blurred area. The practice of renting out space on apps²¹ shows, however, that the robust registration systems of platform brands are not necessarily watertight, allowing children to work as delivery drivers²².

The issue of driver substitution came into the spotlight after the death of a 17-year-old who worked for Deliveroo on a substituted account since he was 15²³. This tragic death at work prompted a number of, equally unsatisfactory, responses. On the one hand, platform companies reminded that “independent, self-employed, driver account holders account-holder are responsible for ensuring their substitute meets the necessary standards”²⁴. On the other hand, the then Home Office’s response contrasted exhortation by publishing an open letter to platform firms (calling for an end to “the use of unchecked substitution” which was seen to “perpetuate and enable illegal working”) with immigration raids. “Over the first three quarters of 2023, over 4,000 immigration enforcement raids have taken place across the UK targeting illegal working, marking a 70 per cent rise on raids completed during the same period in 2022.” In 2023, this has resulted in almost 400 arrests in the food delivery sector²⁵.

¹⁹ Fox, A. (2025) New estimate ‘shows scale of exploitation on Wild West care visa route’, The Independent, <https://www.independent.co.uk/news/uk/home-news/home-office-wild-west-university-of-oxford-seema-malhotra-stephen-kinnock-b2714006.html>

²⁰ Newsome K. and S. Moore (2018) Paying for Free Delivery: Dependent Self-Employment as a Measure of Precarity in Parcel Delivery, *Work, Employment and Society* 32(3), 475-492

²¹ Burgess, S. (2024) <https://inews.co.uk/news/delivery-riders-account-sharing-facebook-black-market-2957089>

²² Crawford, A. (2023) Children working as riders for food delivery apps, <https://www.bbc.co.uk/news/uk-67371473>

²³ Crawford, A. (2023) Children working as riders for food delivery apps, <https://www.bbc.co.uk/news/uk-67371473>

²⁴ Crawford, A. (2023) Children working as riders for food delivery apps, <https://www.bbc.co.uk/news/uk-67371473>

²⁵ Home Office (2023), Illegal Working in the Food Delivery Industry (open letter to Uber Eats, Deliveroo, Just Eat) https://assets.publishing.service.gov.uk/media/655389d43718980013d296b8/Minister_public_letter_to_online_delivery_platforms- FINAL_PDF.pdf

Other parts of the restaurant and food sector have also shown weak due diligence on behalf of leading brands. Modern slavery victims, for example were found at a McDonald’s branch in Cambridgeshire as well as in the supply chains of six of the largest UK supermarket chains²⁶. This case shows some common warning signs: here, 16 vulnerable migrants were trafficked to the UK, made to live in unsuitable cramped accommodation and were victims of wage theft by gang members. While their employer paid the appropriate wage rate, a number of the victims’ wages were paid into the same bank account, gang members sat in at job interviews, victims worked excessive shifts (e.g. a 30-hour shift, 70 hour weeks), and nine of the victims lived at the same address.

Looking beyond the delivery of food to the actual cooking of meals, so-called ‘dark kitchens’ constitute a further major disruptor of the food and restaurant industry. In this case, kitchens are established and hired out, away from traditional high-streets, with advantages ranging from shared functions (preparation of ingredients, kitchen technology, back-of-house services such as dishwashing) to cheaper real estate (‘converted shipping containers in car parks’) and closer proximity to the customer²⁷. This kind of business model promises cuts in the workforce of up to 75% (ibid.) and – organised along Taylorist principles with the entire preparation and cooking removed from the customer’s sight – seems ready to draw on a vulnerable workforce, following the downward trend in work and employment conditions of the gig economy²⁸.

What is noticeable across all sectors is that the focus over the last years has not been on the underlying business models and that the immigration/right-to-work controls often seemed to be the most prominent and consequential initiatives. At the same time, enforcement – the monitoring of worker exploitation and access to remedy – has been somewhat relegated.

3.3.2 Enforcement of worker exploitation

A broad perspective on key categories and the scale of enforcement of work and employment violations can be gained from Violation Tracker UK²⁹ (see Table 2). This database compiles information from a range of official data and public agencies on a wide array of corporate violations, from competition, consumer protection, employment, environment, finance, and safety. It thereby also tracks data on the enforcement of employment issues such as breaches of minimum wage regulations, breach of contract, unlawful deduction from wages, working time regulations, unfair dismissal, disability discrimination, Slavery and Trafficking Risk Orders, the removal of license etc. It sources decisions from Employment Tribunals, the Department for Business, Energy & Industrial Strategy, the GLAA, the EHRC.

