

October 2024

# At what cost?

## Exploring the impact of forced labour in the UK





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# About the Modern Slavery Policy Unit

The Modern Slavery Policy Unit is a joint initiative led by an anti-slavery charity, Justice and Care and a leading think tank, the Centre for Social Justice (CSJ). The joint policy unit has a core mission: to keep modern slavery at the top of the British political agenda and ensure the UK fights the crime. This means a better understanding of the nature and scale of modern slavery, increased investment and a sophisticated national response proportionate to the level of threat. Utilising the experience of frontline practitioners, developing creative and evidence-based ideas, fostering a new understanding of the scale of the crime and listening to the voices of survivors, the Modern Slavery Policy Unit works to catalyse the political leadership needed to achieve systemic change.

## The Modern Slavery Policy Unit:

1. Advocates for policy and legislation that places victims and their recovery needs at its heart.
2. Bridges the gap between those working to disrupt this crime and support its survivors and the decision-makers in Westminster, ensuring that voices from the frontline are heard and heeded.
3. Works on a cross-party basis, bringing together and equipping a strong caucus of parliamentarians to lead the fight against slavery.

## Acknowledgements

Above all, our sincere thanks go to the survivors and lived experience consultants who shared their expertise and reflections with us.

We would also like to thank the many individuals, organisations and businesses that contributed evidence to our research process through interviews, data and online focus groups (a full list is in the appendix).

The views and recommendations in this report are those of the Centre for Social Justice and Justice and Care and do not necessarily represent those of the persons and research participants mentioned above or quoted in the report.

### **A note about photos**

To protect survivors' identities, throughout this report images have been used for illustrative purposes. Many are courtesy of photographers sharing images on Unsplash. Others, depicting their work, are provided by Justice & Care (p25, 27, 32, 65, 66, 81 and 84) and Jericho Foundation (p75)

# Glossary

**“Adult”** is any person aged 18 or over.

**“Child”** is any person under the age of 18.

**“Conclusive Grounds decision”** is a decision taken by a competent authority in the Home Office as to whether, on the balance of probabilities, there are sufficient grounds to decide that the individual being considered is a victim of modern slavery (human trafficking or slavery, servitude, or forced or compulsory labour).

**“Forced or compulsory labour”** ILO Forced Labour Convention, 1930 (No. 29) defines forced labour as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily”. UK case law suggests that indicators of forced or compulsory labour include recruitment by deception, coercion and/or abuse, exploitation at work and coercion at destination. Statutory guidance notes that “A victim may have given consent in a situation where they felt they had no viable alternative, in which case they could still be subject to forced or compulsory labour.”

Although the ILO uses the term “forced labour” to include sexual exploitation and criminal exploitation, throughout this report, we use the term “forced or compulsory labour” to distinguish this form of modern slavery from those other forms as illustrated by the Home Office’s Modern Slavery Statutory Guidance. This report does not address domestic servitude, which is a separate, specific form of modern slavery.

**“Labour exploitation”** is used in National Referral Mechanism (and some other) data to describe potential modern slavery victims reporting forced or compulsory labour, but outside this context, it can refer to a broad continuum of poor working conditions ranging from minor non-compliance with employment law up to and including severe labour exploitation, modern slavery and human trafficking at the other end of the spectrum. In this report, unless otherwise stated, we use the term “labour exploitation” to refer to this broader spectrum of conditions.

**“Modern Slavery Victim Care Contract”** (MSVCC) is the Home Office contract to provide care to adult victims of modern slavery in England and Wales and provided by The Salvation Army as the prime contractor with a number of other charity subcontractors. Support for victims in Scotland and Northern Ireland is devolved.

**“National Referral Mechanism”** (NRM) is the UK’s framework for identifying and supporting victims of modern slavery, run by the Home Office.

**“Potential victim”** is an individual who is suspected of being a victim of modern slavery. They may have received a positive Reasonable Grounds decision but will not yet have received a Conclusive Grounds decision from the Home Office competent authorities.

**“Reasonable Grounds decision”** is a decision taken by the Home Office competent authorities as to whether the decision maker agrees there are reasonable grounds to believe, based on all available general and specific evidence but falling short of conclusive proof, that a person is a victim of modern slavery (human trafficking or slavery, servitude, or forced or compulsory labour).

# Foreword

None of us wants to think that we could be complicit in the slavery of vulnerable people. But the horrifying truth, presented in this important report from the Centre for Social Justice and Justice and Care, is that forced labour is much closer to our daily lives than most of us are aware. From the food in our shopping baskets, to our cars being washed, to the essential care of our elderly loved ones – criminals have found a way to make a profit by exploiting vulnerable workers.

Earlier this month it was revealed that 16 vulnerable people had been exploited in a McDonalds restaurant and a commercial bakery supplying major supermarket chains. Targeted because they were homeless, and deceived with offers of work and accommodation, the victims in this case found themselves caught in a trap. Put to work for up to 100 hours a week (in one instance for 30 hours straight), they were robbed of their wages which were diverted into the gang's accounts. Given only paltry sums to live on, they were controlled through fear and violence. As one victim, Pavel, told the BBC "You can't undo the damage to my mental health, it will always live with me."<sup>1</sup>

This is just one example of the reality of forced labour at the heart of local communities and the challenges that companies face in rooting it out. By infiltrating or masquerading as legitimate businesses and taking advantage of weaknesses in our visa and employment systems, criminals have put not just their victims but the whole of our society at risk. There is potential harm to colleagues of exploited workers and to those receiving care if forced labour victims are compelled to work in dangerous conditions, without appropriate training, and exhausted from working day long days without breaks. On top of this, we cannot ignore the lost revenue from illegal profits and unpaid taxes that go alongside the exploitation.

The Centre for Social Justice proposed the Modern Slavery Act in its first modern slavery report It Happens Here in 2013. Central to the Act's purpose was to see more criminals brought to justice and to encourage businesses to take greater responsibility for the risks of forced or compulsory labour in their supply chains. Section 54 of the Act requires companies report the action they are taking against forced labour in their supply chains and was world-leading at the time. Ten years on however, as the recent McDonalds case highlights, there is still much to do.

There are significant risks of forced labour in complex global supply chains which rightly deserve our attention. The example of state-imposed forced labour of Uyghur people in Xinjiang Province China is a case in point. We are guilty of using products produced with forced labour from Xinjiang and elsewhere, such as polysilicon in solar panels. Successive governments have turned a blind eye to this forced labour, despite the obligations of the Modern Slavery Act. This needs to change. For example, the US authorities now check companies for compliance in eradicating slave labour from supply chains and prosecutes them, sadly the UK trails far behind.

This report shows us that government, businesses, law enforcement and even consumers, need to look just as closely at the risks of forced labour much closer to home. Understanding of these risks is vastly improved since the introduction of the Modern Slavery Act but the case discussed above highlights the challenges businesses face in identifying and responding to it. Likewise, the recent explosion in reports of exploitation in the social care sector shows how criminals continually look for new ways to profit by exploiting vulnerable workers.

We welcome this report and its important recommendations for increasing prevention, identification and prosecution of forced labour and ensuring victims have the support and protection to come forward to seek help. It offers the government a blueprint for the crucial next steps as the Modern Slavery Act enters its second decade.

To paraphrase William Wilberforce, we cannot say that we do not know the truth of forced labour. We must now count the cost to people like Pavel, whose lives are ruined by forced labour in the guise of regular employment, and do all we can to stop it happening to anyone else.



**Rt Hon Sir Iain Duncan Smith MP**



**Carolyn Harris MP**

<sup>1</sup> William McLennan, Phil Shepka and Jon Ironmonger, *McDonald's and supermarkets failed to spot slavery*, BBC News 30 September 2024

# Executive Summary

Often, the term forced or compulsory labour conjures up images of child labour in cocoa farms in Africa<sup>2</sup> or the state-imposed exploitation of the Uyghur people in Xinjiang Province, China.<sup>3</sup> However, the recent high profile case of victims exploited by a Czech crime family in a Cambridgeshire McDonald's fast food restaurant and a London bakery supplying several of our largest supermarket chains shows the reality of forced or compulsory labour in our own UK industries.<sup>4</sup> This report reveals forced or compulsory labour is the second most common form of modern slavery embedded in the UK. Since October 2019, 16,432 people referred to the Home Office for modern slavery in the UK (in full or in part) reported forced or compulsory labour.

Forced or compulsory labour<sup>5</sup> is a form of modern slavery where someone is coerced or deceived into working for little or no pay, or when someone else has control of their wages or victims are forced to work to pay off excessive and illegitimate debts. It is often accompanied by threats and physically demanding or unsafe working conditions. This report explores the most pressing challenges presented by forced or compulsory labour in our country and its impact on our communities. It also sets out how the new government must address these challenges if it is to achieve its commitments to a “New Deal for Working People” and to “Take back our Streets”.

## Our central findings are:

**Forced or compulsory labour happens in the regular economy.** This form of modern slavery is intricately woven into our mainstream economy, with criminals infiltrating or camouflaging themselves as legitimate businesses. The most affected sectors are social care, hand car washes, agriculture, construction and hospitality, although victims are also encountered in a range of other industries. Businesses using overseas recruitment and third-party labour providers have increased exposure.

There are significant risks for victims' colleagues and service users (such as elderly people receiving social care) if forced or compulsory labour victims are exploited in roles without appropriate qualifications or when exhausted from overwork.

Finances are diverted overseas by organised crime groups, and revenue is lost because proper taxes are not paid, which we estimate could be at least £52.4 million in 2023 alone. Based on the assumption that no tax is currently being paid, if trends continue, this could be as much as £341 million over the course of this Parliament. Even more disturbing is the possibility that the government is profiting from forced labour where taxes are being paid prior to wages being siphoned off by exploiters instead of paid to the victims.

**Weaknesses in our labour market and immigration systems are exploited by criminals.** Criminals seize on them as a way to profit by enslaving others. A large informal sector with widespread non-compliance with employment law provides opportunities for exploitation, for example approximately 90 per cent of the UK's 5,000 hand car washes (approximately 4,500) show are estimated

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<sup>2</sup> Debora Patta, Sarah Carter, Javier Guzman, Kerry Breen, *Candy company Mars uses cocoa harvested by kids as young as 5 in Ghana*: CBS News investigation, CBS News, 29 November 2023

<sup>3</sup> House of Commons BEIS Committee, *Uyghur forced labour in Xinjiang and UK value chains*, March 2021

<sup>4</sup> William McLennan, Phil Shepka and Jon Ironmonger, *McDonald's and supermarkets failed to spot slavery*, BBC News 30 September 2024

<sup>5</sup> In this report, to avoid confusion, we use the term “forced or compulsory labour” to refer to the sub-category of modern slavery that sits at one end of a broader continuum of labour exploitation and non-compliant employment practices. Full definitions are provided in the glossary and explored in chapter 1. We recognise that the NRM and some other data sources use the term ‘labour exploitation’ to refer to the sub-category of modern slavery.

to operate in a way that makes them high risk for forced or compulsory labour.<sup>6</sup> Combined with insufficient labour inspectors and a fragmented inspection system allows forced or compulsory labour to develop and flourish.

Insufficient safeguards in work visa schemes for shortage occupations in low-paid sectors have also opened opportunities for forced or compulsory labour, particularly in the seasonal worker visa scheme in agriculture and the expansion of Health and Care Worker visas to the social care sector.

**Responsible businesses are taking action but face many challenges.** Tools such as social audits can only provide limited information, and criminals are adept at evading the checks and procedures companies put in place. The competitive environment of the commercial sector can hinder the collaboration and information sharing needed to respond to new risks and trends. Commercial consequences of reputational damage can deter some businesses from proactively trying to find and address forced labour, and the lack of strong legal frameworks or enforcement to require action on forced labour in business supply chains leaves those businesses at the forefront of tackling the issue without a level playing field.

**Remedy, restoration and justice are needed for all victims.** Forced or compulsory labour victims face many of the same challenges as other modern slavery victims; however, some have particular salience. Tied visas and illegal working rules increase barriers to reporting. Access to work is a priority for victims escaping forced or compulsory labour but is dependent on their existing immigration status. Migrant care workers face particular challenges finding new sponsored employment after escaping exploitation. Those without access to support or facing a delay in getting a decision that would give them the right to work are at significant risk of returning to informal, potentially exploitative work. Supported work schemes help victims return to work safely, but only limited placements are available. The Employment Tribunal offers a good opportunity for victims to receive compensation if they are within the time limits and have legal representation, but other routes to compensation are limited.

There are fewer police investigations for forced or compulsory labour than for criminal exploitation, and it can be more difficult to evidence because it hinges on the issue of coercion or deception. A lack of financial investigators within the police is a particular challenge for forced labour cases, as financial evidence is so crucial. Forced labour prosecutions, like most modern slavery cases, still rely heavily on victims' testimony, but as with other types of modern slavery, victims need support to be able to engage.

## Conclusion

Modern slavery in the form of forced or compulsory labour is eroding our economy and our communities. An urgent combined and coordinated effort is needed from the government, businesses and non-statutory sectors to prevent and address this scourge on our society. This report provides a set of recommendations as to how to do precisely that.

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<sup>6</sup> Research coordinated by Nottingham Trent University



Key recommendations\* include:

- Development of licensing regimes for high-risk industries in the informal sector, beginning with hand car washes.
- Strengthened labour market enforcement through the proposed Fair Work Agency, including retaining expertise in modern slavery, a victim-centred approach and an additional £18.8 million to increase the number of labour inspectors funded by a new Fair Work Levy on businesses.
- Increased safeguards and scrutiny of employers and recruiters within the Seasonal Worker Scheme and Health and Care Worker visa routes by limiting overseas recruitment to countries with MOUs with the UK Government, increasing inspection powers for the GLAA, instituting penalties for sponsors found to be exploiting workers, and increasing time limits and support for victims of forced or compulsory labour to help them find a new sponsor.
- Prioritising employment of migrant care workers already in the UK who are unemployed (after their sponsor has lost their licence or they have escaped exploitation) by not issuing any more Health and Care worker visas to workers currently outside the UK until the number of workers already in the UK seeking new sponsors reaches manageable levels.
- An urgent inquiry into exploitation and forced or compulsory labour in the adult social care sector.
- Strengthened reporting requirements for businesses under Section 54 of the Modern Slavery Act 2015 on action against forced labour in their supply chains and an assessment of further legislative and policy developments that may be necessary, including mandatory human rights due diligence.
- Increased access to compensation for victims through widening access to the Criminal Injuries Compensation Scheme and guidance making application for reparation orders routine.
- Granting 12 months' leave to remain with support and the right to work for confirmed victims after the NRM.
- Updating the Strategic Policing Requirement to ensure capabilities for specialist modern slavery teams in all police forces.

\*Full list of recommendations can be found on pp 83-89.



# 1. Labour exploitation is a continuum

The focus of this paper is the form of modern slavery known as “forced or compulsory labour”. This sits at the most severe end of a spectrum of exploitation and non-compliant employment conditions, most of which are not criminal.

In some contexts, including the NRM statistics, the term “labour exploitation” is used to describe a sub-category of modern slavery, which is “slavery, servitude or forced or compulsory labour”. However, in other contexts, “labour exploitation” is used to refer to the wider continuum of poor employment conditions. **To avoid confusion in this report, the term “forced or compulsory labour” will be used to describe the sub-category of modern slavery, and the term “labour exploitation” will be taken to mean the wider continuum unless otherwise stated.**

The Labour Exploitation Advisory Group describes the labour exploitation continuum this way: “Workers’ experiences can be understood as existing on a continuum. At one end, there is decent and well-paid work, with bad practices such as breaches of employment rights (e.g. unpaid wages, discrimination, etc.) situated along the continuum, culminating at the opposite end in severe labour exploitation, such as human trafficking and forced labour. Where minor breaches of rights occur and are not sufficiently addressed, it increases the risk of more severe exploitation along the continuum.”<sup>7</sup>

Justice and Care’s frontline staff and a number of CSJ Alliance charities and community organisations around the country that we spoke to highlighted a range of exploitative situations in communities across the country that may not reach the threshold for forced or compulsory labour. For example:

*“We’ve seen a few people from the furniture manufacturing sectors where the working conditions sound extremely poor, and they are not being paid for the correct number of hours. There have also been instances where they are told to take holiday on certain days, with limited control over when they can have days off.”*

Research and Campaigns Coordinator, Citizens Advice Gateshead

*“There are many bed factories here, most of which are terrible employers who employ cash-in-hand migrants and, as such, have no rights to minimum wage or holiday pay - they often close for three weeks at Christmas, and they are left with no money. We have quite a few cash-in-hand employees in and out of work all the time. Some have worked for long enough in the past to have picked up a tax code but have no idea they were responsible for tax payments as cash-in-hand employees, and their bills are catching up with them. Some we have managed to sort out when they have reached rock bottom on the street and homeless.”*

Trustee, Dewsbury Community Outreach

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<sup>7</sup> Labour Exploitation Advisory Group, “So I decided to carry on...”: *The continuum of exploitation in practice*, 2024

## 1.1 When does labour exploitation become modern slavery?

Under the Modern Slavery Act 2015, there are two criminal offences to address this form of modern slavery: the Section 1 offence of Slavery, Servitude and Forced or Compulsory Labour and the Section 2 offence of Human Trafficking where the connected exploitation is conduct amounting to the Section 1 offence.

Both the Modern Slavery Act and statutory guidance draw on international law for their definitions of this form of exploitation. In practice, most cases (whether or not also human trafficking) fall under the definition of “forced or compulsory labour” rather than the narrower aspects of “slavery” (which includes exercise of “ownership” of the person) or “servitude” (which contains a sense of “permanence”).<sup>8</sup>

ILO Forced Labour Convention, 1930 (No. 29), defines forced labour as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily”.

The ILO identifies eleven indicators of forced labour: abuse of vulnerability, deception, restriction of movement, isolation, physical and sexual violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions, and excessive overtime. The ILO highlights that “The presence of a single indicator in a given situation may in some cases imply the existence of forced labour. However, in other cases, you may need to look for several indicators which, taken together, point to a forced labour case.”<sup>9</sup>

Although forced or compulsory labour sits at one end of a continuum, lesser non-compliance with employment law can, in some cases, be a sign of modern slavery levels of exploitation.

***“[...] things like not paying national minimum wage, not providing PPE, [...] not doing proper contracts, those are things in terms of that lower level labour abuse that can take place [...] but actually they can be indicators towards something more serious around labour exploitation or even modern slavery. Whilst [labour abuse] is a layer in itself, it can't be looked at in isolation. You have to look at whether this is just an indicator of something more serious taking place.”***

Director of Operations, Gangmasters and Labour Abuse Authority

This interplay between poor employment practices, labour exploitation and modern slavery highlights the role of wider measures to address non-compliance with employment law in tackling modern slavery. However, it also reveals the challenge of identifying when poor employment reaches the threshold for modern slavery.

***“It's unlikely that an individual is going to tell you that they are being forced to work against***

<sup>8</sup> Home Office, *Modern Slavery: Statutory Guidance for England and Wales (under s49 of the Modern Slavery Act 2015) and Non-Statutory Guidance for Scotland and Northern Ireland Version 3.10*, May 2024 at paragraphs 2.87- 2.90

<sup>9</sup> International Labour Organization, *Indicators of Forced Labour*, 2012



*their will. For instance, however, some of the activities that are taking place are being conducted in contravention of the ILO fundamental conventions. [...] To identify instances of forced labour can be very difficult.”*

Head of ESG and Compliance, Achilles Information Limited

The definition of “forced labour” under the ILO convention hinges on two factors: “menace of penalty” and the person not having offered themselves for the work voluntarily. Both of these factors relate to the issue of consent.

Home Office guidance explains that “Consent is a factor in forced and compulsory labour, but a victim may have given consent in a situation where they felt they had no viable alternative, in which case they could still be subject to forced or compulsory labour.”<sup>10</sup> Leading prosecutor Caroline Haughey KC explained that “For a forced labour case, it is necessary to demonstrate that consent has been vitiated through deception [or coercion].” The guidance highlights that “Case law suggests that indicators of forced or compulsory labour include recruitment by deception, coercion and/or abuse, exploitation at work, and coercion at destination.”<sup>11</sup>

This emphasis on deception or coercion can be difficult to prove where there is no physical violence or threat. Victims may, to some degree, accept a situation with very low pay and/or unsuitable accommodation because, for them, receiving some money is better than having no income or perhaps the amount is still enough for them to pay off a debt or send money home to their family. It can also be a source of shame for victims to have been tricked, which can prevent many victims from acknowledging or speaking about the deception used against them, and in these circumstances, exploited workers will rarely see themselves as victims of modern slavery.

## 1.2 What if labour exploitation does not meet the threshold for modern slavery?

As outlined above, labour exploitation is a continuum. There are suggestions that there is a significant amount of serious labour exploitation that does not meet the criteria or threshold for offences of modern slavery.

*“While the official definition of modern slavery is quite narrow, exploitation exists on a spectrum. Even if the extreme criteria for modern slavery are not met, extensive labour exploitation can still occur through more nuanced coercive means that rely on the complicity of vulnerable victims.”*

Partner at Practical Ethics

<sup>10</sup> Home Office, *Modern Slavery: Statutory Guidance for England and Wales (under s49 of the Modern Slavery Act 2015) and Non-Statutory Guidance for Scotland and Northern Ireland Version 3.10*, May 2024

<sup>11</sup> Home Office, *Guidance Modern slavery and human trafficking: identifying and reporting perpetrators*, August 2023

The Gangmasters and Labour Abuse Authority, in particular, raised concern that many migrant care workers recruited on specific visas into the adult social care sector may find themselves in exploitative situations and at risk of further exploitation, but the manner of their recruitment and exploitation may not fit the criminal definitions of modern slavery:

*“I think the UK is quite strong in terms of having a framework there to tackle that lower-level labour abuse. When it comes to modern slavery again, you’ve got the Modern Slavery Act, so you’ve got some serious offences there and criteria for criminal prosecution around modern slavery. [...] But to reach the threshold for forced or compulsory labour can be quite challenging. At the moment, they’re [the CPS] saying that the threshold hasn’t been met [in many care sector cases]. I don’t think it’s been tested in the courts.”*

Director of Operations, Gangmasters and Labour Abuse Authority

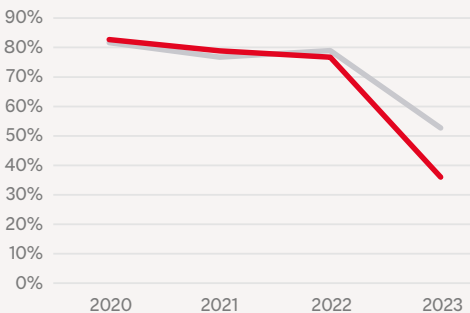
Support providers have also suggested that this higher threshold and understanding of forced labour based on coercion and deception is a factor in NRM decision-making.

