#### **Policy Briefing**

## FOCUS ON LABOUR EXPLOITATION



## A Single Enforcement Body: What an effective Single Enforcement Body looks like

# An effective enforcement body will be accessible to workers, proactive and deliver enforcement results.

Preventing labour exploitation means having strong labour market enforcement in place. As things currently stand, the UK falls short of international standards on labour inspections. This leaves workers vulnerable to exploitation including modern slavery. It also means that unscrupulous employers can act with impunity, driving down standards across the UK. Labour exploitation is currently the highest reported form of adult modern slavery in the UK, and the numbers continue to grow. A weak labour market enforcement system is unable to address economic crimes, saving unscrupulous employers from thousands of pounds in unpaid wages, taxes and fines that could otherwise benefit the UK's economy.

Labour market enforcement in the UK is incredibly fragmented, with six different labour market enforcement authorities, each with different remits. The 2019 Conservative Party manifesto committed the government to establishing a Single Enforcement Body (SEB). These plans were confirmed to have been scrapped in December 2022. The current, disjointed system is difficult for workers to navigate, and difficult for authorities to manage efficiently. This means that workers often fall through the gaps. A well designed Single Enforcement Body would establish end-to-end protection for workers, meaning that no-one is left behind and workers see the difference in practice.

Labour market enforcement in the UK is seriously under-resourced. The International Labour Organisation's Labour Inspection Convention includes a benchmark of one labour market inspector per 10,000 workers. The UK has just 0.29 labour inspectors per 10,000 employees, ranking 27th out of 33 OECD countries. Ultimately, systemic under-resourcing means that labour market inspectorates conduct an extremely limited number of proactive inspections of workplaces. As previously confirmed by the Office of the Director for Labour Market Enforcement, a UK employer can, on average, expect an inspection by the HMRC National Minimum Wage team just once every 500 years. This puts the onus on workers to report violations, creating a real risk of victimisation. Together with low levels of redress this means that those with most to lose will not speak out.

A Single Enforcement Body that incorporates the labour market enforcement functions of the six current labour market enforcement authorities would make it easier for workers to navigate and enforce their rights, while making sure that we level the playing field for employers.

#### The Six Priorities of a Single Enforcement Body

PRIORITIES	IN PRACTICE
Secure Reporting	<ul> <li>All workers are able to safely report abuse or exploitation, which means:</li> <li>Workers must be protected from repercussions from employers if reporting violations.</li> <li>Workers must not have their immigration status checked or considered as part of any reporting of complaints or during labour inspections.</li> </ul>
Sufficient Resourcing	<ul> <li>Resourcing is based on evidence drawn from the labour market, enforcement personnel and intelligence-based risk understandings.</li> <li>Resourcing is based on regular assessments of labour market size and characteristics, risks present, and staffing and capital costs needed to undertake required activities.</li> <li>Resourcing is cognisant of the need for both reactive (<i>i.e.</i> complaints-led) and proactive (<i>i.e.</i>, targeted based on risk assessments) enforcement and the appropriate proportion of each.</li> </ul>
International Standards	• International best practice is followed in resourcing and practices, such as the World Bank recommended ratio of 60% proactive versus 40% reactive inspection and the ILO recommended ratio of 1 inspector per 10,000 workers.
Fair and efficient remediation	<ul> <li>Workers' cases are dealt with fairly and efficiently, with remediation outcomes appropriate to meet workers' needs.</li> <li>Access to compensation and other appropriate remediation is timely, straightforward and at no cost to the worker. Whatever the outcome for the worker, they will have experienced a clear and unbiased approach to their case. This could be evaluated by surveys of workers who have made complaints or been identified during the course of targeted enforcement.</li> </ul>
Gender responsive	<ul> <li>Enforcement strategies and responses recognise gender inequalities significantly affect the experiences of women and non-binary people in the labour market, both in terms of the types and levels of abuse and discrimination.</li> <li>A SEB, and its specific departments, should have a published gender responsive strategy with sector-specific strategies that are tailored to meet the needs of women workers and with appropriate training for staff.</li> </ul>
Meaningful Worker Participation	<ul> <li>Workers themselves and their representative organisations, such as trade unions and migrants groups, are involved in the design of UK labour market enforcement, such as the structure of the SEB, changes to it and evaluations of it.</li> <li>The statutory governance body of the SEB has a tripartite structure, including worker representative organisations. Schedule 2 of the Health and Safety at Work Act 197433 provides the requirement for a tripartite board for the governance of the Health and Safety Executive; a comparable approach should be taken to ensure this is in place on a statutory basis for a SEB.</li> </ul>