Table 2: Enforcement of labour standards in the United Kingdom and Leicester, 2020-2024

	United Kingdom ⁱ (Leicester ⁱⁱ)
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²⁶ McLennan, W. et al (2024) McDonald’s and supermarkets failed to spot slavery, <https://www.bbc.co.uk/news/articles/c2kdg84zj4wo>

²⁷ Bradshaw, T. (2019) The start-ups building ‘dark kitchens’ for Uber Eats and Deliveroo, Financial Times, <https://www.ft.com/content/a66619b0-77e4-11e9-be7d-6d846537acab>

²⁸ Giousmpasoglou, C., Ladkin, A. and Marinakou, E., 2023. Worker exploitation in the Gig Economy: the case of Dark Kitchens, *Journal of Hospitality and Tourism Insights*, https://eprints.bournemouth.ac.uk/38224/1/Dark%20Kitchens%20-%20worker%20exploitation_accepted%20paper%20version.PDF

²⁹ Good Jobs First (2024) Violation Tracker UK, <https://violationtrackeruk.goodjobsfirst.org/>

Sector search term ⁱⁱⁱ	All violations	Avg penalty (median)	Labour standards violations	Avg penalty (median)
Nail	12 (0)	1208	8 (0)	710
Nails	16 (0)	1378	9 (0)	1047
Car Wash	171 (0)	0	46 (0)	2776
Carwash	19 (0)	0	1 (0)	4823
Nursing	303 (1)	0	34 (1)	2717
Care	4326 (9)	0 (22711)	717 (2)	2466 (22711)
Healthcare	706 (0)	0 (0)	157 (0)	3450 (11356)
Retirement	93 (0)	500	6 (0)	890
Garments	6 (4)	407 (0)	2 (0)	1765
Apparel	42 (1)	5379 (2671)	25 (1)	10441 (2671)
Fashion	23 (1)	1665 (28810)	17 (0)	1664
Build	286 (0)	0	30 (0)	4041
Builders	1583 (0)	0	17 (0)	3734
Building	2208 (0)	0	98 (0)	3283
Construction	4977 (7)	0 (0)	178 (0)	3054
Delivery	116 (0)	2019	66 (0)	3055
Food	464 (5)	1792 (3244)	196 (3)	2658 (3244)

Source: Source: Good Jobs First (2024) Violation Tracker UK, <https://violationtrackeruk.goodjobsfirst.org/>

Notes: i) For the UK, virtually all labour standards violations in 'nail/nails' include unlawful deductions of wages or non-payment of NMW; 'car wash/carwash' contains a majority of health and safety related violations; penalties in 'apparel' are high as this category includes numerous brands and retailers; a large number of violations in 'delivery' are from the Royal Mail.

ii) For Leicester, the labour standards violation under 'nursing' is a NMW violation; under 'garments', there are in fact, 2 labour standards violations (included in 'all violations'); all violations in 'construction' are health and safety violations.

iii) Due to data being consolidated from a wide range of data sources, Violation Tracker UK is unable to provide standardised sector data. The sector search terms for this table are those that appear from a 'open search', i.e. they can be part of a company's name or stem from a sector descriptor used by an enforcement agency.

An important caveat, however, is that these data by definition only capture violations that have been *successfully prosecuted*. Thus, they do not include unsuccessful proceedings or, even more importantly, issues that have *never resulted* in complaints or prosecutions. In this regard, the data from Violation Tracker UK are extremely useful as they serve to highlight the extent of the enforcement gap, that is, the gap between the estimates of the Resolution Foundation in Table 1 above, the successful prosecutions as evidenced through the Violation Tracker UK in Table 2 (even if the sectors and years underlying those two tables do not overlap), as well as anecdotal evidence in the media and the evidence from witnesses to the Scrutiny review (see below).

Research shows that workers in fragmented industries and low-pay jobs are more likely at risk of exploitation. Work by the Low Pay Commission and Resolution Foundation also highlights that underpayment of the NMW has increased again since 2017 even as NMW rates have risen³⁰. A further glimpse can be gained from statistical data. According to estimates from the Office of National Statistics, 35,000 workers in the East Midlands are paid below the National Minimum Wage. These are not concrete cases, however, but statistical estimates. Beyond such research,

³⁰ Judge, L. and H. Slaughter (2023) Enforce for good. Effectively enforcing labour market rights in the 2020s and beyond (Resolution Foundation), <https://www.resolutionfoundation.org/app/uploads/2023/04/Enforce-for-good.pdf>

qualitative studies that focus on specific places and/or sectors, and build on good access to stakeholders, can give valuable pointers to the hidden extent and precise dynamic of exploitation³¹.

Labour market enforcement in the UK has historically been characterised by its extreme fragmentation, with a number of state enforcement agencies such as the police, GLAA, HMRC, EAS, HSE responsible for key aspects of worker exploitation. Some of those agencies are guided by the Director of Labour Market Enforcement who, in turn, is answerable to, both, the Home Office as well as the Department of Business and Trade. Additionally, there are routes through ACAS and Employment Tribunals.