*“I’ve seen it in a negative conclusive grounds decision recently. The Home Office wrote in the conclusive grounds decision, “You actively sought this employment. You consented to working for them. And they do then acknowledge that ‘you weren’t paid’”*

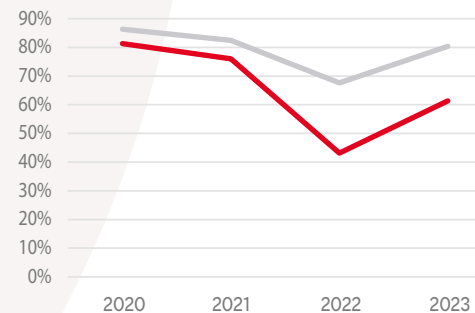
Service Manager, Modern Slavery Response Team, Hestia

This perception appears to be supported by the data on NRM decisions. Potential modern slavery victims referred for labour exploitation (as a form of modern slavery) in the UK (including with other types of modern slavery) have lower rates of being positively recognised as victims at both Reasonable Grounds and the final, Conclusive Grounds stage than the average for all types of modern slavery. A notable drop in positive Reasonable Grounds decisions in 2023 is likely connected to the higher threshold introduced on 30 January 2023.

Rate of positive reasonable grounds decisions (for modern slavery in the UK)



Rate of positive conclusive grounds decisions (for modern slavery in the UK)



— Labour exploitation (including with other forms of modern slavery) — All exploitation types

Note: Centre for Social Justice & Justice and Care analysis of Home Office, Modern Slavery Research & Analysis. (2024). National Referral Mechanism and Duty to Notify Statistics, 2014-2024. [data collection]. 13th Edition. UK Data Service. SN: 8910, DOI: <http://doi.org/10.5255/UKDA-SN-8910-13>. Note the NRM uses the term “labour exploitation” for the forced or compulsory labour sub-category of modern slavery, not a broader continuum of labour exploitation.

Without adequate legislation and enforcement along the full spectrum of labour exploitation, there is a risk that poor working conditions can become entrenched and normalised in communities. In Leicester, we heard that a pattern of non-compliance in many garment factories has become the norm because it suits many in the community. The employers do not have to pay as much in wages, and many workers claim benefits to top up their wages (because they are paid on a part-time basis technically at National Living/Minimum Wage despite actually working full time), and it suited brands and consumers who ultimately get cheaper products. This level of normalisation can create barriers to work for those who are unwilling to accept lower pay or conditions, and they may face pressure from the wider community not to make a complaint or report the exploitation. Businesses complying with employment law may struggle to compete with others that use exploitative labour to undercut prices.

It can also enable exploitation to become more and more serious. “The factors that produce vulnerabilities at the shallow end of the continuum create risks across the continuum as a whole. For instance, the inability to challenge wage theft from an employer may make someone financially precarious and, therefore, less able to leave exploitative employment. Similarly, a failure to have proactive monitoring of a workplace may facilitate a culture of impunity, with employers feeling emboldened to exploit their staff without repercussion.”<sup>12</sup>

***“When you have this kind of illegal business with manufacturers paying below National Minimum Wage they don’t tend to be carrying out the checks they should be. Serious criminals know there is this grey area they can slip in setting workers up. It allows gangs to get in and exploit vulnerable people.”***

CEO, Garment Manufacturer

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<sup>12</sup> Labour Exploitation Advisory Group, “So I decided to carry on...”: *The continuum of exploitation in practice*, 2024

## 2. Forced or compulsory labour is happening in UK communities

Often, the term forced or compulsory labour conjures up images of child labour in cocoa farms in Africa<sup>13</sup> or the forced labour of the Uyghur people in Xinjiang Province, China.<sup>14</sup> However, forced or compulsory labour is a significant issue in the UK.

Between October 2019 (Q4) and June 2024 (Q2),<sup>15</sup> labour exploitation has been the second most common single type of modern slavery reported by all those referred to the Home Office's National Referral Mechanism (NRM) for people thought to be victims of modern slavery, amounting to 27 per cent of all people referred, 18,730 people in total. A further 13,470 people have been referred for labour exploitation alongside other forms of modern slavery, together giving a combined total of 46 per cent of all referrals in that period.

Significantly, during this period, 51 per cent of NRM referrals for labour exploitation (including with other forms of modern slavery) relate to experiences occurring in the UK alone or both the UK and overseas (16,432 people in all, of which 12,025 were adults). The proportion of modern slavery victims of labour exploitation in the UK referred to the NRM has been consistent over the past four years. The number of individuals reporting this form of modern slavery has risen in line with the increase in overall referral numbers, remaining approximately 30 per cent of all victims (and 54 per cent of all adult victims). Other sources of data also show forced or compulsory labour as one of the most common forms of modern slavery in the UK. The Modern Slavery and Exploitation Helpline, run by the charity Unseen, revealed that labour exploitation (their term) was the most common form of modern slavery reported over the past three years, although it reduced in 2023 after a substantial increase in 2022. In 2023, the Helpline received 759 cases, indicating 3,416 victims, compared to 1,046 cases and 3,882 victims in 2022.<sup>16</sup>

Data from Justice and Care's Victim Navigator programme (which provides support to adults only) shows that forced or compulsory labour has been the most common primary type of modern slavery reported. In the period September 2018 - May 2024, 31 per cent of all survivors (178 individuals) engaged with the programme reported forced or compulsory labour as the primary form of modern slavery (slightly more than those reporting sexual exploitation at 30 per cent). A further eight per cent of survivors reported forced or compulsory labour as a secondary form of modern slavery (20 per cent of all those where a secondary exploitation was recorded).

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<sup>13</sup> Debora Patta, Sarah Carter, Javier Guzman, Kerry Breen, *Candy company Mars uses cocoa harvested by kids as young as 5 in Ghana*: CBS News investigation, CBS News, 29 November 2023

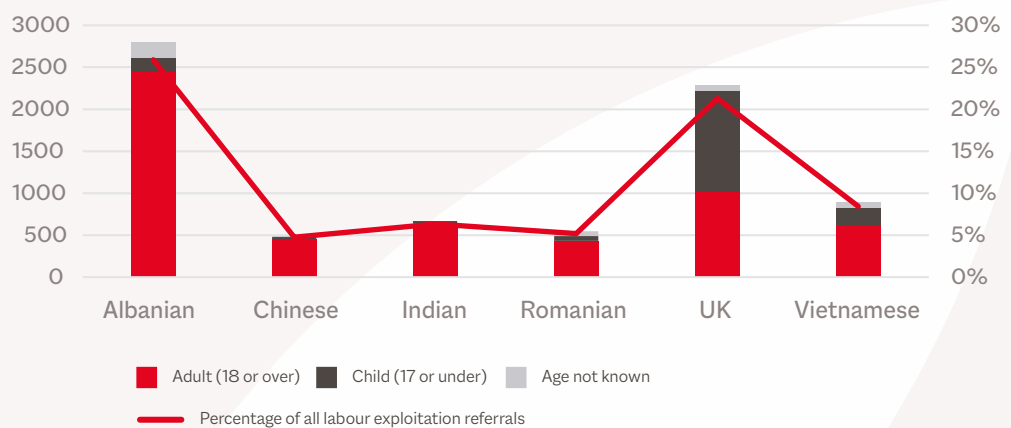
<sup>14</sup> House of Commons BEIS Committee, *Uyghur forced labour in Xinjiang and UK value chains*, March 2021

<sup>15</sup> Prior to Q4 2019 criminal exploitation was subsumed within the labour exploitation category in NRM data recording so data before this cannot be compared with more recent data.

<sup>16</sup> Unseen National Modern Slavery and Exploitation Helpline Annual Assessment 2023, 2024

Not only is forced or compulsory labour happening in the UK, but British nationals are also among the six most common nationalities of victims, especially when combined with other forms of modern slavery. Across different data sources, including NRM data, the Modern Slavery and Exploitation Helpline and the GLAA intelligence picture reports, there is a consistent recurrence of Albanian, UK, Indian and Vietnamese among the most common nationalities. However, there are some differences between the datasets. For example, the Unseen helpline and GLAA data both include African countries (Zimbabwe, Nigeria and Ghana) in the most common nationalities and do not include UK nationals, whereas the NRM data puts UK nationals among the most commonly reporting labour exploitation.

### Top 6 most common nationalities of victims of labour exploitation in the UK NRM Referrals Q4 2019 - Q2 2024



Note: Centre for Social Justice & Justice and Care analysis of Home Office, Modern Slavery Research & Analysis. (2024). National Referral Mechanism and Duty to Notify Statistics, 2014-2024. [data collection]. 13th Edition. UK Data Service. SN: 8910, DOI: <http://doi.org/10.5255/UKDA-SN-8910-13> Note the NRM uses the term "labour exploitation" for the forced or compulsory labour sub-category of modern slavery, not a broader continuum of labour exploitation.



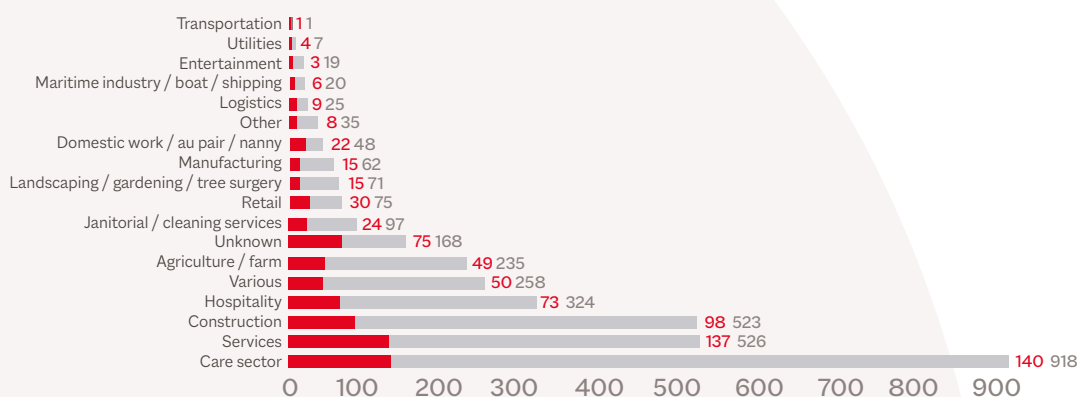
# 3. Forced or compulsory labour happens in the regular economy

Unlike criminal exploitation or sexual exploitation, forced or compulsory labour is found in the mainstream economy (whether formal or informal) in businesses embedded in local communities.

## 3.1 Which are the most high-risk sectors for forced or compulsory labour?

The highest risk of forced or compulsory labour in the UK at present is in social care, hand car washes, agriculture, construction and hospitality, according to assessments by the Office of the Director for Labour Market Enforcement (ODLME), reports to Unseen’s national Modern Slavery and Exploitation Helpline, and data from the Police National Database and GLAA.<sup>17</sup> However, reports to the national helpline and interviews with those working with victims have all pointed to a wider range of sectors in which modern slavery is occurring, particularly in a range of service industries (nail bars, barbers), retail, cleaning, manufacturing, logistics, maritime/shipping and others.

### Cases and potential victims by industry



Note: Graph reproduced from Unseen National Modern Slavery and Exploitation Helpline Annual Assessment 2023, 2024.

<sup>17</sup> HM Government, *Labour Market Enforcement Strategy 2023/24, October 2023*; Unseen National Modern Slavery and Exploitation Helpline *Annual Assessment 2023, 2024*; *GLAA Quarterly Intelligence Picture Reports 2023-2024*; Analysis provided privately by the Modern Slavery and Organised Immigration Crime Unit National Policing Insight Team of data on the Police National Database. The analysis is based on live police investigations being conducted by police forces in England and Wales into MSHT where the primary slavery type is recorded as labour. Since November 2020, only investigations recorded through the PND Direct Data Entry (DDE) process for MSHT are included. PND DDE is a manual process whereby forces identify and enter their investigations onto PND; as such, the analysis reported here is dependent on the quality of data input through the PND DDE process.

One of the most significant changes over the last few years has been the substantial rise in reports of exploitation and forced labour in the social care sector. In 2022, the Unseen Helpline noted a 1,024 per cent increase in the number of potential victims in the care sector reported to them. The trend continued into 2023 with a 32 per cent increase in the number of victims reported in the care sector (918 potential victims indicated in 140 cases, amounting to 28 per cent of all potential victims reporting labour exploitation).<sup>18</sup> Unseen note that this continued increase is significant considering that labour exploitation and overall modern slavery numbers, recorded by the helpline, reduced in 2023. In 2023, the ODLME also noted that “The risk in the care sector is assessed as having increased over the year, as there is now greater evidence of deliberate non-compliance.”<sup>19</sup> Likewise, data from the Police National Database on live investigations has shown an increase in the proportion of investigations into modern slavery in the social care sector (of those investigations where the industry was recorded) from two per cent in March 2020 to 15 per cent in March 2024. Most of this increase in investigations in the social care sector has been since 2022, overall a 420 per cent increase from 2022 to 2024.<sup>20</sup> It is possible that the rise in reports of exploitation in the care sector is in part due to greater awareness, but experts also think it is likely that the incidence of exploitation has grown since changes to the rules for international recruitment of care workers (see Chapter 5).

***“I think it has always been there, but I think that some of the stuff we’re seeing about the weaponisation of the visa system is really not helping. [...] I think it’s becoming an established business model, more so than it was before.”***

Chief Executive, Gangmasters and Labour Abuse Authority

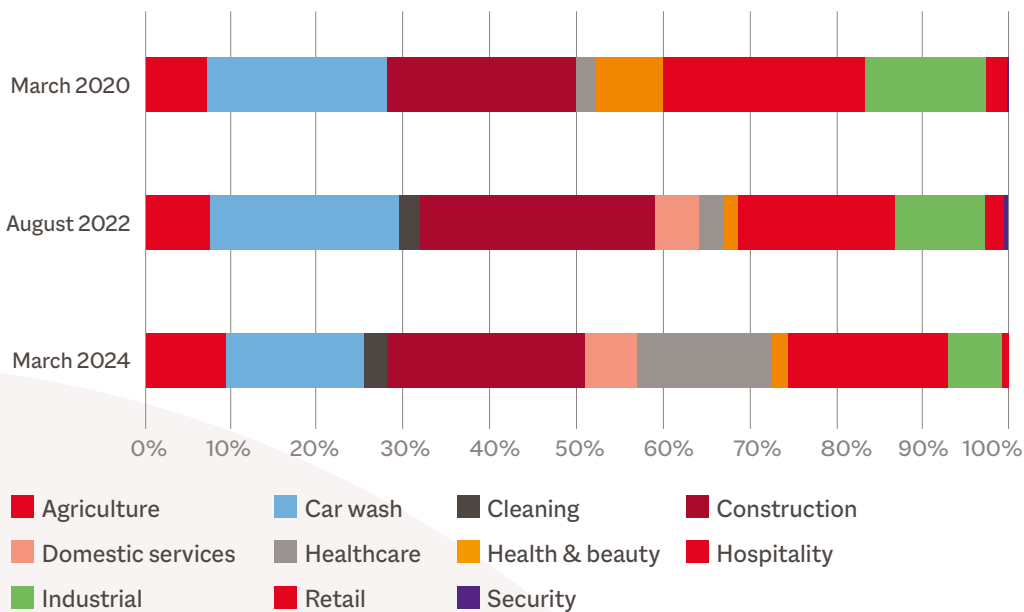
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<sup>18</sup> Unseen National Modern Slavery and Exploitation Helpline *Annual Assessments, 2022 & 2023*

<sup>19</sup> HM Government *Labour Market Enforcement strategy 2023/24* and supporting evidence & analysis

<sup>20</sup> Analysis provided privately by the Modern Slavery and Organised Immigration Crime Unit National Policing Insight Team of data on the Police National Database. The analysis is based on live police investigations being conducted by police forces in England and Wales into MSHT where the primary slavery type is recorded as labour. Since November 2020, only investigations recorded through the PND Direct Data Entry (DDE) process for MSHT are included. PND DDE is a manual process whereby forces identify and enter their investigations onto PND; as such, the analysis reported here is dependent on the quality of data input through the PND DDE process.

**Breakdown by labour sector for all live MSHT investigations with a primary slavery type of labour exploitation**



Note: Chart and analysis provided privately by the Modern Slavery and Organised Immigration Crime Unit (MSOICU)<sup>21</sup> of data on the Police National Database. The analysis is based on live police investigations being conducted by police forces in England and Wales into MSHT where the primary slavery type is recorded as labour. Since November 2020, only investigations recorded through the PND Direct Data Entry (DDE) process for MSHT are included. PND DDE is a manual process whereby forces identify and enter their investigations onto PND; as such, the analysis reported here is dependent on the quality of data input through the PND DDE process.

The ODLME assessment notes that only two sectors - warehousing and food manufacturing - have seen a reduction in risk. It also notes that the highest-risk sectors are the same ones identified as the highest risk in the previous year which, the director concludes, “raises questions in my mind as to whether more or different activity should be undertaken.”<sup>22</sup> Unseen’s 2023 Helpline Assessment noted a reduction in reports of modern slavery in the services sector in 2023, specifically in both car washes and the beauty industry (including nail bars), with the number of cases in both of these sectors dropping by almost half from 2022 levels. However, the services sector as a whole remains the second most commonly reported after the care sector, followed by the construction industry. A common thread running through those sectors which have the highest risk is that they are dominated by low-skilled and/or low-paid positions, two characteristics long associated with modern slavery in the UK.<sup>23</sup> Requirements in other positions for higher-level certification and skill are less easy for criminals to forge or bypass.

<sup>21</sup> The MSOICU is a Home Office-funded transformation programme working to improve the policing and wider law enforcement response to modern slavery (MS) and organised immigration crime (OIC). The MSOICU is led by a Chief Superintendent who reports to the National Police Chiefs’ Council lead for MS and OIC, Assistant Chief Constable Jim Pearce.

<sup>22</sup> HM Government, *Labour Market Enforcement strategy 2023/24 and supporting evidence & analysis*

<sup>23</sup> Alistair Geddes et al *Forced labour in the UK* Joseph Rowntree Foundation, 2013

## Case study - Yasmin's story



Yasmin\* is a trained pastry chef in her home country of Iran. She was recruited to the UK on a Skilled Worker visa to work in a hotel. However, when she arrived, her employer refused to pay her the whole salary, and it became a situation of exploitation. Yasmin was made to undertake a range of tasks in the hotel and spa, not just working as a chef for which she was trained. Her employer began to threaten her with deportation back to Iran if she did not accept the conditions and low pay. This made Yasmin very anxious, as she believed they might have the power to do that because her visa was tied to her employer. She was forced to do anything but pastry. She was utterly lost, depressed and suicidal.

Yasmin was very unhappy and desperate for help but did not know who to turn to or what her rights were under the Skilled Worker visa. One night, after doing a lot of research, she found a way to contact the police and ask for help. After spending a week in the hospital, she felt much better.

The police responded positively to Yasmin and helped her leave her employer. She was referred into the NRM as a potential victim of modern slavery. Yasmin was moved to another part of the country, and as well as receiving support from a charity under the Modern Slavery Victim Care Contract, she was also referred to the Jericho Foundation where she was able to get experience volunteering and eventually a paid work placement after receiving a work permit.

Slowly Yasmin's confidence has begun to return, but she is still nervous that her exploitative employer will come looking for her. If she even sees a car on the street that looks like the one her exploiter drives, she becomes anxious. This is intensified because the police investigation was dropped, leaving Yasmin confused and fearful.

***“Taking part in the Jericho project has been transformative. The supportive community, various social trips, meeting new people in the similar circumstances and all the art therapy sessions and social activities help me regain my confidence and find joy and peace in my life again. I felt lost and traumatised after all these manipulations and abuses, but Jericho made me feel valued and capable, which has made a huge difference in my life.”***

Case study shared by Jericho Foundation

\*Name changed

## 3.2 Criminal enterprise or legitimate business?

This data demonstrates that exploitation and forced or compulsory labour take place in both the UK's formal economy and the "informal economy" (activities that are unregulated or insufficiently regulated),<sup>24</sup> notably in hand car washes, small unit garment manufacturing and nail bars.<sup>25</sup> Even in the informal economy, criminal forced or compulsory labour can be much less immediately apparent than other forms of modern slavery. These are businesses that, in many cases, sit on our high streets, providing services that the public sees as part of normal life. In mainstream regulated businesses, the expectations of legitimacy can also belie hidden criminality — criminality in which the business itself may not be complicit but rather a victim of infiltration by a criminal enterprise.

The GLAA refers to four exploiter operating models for modern slavery in forced or compulsory labour:

1. Employer (End User) Model – Victims carry out work for the exploiter or their business as the end user of their labour.
2. Employer (Intermediary) Model – Victims work on behalf of the exploiter or their business, completing work for a third party.
3. Non-Employer Models – Exploiters have no formal link to the victim's employment but control the victim's home and economic matters.
4. Exploitation in Secluded Environments – Exploiters force victims to carry out multiple forms of work for their own personal gain, often in isolated locations and communities.<sup>26</sup>

## 3.3 Where are legitimate businesses at most risk of modern slavery?

Certain types of businesses or parts of a business's operations are particularly vulnerable to the risks of modern slavery through criminal infiltration, whether the intermediary or non-employer model. Most of these have some connection with recruitment processes.

***“The greatest risks of modern slavery and labour exploitation in the UK lie in the recruitment process across various sectors and business activities. The vulnerability and desperation of workers seeking better opportunities creates an environment ripe for exploitation by unscrupulous actors.”***

Partner at Practical Ethics

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<sup>24</sup> Informal economy is defined as “all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements” and excluding illegal activities in International Labour Organisation Recommendation R204 *Transition from the Informal to the Formal Economy Recommendation*, 2015 (No. 204)

<sup>25</sup> Ian Clark, Alan Collins, James Hunter, Richard Pickford, Jack Barratt, Huw Fearnall-Williams, *Persistently non-compliant employment practice in the informal economy: permissive visibility in a multiple regulator setting*, Cambridge Journal of Economics, Volume 47, Issue 3, May 2023, Pages 611–632

<sup>26</sup> GLAA *Quarterly Intelligence Picture Report Q2 2023* based on Joint Slavery and Trafficking Analysis Centre (JSTAC) *UK Labour Exploitation: A Baseline Assessment of the Offending Models in Labour Exploitation in the United Kingdom*, 2018

### 3.3.1 Third-party labour providers

The involvement of a third-party labour provider is one of these recruitment processes that increases risk. This could be to provide ancillary onsite services outside the business's main activity, such as cleaning or security and facilities management, or to provide additional staff to augment regular staff where the business is seasonal or experiences seasonal peaks and troughs. The use of third-party labour providers, and therefore the risk of modern slavery, is found in operations as varied as food production, warehousing, retail, adult social care and construction.

***"[...] the moment you introduce any form of third party into your business to supply labour, you create risk, and you need to make sure that you have the right processes in place to mitigate that risk."***

Head of Ethics & HR Compliance, ABP UK

***"[...] we go through labour agencies, employment agencies in the local areas, and bring people in kind of temporarily for seasonal work as well as they run most of the core work as well.[...] The headcount in our warehouse over the seasonal peak will go from around 80 to anywhere up to 350 people over the six-or-seven-week intense period."***

Head of Risk, The Entertainer

One reason having third-party labour providers creates a greater risk of modern slavery is the reduced visibility over the recruitment of the third-party employed staff by the primary contractor. This reduced visibility is increased the more complex and the more layers there are to a business's value chain.

***"Some of the organisations we work with don't have visibility of which contractors are coming onto site. [...] For example, there are often situations where there are multiple layers of contractors. In one specific example, the person I spoke to [for a worker survey] was seven tiers below the main client. The more diluted the situation is, the less visible things are, and the easier it is to exploit that chain."***

Head of ESG and Compliance and Compliance Officer, Achilles Information Limited

Another aspect of reduced visibility that creates additional vulnerability is that some third-party employed staff are physically unseen by managers or staff of the primary business. This comes about because they are working at times or in locations where other staff are not present, for example, cleaners working overnight or security guards staffing car parks. In other cases, due to the business culture, employees of the host business do not engage with agency staff.

*“The challenge that we’ve got in on-site services is that a lot of people are not seen due to the hours when facilities management staff will be on-site to clean, for instance. People don’t see these people working, and they might also be lone working, so there isn’t somebody watching them and looking out for them. [...] I also know from hearing from victims or survivors that that’s an issue that nobody speaks to them because that’s not always the relationship that some businesses have with their cleaning and services staff that would be on site.”*

Senior Modern Slavery Lead, FM Services Business

### 3.3.2 Overseas recruitment

Recruiting workers from overseas, whether directly or through a third-party agent, also creates an additional risk of modern slavery. With international recruitment, there is a greater physical distance between the UK company that the person is being recruited to work for and the prospective employee and a greater cultural distance in terms of experience and understanding of employment rights and appropriate recruitment practices. This distance creates gaps that can be taken advantage of by unscrupulous and exploitative actors and reduces the transparency of the recruitment process needed to prevent exploitation.

This distance also makes it harder for businesses to have oversight of the recruitment processes, presenting challenges for companies seeking to prevent modern slavery in their workforce.

*“The overseas recruitment part is the part that some businesses find more challenging, and where we’re really focused on the preventative due diligence systems to avoid exploitation happening in the first place. Some businesses feel concerned that if a worker arrives, and they’re already in a situation where they owe a lot of money to an individual in another country where there’s maybe risk of corruption, where there’s maybe not an effective labour enforcement system, then the steps to ensure remediation are more challenging.”*

Co-CEO, Stronger Together

The more countries businesses recruit from, the further they are from the UK and the greater the known risk of exploitation or recruitment fees in those countries, the more these risks for workers recruited to work in the UK are exacerbated.

*“In 2022/23, we saw more than 50 source countries for workers [recruited onto the seasonal worker scheme], which makes it incredibly challenging to conduct thorough due diligence.”*

Tesco

Third-party financial exploitation (e.g. charging fees to facilitate the victim’s obtaining a job or a visa) is not necessarily formal and structured. It can also be individuals, acquaintances or even government officials seeking to make money.

*“People will just try to intervene and defraud their own citizens by saying, ‘Look, I can tell you about this scheme that you can’t find information about anywhere else,’ which is nonsense. [They will say] ‘Just give me, you know, \$500, \$1,000, and I’ll speed things up for you.’ Or ‘I’ll sort your visa paperwork’. But in reality, they cannot do any of that. The scammer is always operating outside of the legitimate recruitment supply chain and doesn’t have contact with Pro-Force nor the visa office.”*

Director of Compliance, Pro-Force

Whilst this financial exploitation alone might not meet the definition of forced labour, it can be part of a wider experience of exploitation amounting to forced labour.

## 3.4 Integration of forced or compulsory labour in the economy presents risks for the whole community

The greatest harm of forced labour is naturally to the individual victims, and this is discussed in Chapter 4. However, the integration of forced labour into the regular economy means there are also significant personal and financial risks to the communities in which this exploitation takes place and the UK as a whole that result from forced labour.

### 3.4.1 People put at risk

Fraudulent qualification certificates are often used to place exploited victims into workplaces, which can mean workers may not have the necessary qualifications, which poses obvious risks.<sup>27</sup> Similarly, if exploited workers are not provided with appropriate health and safety briefings or equipment or if they are exhausted from working excessive hours, then there could be risks to the health and safety of fellow employees, customers and service users.

*“Both the victim themselves and other workers and potentially others nearby or customers and end users of the building are at risk if fraudulent CSCS [Construction Skills Certification Scheme] cards are used by exploiters to place victims into construction sites. If they don’t have the right qualifications, their work might be unsafe.”*

Victim Navigator, Justice and Care

The rise in reports of exploitation of workers in adult social care raises particular concern given the vulnerability of those receiving care and the severity of the consequences if exploited workers are unable to provide the level of care needed.

*“There is a risk of serious consequences if people can’t read English, or are unable to call an ambulance, or if people are handling medications and don’t know how to handle them properly.”*

Community Engagement Officer, Wesley Hall Community Centre

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<sup>27</sup> Independent Anti-Slavery Commissioner, *OPERATION CARDINAS AND BEYOND: Addressing exploitation risk in the construction sector*, April 2022



Even more significant is the risk of vulnerable adults being left without care at the moment any enforcement action is taken, including suspension/revocation of an employer's licence to sponsor visas for migrant care workers. This also creates additional pressure on local councils who have commissioned the care and have statutory responsibilities for care provision. It can even leave family members having to fill a gap in their loved one's care.

***“A lot of people have really complex needs. So, I think those are the people you know where it [the pulling out of care workers following revocation of a sponsor licence] can mean the difference between a life or not a life, or certainly a good quality life or not. Care workers really do provide day-to-day care to let people live their lives independently, and without that, I think some of those people would be in hospital.”***

Partners in Care and Health Programme Adviser, Local Government Association

When forced labour is found in a mainstream business, the response to that exploitation can have a significant impact on other staff members. There can be a risk to managers or other staff members if the criminal groups responsible for the exploitation get to know that a victim has reported something.

***“There was an entire operation set up around the site to make sure that anybody that may have been looking for that person [the suspected victim of forced labour] didn't come into contact with any of our staff. [...] We had that security operation in place for another month following that incident, so that we were protecting the colleagues that were around him and making sure [they were ok] through welfare checks with them and their supervisors, managers and the directors.”***

Senior Modern Slavery Lead, FM Services Business

Staff morale can be impacted if exploitation is discovered. Some staff may question whether they themselves could have done more to identify a problem or help the victim. If the discovery of exploitation comes with any significant media attention, that can be demoralising for staff who have had nothing to do with the exploitation.

Stakeholders told us that although attitudes in some sectors are changing towards working with suppliers to address issues of exploitation and forced labour, ultimately, if identification of exploitation leads to the cancellation of contracts, the business may not be able to survive, leaving other staff without work. Even in situations where all the workers are being exploited, victims can be reluctant to speak up out of concern for the consequences for the business and other workers.

***“We've had victims that don't want to present in the NRM because they don't want to impact anyone's sponsorship. It's not even their own sponsorship, [...] they think, 'I don't want to report something that could be detrimental to the other people that are working there.’”***

Independent Modern Slavery Advocate, West Midlands Anti-Slavery Network

### 3.4.2 Potential economic impact

Forced or compulsory labour can also have an indirect impact on the community. Instead of workers being paid the correct wages, which they use to support themselves and spend any disposable income in local businesses, all the income generated by the endeavours of those exploited workers is concentrated in the hands of the exploiters. Where organised crime groups have links to other countries, that money is often transferred out of the UK. In the largest modern slavery prosecution in the UK to date, Operation Fort, it is reported that the criminals made a profit of £2 million between 2012 and 2017.<sup>28</sup>

***“In the Operation Fort case, the modern slavery was happening in West Bromwich - one of the most deprived areas of the country. But the money being made by the OCG [Organised Crime Group] wasn’t being ploughed back into the local economy; it was being moved out of the area, out of the country.”***

Senior Investigating Officer, Operation Fort, West Midlands Police

It is not just local economies that lose out — in some cases taxes are not being paid correctly or at all, leaving the public purse out of pocket, too. We have estimated that approximately £52.4 million may have been missing from the Exchequer in 2023 in terms of main personal tax and pension contributions for paid employees from the forced or compulsory labour of adults if none is currently being paid (see below for details). Whilst this might seem a small amount in the overall UK economy, it is more than the total budget in 2023/24 of the three main labour enforcement bodies combined (£40.42m) and more than seven times the budget of the GLAA (£7.7m).<sup>29</sup> If these trends continue, over the course of a five year parliament, that would total approximately £341 million by the end of the Parliament.<sup>30</sup>

These calculations assume that no tax is being paid presently for all these victims. Even more disturbing is the possibility that in some cases the government is profiting from the slavery of victims where tax is being paid by the formal employer before the victims’ wages are then siphoned off by perpetrators.

<sup>28</sup> BBC News, *UK slavery network ‘had 400 victims’*, 5 July 2019

<sup>29</sup> Office of the Director of Labour Market Enforcement *Written Evidence to the House of Lords Modern Slavery Act 2015 Committee (MSA0068)*

<sup>30</sup> The National Living Wage is calculated and announced one year in advance. It is uprated on basis of expert advice rather than a set formula, and because of this the hourly rate was increased by more than CPI in 2023 and 2024 in particular. When exploited labour is projected forward [22,500 people] these rates raise nominal terms costings - markedly earlier in time-series. So real term values discounted by CPI and these summed across 5-years are more than 5 times the baseline year’s amount. Essentially, this is because the uprating factors are bigger than the inflation as measured by CPI, perhaps reflecting politicians’ desire to protect the poorest in the cost of living crisis.

## Methodology: Opportunity cost based on main personal tax and pension contributions for forced or compulsory labour victims not being paid employees

To calculate the opportunity cost, we first estimated the number of adult victims of forced labour (using our previous estimate for all modern slavery victims)<sup>a</sup> adjusted according to the proportion of NRM referrals which are for adult victims of labour exploitation (including where combined with other forms of modern slavery):<sup>b</sup> a total estimate of 22,500 victims.

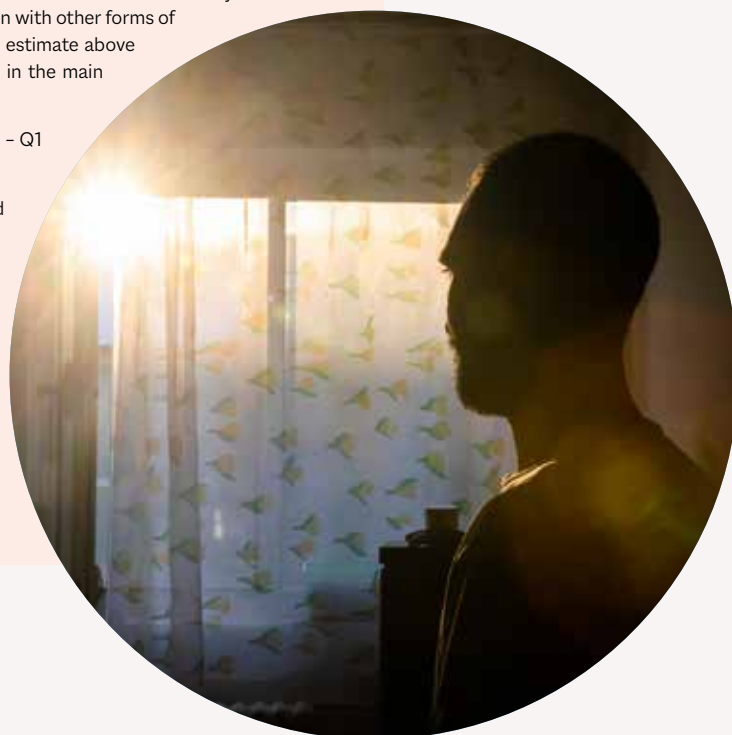
We then calculated the combined income tax, national insurance and employee and employer NICs that would be paid if all victims were being paid at national living wage, assuming:

- a male/female ratio based on NRM data for labour exploitation<sup>c</sup>
- a full-time/part-time ratio of work based on national averages.<sup>d</sup>

Assuming no such tax or contributions are currently being made, that represents a total opportunity cost of £52.4 million.

### Notes

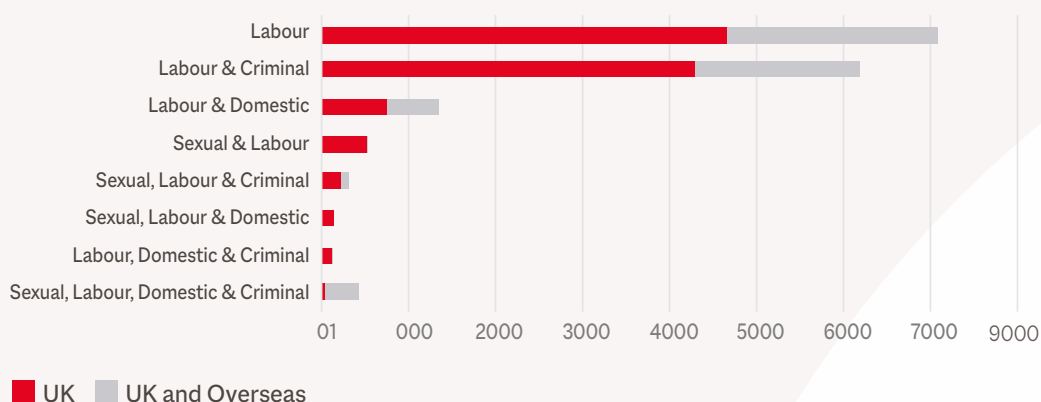
- Our previous estimate of at least 100,000 victims of modern slavery calculated using police data (Centre for Social Justice and Justice and Care, It Still Happens Here, 2020).
- NRM data for Q4 2019 - Q1 2024 shows 41 per cent of victims of UK-based modern slavery are adults, of which 55 per cent are victims of labour exploitation with other forms of modern slavery. Applying these two proportions to the overall estimate above gives the approximately 22,500 victims of this costing stated in the main text.
- 80 per cent male, 20 per cent female (NRM data for Q4 2019 - Q1 2024).
- Using the full/part time ratio for workers in the 16-49 year-old population given MSOICU data analysis shared with us showing most victims of labour exploitation are between the ages of 16 and 49.



### 3.5 Connection with other forms of exploitation

Victims of modern slavery often experience multiple forms of exploitation. According to NRM statistics, criminal exploitation is the most common combination with labour exploitation, but it can also be combined with domestic servitude or sexual exploitation.<sup>31</sup>

#### Other forms of modern slavery commonly combined with labour exploitation, NRM Q4 2019 - Q2 2024



Note: Centre for Social Justice & Justice and Care analysis of Home Office, Modern Slavery Research & Analysis. (2024). National Referral Mechanism and Duty to Notify Statistics, 2014-2024. [data collection]. 13th Edition. UK Data Service. SN: 8910, DOI: <http://doi.org/10.5255/UKDA-SN-8910-13> Note the NRM uses the term “labour exploitation” for the forced or compulsory labour sub-category of modern slavery, not a broader continuum of labour exploitation.

Another common way that victims of forced or compulsory labour are exploited but which is not necessarily identified in the NRM data is a form of identity theft. Exploiters are known to use victims’ identity documents to make applications for welfare benefits or credit cards (for financial gain) and also to open bank accounts (used to launder or move money). Victims will often have no knowledge that these accounts or claims have been set up in their names and no access to the money from them.

The use of benefits and identity theft to increase illegal profits is exemplified by Operation Fort. This case involved the forced labour of at least 92 and possibly over 400 Polish nationals by a Polish Organised Crime Group (OCG) in the West Midlands. Alongside forced labour in farms, factories and warehouses, the OCG had found multiple ways to use the victims’ identities to gain additional financial benefits, including taking out loans, making false insurance claims and applying for benefits.

<sup>31</sup> Although domestic servitude can be considered a form of forced labour or ‘servitude’ under international law and the same part of the Modern Slavery Act, it is recorded separately in NRM statistics, and as such, we have not addressed the specific circumstances of domestic servitude in this report.

A case review notes that “Members of the organised crime group accompanied victims to banks to open one or more accounts. OCG members accompanied victims to job centres, applying for National Insurance numbers on their behalf. Victims did not understand the significance of the numbers nor the need to keep them private. [...] The OCG made fraudulent applications for benefits on behalf of the victims. More than 70 phone calls were made to the Department for Work and Pensions from the same phone number.”<sup>32</sup>

***“The OCG didn’t use a lot of force with victims in Op Fort (although there were some individual stories of nasty threats, abuse and some assaults). They didn’t need to; they could always find more victims. What they did do was get as much out of the victims while they had them, including through the ID fraud.”***

Senior Investigating Officer, Operation Fort, West Midlands Police

For victims, the use of their identities in this way could put them at risk of liability for fraud or unpaid bank loans. They may also have missed out on important benefits that they were entitled to receive, compounding their exploitation, but the impact goes much further. By using victims’ identities to obtain welfare benefits, loans and services fraudulently, exploiters are defrauding the public purse and private businesses of substantial sums of money all to line their own pockets, which increases the financial burden on the general public.



<sup>32</sup> Independent Anti-Slavery Commissioner, *OPERATION FORT What businesses should learn from the UK’s largest anti-slavery prosecution*, June 2020

# 4. Exploiters take advantage of victims' vulnerability and desire to work

Deception, coercion and exploitation of vulnerability are common themes in all forms of modern slavery and are core to the definition of forced and compulsory labour.

## 4.1 Personal situations can make people more vulnerable

Additional vulnerabilities or certain circumstances put people at greater risk of exploitation. This can be either because they are less able to spot the risk factors or their circumstances are such that they are willing to take greater risks. Many of the risk factors for other forms of modern slavery also apply to victims of forced or compulsory labour. However, there are some particularly notable examples.

One such vulnerability is homelessness or insecure housing. Victims can experience many different forms of exploitation. However, homeless charity The Passage told us that in the last five years, the majority of clients supported by their anti-slavery team (54 per cent) had been in forced or compulsory labour. Some people become homeless after escaping a situation of exploitation, but for others, an offer of housing turns into a path to slavery.

***“We hear about a lot of grooming. People say, ‘Come with us. You’re gonna have a job. You’re gonna have a roof over your head. You will have cash in hand.’ Then abuse happens when they arrive.”***

Human Trafficking Policy and Research Manager, The Passage

Interestingly, The Passage’s data shows that this is not only a risk for people who are sleeping rough but rather that a much broader range of insecure housing situations, such as living in hostels or sofa surfing, create that vulnerability to an offer of accommodation and a job.

## Case study - Mark's story

Mark\* had been homeless for three years, living out of his car, and couldn't bear the thought of another winter. Mark was offered rental accommodation at a caravan by a person he had known for years, whom he believed to be a friend.

Mark accepted, but once moved, he quickly discovered his living situation was not as promised. Instead of simply paying rent for the caravan, he was forced into arduous work. The exploiters lived on the caravan site, compelled Mark to work gruelling jobs, including cutting and clearing, digging trenches, and cleaning sewage systems. Despite the long hours and backbreaking work, he was paid a mere £10 per day.

The work conditions were harsh and relentless. Mark had no protective gear or training and was often exhausted. Mark sustained a significant injury to his back and knee whilst working. Mark begged to see a doctor. However his exploiters refused, and Mark's situation got worse as he endured chronic pain every day.

Mark often went two days without eating, and the contaminated tap water available at the site made him ill. Despite these conditions, Mark had no choice but to drink the water and continue working, driven by the threats and coercion of the offenders. Exploiters controlled every aspect of his life, they monitored his movements and even took his benefit payments. They withheld his mail and monitored his phone, further isolating him from any potential support. They manipulated and isolated Mark, spreading rumours to make other residents mistrust him and each other.

Mark was under constant surveillance. The offenders would accompany him whenever he left the site, ensuring he couldn't seek help or escape. The psychological abuse was relentless, with the offenders yelling at him, threatening him and trying to make him seem crazy to others.

Mark left as he feared he would not be able to complete the workload with the chronic pain from his untreated injury. He used an opportunity when the exploiters were preoccupied to leave the site and drive far away. Mark sought medical help for his injury, where NHS workers identified signs of modern slavery and referred him to local authority, police and support services.