In a recent key development, the current government has proposed to create a 'Fair Work Agency', that is, a single enforcement body, through its Employment Rights Bill which is currently going through Parliament. The Fair Work Agency would be an executive agency of the Department of Business and Trade and bring together the GLAA, HMRC Minimum Wage Team, and Employment Agency Standards Inspectorate, focusing on existing state enforcement functions, as well as functions relating to holiday pay and statutory sick pay. Given current progress, it is thought that a Fair Work Agency would become operational in 2026.

This institutional fragmentation has compounded developments at other levels³². The last decades, for example have seen a push-back of collective rights and a stronger focus in individual rights. Taken together, the industry fragmentation discussed above, the focus on individual rights, as well as the under-resourcing of enforcement agencies³³ result in larger areas of the labour market with jobs that put workers at the risk of exploitation while, at the same time, enforcement agencies have difficulties in gathering intelligence and workers are unable to pursue their rights³⁴ (for fear of employer reprisals, lack of language skills, lack of alternatives in the labour market; see also the period 2013-2017 when considerable fees were charged to access Employment Tribunals, a discussion that has recently flared up again).

Two key challenges remain, however, for any new enforcement architecture, even if it is extremely well resourced. The first one concerns longstanding tensions between worker rights enforcement, on the one hand, and immigration/right-to-work controls, on the other, with the latter having taken precedence over the last years. This has led to accusations of racial profiling³⁵ which is likely to

³¹ See e.g. Clark, I. and T. Colling (2019) New insights into informal migrant employment: Hand car washes in a mid-sized English city, *Economic and Industrial Democracy* 40(3), 755-775 and Clark, I. and T. Colling (2018) Work in Britain's informal economy: Learning from road-side hand car washes, *British Journal of Industrial Relations* 56(2), 320-341 for hand car washes; WoRC (2024) The forgotten third: migrant workers' views on improving conditions in England's adult social care sector (Work Rights Centre), <https://www.workrightscentre.org/news/the-forgotten-third-migrant-workers-views-on-improving-conditions-in-englands-adult-social-care-sector>; the work of FLEX, <https://labourexploitation.org/>, more generally.

³² Kirby, M., E. Godwin et al (2024) Protecting all we care about. The state of UK regulatory enforcement (Good Jobs First, Unchecked UK), <https://goodjobsfirst.org/protecting-all-we-care-about/>

³³ A former Director of Labour Market Enforcement put the likelihood of an average firm to be visited for minimum wage compliance at once in every 500 years, see <https://committees.parliament.uk/oralevidence/9174/html/>

³⁴ See also Judge, L. and H. Slaughter (2023) Enforce for good. Effectively enforcing labour market rights in the 2020s and beyond (Resolution Foundation), <https://www.resolutionfoundation.org/app/uploads/2023/04/Enforce-for-good.pdf>

³⁵ An IWGB (Independent Workers Union of Great Britain) officer said "We have seen this happen a lot more frequently under the guise of vehicle stops for insurance checks under the Road Traffic Act. ... Many delivery workers feel intimidated by the police, whether due to language barriers, poor knowledge of legal rights, or

increase the vulnerability of exploited workers and presents a serious obstacle of civil society organisations collaborating more substantively with enforcement agencies.

The treatment of food delivery workers in Bristol³⁶ – where poor working conditions, unregulated employment and subcontracting arrangements and, in consequence, poor living conditions – underlined this tension between worker rights and immigration/right-to-work controls in recent immigration raids³⁷. Similar initiatives in London saw 66 delivery riders detained in Home Office raids in the first half of 2023 alone, with 10 of them subsequently deported³⁸. This is problematic as it is the unregulated industry and a broken enforcement system that engendered such conditions in the first place. Furthermore, the focus on undocumented workers is only likely to further cement exploitation in informal sectors of the economy³⁹ and, in consequence create additional problems for local authority protection services.

The second, related, challenge concerns the difficulties of reaching workers at risk of exploitation such that effective enforcement and remediation can be delivered. The spectrum of worker exploitation and varied forms of industry fragmentation highlighted above would point to the need, not only of multi-agency collaboration but, even further, a strong role for trade unions and community organisations. These difficulties are evident even in the social care sector that currently receives most attention. While the Home Office has revoked or suspended the sponsorship licences of over 1,000 companies in 2024, and the GLAA handing out Slavery and Trafficking Risk Orders (one to Leicestershire care home provider in November 2023⁴⁰), these numbers contrast with the scale of worker exploitation indicated through in-depth studies and trade unions' reports⁴¹. Furthermore, while a minimum wage for care workers⁴², backed by collective bargaining and protected through a

previous bad experiences. ... We've heard of multiple cases where police have taken advantage of this fear, with officers reportedly asking for information they have no right to. As a union we aim to make sure all our members know their legal rights and have the correct support when they are unfairly targeted due to racial profiling."