Following his exploitation, Mark has severe physical and psychological trauma. He suffers from chronic pain and mobility issues, and the psychological scars are evident in his difficulty focusing and his fear and mistrust. He remains scared of retaliation from his exploiters, who have proven themselves capable of violence.

Case study shared by West Midlands Anti-Slavery Network

\*Name changed



Learning disabilities, mental health issues and alcohol or substance misuse can also make people vulnerable to being deceived into modern slavery and powerless in the face of the control and manipulation of their exploiters.

***“Victims can be really vulnerable if they have addictions and they are being paid by the exploiter providing them with the alcohol or drug. I had one case of a male victim with alcohol addiction who was being paid with bottles of vodka. He was being exploited, but it was feeding his addiction. This is not good for the victim, but they can sometimes see that as a benefit, so might not want to seek help.”***

Victim Navigator, Justice and Care

***“All the victims in one case [of forced or compulsory labour] were particularly vulnerable, some more so than others. Their mental health was an issue. It was an issue at the time that they were recruited, and then it increased as a result of the exploitation. [...] If I remember correctly, at least two out of the four [victims] had alcohol dependencies as well, prior to being exploited.”***

Police Officer, Greater Manchester Police

Victims who have had little education can be easily deceived and manipulated by exploiters who may offer to help them fill in forms or with other administrative tasks. Education is not necessarily a protection against exploitation, however, as some victims are highly educated with university degrees.

Some vulnerabilities can impact victims of all nationalities, including British victims. But for some victims, their nationality and immigration status present additional risks. Seventy-seven per cent of all those referred to the NRM for labour exploitation (including with other forms of modern slavery) in the UK in the last four years were not British or dual British nationals.<sup>33</sup> Limited English language skills can create an additional barrier to people understanding information given to them, whether about contracts and employment terms, visas, health and safety or any letters they might receive about bank accounts or benefits that have been taken out in their name. It can also make people more susceptible to unscrupulous offers of ‘help’ that turn out to be exploitative.

***“One of the reasons [for the exploitation] that we’re coming across is language barriers; some people have a limited understanding of the contract that they’ve been given. And perhaps there are caveats in the contract, which might otherwise be flagged as not being legal or professional, but they’re missing these because they haven’t got people around to help them understand the contract they’re signing.”***

Research and Campaigns Coordinator, Citizens Advice Gateshead

Irrespective of language barriers, having little knowledge of what your employment rights are in the UK in terms of contracts, working hours, minimum wage, receiving a payslip and so on means

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<sup>33</sup> Centre for Social Justice & Justice and Care analysis of Home Office, Modern Slavery Research & Analysis. (2024). National Referral Mechanism and Duty to Notify Statistics, 2014-2024. [data collection]. 13th Edition. UK Data Service. SN: 8910, DOI: <http://doi.org/10.5255/UKDA-SN-8910-13> Calculated by deducting all those referred whose listed nationality contained “UK” from the total people referred.



victims may not be aware that the conditions, fees or wages they are being offered do not comply with the law.

***“When I moved here, I didn’t know anything about the laws. I didn’t know anything about how things work out. So, I was stuck in a very bad situation, and I couldn’t find any help for myself.”***

Equiano Participant, Jericho Foundation

Cultural expectations around employment processes, such as the necessity of contracts or job fees, can also mean victims do not see the absence of a contract or the requirement to pay fees to obtain a job as warning signs of exploitation.

“From our experience of working with a lot of Romanians, they seem to be used to working without contracts, so as a consequence, they are easy targets [for exploiters], whereas a lot of British nationals wouldn’t work without a contract.”

Head of UK Counter Trafficking Operations, Justice and Care

Visas which involve restrictions such as being tied to a particular sponsoring employer or not having recourse to public funds can make it difficult for people to leave exploitative situations and make them vulnerable to being pulled into exploitative illegal work to supplement their income.

***“We’re finding this increasing in the care industry, where people are being offered care jobs and sponsorship. They pay a lot of money to come over. They get here, then because it’s done via sponsorship visa, they’re not allowed access to any public funds, but they’re not getting the work that’s required. And they are limited on how many hours they can work elsewhere away from their sponsor. So what’s actually happening is that they’re paying a lot of money to come here to work and then being exploited in all sorts of areas.”***

Centre Director, Oasis Community Centre, Gorton

More generally, exploiters use victims’ insecure immigration status, whatever the circumstances, to coerce and control their victims. They threaten victims with deportation and prosecution for illegal working by the authorities if they were to seek help and report their exploitation.

***“[...] Someone who’s come through irregular means, and then a friend of a friend has referred them to this job. [...] At the start, they’ll be like, ‘Oh, you just need to do this, and you just need to do that’. And then, when they actually start asking for money, that’s when potentially, the threats come, and the violence comes.”***

Service Manager, Modern Slavery Response Team, Hestia

This method of control is common in all forms of modern slavery, but the rules on illegal working give those threats more weight in the case of victims of forced or compulsory labour. The limited capacity of the UK’s labour enforcement agencies (see Chapter 5) and an increased immigration enforcement effort add to this sense of risk.<sup>34</sup>

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<sup>34</sup> Home Office News story: *Immigration enforcement surge since pledge to tackle illegal working*, 23 January 2023

*“In practice, immigration enforcement is often used as a labour market enforcement tool, but that makes victims of labour exploitation afraid to engage or come forward because they are worried about their immigration status or losing their visa.”*

Head of Policy, Focus on Labour Exploitation

In 2023, 63 per cent of forced or compulsory labour victims referred to the NRM for exploitation here in the UK were from countries that require a visa to enter or transit the country.<sup>35</sup> This highlights the large proportion of victims who are vulnerable to control by exploiters because of their immigration status, whether they are dependent on their employer for their visa or have arrived or remained in the UK without the correct permission.

Some victims are recruited in their home country and brought to the UK for the purpose of exploitation (the definition of “human trafficking”) - sometimes through visa schemes, sometimes smuggled into the UK or in the case of EU nationals by taking advantage of freedom of movement prior to Brexit and EU settled status and visa-free entry since. Others are exploited after they arrive in the UK, whether illegally or on a visa with limited access to work or benefits.

*“If there is any overlap of OIC [Organised Immigration Crime] and modern slavery, I’d say it’s predominantly within labour exploitation. You’re smuggled in, you come here, you’re here illegally. And we don’t see so many ending up in brothels, but absolutely see them ending up in labour exploitation.”*

Police Officer, Metropolitan Police

## 4.2 Vulnerable because of a desire and need to work

Central to what makes deception and coercion possible is the desire of victims to work and their need to earn money to meet the basic needs of food, shelter and medicine for themselves and their families. Often, victims are in situations of great poverty or face specific crises, such as illness in the family. Some have limited other opportunities to earn money (whether in the UK or another country). Sometimes, victims simply hope to earn more in the UK on a recognised visa route than they could at home, even though these jobs are relatively low paid by UK standards. Although these needs can make people vulnerable to other forms of modern slavery, the fact that forced or compulsory labour occurs in the context of regular work can make it harder for victims to spot the risks of exploitation before it occurs or to recognise that what they are experiencing is modern slavery.

*“What we’re seeing increasingly is individuals that have applied for jobs that have even been advertised on quite well-known platforms and then been exploited within those.”*

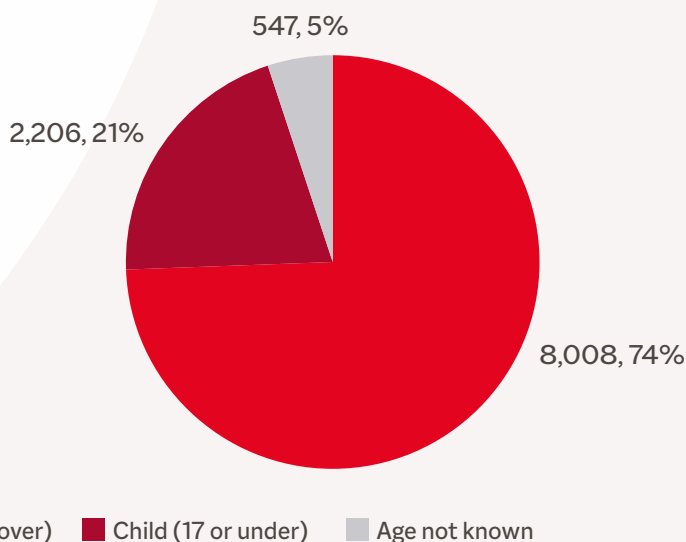
Senior Manager, Women and Modern Slavery Projects, Jericho Foundation

<sup>35</sup> Centre for Social Justice & Justice and Care analysis of Home Office, Modern Slavery Research & Analysis. (2024). National Referral Mechanism and Duty to Notify Statistics, 2014-2024. [data collection]. 13th Edition. UK Data Service. SN: 8910, DOI: <http://doi.org/10.5255/UKDA-SN-8910-13> Analysis based on potential victims referred for labour exploitation only or with other forms of modern slavery and excluding dual nationals.

This manipulation of the need to work and the “hidden in plain sight” nature of forced labour in the regular economy may be one of the reasons that the majority of victims of this type of exploitation are not only adults but adults between the ages of 25 and 54.

NRM statistics show that between Q4 2019 and Q2 2024, adults made up 74 per cent (8,008 individuals) of the potential victims referred for labour exploitation (alone or combined with other forms of modern slavery in the UK). The same is true for those whose exploitation had taken place in the UK and overseas, giving a combined total of 12,025, which is also 74 per cent of all labour exploitation victims.

### Age of potential victims referred to the NRM for labour exploitation (including with other forms of modern slavery) in the UK, Q4 2019 - Q2 2024

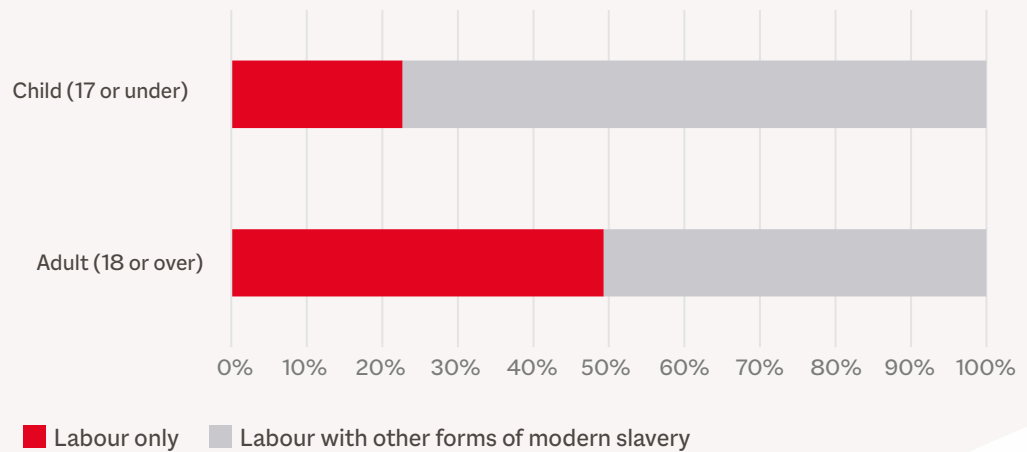


Note: Centre for Social Justice & Justice and Care analysis of Home Office, Modern Slavery Research & Analysis. (2024). National Referral Mechanism and Duty to Notify Statistics, 2014-2024. [data collection]. 13th Edition. UK Data Service. SN: 8910, DOI: <http://doi.org/10.5255/UKDA-SN-8910-13>. Note in NRM statistics the term “labour exploitation” is used to describe a sub-category of modern slavery, which is ‘slavery, servitude or forced or compulsory labour’.

Similarly, the majority of victims recorded in the Police National Database in live investigations in March 2024 were adults (84 per cent), with the highest proportion of victims in the age brackets 25 - 34 years and 35 - 49 years. Justice and Care only provides support to adults, but our own data also reveals that the highest proportion of our survivors reporting primarily forced or compulsory labour are also in the 25-34 years (30 per cent) and 35-44 years (24 per cent) brackets (followed by the 45-54 years age group).

Adult victims are also easier for exploiters to hide in plain sight in the UK in a way that child labour would not, which is likely to be behind the predominance of adult victims. Nonetheless, both the NRM and PND data show a notable 20 per cent of labour exploitation potential victims were children when they were exploited. The NRM data suggests that for children, labour exploitation is most commonly part of a broader experience of modern slavery, with just 23 per cent exploited only for labour, whereas for adults, labour exploitation alone is more common.

**Labour exploitation combined with other types of modern slavery  
(NRM Q4 2019 - Q2 2024)**



Note: Centre for Social Justice & Justice and Care analysis of Home Office, Modern Slavery Research & Analysis. (2024). National Referral Mechanism and Duty to Notify Statistics, 2014-2024. [data collection]. 13th Edition. UK Data Service. SN: 8910, DOI: <http://doi.org/10.5255/UKDA-SN-8910-13> Note in NRM statistics the term “labour exploitation” is used to describe a sub-category of modern slavery, which is ‘slavery, servitude or forced or compulsory labour’.

This desire to work, especially when that work is dependent on a sponsored visa, can keep victims in situations of exploitation afraid to report what has happened.

***“I met with a survivor from the care sector exploitation yesterday, and she was advising the main form of control for her was how the exploiter would continuously state that if she complained or reported the abuse, she would never be employed again and also how the authorities would not believe her.”***

Development Specialist, Modern Slavery and Organised Immigration Crime Unit

Desire to work and to earn money, perhaps more than they could earn in their home country, can be what makes foreign national victims vulnerable to exploitation through legal as well as irregular immigration routes. This is often combined with expectations from the victim’s family that they will send home money to support their family.

***“Often, the victim is in a catch-22 situation. They are in an exploitative environment, and they know they are being exploited, but they also need the financial remuneration, however little it is, because they are supporting someone at home or they need to support them themselves. [...] There can be cultural differences and pressures too, with expectations and pressure to keep working because of family back home.”***

Victim Navigators, Justice and Care

## 4.3 The harm of forced or compulsory labour

The most obvious impact on victims is the loss of earnings. Victims may be paid low or no wages, or their wages may be taken from them by their exploiters, perhaps in the guise of “safekeeping” or as extortionate repayment of illegal fees, accommodation and food or travel costs. In a recent case involving victims forced to work at a McDonald’s, it is reported that the wages of at least four victims were being paid into one account controlled by the gang, a total of £215,000.<sup>36</sup> One victim of the same crime gang, said, “If I earned £300, I would get £15 plus tobacco. If I earned £400 or more, I would get £20 and tobacco.”<sup>37</sup>

Even in cases of labour exploitation, which may not reach the extent of modern slavery, limited wages can impact victims’ ability to create a safe living environment for themselves and their families.

“If you’re working in a garment factory and not receiving National Wage, and you’re just earning 50% of it, you’re not able to afford to pay that much rent here. So what people are doing is they’re joining families together. So, there could be more than three families that are living in the same house. And how they alter is that some people would do night shifts, and some people would work during the day. And that’s how they shared the bedrooms and everything, which is not healthy for the children as well.” Community Engagement Lead, Labour Behind the Labour

Modern slavery is known to have a highly damaging impact on victims’ physical and mental health. A rapid evidence assessment for Public Health England in 2017 noted that research indicates some health consequences are particularly associated with certain types of modern slavery, “For example, physically demanding forced labour combined with long working hours (for example, domestic, agriculture, manufacturing) results in high incidence of physical injury.”<sup>38</sup> Injury as a result of the forced labour may be what brings a victim’s exploitation to an end if they are identified during medical treatment or abandoned by their exploiter.

***“We do quite often see people who have had injuries related to the exploitation. Maybe the way that they came out of exploitation was because they were injured and they were no longer able to work, so they were not that useful anymore to the exploiter.”***

Research and Participation Manager, Causeway

Poor living conditions, insufficient food and/or clothing and inadequate protective equipment can all contribute to physical harm. For example, we have heard of cases where victims were housed in sheds with no heating and inadequate bedding. Victims working in car washes are often not provided with gloves or goggles to protect them from cleaning chemicals. Victims who escape their exploitation and end up sleeping rough can experience physical and psychological damage as a result.

<sup>36</sup> William McLennan, Phil Shepka and Jon Ironmonger, *McDonald’s and supermarkets failed to spot slavery*, BBC News 30 September 2024

<sup>37</sup> Stewart Carr, *Czech smuggling gang kept a migrant in an unheated garage without a roof and made victims cycle 12 miles at 4am to work at a bakery, court told* Daily Mail, 13 February 2024

<sup>38</sup> Elizabeth Such, Claire Laurent & Sarah Salway, *Modern slavery and public health* Public Health England, December 2017

Not all victims of forced or compulsory labour endure physical violence or physical harm from the work they are coerced into. However, many victims experience psychological harm. Pavel, who was forced to work 70-100 hours a day at a McDonald's restaurant in a recent high profile case told the BBC "You can't undo the damage to my mental health, it will always live with me".<sup>39</sup> Victims whom Justice and Care has supported have spoken of having nightmares due to fear of their exploiters, feeling isolated and lonely and unable to trust others after having had their trust so brutally abused. Some victims, especially, we have been told, men, feel a sense of shame at having been duped and taken advantage of or that they have failed family members who were depending on them to send money home. This sense of shame and failure can damage victims' confidence and mental health, as can being unable to work anymore.

***"...that is where we can see a more pronounced mental health impact directly related to work, where people kind of lost that key part of their identity. Firstly, the desire to work was exploited, so they lose the trust, they lose some confidence, but also then exiting that situation without the capacity to work."***

Research and Participation Manager, Causeway



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<sup>39</sup> William McLennan, Phil Shepka and Jon Ironmonger, McDonald's and supermarkets failed to spot slavery, BBC News 30 September 2024

# 5. Weaknesses in UK labour market and immigration system are being exploited

It is not only victims' vulnerabilities that exploiters take advantage of, they also capitalise on weaknesses in our labour market and immigration systems.

## 5.1 Large informal economy and low risk of labour market enforcement

The UK has a sizeable informal economy. In 2016, it was estimated that in the UK, employers using non-compliant labour practices generate 10-12 per cent of GDP.<sup>40</sup> The fact that such a sizeable amount of business can be done without complying with employment rules highlights the weaknesses in our labour market and inadequate enforcement of employment law. Researchers mapping hand car washes as an example of the informal sector have concluded, "Non-compliant employment practice in the UK is increasingly pervasive across the informal economy, with some sectors sliding more appropriately into the category labels where endemic wage underpayment and elements of coercion associated with the spectrum of modern slavery appear embedded. Most observers would argue that this situation, termed permissive visibility, warrants greater regulatory intervention and enforcement"<sup>41</sup>

In relation to hand car washes specifically, researchers have reported that "more than 90 per cent of hand car washes are likely to be employing workers illegally, without proper pay, records, PPE or first aid measures" which can all be indicators of forced or compulsory labour.<sup>42</sup> Research coordinated by Nottingham Trent University has estimated there are 5,000 hand car washes in the UK, so at a rate of 90 per cent there could be 4,500 or more hand car washes that have a high risk for forced or compulsory labour.<sup>43</sup>



<sup>40</sup> Colin C. Williams & Friedrich Schneider, *Measuring the global shadow economy: The prevalence of informal work and labour* 2016 cited in James Hunter, Ian Clark, Rich Pickford, Jack Barratt & Nidhi Sharma *Non-compliance, informal working and the Covid-19 pandemic: Implications for modern slavery in the UK*, July 2022

<sup>41</sup> Ian Clark, Alan Collins, James Hunter, Richard Pickford, Jack Barratt, Huw Fearnall-Williams, *Persistently non-compliant employment practice in the informal economy: permissive visibility in a multiple regulator setting*, Cambridge Journal of Economics, Volume 47, Issue 3, May 2023, Pages 611-632,

<sup>42</sup> Nottingham Trent University, *New research reveals hand car wash sector is awash with exploitation* May 2024

<sup>43</sup> Teresa Sayers, Nidhi Sharma, Jack Barratt, Rich Pickford and Ian Clark, *Car Wash Code of Practice Project Summary: Home Office Modern Slavery Prevention Fund*, Nottingham Trent University, Home Office, Responsible Car Wash Scheme, October 2022

## Case study - Daniel's story

Father-of-one Daniel\* came to the UK to make money for his family back in Romania. When a man in London offered him a job at a car wash, he was keen to take the opportunity as the man promised he would make 'good money'.

However, a nightmarish reality emerged when Daniel started working at the car wash in south-east England; exploiters stole his wages, took his ID documents from him and forced him to live in poor conditions in a container at the car wash. Daniel lived off food that locals in his village would give him and would shower at their houses as he didn't have any running water indoors and had little money to buy food.

Describing how the traffickers used fear to control him, Daniel said: "These people are very dangerous and they are on my back 24 hours so I couldn't go anywhere... These people have contacts and I was scared they would send somebody to my country to do something to my family. I don't want to lose my family for nothing."

The exploiters also used drugs to try and entrap and control Daniel further. Daniel explains: "It's a hard job in the car wash, and they said to me 'If you want to work quick, if you want to not feel when you're hungry, if you want to not feel when you are tired, take this stuff'. He started to give me cocaine, I didn't want to take cocaine but these people made me take it."

After being trapped in exploitation for a year, Daniel came up with a plan to escape. He deliberately damaged the car wash he was living in, knowing that the police would come to investigate the matter. He was initially arrested for criminal damage, before officers realised that there were signs of modern slavery in the case.

Police alerted Justice and Care and one of the anti-slavery charity's Victim Navigators provided Daniel with specialist support. Daniel wanted to return to Romania to be reunited with his family, so Justice and Care arranged for his safe return home. Unfortunately, no action was taken against his exploiters

In 2018, the Interim DLME concluded that "The endemic issues of non-compliance in this sector and the risk of severe exploitation can only be more fully addressed through a mandatory national licensing scheme."<sup>44</sup> A pilot voluntary code of practice and accreditation scheme, the Responsible Car Wash Scheme (RCWS), was launched in 2018 to promote compliance and raise standards. However, it relies on operators providing evidence that they are compliant. Researchers have highlighted continued non-compliance and the failure of a voluntary accreditation and code of practice scheme alone to address the widespread non-compliance across the whole of the sector and called for a licensing model to be introduced to prevent businesses that do not adhere to the RCWS code of practice from setting up.<sup>45</sup>

<sup>44</sup> HM Government, *United Kingdom Labour Market Enforcement Annual Report 2018/19, 2020*

<sup>45</sup> Teresa Sayers, Nidhi Sharma, Jack Barratt, Rich Pickford and Ian Clark, *Car Wash Code of Practice Project Summary: Home Office Modern Slavery Prevention Fund*, Nottingham Trent University, Home Office, Responsible Car Wash Scheme, October 2022



## Recommendation 1

The Department for Business and Trade should establish a mandatory licensing regime for hand car washes. Responsibility for monitoring and inspecting compliance with these licences should sit with the new Fair Work Agency.

## Recommendation 2

The Director of Labour Market Enforcement should conduct a review of other informal sectors that are high risk for modern slavery and non-compliance with employment law to consider their suitability for a further licensing regime.

The International Labour Organisation recommends that for industrial market economies like the UK, there should be one labour inspector per 10,000 workers.<sup>46</sup> The Director of Labour Market Enforcement has noted that whilst a generalised ratio could be seen as an oversimplification of how labour enforcement is conducted across an economy, “The UK operates well below this benchmark at around one inspector per 20,000 workers.”<sup>47</sup> Not only does the UK fall below the ILO benchmark, but we have fewer inspectors per 10,000 workers than many comparable OECD countries, ranking 27th out of 32.<sup>48</sup> The Independent Anti-Slavery Commissioner has noted, “Compliance declines when inspections decrease, leaving workers to report abuse. Workers, notably those with insecure immigration status, rarely speak out, fearing risk of destitution and detention.”<sup>49</sup>

Representatives of the GLAA told the House of Lords in March 2024 that at present, they have 21 inspectors carrying out compliance inspections for the 520,000 workers in the sectors licensed by the GLAA, and “If we maintain all that activity to the max, we could probably cover about 25% of licence holders per year.” The Committee was told a staffing level in accordance with the ILO benchmark would be 52 inspectors.<sup>50</sup>

In 2019, the CSJ highlighted the need for greater enforcement of illegal labour practices to tackle exploitation and recommended an increased budget for more Labour Abuse Prevention Officers and for the Employment Agency Standards Inspectorate (EAS).<sup>51</sup> As the GLAA Chief Executive told us, in terms of increasing its capacity, “You’re not talking 100, 200, 300 staff. You’re talking about an extra 35 officers or thereabouts. It’s not a huge amount, and that would give you much greater control in the regulated sectors.”

Although the GLAA has specific responsibility for investigating forced labour reports to prevent the broader non-compliance that allows forced labour to develop, the other agencies involved in enforcing standards would also need more officers (i.e. the HMRC National Minimum Wage team

<sup>46</sup> International Labour Organisation, *International Labour Conference International Labour Conference 95th Session, 2006 Report III (Part 1B) Labour Inspection*, 2006

<sup>47</sup> HM Government, *Labour Market Enforcement Strategy 2023/24*, October 2023

<sup>48</sup> Resolution Foundation, *Enforce for good* April 2023

<sup>49</sup> Independent Anti-Slavery Commissioner, *Preventing Labour Exploitation: Tackling Modern Slavery is Everyone’s Business*, July 2024

<sup>50</sup> House of Lords, *Modern Slavery Act 2015 Committee Corrected oral evidence: Modern Slavery Act 2015 Monday 4 March 2024*, March 2024

<sup>51</sup> Centre for Social Justice, *Prioritising Growth: The Future of Immigration Policy*, August 2019

and the EAS). Given the ODLME’s account that we have half the number of inspectors than the ILO benchmark, we calculate that an additional 450 inspectors across the three agencies would be required to bring this to the ILO level, which we calculate would cost an estimated £18.8 million per year based on employment costs for GLAA investigators.

### How many more labour inspectors are needed, and how much would that cost?

Current approximate number of inspectors<sup>52</sup>

GLAA	21 <sup>53</sup>
EAS	27 <sup>54</sup>
HMRC NMW Team	400 <sup>55</sup>
<b>ESTIMATED TOTAL</b>	<b>448</b>

Given the current number is thought to be half the ILO benchmark of 1:10,000, the total number needed to reach that level would be approximately double the current number of inspectors, i.e. approximately a further 450 inspectors.

450 inspectors at an average annual salary of £33,500, based on approximate GLAA staffing bands<sup>56</sup> plus 25% to cover non-staffing costs (although there should be some economies of scale), would equate to approximately £ 18.8 million in additional cost.

The weaknesses in labour market enforcement are not simply a result of a limited number of inspectors but also the complexity of the system to enforce employment standards in which responsibility is shared between a number of different agencies. There are three state enforcement agencies under the remit of the Director of Labour Market Enforcement (DLME): the Gangmasters and Labour Abuse Authority, HM Revenue and Customs and the Employment Agency Standards Inspectorate. Additionally, the Health and Safety Executive has a specific role, as do the Pensions Regulator, the Equality and Human Rights Commission and regulators in specific sectors, such as the Care Quality Commission.

<sup>52</sup> In evidence to the House of Lords, the ODLME provided details of staffing levels for all these agencies at higher levels than indicated here. However, these include all staff, not just those involved in inspections. The difference is most apparent with the GLAA which is listed as having 121 full time equivalent posts, yet GLAA evidence to the committee reported just 21 inspectors.

<sup>53</sup> House of Lords, Modern Slavery Act 2015 Committee *Corrected oral evidence: Modern Slavery Act 2015* Monday 4 March 2024, March 2024

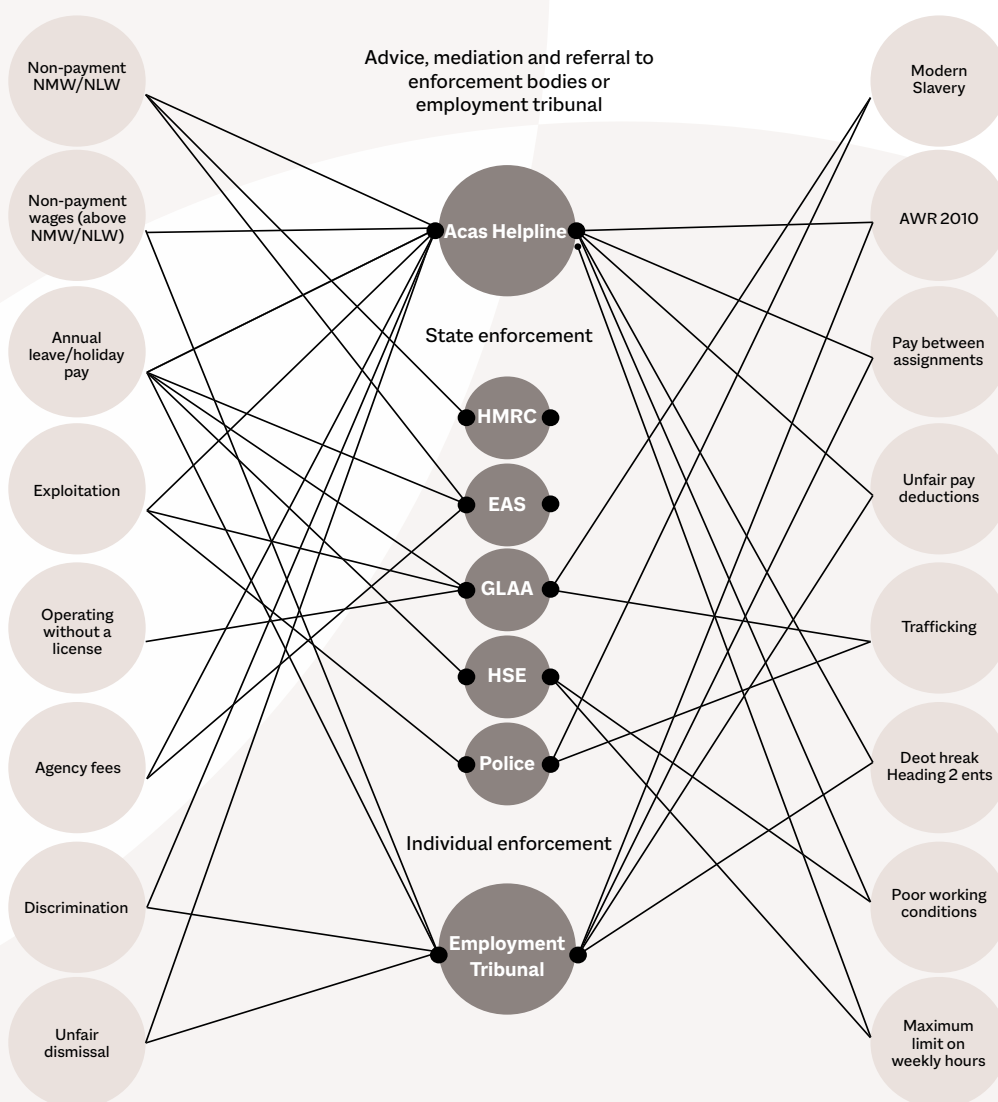
<sup>54</sup> In September 2022, the EAS had 27.4 Full Time Equivalent posts involved in front-line inspections, *Answer to written parliamentary question number 45828* answered on 21 September 2022

<sup>55</sup> In oral evidence to the House of Lords Modern Slavery Act 2015 Committee, Mike Warren, Director of Labour Markets, Department for Business and Trade referred to “400 or so” inspectors in the HMRC NMW team, House of Lords Modern Slavery Act 2015 Committee *Corrected oral evidence: The Modern Slavery Act 2015* Monday 29 April 2024

<sup>56</sup> We understand GLAA inspectors are band 3. The salary range for band 3 in 2023/24 was £30,500 to £36,500. According to FOI Ref: FOI 23-24 24 response issued: 12 December 2023

The Police and National Crime Agency have responsibility for criminal investigations, and parts of the Home Office (primarily UKVI and Immigration Enforcement) have responsibility for enforcing immigration rules related to sponsorship or illegal employment of foreign national workers. Beyond these state agencies, there are non-government organisations, such as ACAS, which play a vital role in providing information to workers and also have a formalised function if individuals want to bring a claim against their employer.

This diagram from the ODLME highlights the complexity:



Source: HM Government, United Kingdom Labour Market Enforcement Strategy 2018/19

In evidence to a House of Lords Committee inquiry, the Director of Labour Market Enforcement Margaret Beels, highlighted efforts taken by the three agencies under her oversight to improve their performance and a greater focus on joint working through strategic collaboration and communication. However, she also noted that “Awareness of the three enforcement bodies

remains low with workers not knowing who to approach if they have a problem and a lack of clarity around the respective remits of the enforcement bodies,” highlighting her longstanding concern about “the existence of enforcement gaps that may be exploited by unscrupulous employers, sometimes with little to fear by way of sanctions or penalties.”<sup>57</sup>

Five years ago, the then government consulted on a proposed new agency, a “Single Enforcement Body” and confirmed in its 2021 response that it would establish a body to bring together the existing labour market enforcement bodies “to deliver more effective enforcement of employment rights for vulnerable workers”.<sup>58</sup> Plans to establish the body were paused in 2022, but in July 2024, “a new single enforcement body, also known as a Fair Work Agency, to strengthen enforcement of workplace rights” was part of plans for an Employment Rights Bill announced in the King’s Speech July 2024.<sup>59</sup> As yet, the remit and powers of this new Fair Work Agency are unknown, but a more joined-up approach to labour market enforcement would reduce the complexity which makes it hard for workers to make complaints and allows unscrupulous employers to slip through the gaps, perpetuating poor employment practices and ultimately enabling modern slavery. The new Fair Work Agency must have the right design, powers and resources.

***“What you’ve got to do if you create a single enforcement body is make sure that it gives you something that’s greater than the sum of its parts. There’s [already] lots of joint operational working; there’s some strategic joined-up thinking, particularly for EAS, NMW and GLAA. So you’ve got to be really clear that what you’re doing is delivering something that delivers an improvement, and that has to be about investment.”***

Chief Executive, Gangmasters and Labour Abuse Authority

Of the three agencies expected to be combined into the Fair Work Agency, the GLAA, has a specific focus, powers and expertise on modern slavery. This includes a partnership with Justice and Care since 2022, providing a specialist Victim Navigator support worker within the GLAA to offer advice and support to modern slavery victims, which has resulted in “some positive outcomes that we would not have achieved had we not had that person in place”,<sup>60</sup> according to the GLAA Chief Executive. It will be important that the GLAA’s specialist focus, expertise and powers are not lost or diluted among the important tasks of the new agency in order to enforce employment standards more broadly.

The Citizens Advice Bureau has suggested that funding for the Fair Work Agency could be met through a levy on business in the same way that the Money and Pension Service is funded and similar to the Economic Crime Levy, which is used to fund enforcement of anti-money laundering regulations.<sup>61</sup> They calculate that the current combined budget for the three teams expected to compose the Fair Work Agency of £35.1 million could be covered by a levy of just £3.25 per employee

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<sup>57</sup> Office of the Director of Labour Market Enforcement *Written evidence to the House of Lords Modern Slavery Act 2015 Committee (MSA0068)*, March 2024

<sup>58</sup> Department for Business, Energy & Industrial Strategy, *Establishing a new single enforcement body for employment rights Government response*, June 2021

<sup>59</sup> Prime Minister’s Office, *The King’s Speech 2024, Background briefing notes July 2024*

<sup>60</sup> House of Lords, *Modern Slavery Act 2015 Committee Corrected oral evidence: Modern Slavery Act 2015 Monday 4 March 2024*, March 2024

<sup>61</sup> HM Revenue & Customs, *Prepare for the Economic Crime Levy* Gov.uk

on businesses with more than 250 employees.<sup>62</sup> Given the pressure on public finances, this is an attractive proposal worthy of consideration.



### Recommendation 3

To prevent forced and compulsory labour and the conditions that allow it to flourish and to strengthen the response to it, the proposed Fair Work Agency must:

- Have resources, capacity and a strategy to conduct more inspections and enforcement action, both proactive and reactive, at all levels along the labour exploitation continuum. This should include capacity for financial investigation and an uplift in the number of labour inspectors to reach ILO recommended levels.
- Retain the GLAA's specific expertise, powers and focus on modern slavery as part of its core mission.
- Take a victim-centred approach, including:
  - easily accessible and widely advertised information and reporting channels (in multiple languages or with interpretation services)
  - responsibility for action on labour abuse and modern slavery, without statutory duties connected to immigration enforcement (this separation of powers should be clear in worker information)
  - signposting to support with accessing alternative employment
  - continued specialist independent support for modern slavery victims through a team of embedded Victim Navigators (with funding from the FWA budget as per the current GLAA model).
- Have powers to issue penalties and engage with employers to remedy breaches across all sectors of the economy, including retaining the powers of the Employment Agency Standards Inspectorate and the HMRC NMW team to recover unpaid wages or money owed to temporary workers and unlawful fees charged to workers.

### Recommendation 4

The Treasury and Department of Business and Trade should create a Fair Work levy in legislation (similar to the Economic Crime levy) applying to the same companies falling within Section 54 of the Modern Slavery Act. The levy should be used to increase funding for the Fair Work Agency, including an additional £18.8 million to fund an increase in labour inspectors and further income to fund other investigative resources for the GLAA, EAS and HMRC NMW team initially and the Fair Work Agency once established.<sup>63</sup>

<sup>62</sup> Citizens Advice Bureau, *From rights to reality Designing a Fair Work Agency that delivers for the most vulnerable workers*, July 2024

<sup>63</sup> See earlier calculations. The CAB calculated a levy of £3.25 per employee on large businesses could raise over £35 million so the levy could be used to fund further additional staff resources on top of more inspectors as well as contributing towards some of the existing costs.

## 5.2 Failures of the immigration system to protect against exploitation

Exploiters use victims' immigration status as a tool to coerce and control their victims, as we have discussed above. This becomes particularly concerning when exploiters use the immigration system itself to facilitate modern slavery. Internationally it is widely acknowledged that migrant workers whose visas are tied to a single employer are at risk of exploitation, "In these cases, the dependence of migrants on employers for their legal visa status places tremendous power in the hands of employers."<sup>64</sup>

A shortage of workers in specific sectors where it has been hard to recruit staff because of persistent low pay and difficult conditions has led to extensive overseas recruitment with all the associated exploitation risks from reduced visibility and oversight discussed in Chapter 3. Combined with a lack of adequate safeguards, this creates an environment that is taken advantage of by criminals who see a way to make a profit for themselves by exploiting vulnerable workers keen to take up the opportunities of work in the UK. This presents a risk that the UK Government is complicit in modern slavery if our immigration processes are not sufficiently robust.

In its election manifesto, the Labour Party stated, "We will reform the points-based immigration system so that it is fair and properly managed, with appropriate restrictions on visas, and by linking immigration and skills policy. Labour will not tolerate employers or recruitment agencies abusing the visa system. And we will not stand for breaches of employment law. Employers who flout the rules will be barred from hiring workers from abroad."<sup>65</sup> Efforts to increase skills training to address shortages in specific industries may reduce demand for workers from abroad in certain sectors and thus also reduce the vulnerability to modern slavery and broader exploitation in those sectors. However, these are not short-term solutions. Whilst meaningful skills development plans and investments are implemented, the visa system needs adequate safeguards to protect workers recruited on those routes.

### Recommendation 5

UK Visas and Immigration should provide information on employment rights and how to report abuse (developed by the FWA) with every grant of a work visa. The same information should be provided by Border Force to every worker arriving on such a visa at UK ports of entry.

Below, we explore two specific sectors of concern: agriculture and social care. Both make extensive use of overseas recruitment through special visa routes due to staff shortages, and both have reports of widespread exploitation and abuse of the visa system by criminals. However, we have heard reports of forced or compulsory labour of workers on Skilled Worker visas in other sectors.

<sup>64</sup> IOM, *Migrants And Their Vulnerability To Human Trafficking, Modern Slavery And Forced Labour*, 2019

<sup>65</sup> Labour Party Change. *Labour Party Manifesto 2024*

## 5.2.1 Seasonal Worker Scheme for agriculture

The National Farmers' Union says that "Accessing competent, motivated and skilled workers in the horticulture sector has been increasingly challenging over the last ten years", and there has been a reliance on overseas workers for many years, which is "not expected to change in the foreseeable future."<sup>66</sup>

The Seasonal Worker Scheme (SWS), introduced in 2019, allows employers to recruit overseas workers on a temporary, short-term basis to work in the horticulture and poultry sectors. Workers on the scheme can only be recruited by a small number of scheme operators who place them on farms, and the workers may only work for the designated employer. The visa is short-term (a maximum of 6 months and shorter for poultry workers), and workers are not able to bring their families with them to the UK. In 2023, 32,724 seasonal worker visas were granted, far below the maximum quota of 57,000.

Having a limited number of sponsors narrows the focus for compliance from a government point of view, with scheme operators being responsible for ensuring the welfare of workers on the SWS.<sup>67</sup> With workers placed at a range of farms and food processing sites across the country, which are not necessarily operated by the scheme operators, this is a sizable challenge for them. One of the scheme operators, Pro-Force, told us:

"Pro-Force is unique in that it operates what's called the direct and managed model. So it's more or less a 50/50 split. The managed model means the worker is actually contracted to us but performing work at a client site. So, we have far more control over the environment that the workers are working in on a managed placement. [...] We will even have Pro-Force staff at the client site, coordinating the work of the workers on that site. So, we've got eyes and ears on the ground 24/7." Director of Compliance, Pro-Force

An inspection report by the Independent Chief Inspector of Borders and Immigration (ICIBI) in 2022 noted, "Overall, the Home Office has not demonstrated that it has the mechanisms or capabilities in place to assure itself that scheme operators are meeting compliance requirements." This suggests that even though the number of sponsors is limited, monitoring of compliance is still inadequate.<sup>68</sup>

Concerns have been raised about indicators of non-compliance, labour abuse and modern slavery among workers on the Seasonal Worker Scheme for a number of years. A review by the Migration Advisory Committee in 2024 concluded that "Seasonal workers are vulnerable as agriculture is a high-risk sector for non-compliance, health and safety issues, and exploitation. In addition, their migration status can put them at additional risk, in particular because of the Seasonal Worker Scheme (SWS) being a temporary, short-term visa scheme, in rural areas which usually relies on the employer for accommodation."<sup>69</sup>



<sup>66</sup> National Farmers' Union, *UK horticulture growth strategy*, Revised February 2024

<sup>67</sup> Home Office, *Workers and Temporary Workers: guidance for sponsors, Sponsor a seasonal worker version 04/24*, April 2024

<sup>68</sup> Independent Chief Inspector of Borders and Immigration, *An inspection of the immigration system as it relates to the agricultural sector May - August 2022, 2022*

<sup>69</sup> Migration Advisory Committee, *Review of the Seasonal Worker Visa*, July 2024



Indicators of potential exploitation of seasonal agricultural workers on the SWS identified by researchers include incurring debt to take up the position (including paying illegal recruitment fees) and potential deception (with a number of workers reporting inaccurate or insufficient information about the role and the working conditions prior to arriving in the UK and not receiving a contract or a contract in a language they can understand).<sup>70</sup>

Although, in some cases, these exploitative elements take place overseas and by third parties who are not formally part of the SWS scheme, nonetheless, it is the scheme itself that is being utilised by those third parties to exploit and profit from vulnerable victims. Risks and reports of modern slavery of workers on the SWS scheme seem to be increasing.

In its Modern Slavery Statement 2023, supermarket Tesco reported that in the past 12 months, 15 instances of either labour abuse or modern slavery were confirmed within their supply chains and that “11 of these cases in our supply chain relate to the UK Seasonal Worker Scheme, and we have sufficient evidence to suggest these claims are at least partially substantiated.”<sup>71</sup> Tesco told us, “We believe we are doing a good job of mitigating those most serious cases, but we’re not resolving the root cause issues, and the root cause issues lie in the flawed design of the scheme that’s facilitating the types of exploitation we’re seeing.”