³⁶ Wall, T. (2024) 'I wouldn't wish this on anyone': the food delivery riders living in 'caravan shantytowns' in Bristol, <https://www.theguardian.com/business/article/2024/aug/24/i-wouldnt-wish-this-on-anyone-the-food-delivery-riders-living-in-caravan-shantytowns-in-bristol>

³⁷ Wall, T. (2024) Calls for investigation of Uber Eats and Deliveroo after raid on Bristol caravan camp, <https://www.theguardian.com/business/2024/oct/12/calls-for-investigation-of-uber-eats-and-deliveroo-after-raid-on-bristol-caravan-camp>

³⁸ Burrell, M. (2023) <https://www.standard.co.uk/news/london/deliveroo-uber-eats-just-eat-illegal-workers-home-office-immigration-raid-delivery-rider-b1099423.html>

³⁹ The human rights organisation Anti-Slavery International argues that "The very nature of app-based management means a lack of direct relationship between the worker and the "employer", which can result in long working hours, and low payments where people may end up earning below minimum wage ... Coupled with a lack of sector regulation, high number of workers, and algorithm-controlled targets, the result is that people might be less likely to complain about labour violations. We remain very concerned about the lack of regulation in these industries where we have already seen labour exploitation and abuses taking place." See Burrell, M. (2023) <https://www.standard.co.uk/news/london/deliveroo-uber-eats-just-eat-illegal-workers-home-office-immigration-raid-delivery-rider-b1099423.html>

⁴⁰ GLAA (2023) Owner of Leicestershire care provider handed slavery order, <https://www.gla.gov.uk/whats-new/press-release-archive/24112023-owner-of-leicestershire-care-provider-handed-slavery-order>

⁴¹ Osuh, C. (2024) Union launches charter to protect care workers on sponsored UK visas, The Guardian, 4 Nov 2024, <https://www.theguardian.com/society/2024/nov/04/unison-migrant-care-workers-charter-salford-greater-manchester>; UNISON, n.d., Migrant Care Worker Charter. 7 Steps to Protect Migrant Social Care Workers, <https://www.unison.org.uk/content/uploads/2024/10/North-West-Migrant-Social-Care-Worker-Charter-Final.pdf>

⁴² Merrick, J. (2024) Labour to promise £12-per-hour minimum wage for carers, <https://inews.co.uk/news/politics/labour-12-per-hour-minimum-wage-carers->

Fair Pay Agreement⁴³ is in discussion, there is considerable detail to be decided so that standards can be enjoyed across different contracting arrangements within social care⁴⁴.

Robust enforcement, thus, will rely, both, on effective enforcement institutions as well as wide-ranging appropriate partnerships that can make sure that formal coverage through rights is associated with actual awareness of and access to those rights.

3.4 Worker Exploitation and Enforcement with a Focus on Leicester: Evidence to Scrutiny Review

3.4.1 Worker exploitation

A key observation widely shared throughout the evidence sessions was that the nature of exploitation changes and as a result there are a lot of intelligence gaps. Consequently, it was considered crucial to develop partnerships with actors in relevant sectors and communities.

Witnesses identified the following parts of the economy as particularly at risk of exploitation: the care sector, construction, food delivery, restaurants, hospitality, transport and logistics, the garment industry, retail, corner shops, hand car washes, nail bars.

A difference was made between labour abuse which relates to wage theft, holiday pay, contract issues, etc. versus modern slavery which focuses on human trafficking and slavery, servitude and forced or compulsory labour. While the boundary between worker exploitation and modern slavery can be fluid, the difference was reflected in separate partnerships, monitoring processes and enforcement powers.

The extent of worker exploitation – both, of modern slavery and labour abuse – proved difficult to quantify but was thought to be widespread. Issues in social care have recently been well documented nationally (linked to the visa route and funding constraints) and worker exploitation in the garment sector has been superseded by significant numbers of workers left unemployed as key brands have increased sourcing from abroad. In other sectors, however, such as construction, restaurants, corner shops, nail bars, worker exploitation was perceived to be significant, although it was difficult to get access to more precise data on the issue.

Unseen identified modern slavery in the care sector, hospitality, retail, services, transport and logistics and particularly highlighted the gig economy as a very problematic area as it includes complex sub-contracting arrangements and a transient/temporary workforce. The review was told that Unseen recorded about 20-30 cases of modern slavery labour exploitation in Leicester.

A report by Unseen points to an increase in potential victims of modern slavery in the care sector – 712 potential victims in 2022 – and emphasised how different arrangements around care settings (from funding, contracting to recruitment) influence the risks to workers entering the care sector⁴⁵.