In March 2024, four UN experts wrote to the Foreign Secretary to express concern about reports of exploitation of agricultural workers at one specific farm (mentioning five specific individuals). In their letter, the UN rapporteurs highlight “the related lack of effective and timely identification and

protection of victims and the insufficient assistance provided to them” and describe the oversight of farms as “insufficient”.<sup>72</sup>

Steps have been taken to address workers’ conditions, including complaints about workers not being given sufficient work hours and therefore earning only small amounts. In 2023, the government introduced a requirement that workers must receive a minimum of 32 hours of work per week and be paid at least the National Living Wage for each hour worked.<sup>73</sup> However, it has been reported that recruited workers have been left without jobs, having already incurred significant debts related to visas and travel plans after a scheme operator’s licence was revoked on the grounds, it is believed, that it would not be able to provide the requisite hours of work. While it is positive that these workers did not find themselves stranded in the UK without sufficient work or wages, leaving them indebted is not without harm.

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<sup>70</sup> Focus on Labour *Exploitation, Bearing fruit: Making recruitment fairer for migrant workers*, 2024

<sup>71</sup> Tesco, Modern Slavery Statement 2023/24

<sup>72</sup> Special Rapporteur on contemporary forms of slavery, including its causes and consequences; the Working Group on the issue of human rights and transnational corporations and other business enterprises; the Special Rapporteur on the human rights of migrants and the Special Rapporteur on trafficking in persons, especially women and children, *Letter reference AL GBR 3/2024*

<sup>73</sup> UK Visas and Immigration, *Guidance: Workers and Temporary Workers: guidance for sponsors: sponsor a seasonal worker*, April 2024



## Recommendation 6

The Home Office and Department for Environment, Food & Rural Affairs should accept and implement the recommendations of the 2024 Migration Advisory Committee (MAC) Review into the Seasonal Worker Scheme.<sup>74</sup> In particular, we call for urgent implementation of the recommendations for:

- A more flexible visa, reducing the gap between visas to three months
- Fairer work and pay in line with market rates for workers not on the SWS, further communication with employers about the required 32 hours per week guaranteed pay and a guaranteed minimum of two months' pay
- Tighten, communicate and enforce employee rights, including giving the GLAA statutory powers to visit farms as part of compliance work; distribution of information on employment rights in the workers' own languages to workers at recruitment and reissued on arrival; grouping together of audit processes carried out by scheme operators and supermarkets and consideration of how the Employer Pays Principle might operate in the scheme.

We recommend the provision of further statutory powers for the GLAA should be enacted through the proposed Employment Rights Bill and brought into force as an interim measure before being migrated to the new Fair Work Agency when that begins to operate.

## Recommendation 7

The Home Office should amend the Immigration Rules to ensure seasonal workers on the scheme are recruited only from countries with which the UK Government has signed Memoranda of Understanding (MOUs) for information sharing and collaboration to prevent exploitation of workers. We support the MAC's recommendation that MOUs are set up between the UK and each country seasonal workers are recruited from. However, we believe the government should go further by enshrining this in the scheme eligibility

## 5.2.2 Adult social care

In 2021, the government's Migration Advisory Committee (MAC) reported that increased demand for social care combined with low pay and poor terms and conditions caused by long-term underfunding had created a severe shortage of care workers.<sup>75</sup> Whilst the MAC does not see immigration as a long-term solution, in the light of a change to immigration rules following Brexit, the committee advised the addition of care workers to the shortage occupation list, enabling the recruitment of care home and domiciliary care workers from overseas since February 2022.

<sup>74</sup> Migration Advisory Committee, *Review of the Seasonal Worker Visa*, July 2024,

<sup>75</sup> Migration Advisory Committee, *Migration Advisory Committee (MAC) annual report, 2021*, December 2021

Unlike the SWS, the Skilled Worker visa route allows workers to apply for long-term residence and settlement in the UK after five years. Until March 2024, care workers could bring family members with them as dependents on their visas.<sup>76</sup>

There were an estimated 152,000 vacant posts in adult social care in the year 2022/23.<sup>77</sup> In the year ending March 2023, a total of 101,750 Skilled Worker Health and Care visas were granted.<sup>78</sup> By no means are all these overseas care workers victims of modern slavery. However, the change in the visa regime and the resulting significant increase in overseas recruitment have coincided with a sizable increase in reports of exploitation in the social care sector, as we have noted in Chapter 3.

Financial exploitation is common, with many victims reporting recruitment fees in excess of £10,000 despite the visa fee being under £300 for up to three years or £551 for longer.<sup>79,80</sup> Victims also report not being paid or wages below minimum wage, debt bondage and other deductions from their pay. Poor, overcrowded and/or expensive accommodation provided by their exploiter, having their freedom of movement restricted and sometimes their ID documents taken are also reported by victims. Threats and emotional abuse, especially threats related to losing their visa or having working hours cut, are also common.<sup>81</sup> Many victims remain in an exploitative situation because of the difficulty finding alternative employment and restrictions on their visa (explored in more detail below).

### Case Study - Farah's Story

Farah\* first came to the UK on a student visa with her husband in 2019 to study for her second master's degree, this one in Business Administration, building on the previous degrees in Engineering and Technology she achieved in India. Whilst she studied for her master's degree in the UK, she worked part-time for care agencies. Farah and her husband also welcomed the birth of their daughter during this time, who unfortunately has ongoing medical issues.

After finishing her master's degree in 2022 Farah was offered sponsorship for a Skilled Worker visa at a care home, which she happily accepted. Farah saw this as an opportunity for them to extend their family's stay in the UK and for their daughter to continue to access the medical treatment that she needed. Farah did not pay her sponsor any illegitimate visa fees and thought that this meant they were a good company.

However, shortly after starting, her employer put Farah under a lot of pressure to work over and above her contracted 39 hours, which she would do reluctantly. Farah tried explaining that she needed to care for her baby daughter who had weekly hospital appointments, but Farah's employer told her they had not sponsored her to raise her children or to get pregnant. They told her that her family was only in the UK because of their sponsorship, and therefore, she must work when they tell her.

<sup>76</sup> Home Office, Department for Health and Social Care, Department for Work and Pensions, *News Story: New laws to cut migration and tackle care worker visa abuse*, March 2024

<sup>77</sup> Skills for Care, *The state of the adult social care sector and workforce 2023*, October 2023

<sup>78</sup> Home Office, *Immigration System Statistics, year ending March 2023, Summary*, September 2024

<sup>79</sup> Citizens Advice Bureau, *Spotlight report No.1 How work visa design is driving exploitation of migrant care workers*, 2024

<sup>80</sup> Gov.uk *Health and Care Worker Visa section: How much it costs*

<sup>81</sup> Citizens Advice Bureau, *Spotlight report No.1 How work visa design is driving exploitation of migrant care workers*, 2024

They threatened her with being deported if she did not comply and that they would report her to the authorities for false allegations that could send her to prison if she did not work the extra hours. Farah often received phone calls outside of her working hours and on days off. The threats were weekly, sometimes daily.

Farah did not receive a contract, and when she asked to see it, her sponsor stated that this was not for her to worry about. She was forced to sign paperwork that she did not understand, for example, a 48-hours-per-week opt-out agreement form. On one occasion, Farah realised that she had signed to say that she had caused harm to a resident at the care home, leading to disciplinary action. Farah called the GLAA for help.

The GLAA met with Farah to get an initial account, and a Justice and Care Victim Navigator (VN) embedded with the GLAA was introduced shortly after. We suggested support under the National Referral Mechanism (NRM); however, Farah declined this and continued working at the care home to support her family and retain her visa. Farah did agree to take part in a Video-Recorded Interview (VRI), which the VN supported her with. However, Farah was concerned about the GLAA confronting the care home whilst she was still employed there, so the GLAA was limited in pursuing the investigation further.

Whilst the GLAA completed follow-up welfare checks on the workers at the care home alongside UKVI, the VN supported Farah in looking for alternative sponsorship. During one welfare visit, Farah informed inspectors that the workers were being coached by the company director on what to say to the authorities. Unfortunately, perhaps because of this coaching, no other workers came forward to share stories of their own poor treatment.

Despite no other workers coming forward, UKVI decided that Farah's allegations were enough to suspend the company's sponsorship licence, and the subsequent investigation found further breaches of sponsorship rules. As a result, the sponsorship licence was revoked. This meant that all the international workers sponsored by the company could no longer work there and needed to find alternative sponsorship, including Farah. Regrettably, no further workers came forward, and there was not enough evidence to pursue modern slavery offences. The GLAA VN continues to support Farah emotionally and in finding alternative work/sponsorship.

Case study shared by Justice and Care

\*Name changed



Notably, the Skilled Worker and Health and Care visa route does not have the safeguard of a limited number of approved sponsors, which narrows the range of organisations that can sponsor workers' visas and gives them greater responsibility for overseeing the recruitment process and employment. Compared to the six or seven sponsors under the SWS, as of November 2023, there were 94,704 organisations on the overall skilled worker sponsor licence register, three times the number on the register at the end of December 2019. According to an ICIBI inspection report on the immigration system in relation to the social care sector, this increase in sponsors "placed considerable demands on the Home Office".<sup>82</sup> This assessment reveals inadequate processes and capacity to conduct checks on sponsors applying for a licence and a lack of understanding in the Home Office of the nature, complexity and scale of the social care sector, including the likely level of demand for such visas.

The ease at which a company could set itself up as a recruiter into the adult care sector using this visa appears to have been taken advantage of by criminals seeking to make a quick profit. There has been a lack of capacity or structure to provide adequate scrutiny to prevent and identify exploitation of international care workers: "Fundamentally, the Home Office selected a route that was designed for a largely compliant sector and applied it to a high-risk area – migration into an atomised and poorly paid sector is miles away from the recruitment of highly skilled workers being sponsored by multinational corporations. This should have been obvious to Home Office policymakers. The net effect of these mistakes is that the Home Office created a system that invited large numbers of low-skilled workers to this country who are at risk from exploitation. Moreover, its control measures to mitigate the risk were totally inadequate."<sup>83</sup>

***"So if you're charging somebody £15,000-£30,000 or more to come to the UK on a certificate of sponsorship to work in adult social care, it is not in the criminal's interest for that person to work long term in the care sector, because they need the high vacancy factor. [...] That's why we've got over 100,000 certificates of sponsorship issued for workers in the adult social care sector, but you've seen the vacancy factor come down by only around 30,000. It's because that churn creates an ideal opportunity for criminals and nefarious businesses to exploit the situation."***

Director of Operations, Gangmasters and Labour Abuse Authority

Prior to October 2023, it had not been standard practice for applicants to have to produce evidence of contracts to provide social care workers, so there was no guarantee that a sponsor actually had a need for workers (and therefore work to offer those they recruited); however, this has now become a requirement.<sup>84</sup> Nor was there a requirement for those providers to be registered with the Care Quality Commission (CQC). A Home Office impact assessment in December 2023 found that 22 per cent of workers on Health and Care visas had sponsors that could not be matched to

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<sup>82</sup> Independent Chief Inspector of Borders and Immigration, *An inspection of the immigration system as it relates to the social care sector August 2023 to November 2023*, 2024

<sup>83</sup> Independent Chief Inspector of Borders and Immigration, *An inspection of the immigration system as it relates to the social care sector August 2023 to November 2023*, 2024. Foreword by David Neal, Independent Chief Inspector of Borders and Immigration

<sup>84</sup> Independent Chief Inspector of Borders and Immigration, *An inspection of the immigration system as it relates to the social care sector August 2023 to November 2023*, 2024

the Care Quality Commission (CQC) register and that changing this rule would reduce the number of visa holders by around 20,000.<sup>85</sup>

Changes to the visa were introduced in March 2024, although these are not primarily aimed at preventing exploitation. Since the change, visa sponsors need to be registered with the CQC, which may help to ensure that the sponsors actually have care work hours to offer, although the CQC has no role in regulating employment conditions in the care sector. Care workers are also no longer able to bring dependants with them to the UK. This may relieve some of the burden on care workers in terms of needing to provide for their children in the UK, but it also has the potential to increase isolation and dependence on their employer, making it harder for them to leave an exploitative situation. Where previously a care worker's partner would be able to work for a different employer (in a different sector) on a dependant's visa, if the care worker comes alone or their partner now also has a care worker visa from the same employer, they will be completely financially reliant on that employer.<sup>86</sup>

In 2023, the government created a pilot scheme distributing funding to regional and sub-regional partnerships by local authorities in England "to develop solutions to local challenges around the use of international recruitment and strengthen safeguards against exploitation".<sup>87</sup> The funding was extended into 2024/25 with a focus on "activities to prevent and respond to exploitative employment practices in their areas", including helping workers who need to find a new sponsor because of exploitation or their sponsor's licence being revoked. It has yet to be seen how effective these partnerships have been, with an independent evaluation pending at the time of writing.<sup>88</sup> Victims who have arrived on Skilled Worker or Health and Care Worker visas need to find a new sponsor within 60 days or their visa becomes invalid.<sup>89</sup> It is not easy for victims to know who to trust, and finding a new sponsor is not easy.<sup>90</sup> To address the specific problem in the social care sector, one recruitment company has set up a website [sponsorswitch.com](https://sponsorswitch.com) to match care workers looking for new sponsors with agencies looking for staff.

## Recommendation 8

Local authority partnerships providing support through the international recruitment funding in adult social care should ensure all displaced overseas care workers are eligible for assistance to find new sponsors and not limit help to workers whose sponsor's licence has been revoked (including, for example, where the worker has been unfairly dismissed or was able to escape their exploitative employment independently).

<sup>85</sup> Home Office, *Legal migration statement: estimated immigration impacts*, 21 December 2023

<sup>86</sup> Madeleine Sumption and Ben Brindle *The ban on care workers' family members: what will be the impact?* Migration Observatory, April 2024

<sup>87</sup> Department for Health and Social Care, *International recruitment fund for the adult social care sector 2024 to 2025: guidance for local authorities*, 9 May 2024

<sup>88</sup> King's College, London *Evaluation of the International Recruitment Fund for adult social care*

<sup>89</sup> Adis Sehic and Dora-Olivia Vicol, *Systemic drivers of migrant worker exploitation* Work Rights Centre, 2023

<sup>90</sup> Emiliana Mellino and Vicky Gayle, *One hell to another: Thousands of care workers risk deportation after employers breach rules* The Bureau of Investigative Journalism, 11 May 2024

### Recommendation 9

The GLAA should establish an information-sharing process with coordinators under the regional partnerships supporting displaced social care workers under the international recruitment fund whereby GLAA will notify coordinators to apply a red flag to any sponsors where there are outstanding concerns of exploitation (following complaints or ongoing investigations) until such a time as the concerns no longer apply. This will prevent re-exploitation.

### Recommendation 10

The Home Office must change the time limit for workers on Health and Care Worker visas to find a new sponsor from 60 days to 120 days (or if the person has entered the NRM until a Conclusive Grounds decision is made if that is longer). This will reduce risks of re-exploitation.

### Recommendation 11

The Home Office should prioritise the employment of migrant care workers already in the UK who are unemployed (after their sponsor has lost their licence or they have escaped exploitation) by not issuing any more Health and Care Worker visas for social care workers outside the UK until it considers the number of workers displaced due to exploitation and/or the revocation of their sponsor's licence has reached manageable levels. This should be determined in collaboration with the Department of Health and Social Care and local authority partnerships under the international recruitment fund through shared data collection and analysis of the number of overseas workers on visas, the number of such workers displaced due to exploitation and/or revocation of sponsor licences.

During the election campaign in June 2024, the Labour Party supported calls for an investigation into exploitation in the social care sector and indicated that the new Fair Work Agency would lead efforts to address it.<sup>91</sup> This is welcome, but action cannot wait for the new Fair Work Agency to be established.

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<sup>91</sup> Kiran Stacey, *Labour pledges to investigate treatment of migrant workers in care sector* The Guardian, 4 June 2024

## Recommendation 12

The Department for Health and Social Care and the Home Office must urgently commission an inquiry into the exploitation of migrant workers in the adult social care sector. The inquiry should consider:

- the nature and scale of exploitation
- the adequacy of mechanisms to prevent and identify exploitation (including scrutiny of sponsors) and the gaps in support for exploited workers
- the effectiveness of the Modern Slavery Act 2015 and other criminal offences to prosecute perpetrators
- the effectiveness of the International Recruitment Funding for local authorities in supporting displaced overseas workers
- the wider implications for those receiving care, local authorities' responsibilities and local communities
- the impact of recent changes to immigration rules building on the ICIBI inspection report
- the potential effectiveness and feasibility of licensing of labour providers in the sector to prevent exploitation.

Recent data suggests that the changes to the visa rules are reducing the number of overseas workers: in the year ending June 2024, grants of Health and Care Worker visas were down 26 per cent on the previous year (89,095), and in the last quarter (April – June 2024) visa grants were down 81 per cent on the same quarter in 2023.<sup>92</sup>

This may reduce the number of workers at risk of exploitation, but the GLAA intelligence picture for April-June 2024 still has the social care sector as the sector most reported to them, so we must wait for more data to see if the overall number of forced labour reports in the sector reduces.<sup>93</sup> Demand for social care is expected to continue increasing in part due to the UK's ageing population, and the need for more care workers is unlikely to diminish.<sup>94</sup> As well as taking steps to reduce the vulnerability of care workers because of their dependence on their sponsor, the government must address the sector's wider problems of low pay and poor conditions, which create the shortage of domestic workers and the conditions in which exploitation can arise. The first steps to this would be to establish the promised "Fair Pay Agreement in adult social care", a collective agreement that "will set fair pay, terms and conditions, along with training standards", which has been announced in the King's Speech as part of the Employment Rights Bill.<sup>95 96</sup> However, such an agreement will not be effective if social care remains underfunded.<sup>97</sup>

<sup>92</sup> Gov.uk *Immigration system statistics, year ending June 2024: Summary of latest statistics*, 22 August 2024

<sup>93</sup> GLAA, *GLAA Intelligence Picture Q1 2024-2025 (April-June 2024)*

<sup>94</sup> Department for Health and Social Care, *Evidence review for Adult Social Care Reform*, December 2021

<sup>95</sup> Labour Party *Change. Labour Party Manifesto 2024*

<sup>96</sup> Prime Minister's Office, *The King's Speech 2024, Background briefing notes*, July 2024

<sup>97</sup> House of Commons Health and Social Care Committee, *Workforce: recruitment, training and retention in health and social care Third Report of Session 2022-23*, July 2022

### Recommendation 13

The Department for Health and Social Care must ensure the proposed 'Fair Pay Agreement' in the adult social care sector includes measures to address the specific circumstances of overseas care workers on sponsored visas and the need to increase recruitment and retention of domestic care workers.

These should include:

- ensuring the same pay and conditions for workers on sponsored visas as those recruited locally to prevent exploitation of migrant workers and undercutting of local staff
- measures to support sponsored workers to find alternative employment if their sponsor's licence is suspended or revoked or they experience exploitation
- steps to improve working conditions, career progression and pay within the adult social care sector in order to recruit and retain more British-resident workers.

## 5.2.3 Limited penalties for sponsors who fail to comply

The limited penalties for sponsors or scheme operators who fail to comply with their obligations under the Skilled Worker visa sponsorship licence or the Seasonal Worker Scheme are not proving adequate to prevent forced labour and exploitation. The predominant consequences are suspending or revoking the relevant licence, although skilled worker sponsors may also have their licence downgraded and an action plan of changes to make. Sponsors may also be reported to the police or other authorities in certain circumstances.<sup>98</sup> Although there are significant civil financial penalties for any sponsors found to be employing workers illegally (up to £60,000 per worker), there are no such equivalent financial penalties for exploiting workers or breaching sponsor licence conditions.<sup>99</sup>

<sup>98</sup> Home Office *Workers and Temporary Workers: guidance for sponsors Part 3: Sponsor duties and compliance version 03/24, March 2024*; Home Office, *Workers and Temporary Workers: guidance for sponsors, Sponsor a seasonal worker version 04/24, April 2024*

<sup>99</sup> Gov.uk *Penalties for employing illegal workers*



## Recommendation 14

The Home Office, Department for Environment, Food & Rural Affairs and Department for Business and Trade should develop a regime of penalties for skilled worker sponsors and SWS scheme operators who breach their obligations to ensure worker welfare and that they comply with employment law (including issues such as issuing of contracts, working hours and minimum wage). The penalties should be available in addition to or instead of the existing options of suspending, downgrading and revoking the licence. Such penalties should not be an alternative to criminal prosecution in cases of modern slavery or prevent individual remedies for workers through the employment tribunal. The remedies should include:

- Disqualification of company directors
- Ineligibility of business or named company director for a future sponsorship licence
- Fines in the same range as for illegal working.



## 6. Responsible businesses are taking action but face many challenges

As we have already discussed in Chapter 3, forced labour takes place in the regular economy, sometimes by nefarious employers, sometimes through infiltration by criminals into regular businesses as subcontractors or labour providers and sometimes by others acting as recruitment brokers or informally controlling their victim's employment and earnings. Unlike other forms of modern slavery, this puts considerable onus on the private sector to prevent forced labour and other forms of labour exploitation within their own businesses, contractors and suppliers.

Since the Modern Slavery Act 2015 was passed by parliament, there has been increased attention on business action to prevent modern slavery. There are a number of initiatives which seek to increase companies' understanding and protocols to identify and mitigate risks of modern slavery and respond appropriately to concerns.

***“Many thousands of businesses have now implemented processes to detect, deter and deal with issues of labour exploitation, particularly forced labour, and there are numerous expert organisations supporting these businesses in different sectors, including construction, waste processing, garment manufacture, food and agriculture.”***

Chief Executive, Alliance HR

One of those leading the charge is the non-profit Stronger Together. Launched in 2013 initially in the food sector and now operating across a range of other industries, Stronger Together “provides businesses with practical training, resources, business services and collaborative programmes”, all aimed at helping them “mitigate the risks of modern slavery and wider exploitation through responsible recruitment and fair work, guidance and practices”.<sup>100</sup> In fact, many of the businesses we spoke to who were taking extensive action spoke about the value of partnerships with charities and NGOs to provide advice and toolkits and to collaborate on awareness-raising activities, data-sharing and independent helplines for possible victims.

However, not all businesses are taking this proactive approach, and those that do face many challenges. In addition to the specific risks inherent in using third-party providers of staff and overseas recruitment outlined in Chapter 3, there are a number of other hurdles that businesses face in seeking to prevent forced labour and exploitation.

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<sup>100</sup> [stronger2gether.org](http://stronger2gether.org)

## 6.1 Limitations of audits

One of the challenges businesses face is the effectiveness of the tools they can use to identify indicators of labour abuse and exploitation among workers. One of these tools is social auditing which assesses the risks a business faces in relation to forced labour and the processes and protocols in place to mitigate those risks. The best of these involve external specialist providers with knowledge and expertise focused on forced labour rather than more general social audits. Site visits, including worker interviews, are also a key way to look beyond the existence of processes and records, yet even leading social audit companies recognise the limitations.

*“I think the first thing to say is that social audit, any kind of audit, is not a silver bullet as much as people may think that it is. And we’ve seen enough examples quite recently where other schemes or providers have been in the news as a result of failings from a social audit perspective. Auditing is important but as one part of a more comprehensive solution.”*

Head of ESG and Compliance, Achilles Information Limited

One of the main limitations of social audits is that they often focus on the policies and processes that a business has in place rather than on the effectiveness and implementation of those policies.

*“Audits alone are inadequate as they merely assess a company’s policies and capabilities rather than addressing the root causes that enable labour exploitation to occur.”*

Partner at Practical Ethics

There is a risk that audits become a “tick box” exercise rather than a genuine inquiry with the intention of making changes where needed. The BSI modern slavery standard notes that “Audits are more effective if the organization has a positive culture of responsible business conduct and the objectives of the audit are to identify areas for improvement rather than attribute blame.”<sup>101</sup>

*“I think the most successful audits have been the companies that have started with workforce surveys and where we go back every year. Where we have findings or identifiers of what could be modern slavery or exploitation on their sites, they then take action to address issues. We then come back again and resurvey.”*

Compliance Officer, Achilles Information Ltd



## 6.2 Criminals bypass businesses’ controls

Another challenge that businesses face is that criminals are able to bypass many of the processes that they put in place to prevent or pick up exploitation.

Criminals know the sort of indicators that businesses are looking for (such as multiple staff wages being paid to the same bank account) and find ways to hide their activity. Companies need to

<sup>101</sup> British Standards Institute BS 25700: 2022 ‘Organizational Response to Modern Slavery’, 2022

find ways not only to look for those red flags but also to be alert to more subtle indications that something may be wrong; for example, an exploited worker will not have the sort of conversations about their family or activities outside work that other colleagues do.

When exploiters operate on the periphery of companies' monitored recruitment processes (particularly in overseas recruitment, as noted in Chapter 3), no matter how much information and protocols businesses put in place, they do not have control over contacts their workers have with others outside those processes.

***“We run a very tightly controlled operation. And we educate workers from the first moment we have contact with them about scams and how to avoid them. What we can't know and possibly will never be able to know is who's got to them before they've got to us.”***

Director of Compliance, Pro-Force

This is not just a challenge for individual businesses seeking to prevent exploitation in their workforce but also systemically. It raises questions about the “employer pays principle”, i.e. that no worker should pay for a job rather the costs of recruitment should be borne by the employer. However, there are questions about how this can be instituted effectively in a context where workers may be charged recruitment fees of some kind unbeknownst to the recruiter or employer, even when the employer has actually covered all the official costs of the recruitment process. The SWS Taskforce, comprised of 10 retailers and four scheme operators within the Seasonal Worker Scheme, confirmed plans for “an economic modelling of the Employer Pays Principle in UK horticulture with potential implementation models” in the coming year.<sup>102</sup> To provide effective models for implementation, this study must consider not only how responsibility is shared by the different stakeholders but also how to respond to the risks of unscrupulous third parties.

## 6.3 Pressures on smaller businesses and suppliers

In practice, it is suppliers, often smaller businesses, that bear the primary responsibility of preventing and identifying forced labour and exploitation because they face the greatest risk within their own operations. They are also answerable to the bigger businesses that are their customers.

Larger businesses, for example supermarkets in the food sector or fashion brands in the garment industry, generally hold all the power in relationships with their suppliers, setting the terms of the contract. A Joint Guidance document on responsible purchasing compiled by Danish, Norwegian and British Ethical Trading Initiatives notes, “Conventional purchasing practices, including aggressive price negotiation, inaccurate forecasting, late orders, short lead times and last-minute changes, put suppliers under intense pressure and lead directly to poor working conditions and low pay for workers.”<sup>103</sup>

The garment industry in the UK is a particular example of how purchasing practices of this nature, especially pressures on price, have contributed to entrenched poor practice across the sector in the city of Leicester.

<sup>102</sup> Jo Marychurch SWS Taskforce update on Employer Pays Principle study May 2024, Stronger2gether.org

<sup>103</sup> Dansk Initiativ for Etisk Handel (DIEH) (Danish Ethical Trading Initiative), Ethical Trading Initiative and Initiativ for Etisk Handel (IEH) (Ethical Trading Initiative Norway) *Guide to buying responsibly*, 2017

*“Designers used to tell us we were the most expensive manufacturer in Leicester; I couldn’t figure out how I was so much dearer than competitors. I tried to scale up to get economies of scale but was still not as close as I should be. I can’t operate at these prices, and it is hard when retailers have been operating in Leicester for so long and the prices are so low, when I come along as a manufacturer and say this is the true price. I was able to establish a unique relationship with a brand on a fully transparent, open cost sheet, but I don’t think any other brand operates this way. Other retailers would have buyers who are quite junior who don’t understand prices and would push for lower cost, that encouraged manufacturers to adopt less good practices.”*

CEO, Garment Manufacturer

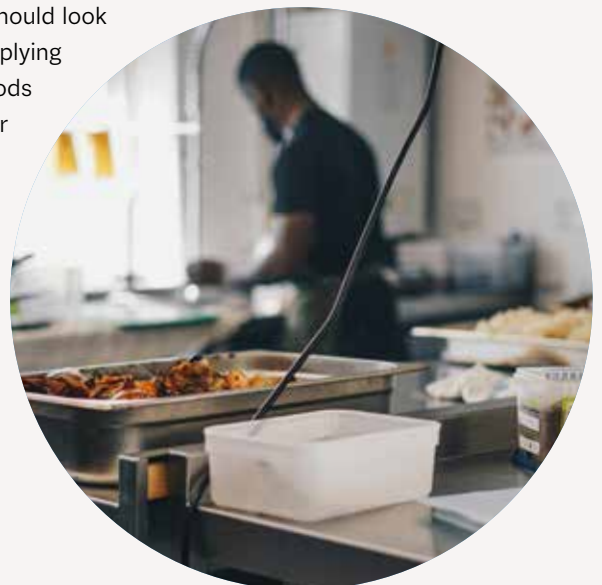
Supplier businesses may also be concerned that if they report instances of forced labour or exploitation to their customer businesses, it may result in lost business, which would have serious consequences for that supplier and their workforce (as noted in Chapter 3). Even businesses seeking to encourage and work collaboratively with their suppliers have found that some still express nervousness about the potential consequences of being completely transparent, with the risk that this could result in a lack of reporting and modern slavery being kept hidden rather than being dealt with.

*“I think we have a really brilliant relationship with our suppliers, and they know what our approach is. [...] But if they [the suppliers] feel like they are solely responsible for providing all the answers, then they don’t have the capacity and resources to do that. [...] So how do you create a safe space where you’re not kind of driving transparency underground?”*

Tesco

This last point highlights the opposite pressure suppliers face - the pressure from their customers to take action to prevent, identify and remedy labour abuse and exploitation. Often this is further complicated by the specific requirements for what this action should look like as stipulated by the customers. There is a risk that a business supplying multiple retailers faces different stipulations, such as different time periods for social audits, having a specified worker helpline number displayed or certain information provided to staff.

It is a positive step that retailers and other businesses higher up the supply chain are not abdicating responsibility for addressing the risks of forced labour and are putting in place mechanisms to protect their supply chains. Experts suggest the food sector is the most mature in its approach to supply chain transparency, but this degree of understanding and collaboration is needed in all sectors.<sup>104</sup> However, this proactive engagement with suppliers needs to be collaborative, aware of the challenges suppliers face and done in a way that does not create unreasonable burdens.



104 Interview with Stronger Together

## Recommendation 15

The Department for Business and Trade and the Department for Environment, Food & Rural Affairs should issue guidance for retailers, scheme operators and suppliers on coordinating the timing of social audits to reduce the burden on suppliers of multiple and differing audit processes. This guidance should begin with the horticulture and food production sectors, mindful of the MAC recommendation in the Review of the Seasonal Worker Scheme noted previously.

## 6.4 Collaboration and data-sharing in a competitive market

One of the biggest challenges is that criminals exploiting victims can move them around, placing them in several different businesses. Keeping abreast of new risks and trends in how criminals operate and being alert to spot them and take action requires collaboration and sharing of information. However, the businesses that need to share this information are competitors and/or suppliers seeking to gain contracts with the larger businesses. Developing channels for collaboration and information sharing that can give all businesses confidence that the information will not be used against them is essential to creating an effective and joined-up response.

***“We are committed to sharing information on our practices to reduce the risks of modern slavery and labour exploitation within our business and supply chain with our retailer customers. There have been significant developments in recent years which enable more efficient cross-retailer information sharing, particularly with tools like the Sedex platform and SMETA auditing.”***

Head of Ethics & HR Compliance, ABP UK

One such initiative is the Modern Slavery Intelligence Network (MSIN), which involves key supplier and retailer companies in the UK food industry (see spotlight below).<sup>105</sup> The charity Stop the Traffik, who provide technical support to the MSIN, told us that initially there “were a lot of legal hurdles and cyber security hurdles. We needed to do a lot of work on building trust. But the way that members come to trust each other is that they are sharing information that businesses have strong commercial reasons for keeping within their own organisation, information that could be reputationally damaging, and they are sharing it not just with their suppliers but with their competitors [...] The group is in a good place now; there is good intelligence being shared and action taken from it.” Tesco, one of the founding members of MSIN, told us:

***“[MSIN] is answering a really specific need around where we’ve got that very rich intelligence around individual perpetrators or patterns of exploitation, where there is a safe way for the industry to share that with the real purpose of disrupting and ultimately preventing modern slavery.”***

Tesco

<sup>105</sup> [msin.org.uk](https://msin.org.uk)

## Spotlight: Modern Slavery Intelligence Network (MSIN)

MSIN was established in 2020 as a direct response to Operation Fort, the UK's largest modern slavery prosecution to date. Fourteen member companies in the UK's food sector came together, initially in a pilot programme, to develop a proactive intelligence-sharing mechanism to strengthen efforts to disrupt and prevent modern slavery within the sector. Founding members include well-known supermarket chains such as Sainsbury's and M&S and leading food production companies such as G's and Fresca Group.

The central intelligence sharing platform of the network is a secure database system administered by charity partner Stop the Traffik, which has private databases for each member company and a shared database accessible to all. Member companies input information to their private database, such as unconfirmed reports which might suggest workers are victims of exploitation. This information is then analysed by Stop the Traffik to identify trends or details that correlate with information other members have shared and lessons learned. If a member gives permission, that information is then added to the shared database, which alerts other members to risks, gives them opportunities to collaborate and allows them to take action to prevent, investigate and disrupt exploitation, including by contacting law enforcement when the intelligence reaches the appropriate level.

MSIN also provides a forum for collaboration through sharing best practice and regular meetings, which give members opportunities to discuss trends and look ahead to where issues may arise in future.

## 6.5 Reputational risks persist

Having modern slavery in your business or supply chain still retains significant reputational risks. There is a delicate balance to be struck between encouraging businesses to take greater responsibility for the safety and wellbeing of workers in their business and supply chains and creating an environment where businesses are too afraid of the potential loss of business or investment to proactively look for forced labour and be transparent when they find it.

A more nuanced approach would judge companies' reputations not merely on whether there is forced labour in their business and supply chains but instead on what they are doing to combat it. Initiatives like the investor-led "Find it, Fix it, Prevent it" project provide a model for positive, proactive response. The project is "designed to harness the power of the investment community to increase the effectiveness of corporate actions against modern slavery".<sup>106</sup> In its 2023 Annual Report, the project reported, "The programme has succeeded in taking some of the businesses under engagement on a journey that improves their risk assessment processes, supporting companies to remediate harms, and putting in place practices to ensure issues do not recur." And "The majority of hospitality companies under engagement [in phase one of the project] have made progress on their approach to modern slavery over the past two years."<sup>107</sup>

<sup>106</sup> CCLA, *Engagement expectations Find It, Fix It, Prevent It An investor project to tackle modern slavery*.

<sup>107</sup> CCLA, *Find It, Fix it, Prevent it, Modern slavery report 2023*, 2023

## 6.6 Lack of a level playing field

Ultimately, the risk of modern slavery needs to be considered as a potential risk for any business, and steps taken accordingly. In the same way that all businesses consider and mitigate health and safety risks, they should consider the risks of forced or compulsory labour.

One step towards this is the British Standards Institute “Organizational responses to modern slavery” standard published in 2022, providing guidance for businesses on “managing the risk of modern slavery through prevention, identification, response, remediation, mitigation, and reporting modern slavery in operations and supply chains”.<sup>108</sup>

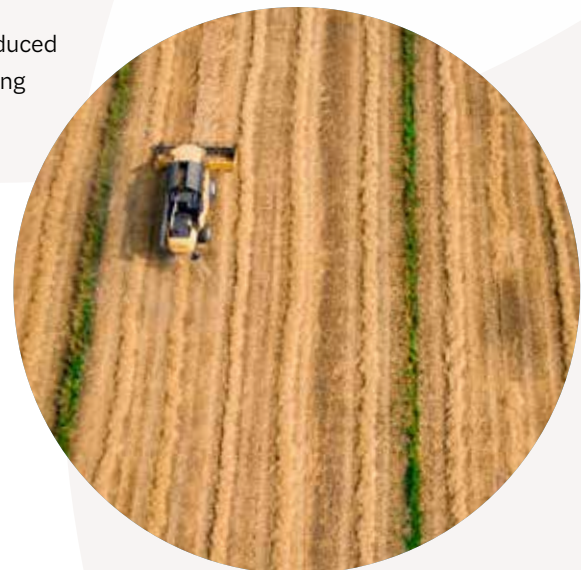
The businesses we spoke to were all seeking to be proactive in preventing and identifying forced labour in their businesses and supply chains. However, this is not the case across the board. Researchers note that firms in higher-risk industries and FTSE 100 have been the most proactive.<sup>109</sup>

The government has a central role to play in creating a level playing field to support those responsible businesses that are already engaged in preventing exploitation and to propel others to action. There will always be businesses at the leading edge of driving ethical practice, but what the government can do through regulation is set the required minimum standard. Criminal law has an important role to play in the most extreme cases where business owners are intentionally complicit in exploitation, but regulation can ensure businesses are doing all they can to protect their business and their staff.

***“There are some leading companies that seek to drive the agenda forward, but they also equally can feel frustrated that there isn’t a level playing field. And that’s where legislation like mandatory human rights due diligence legislation is something that many of those organisations have called for to help level the playing field.”***

Co-CEO, Stronger Together

The UK was seen as a global leader when it introduced Section 54 of the Modern Slavery Act, requiring companies with a turnover of more than £36 million to produce an annual statement of their action against modern slavery in their supply chains (UK and global). However, Section 54 has high rates of non-compliance (40 per cent in 2021), and there has been no enforcement action through injunctions or administrative penalties.<sup>110</sup> We have previously called for Section 54 to be



<sup>108</sup> British Standards Institute BS 25700: 2022 ‘Organizational Response to Modern Slavery’, 2022

<sup>109</sup> Anthony Flynn and Helen Walker, *Corporate responses to modern slavery risks: an institutional theory perspective*, 2021 European Business Review, Vol. 33 No. 2, pp. 295-315.

<sup>110</sup> Home Office, *Independent Review of the Modern Slavery Act 2015: Final Report*, May 2019; Business and Human Rights Resource Centre, *Modern Slavery Act: Five Years of Reporting*, February 2021



strengthened urgently by extending it to cover public authorities and investment organisations, setting mandatory minimum reporting requirements and introducing penalties for failure to comply with the section.<sup>111</sup> However, reporting is only the first step.

Section 54 only requires companies to report what they have done, and a statement that they have taken no steps to address modern slavery is legally compliant. Since the Modern Slavery Act 2015, a number of jurisdictions across the world have followed and gone beyond the requirements of the Act to require greater action by corporations to prevent, address and respond to modern slavery risks in their supply chains. In particular, there has been a move towards mandatory human rights due diligence (mHRDD), which build on non-binding international guidance such as the UN Guiding Principles on Business and Human Rights<sup>112</sup> and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD guidelines).<sup>113</sup> Early examples are the French Corporate Duty of Vigilance Law 2017 and Germany's Supply Chain Due Diligence Act 2021.

In May 2024, the EU adopted a Corporate Sustainability Due Diligence Directive that will require companies with more than 1,000 employees and a turnover of more than €450 million to “take and implement a risk-based system to monitor, prevent or remedy human rights or environmental damages” and will apply to adverse impacts resulting from their own operations and supply chains.<sup>114</sup>

Leading UK businesses and investors have called on the UK Government to introduce a legal requirement for companies and investors to conduct human rights and environmental due diligence.<sup>115</sup> Baroness Young of Hornsey proposed a private members' bill in the House of Lords in the 2023/24 parliamentary session, which would have created such a duty.<sup>116</sup>

Given advances around the world, many UK businesses operating in Europe will soon need to be compliant with the EU directive if they are not already subject to the other national legislation. An approach that is consistent with these other jurisdictions would enable businesses to have an integrated due diligence system across their global operations rather than burdening them with different requirements that would exacerbate the sense of unfairness with competitors.

To create the level playing field that businesses are seeking and to encourage a baseline of proactive action by companies against modern slavery in their own activities and supply chains (whether in the UK or abroad), the government should urgently consider the appropriate next steps to strengthen and build on the pioneering work of Section 54, including mHRDD.

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<sup>111</sup> Centre for Social Justice and Justice and Care, *A renewed vision for the fight against modern slavery in the UK: A programme for government*, 2024; Centre for Social Justice and Justice and Care, *Slavery at Home*, 2023

<sup>112</sup> UN Office of the High Commissioner for Human Rights, *Guiding Principles on Business and Human Rights*, 2011

<sup>113</sup> Organisation for Economic Cooperation and Development *The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*

<sup>114</sup> Council of the EU *Corporate sustainability due diligence: Council gives its final approval*, Press release, 24 May 2024

<sup>115</sup> Corporate Justice Coalition, *UK Businesses, investors call for new human rights and environmental due diligence law*, September 2022

<sup>116</sup> Commercial Organisations and Public Authorities Duty (Human Rights and Environment) Bill, HL Bill 17 2023-24

### Recommendation 16

The government should strengthen the Modern Slavery Act 2015 Section 54 reporting requirements by:

- Extending them to public authorities and investment organisations
- Setting mandatory minimum reporting requirements, including new measures to increase the quality of information provided (such as details of all instances of forced labour identified and the remediation taken or giving reasons for why none has been found)
- Introducing penalties for failure to comply with the section, including a level of personal responsibility for company directors, such as disqualification and fines set at an appropriately dissuasive level proportionate to an organisation's turnover. (These penalties should be enforced by the new Fair Work Agency). (Centre for Social Justice and Justice and Care, A renewed vision for the fight against modern slavery in the UK: A programme for government, 2024)

### Recommendation 17

The Department for Business and Trade should commence a review to assess how to further strengthen UK public and private sector supply chains, including consideration of:

- Legislative developments in other jurisdictions (particularly of key trade partners and markets where UK companies do business) and their impact on the UK
- New policy and legislative options for the UK, including mandatory human rights due diligence legislation and import controls. (Centre for Social Justice and Justice and Care, A renewed vision for the fight against modern slavery in the UK: A programme for government, 2024)

# 7. Remedy, restoration and justice are needed for all victims

Support and remedy for victims of modern slavery in all its forms is essential for their recovery, to protect them from getting stuck in a cycle of re-exploitation and vital to bringing criminals to justice since most prosecutions still depend on victims to report and give evidence about their exploitation. Successful criminal prosecutions are the only route to effectively dismantle and disrupt organised criminal gangs that infiltrate the UK economy, exploiting others for their own profit and putting vulnerable people at risk. Many of the challenges for supporting and getting justice for victims of forced or compulsory labour are familiar across all forms of modern slavery, which we have previously reported on in detail in our 2022 report *A Path to Freedom and Justice*.<sup>117</sup> Below, we have highlighted those of most significance with nuances particular to victims of forced or compulsory labour.

## 7.1 Victims find it hard to report

There are considerable barriers that prevent modern slavery victims from reporting their exploitation and seeking help. Since 2020, Home Office statistics show forced or compulsory labour (recorded as labour exploitation) has been the most common form of modern slavery identified in adults in England and Wales thought to be potential victims but who do not enter the NRM.<sup>118</sup> In 2023, there were Duty to Notify (DTN) reports by public authorities for 1,871 potential victims of forced or compulsory labour and a further 673 where this is combined with other forms of modern slavery (amounting together to 51% of all DTN reports).<sup>119</sup>



<sup>117</sup> Centre for Social Justice and Justice and Care, *A Path to Freedom and Justice*, 2022

<sup>118</sup> The NRM uses the term “labour exploitation” for the forced or compulsory labour sub-category of modern slavery not a broader continuum of labour exploitation.

<sup>119</sup> Centre for Social Justice and Justice and Care analysis of Home Office, Modern Slavery: National Referral Mechanism and Duty to Notify Statistics End of Year Summary Data tables for 2020, 2021, 2022 and 2023. Note the NRM uses the term “labour exploitation” for the forced or compulsory labour sub-category of modern slavery not a broader continuum of labour exploitation.

## 7.1.1 Vulnerabilities create barriers to reporting

Many of the things that make a person vulnerable to exploitation and are used to exert control over them or the harm caused by their slavery, explored in Chapter 4, such as insecure immigration status, limited English language or a lack of knowledge about UK employment law, also make it difficult for people to escape and report exploitation.