[3104577#:~:text=Every%20care%20worker%20in%20England%20would%20be%20entitled,care%20and%20ease%20the%20burden%20on%20the%20NHS.](#)

⁴³ Labour Party (2024) Labour's plan to make work pay: Delivering a new deal for working people, <https://labour.org.uk/wp-content/uploads/2024/06/MakeWorkPay.pdf>

⁴⁴ Sisson, K. (2024) Introducing sectoral bargaining in adult social care: a matter of the devil in the details, <https://www.buira.net/research/introducing-sectoral-bargaining-in-adult-social-care-a-matter-of-the-devil-in-the-details/>

⁴⁵ https://www.unseenuk.org/wp-content/uploads/2023/11/unseen-Care-Sector-report_spread-2023.pdf

Crimestoppers have done extensive work on raising awareness of signs of exploitation and allow the community to report information anonymously. Nationally, it received 435 reports specifically on modern slavery in 2023, and 325 in 2024.

The GLAA has historically focused on the agriculture sector but has, over the last 4 years, conducted a lot of work in the garment industry (see e.g. Operation Tacit in Leicester). More recently, it has seen an increase in worker exploitation in the care sector. This mainly concerns companies that recruited – and sponsored – workers from overseas who encounter a work environment (excessive hours, overtime not paid, problems with driving in the UK) that was not communicated in the recruitment process.

It was held that the health and social care visa route contributes to workers feeling ‘trapped’ in their situation as they can only work for the nominated sponsor company who then can determine whether they allow them to stay and work or revoke their visa. This only leaves a short window of time for the workers to find new employment or face having to leave the UK despite in numerous cases paying huge, illegal fees to simply gain the opportunity to work in the UK.

The police pointed to specific problems when exploitation and modern slavery take on an international dimension. For example, with debt bondage and threats to family abroad it can be difficult for enforcement agencies to see coercion and control. Forms of (often criminal) exploitation might take place abroad in the recruitment and/or trafficking process, at times enabled through a specific worker visa route, and then enable further exploitation at work on the back of workers’ accumulated vulnerabilities (examples were social care and cannabis factories).

HMRC highlighted a difficulty that stems from the use of employment status definitions in the online platform economy, that is, whether workers are employed or self-employed. This can raise a number of problems: first, platforms at times wrongly apply the self-employed status as they prefer to distance themselves from obligations associated with the management of workers. Second, there are practical issues for enforcement agencies to identify bogus self-employment before action can be taken by the appropriate team (e.g. HMRC has different teams dealing with employed vs. self-employed situations).

Beyond this, third, subcontracting within the gig economy presents further difficulties. The HMRC Minimum Wage Team, for example, were aware of situations where workers in the gig economy work through someone else’s app and thus were vulnerable to exploitation. It was not uncommon for someone with an account to sub-contract with 10 people to work with 20 restaurants. In order to take action, it was important to understand the exact employment relationship.

Cases of debt bondage in the health and social care visa route have been well documented in the news and research reports (see previous chapter). The Adult Social Care Team at LCC offered further detail:

- The visa route had a considerable impact on the labour market and quality of care.
- It gave employers greater flexibility to deliver care, especially for evenings and weekends, as they turned to new entrants over long-standing staff. Overseas workers appeared to be more willing and able to work unsocial hours than local workers.
- Some providers paid correct minimum wages to workers but then asked them to pay part of it back in cash.
- Some contracted providers in Leicester sponsored workers from overseas but then sent them to work in other parts of the country.

- Workers recruited through the health and social care visa route could go on working in other sectors, often as their sponsors did not exist or because they could not get sufficient hours through care work.
- Insufficient language and care training could cause problems when preparing food, reading instructions or administering medication. As a result, there had been an increase in quality and safeguarding referrals.
- Care workers' wages could fall below the minimum wage where deductions were made for car use. Some overseas staff took second jobs as taxi or delivery drivers so they could cover the costs of driving legally in the UK.
- There had been issues with some staff becoming pregnant shortly after starting work while not yet being entitled to benefits or maternity pay.

The construction industry was considered a key sector regarding the potential incidence of worker exploitation. It was reported that people were working around 12-hour days for around £50-£70 per day depending on their skill level. A central problem here, again, relates to whether workers are classed as employed or self-employed.

The Health and Safety Executive's focus is, of course, on compliance with health and safety regulations where data are kept for reportable incidents and intelligence sharing. More broadly, though, poor management of health and safety can indicate poor business management in general. Industries with low pay, poor supervision and use of non-standard employment contracts can be associated with non-compliance of regulations.

The GMB union has been very active in Leicester's garment sector over the last years and pointed to unpaid wages as 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. Sometimes they would get cash in hand for the rest of the hours but still be working below national minimum wage or workers were not paid anything above 15 hours even though they worked 40 hours or more.

Wesley Hall Community Centre has been involved in a project with garment workers and had numerous reports on wage theft and poor conditions. There had also been reports of the same in food factories as well as reports of exploitation in the care sector through visa fraud. In Wesley Hall's assessment, supply chain pressures are a key factor behind exploitation in the garment industry. Reports of worker exploitation have decreased following Labour Behind the Label 's report during the 2021 lockdown and subsequent factory closures. However, in Wesley Hall's view, this does not necessarily mean exploitation has declined as the lack of employment opportunities might just lead to fewer instances of exploitation being reported. This is exacerbated by workers having few alternatives as they face language barriers, limited access to transport, issues stemming from immigration status etc.

The Highfields Centre has long supported workers in the Highfields area of Leicester and always aimed to operate a holistic approach including training as well as housing, social welfare and employment rights support. Over the last years it took a leading role in the Fashion Advice Bureau-Leicester (FAB-L) which is based in the Highfields Centre. FAB-L was set up by 8 fashion brands, three trade unions and NGOS. FAB-L/Highfields Centre, being situated in the vicinity of factories as well as workers' living areas has a good understanding of the relevant communities' problems, is a trusted institution not hampered by cultural or language barriers vis-à-vis workers and able to support their access to services. Under the auspices of FAB-L, contact was made with 1,600 garment workers alone. In the process, it was found that the most widespread form of exploitation was in terms of

hours and wage theft (not or not fully paid), differential treatment of men and women (women felt more vulnerable and coerced), and that there had been no training or development to help workers to progress.

3.4.2 Enforcement

As regards modern slavery and human trafficking, the police and GLAA are those agencies with police powers. The review has been told at numerous occasions, however, that partnerships between enforcement agencies as well as a range of civil society actors are crucial when it comes to effective enforcement.

Highlighting the importance of partnerships, it was held that an effective multi-agency partnership around human trafficking and slavery is currently lacking and as a result there are gaps in intelligence.

Crimestoppers work with a range of agencies, both in raising awareness as well as in reporting specific crimes.

LCC ASC's primary partnership as regards modern slavery is the Leicester City Safeguarding Adults Board that works across Leicester, Leicestershire and Rutland and looks, amongst others, at the prevalence of Modern Slavery in safeguarding incidents.

In June 2024 the Police and Crime Commissioner co-ordinated a Round Table discussion which led to re-establishing the Leicester, Leicestershire and Rutland Modern Slavery Action Group.

Unseen works with large companies, lead contractors such as LCC, and operates a helpline on modern slavery and exploitation, and also offers training and community support. It has worked with LCC, CQC, and ASC and engaged more widely with issues in the care sector. Unseen held that contacts to the helpline and the numbers of victims increases year-on-year. It has seen about 20-30 cases in Leicester, the majority of which are in the labour sector.

The office of the Director of Labour Market Enforcement (DLME) has a key role in the enforcement landscape as it creates a focal strategy for multi-agency work, pulling together work by the HMRC Minimum Wage Team, the GLAA, and the Employment Agency Standards Inspectorate. It conducts wide-ranging efforts together intelligence, through research, calls for evidence as well as sectoral and local roundtables (the latter focusing on sectors such as agriculture, construction, and adult social care)⁴⁶.

The GLAA investigates modern slavery and labour exploitation across all sectors. It also monitors and renews licenses of businesses and individuals in the agriculture, fish or shellfish, and shellfish gathering sectors. It operates a confidential hotline and liaises and shares intelligence regularly with HMRC, Police, local authorities, HSE, CQC, HO Immigration, NCA, UKVI.

The Health and Safety Executive's inspectors have the power of entry to carry out a workplace inspection or to investigate a concern or incident. Information can be from concerns raised direct to HSE, frontline inspections to workplaces, accidents/incidents in workplaces that require investigation, and shared intelligence from other labour market enforcement bodies. HSE works in partnership where relevant, including data sharing, participation in joint initiatives and contributing

⁴⁶ See also the comprehensive strategy: DLME (2024) United Kingdom Labour Market Enforcement Strategy 2024/25, <https://assets.publishing.service.gov.uk/media/67333fe1c10bb403d96bf2b9/uk-labour-market-enforcement-strategy-2024-25-print.pdf>

to wider, more strategic discussions. This can include, GLAA, HMRC NMW, DWP, local authorities, Immigration Enforcement, NCA or Police

As regards wage theft, the HMRC Minimum Wage (MW) team looks at the criminal aspect of any offences, looking at intelligence, and then helping the police with a joint visit.

It was noted that the HMRC MW team – as most government enforcement agencies - is intelligence-led, underlying the importance of developing robust paths towards intelligence.

In the light of cross-border exploitative practices, the HMRC MW team underlined the importance for the UK not to assist such practices further through exploitation-prone visa pathways. Specific aspects that could lead to exploitation but also could disturb the existing labour market included:

- Local authorities were given some support on procurement processes. Examples were mentioned of displaced care workers where sponsorship licences had been revoked and workers had not had time to find another employer within the 60-day period.
- A flaw in the legislation was highlighted, that the Home Office only writes to the provider if their licence is revoked. This triggers a 30-day appeal period during which a new company could be set up. The legislation here focuses on the corporate body, not the directors, and workers may or may not be moved to the new company.
- English language skills were at times found to be insufficient, increasing problems, both, for vulnerable workers as well as quality of care. While workers required ESOL Level 5 skills to work, this does not apply if they have a degree, even if the degree was in an unrelated language and subject. At the same time, English language skills were considered central in increasing workers' agency and ability to avoid the risk of exploitation.

The HMRC MW team has worked in the background in the care sector with UNISON and the Royal College of Nursing in order to shed light on key problems.

The ASC team at LCC has worked with GLAA, HMRC, the Care Quality Commission (CQC) and other local authorities to keep abreast of any emerging issues. It has a continuing working relationship with its contracted providers which includes support, monitoring as well as some enforcement functions.

- It suspended some providers who met formal HMRC requirements on minimum wages but asked workers to pay part of it back in cash. The ASC team conducted a quality assessment framework with providers to ensure compliance. For example, payrolls and data were examined and sent to HMRC in order to ensure wage compliance.
- Policies and procedures were validated with providers to make sure that overseas staff are getting the same conditions and contracts as local workers. Contracts and training records have been reviewed for local and overseas staff, and training cafes were set up for areas that were lacking.
- Overseas workers were contacted by phone to check on their conditions and to establish a relationship with them on work and employment issues. ESOL and skills training were deemed very important
- There were instances where online training was more of a tick-box exercise with a risk that the training was completed by someone else. Thus, training and support were adapted, partly delivered through training cafes, and appropriate checks and safeguards put in place.
- The LCC ASC team worked with providers and overseas staff to ensure better payment plans were looked at to reduce the impact of deductions to obtain licenses and for care use.

While the construction industry was acknowledged to contain complex and challenging subcontracting structures for labour market enforcement, the LCC procurement team shared its detailed questionnaires used to vet contractors. These questionnaires do include sections on work and employment.

Operation Tacit (OpTacit) was an important multi-agency collaboration that focused on Leicester's garment industry in 2020-21. The GLAA, Police and the Home Office visited over 500 factories, addressing workers and employers about minimum wage standards. Violations were usually considered to be mistakes, rather than deliberate non-payment, that resulted in underpayment. The broad picture emerging was that NMW compliance in Leicester's garment sector are not worse than in other manufacturing sectors which contrasts, however what has been found by recent academic research⁴⁷ and grassroots organisations. Unfortunately, though, it has proved difficult to fully appreciate the lessons from OpTacit as its evaluation still has not been made public as of yet.

Different approaches to enforcing work and employment standards have come from Labour Behind the Label, the GMB union, the Wesley Hall Community Centre, as well as the FAB-L initiative and the Highfields Centre. These initiatives were distinct in that they were based on direct access to workers at risk of exploitation and included bottom-up engagement to recover wage theft and other workplace issues.

The GMB union argued that tackling labour abuse through a focus on procurement and purchasing practices, that is, without worker representation on the ground, would prove very difficult and therefore sought workplace access in garment factories. It succeeded in securing workplace access agreement to some factories, with the support of leading fashion brands, distributed employment rights leaflets in different languages, and played an important role within the FAB-L project.

Wesley Hall Community Centre operates a food pantry and offers support in accessing universal credit, housing benefits, and ESOL classes. It also conducts outreach work and research in collaboration with universities. Also collaborates with LBL, Justice in Fashion, Shama Women's Centre, FAB-L at Highfields Centre, the Fashion Technology Academy's worker rights training, and Hope for Justice. Direct access through the food pantry and its outreach work was central for Wesley Hall to establish trust with exploited workers and to support them with regard to workplace and benefits issues.

Wesley Hall would welcome initiatives to support value chain upgrading for Leicester's fast fashion industry (focusing on products and processing that are more sustainable and command higher prices), a garment adjudicator, and felt that a stronger local authority focus on the building safety of garment factories might assist labour market enforcement in a wider sense.

A key role in the bottom-up approach to labour market enforcement was occupied by the Fashion Advice Bureau-Leicester (FAB-L) which was based on a collaboration between fashion brands, the GMB union and Highfields Centre. As mentioned, FAB-L worked closely with other NGOs, trade unions, and community organisations such as Labour Behind the Label, Wesley Hall Community Centre, Shama Women's Centre. FAB-L's success is very much based on its local embeddedness, cross-community trust and the broad-based support it could give to exploited workers across a range of problems that reach far beyond the workplace.

⁴⁷ Rights Lab, University of Nottingham and School of Law, De Montfort University, Leicester (2022) Fashioning a beautiful future? Supporting workers and addressing labour exploitation in Leicester's textile and garment industry, <https://www.nottingham.ac.uk/research/beacons-of-excellence/rights-lab/resources/reports-and-briefings/2022/june/fashioning-a-beautiful-future.pdf>

To start with, it established a club, a safe space where workers could obtain advice. Over 1,000 hours of casework support have been provided in terms of wage theft, dismissals and unsafe working conditions. A key achievement over the last three years was that clients have been helped in recovering over £170,000 in missing wages. Equally important, however, and central to the holistic approach of these initiatives, FAB-L supported 1,300 cases of support on housing, social welfare and employment rights. In total, workers have been aided in claiming over £100,000 in benefits.

3.4.3 Local authority and partnerships

The central role of a coordinator and partnerships for specific areas were underlined throughout the review.

With regard to modern slavery, for example, it was reported that a Modern Slavery Partnership had previously existed across Leicester, Leicestershire and Rutland that worked on a Prevention plan, Protection plan, Preparation plan and a Pursue plan. Unfortunately, though, that whole partnership fell into disuse as the coordinator left their post.

As a result, some of the broader prevention work was missing. There was now the support of a Strategic Partnership Board to commit the resources of agencies into the partnership looking at trafficking and immigration.

Reporters of trafficking and slavery tended to be UK Immigration Enforcement, followed by the Police and local authorities. It was important to have the local authority involved in the partnership as it is a First Responder, that is, authorised to refer potential victims of modern slavery into the National Referral Mechanism.

A broad-based partnership was considered central, as it is crucial to get intelligence from First Responders and a wide variety of actors as a route into difficult areas. At the same time, there is a question, given other concerns of the Strategic Partnership Board, whether this is the most appropriate home for a modern slavery partnership.

The DLME specifically emphasised the role of local authorities in education and outreach in labour market enforcement and noted the capabilities and good local knowledge within localities that can help enforcement bodies to discharge their responsibilities.

A suggestion from the GLAA argued that the local authority produce information to inform people at foodbanks and similar community organisations of their rights as workers. Throughout the review, points were raised by a range of witnesses about raising awareness of exploitation and modern slavery.

Further exploration, though, showed that 'raising awareness' ranges from the simple sharing of information (of signs of exploitation and where to get support) to the building of trust, access to workers with limited English language skills or workers in informal, more hidden parts of the economy, and workers in coercive situations. Importantly, this also included confidential, low-barrier spaces of support close to workers' communities. Thus, 'raising awareness' included a wide spectrum of initiatives.

In a separate area, with regard to children and young people, intelligence sharing was also deemed important to get a better picture of the local situation. It was held that there is a two-way intelligence flow between the police and social care which also includes consideration of broader safeguarding issues.

A written representation from the HSE was considered, emphasising that each local authority has co-regulatory responsibility for health and safety and must make adequate enforcement provision under the Health and Safety (Enforcing Authority) Regulations 1998 (EA Regulations).

An important area for local authority involvement concerns those areas where it controls tendering and procurement processes. The LCC ASC team evaluate home care tenders and review the Council's contracts with regard to changes to National Insurance or the living wage, aiming for them to be as fair as possible. Providers have to comply with minimum wage levels although a living wage is aimed for. To a large extent, though, this depends on central government support.

The construction industry constitutes a further area where local authorities have key involvement through procurement processes. The review was advised that the LCC procurement team vets potential contractors through a standard selection questionnaire that has been designed by the Cabinet Office. Contractors effectively self-report through these questionnaires on a range of issues, amongst others whether they have violated any core labour standards in the recent past.

Partnerships between community organisation and the local authority also existed with regard to Information, Advice, and Guidance (IAG) as well as advocacy which covers a range of issues from employment to housing or welfare. These routes were deemed important and effective in providing low-barrier support to workers at risk of exploitation as such organisations are in regular contact with workers and have their trust and confidence.

Appendices

Appendix 1 - Literature Review Presentation

Appendix 2 - Meeting Summary (Meeting 1)

Appendix 4 - Meeting Summary (Meeting 3)

Appendix 5 – Summary of Meeting with Margaret Beels

Appendix 6 - Stakeholder Questionnaire (HSE)

Appendix 7 - Stakeholder Questionnaire (GMB)

Appendix 8 - Stakeholder Questionnaire (Crimestoppers Trust UK)

Appendix 9 - Stakeholder Questionnaire (Wesley Hall)

Appendix 10 - Highfields Centre Report on Labour Marker Worker Exploitation

Appendix 11 - Unseen – Care Sector Press Release

Appendix 12 - Modern Slavery Submission (Leicester City Council – Adult Social Care)

Employment rights guides

GMB Union

<https://www.gmb.org.uk/gmb-young-workers/your-rights-at-work>

Labour Behind the Label

<https://labourbehindthelabel.org/order-our-workers-rights-guide/> available in English, Gujarati, Punjabi and Bulgarian

TUC

<https://www.tuc.org.uk/research-analysis/reports/working-uk-guide-your-rights>

ACAS

<https://www.acas.org.uk/advice>