Victims may also be afraid of their exploiter and what they might do if they found out that the victim had reported them.

***“I had the fear that if I spoke out, if I told them [the police] what will happen, they’re just gonna take me right back to them [my exploiters] because I belong to them.”***

Member of the Migrant Help Modern Slavery Lived Experience Advisory Panel England

Another barrier to reporting is victims’ dependence on the income received, however meagre, for their own survival and to pay back debts incurred in coming to the UK or to support their families. Likewise, many victims, especially of forced labour, are living in accommodation provided by their exploiter. This dependence can cause someone to be reluctant to escape, fearing that they may end up in a worse situation with no money, food or shelter at all. These barriers are not unique to forced labour, but they have added significance considering the prevalence of debt bondage; excessive recruitment, visa and travel fees; and restrictions on accessing other work experienced by victims coming to the UK on specific work visas.

***“What happens after you run away from them, you have to find food to eat, you need clothing, it’s cold here, and most likely, you don’t have clothes, you don’t have clothing for that, shoes, things like that. It makes it really difficult to go to someone else.”***

Member of the Migrant Help Modern Slavery Lived Experience Advisory Panel England

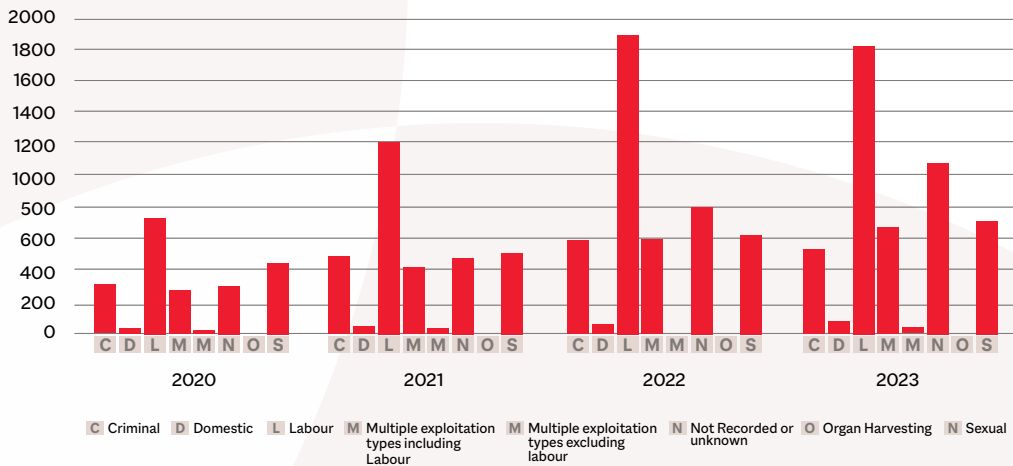
Sometimes, this dependence extends beyond the practical into an emotional tie to the exploiter. A victim can feel loyalty or gratitude to the exploiter for what they feel they have received from them despite the exploitation. Connected to this can be a reluctance to report their exploiter because of the possible consequences that may have for others working for them if an exploiter is investigated and a licence is lost or a workplace shut down. Sometimes, this reluctance comes from the victim themselves, but it can also be a result of pressure within a local or cultural community not to rock the boat.

***“[...] sometimes it’s a matter of people being obligated to whoever is exploiting them. Simply, it is down to, ‘Oh, it’s helping me. I have to do this for this person because they’re going to do this for me, or they’re helping me to achieve this.’ So is that sense of obligation, loyalty. They are loyal to the wrong people.”***

Lived Experience Consultant, Align Ltd



## Duty to Notify Reports 2020-2023



***“When I moved here, I didn’t know anything about the laws. I didn’t know anything about how things work out. So I was stuck in a very bad situation, and I couldn’t find any help for myself.”***

Equiano Participant, Jericho Foundation

For many people, the terms “modern slavery” or “exploitation” are unfamiliar, and many can be reluctant to apply that label to themselves. For others, the situation has become so normalised that they do not see that anything is wrong.

***“When I was in that situation, if you, if you told me, ‘Oh, this is labour exploitation.’ I would ask you, ‘What does it mean?’ The first time I heard the word exploitation, I was that. What does it mean? I didn’t know that that was what my experience was called.”***

Lived Experience Consultant, Align Ltd

A sense of isolation also prevents people from reaching out for help. This may be due to a language barrier, or because the victim is physically isolated - kept away from other workers or in a remote rural community - or just because the victim has not built relationships with colleagues because of the situation they are in.

***“Within the working environment, I was isolated. I was alone. Even though there were lots of people working there, I didn’t have anybody to talk to. [...] So it was just coming to work, ‘Do this, do that, do this’, and I do it, and it’s time to go home, and I’m out of the building, and somebody’s waiting outside to pick me up and take me back, which is my exploiter. So nobody spoke to me. I was so invisible at work, even though it was in a big food factory, but I was invisible. Nobody spoke to me. I didn’t speak to anyone. So I was alone.”***

Lived Experience Consultant, Align Ltd

***“You find yourself in a situation where you were in a foreign country, undocumented, with no right to remain and no right to work. You’ve been alienated, the displacement from your family, from any kind of social support. Sometimes it’s the cultural differences [...] religions, race and just way of life, the language barrier.”***

Member of the Migrant Help Modern Slavery Lived Experience Advisory Panel England

Victims can also feel a sense of shame or failure that they have in some way allowed this exploitation and abuse to happen to them and, because of this, feel unable to tell anyone about their exploitation. Some victims simply wonder if anyone will believe them. Many of the lived experience contributors to our research emphasised the importance of raising awareness and understanding in the general public so that colleagues or neighbours can be alert to the signs and able to ask a victim questions or report concerns to the authorities. Even encouraging employers to create a community atmosphere in their workplaces so that colleagues can build relationships of trust with one another was suggested because it could give victims confidence to reveal their fears and exploitation to a colleague.

***“I will say that recognising the sign of the modern slavery, which is, you know, important, especially in the forced labour, because I’m a victim of forced labour. So someone, a member of the public, came forward and helped me to be rescued.”***

Md. Amir Hossain Sarkar, Lived Experience Consultant, Align Ltd

***“If businesses can create a space for interaction, a space for engagement, relationship, working together at work. Places that activate that community, community spirit at work, then I think people have a bit of confidence to speak up.”***

Lived Experience Consultant, Align Ltd

## 7.1.2 Systemic barriers to reporting

Part of the problem for victims of labour abuse and exploitation is the range of labour enforcement agencies (as set out in Chapter 5) which makes it difficult for them to know who to go to for help.

***“[A single enforcement body] needs to be accessible for workers in practice – one-stop place they can go to if they have an issue. Currently, the landscape is too complex with lots of different enforcement agencies, and workers don’t know where to go for advice or to complain.”***

Head of Policy, Focus on Labour Exploitation

Businesses we spoke to discussed having multilingual posters in workplaces displaying independent third-party helpline numbers, such as the Unseen National Modern Slavery and Exploitation Helpline<sup>120</sup> or whistleblowing services company Safecall,<sup>121</sup> as one way they sought to provide opportunities for workers to report concerns or get advice anonymously.

<sup>120</sup> <https://www.modernslaveryhelpline.org/>

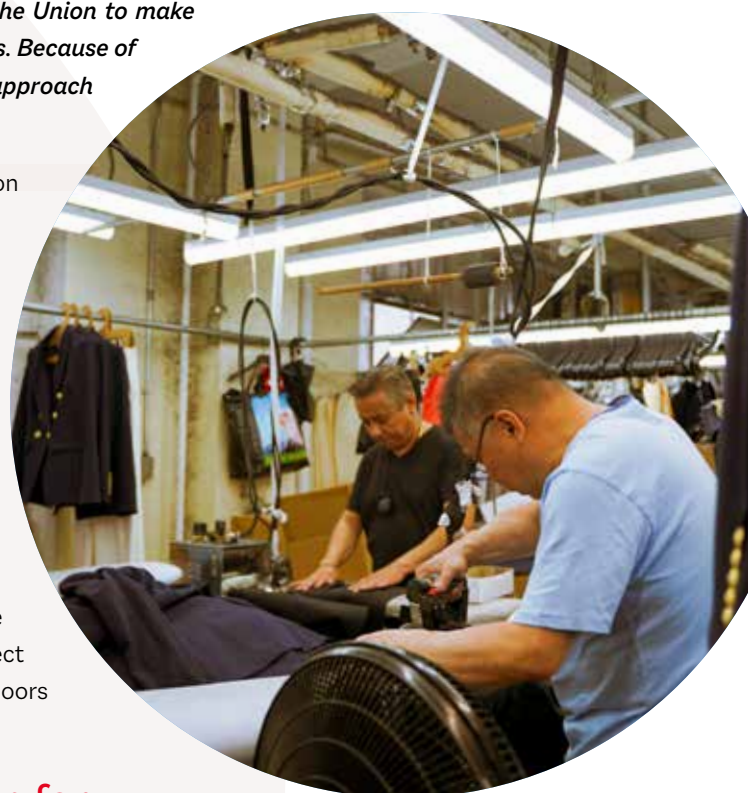
<sup>121</sup> <https://www.safecall.co.uk/>

Trade unions can also provide an independent channel for advice and support to workers as well as engaging with employers about conditions. Globally, the risk of forced labour and exploitation is known to significantly decrease in workplaces where trade unions operate.<sup>122</sup> However, many of the high-risk sectors in the UK, especially in the informal economy, do not have trade union representation. In some cases, workers will not be earning enough money to afford trade union membership fees. Some may be unfamiliar with the role of trade unions and are wary of engaging.

***“Historically, unions hadn’t had access to these [Leicester garment] factories. It had only been if an individual had joined the union and had contacted the Union to make us aware of a problem. We couldn’t physically enter the factories. Because of language issues and the need to build trust with workers a new approach was needed.”***

Research and Policy Department, GMB Union

Some trade unions have initiated a project to try to address these challenges in the Leicester garment industry through a partnership with some of the fashion brands and, crucially, with a local community centre. The Fashion-Workers Advice Bureau - Leicester (FAB-L) was set up as an independent project funded by fashion brands and trade unions to provide advice and support to local garment workers.<sup>123</sup> Local community workers act as the focal point for engaging with workers, providing information about their rights, acting as a connection to the trade unions and can bridge the language and trust gaps between workers and external agencies like trade unions who might be able to help. The partnership with the fashion brands enabled the project to get access to the factories themselves, with the brands opening doors for the community workers to make regular site visits.



## 7.2 What do remedy and justice mean for victims?

For most of the survivors and support workers we spoke to, justice and remedy in their minds was more about rebuilding their lives than about criminal prosecution: regaining confidence, finding safety and support, being able to find safe work and recovering any wages that they had been denied.

### 7.2.1 Remediation by businesses

The principle of remediation — putting right adverse human rights impacts they have caused or contributed to — is a core part of the OECD guidelines for businesses. The business experts we spoke to highlighted examples of remedies they had been able to put in place for individuals.

<sup>122</sup> Ethical Trading Initiative, Insights: Modern Slavery

<sup>123</sup> <https://highfieldscentre.ac.uk/fabl/>

However, there can be questions that arise over which business within a supply chain should be responsible for enacting that remedy, especially when it comes to financial compensation and recruitment fees. Further questions were raised about what responsibility businesses should bear when third parties unconnected and unknown to the business charge workers exploitative recruitment fees.

***“Businesses often say to us that it feels harder for them to understand where their responsibility for remedy starts and ends when it’s an overseas perpetrator that’s actually not formally linked to their supply chain through any kind of contract or process. It could be someone that’s infiltrated before the start of the recruitment process in another country. Our guidance is grounded in the UNGP and OECD guidelines for businesses to consider if their practices have caused or contributed to the impact.”***

Co-CEO, Stronger Together

## 7.2.2 Financial compensation

Aside from any voluntary action taken by businesses, there are three main routes through which victims of forced or compulsory labour can seek financial compensation: compensation or reparation orders against their exploiter made on conviction, a claim against their exploiter through the Employment Tribunal and an application to the Criminal Injuries Compensation Authority (CICA).

Of these, the Employment Tribunal is often the most effective route for victims of forced or compulsory labour. Compensation and reparation orders are rare; between 2015 and April 2022, there were only 41 compensation orders and eight reparation orders for cases where modern slavery was the principal offence (and it is unknown if any of these were for forced or compulsory labour).<sup>124</sup> Victims of forced or compulsory labour often find it difficult to meet the criteria of the CICA scheme, which does not offer compensation on the grounds of being a victim of modern slavery but requires physical harm or a diagnosable psychological trauma resulting from “a threat against a person, causing fear of immediate violence”.<sup>125</sup> Victims must also apply within two years of the injury being sustained, yet many modern slavery victims may not be able or have not reached a point of sufficient recovery where they are able to apply at that time. There is discretion that can be applied, allowing late applications, but the burden of providing sufficient evidence is high. Extensive delays for victims awaiting applications to CICA have also been widely reported<sup>126</sup>

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<sup>124</sup> Independent Anti-Slavery Commissioner, *IASC policy paper: Access to compensation and reparation for survivors of trafficking*, 2022

<sup>125</sup> Ministry of Justice, *The Criminal Injuries Compensation Scheme 2012*

<sup>126</sup> ATLEU *Survivors of trafficking and the Criminal Injuries Compensation Scheme*, 2020



***“I probably know of one successful CICA for labour exploitation, but that person was also tortured as part of their [exploitation] to keep them there, so they had evidence. It feels bad that the threshold has to be that you’ve got physical scars in order to be eligible for compensation.”***

Service Manager, Modern Slavery Response Team, Hestia

Victims of forced or compulsory labour are able to bring claims at the Employment Tribunal against their exploiters where modern slavery has involved breaches of employment law. Common examples include not paying the National Minimum Wage or unlawful deduction of wages, working onerous hours in contravention of working time regulations, not being given a payslip, which is a legal requirement, or not having a contract (or a contract that reflects the actual work), which gives rise to a claim on the grounds that the worker wasn’t given proper terms and conditions.

***“The Employment Tribunal is a particularly good forum because. [...] you’ve got a judge who’s very much used to dealing with those kinds of, ‘he said, she said,’ type disputes. At the moment, there’s no fees for using the employment tribunal. And you can get there quite quickly. So it’s still a really good way to get a remedy as a victim of trafficking if the type of trafficking you’ve been subjected to could be described as an employment situation.”***

Employment Solicitor, ATLEU

These rules provide a route to receive financial redress for the exploitation victims have suffered, which is not open to victims of other forms of modern slavery. However, the only circumstances when the Tribunal could make an award for psychological damage known as “injury to feelings” are in a claim for discrimination. Some organisations that support modern slavery victims have called for the creation of a civil remedy for modern slavery to enable a general civil claim of modern slavery to be brought against exploiters. This would mean victims would not be dependent on the prosecuting authorities to make applications (as they are with compensation and reparation orders) nor the limitations of employment law.<sup>127</sup>

Despite the advantages offered by the Employment Tribunal, it is not a perfect solution. Time limits put pressure on victims to bring a claim within a short time after their exploitation (three months minus one day since the abuse occurred), when they may still be dealing with the trauma and focused on recovery. Victims who do not disclose their exploitation until years have passed (because of the trauma or stigma or not knowing about the support available) will be completely excluded. Claims for unpaid wages have been restricted to a period of two years by the Deduction from Wages (Limitation) Regulations 2014, meaning a victim who suffered years of modern slavery will only be compensated for part of their exploitation. The Employment Tribunal process can also be long (often a minimum of 18 months)<sup>128</sup> and re-traumatising for victims who find themselves having to speak about their exploitation and emotionally pulled back into the most horrendous experiences through the course of the hearings.

<sup>127</sup> ATLEU Briefing *The need for a civil remedy of trafficking and modern slavery: Compensating survivors and punishing traffickers*, 2023

<sup>128</sup> ATLEU Briefing *The need for a civil remedy of trafficking and modern slavery: Compensating survivors and punishing traffickers*, 2023

Although victims of modern slavery are eligible for legal aid for employment law claims, finding legal representation is extremely difficult due to general shortages of legal aid lawyers and specific geographical shortages (often called “legal aid deserts”).<sup>129</sup> Even if victims are successful in bringing a claim and the Tribunal makes an award, victims may be left with little financial compensation after the statutory charge to repay the legal aid cost is made.<sup>130</sup> Victims in receipt of welfare benefits may also have their benefits reduced or even stopped after receiving an award, which can be destabilising and bureaucratic when victims then need to reapply after their compensation money has run out. Victims have expressed their frustration with this system, and certainly, when considered as a form of compensation for the crime of modern slavery, it is unsatisfactory.

### Recommendation 18

The Ministry of Justice should add modern slavery to the list of “crimes of violence” in the Criminal Injuries Compensation Scheme to make it easier for victims of forced or compulsory labour to apply without needing proof of physical or diagnosed psychological injuries.

### Recommendations 19

The Crown Prosecution Service should update guidance for prosecutors, requiring them to consider making applications for confiscation orders under proceeds of crime legislation and reparation orders under Section 8 of the Modern Slavery Act 2015 in all modern slavery cases.

## 7.2.3 Support, wellbeing and access to work

In 2022, our report *A Path to Freedom and Justice* reviewed the support needs of adult victims of modern slavery and the services available to them.<sup>131</sup> Unfortunately, since we published our report in 2022, not only has little progress been made towards improving the support, but commitments to providing support before and after the NRM process have been dropped,<sup>132</sup> and access has been narrowed through higher thresholds for NRM reasonable grounds decisions and disqualification provisions (including the possibility of excluding all victims who arrive in the UK ‘illegally’ if the Illegal Migration Act provisions are brought into force).<sup>133</sup>

<sup>129</sup> House of Commons Home Affairs Committee *Human trafficking First Report of Session 2023–24 HC124*, December 2023; GRETA (Group of Experts on Action against Trafficking in Human Beings) Evaluation Report United Kingdom Third Evaluation Round *Access to justice and effective remedies for victims of trafficking in human beings GRETA(2021)12*

<sup>130</sup> Gov.uk *Legal Aid*

<sup>131</sup> Centre for Social Justice and Justice and Care, *A Path to Freedom and Justice*, 2022

<sup>132</sup> The Home Office announced that it would not be proceeding with work to pilot pre-NRM places of safety or provide 12 months’ support to confirmed victims after the NRM in the Home Office NRM Reform Newsletter to stakeholders sent on 1 December 2023. The Home Office confirmed the decision on support after the NRM in House of Commons Home Affairs Committee *Human Trafficking: Government Response to the Committee’s First Report HC566*

<sup>133</sup> Changes to the RG threshold were introduced on 30 January 2023 (amended in July 2023) alongside bringing into force disqualification from the NRM on the grounds of public order and bad faith under the Nationality and Borders Act 2022. See House of Commons Home Affairs Committee *Human trafficking First Report of Session 2023–24 HC124*, December 2023

There is an urgent need for a review and reform of the whole support system for all victims of modern slavery, which we have recommended should be a priority for the new government.<sup>134</sup>

Every modern slavery victim is an individual, and their needs vary. Yet the fundamental pillars of support, including safe accommodation, financial support, healthcare (both physical and psychological) and legal advice, are common for most victims no matter what type of modern slavery they have been through. These were raised repeatedly by support providers and lived experience contributors that we spoke to in relation to the needs of forced or compulsory labour victims. It is especially important that any circumstances and complex needs that made the person vulnerable to exploitation in the first place are addressed, such as homelessness, alcohol or drug misuse problems and insecure immigration status. Pressures on mental health services cause a particular problem for modern slavery victims who may have been through traumatic experiences.

One aspect of recovery with particular significance for victims of forced or compulsory labour is access to work. Since many victims have been exploited because of their desire to work, being able to return to employment is often a priority. Some victims of forced or compulsory labour are psychologically ready to return to work at an earlier stage after escaping their exploitation than victims of sexual exploitation if they have not experienced significant levels of trauma.

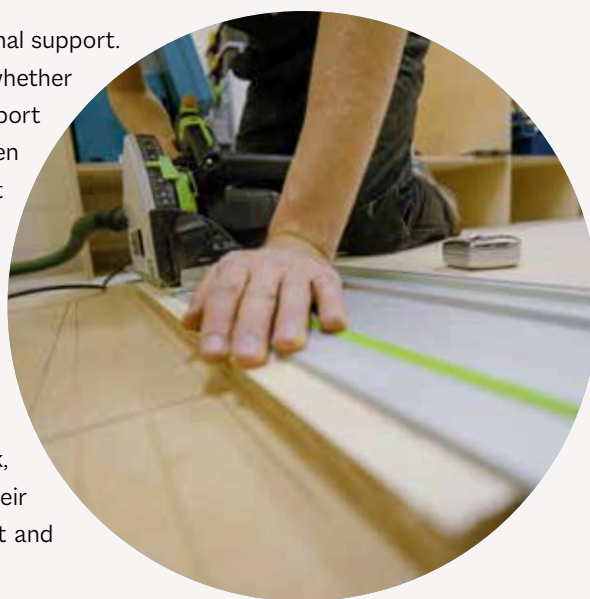
***“Broadly speaking, the right to work and being able to work is something that we see across exploitation types. But I would say that those who’ve experienced labour exploitation are probably in a slightly different space in terms of readiness for work.”***

Research & Participation Manager, Causeway

However, access to work is not straightforward and often requires additional support. Victims of modern slavery do not automatically have the right to work, whether in the NRM or when confirmed as victims at the end of the process. Support providers have recommended that victims within the NRM should be given that right, with economists estimating it could generate an annual net economic benefit of £10m to £41m.<sup>135</sup> Access to work depends on victims’ immigration status. Even when victims have the right to work, accessing appropriate work is not easy.

For many victims, returning to a workplace can help them build their confidence and improve their mental health and wellbeing.

However, having already been taken advantage of in their search for work, it can be helpful to have additional support and guidance to understand their employment rights, what is expected of them in the working environment and how to manage relationships in the workplace.



<sup>134</sup> Centre for Social Justice and Justice and Care, *A renewed vision for the fight against modern slavery in the UK: A programme for government*, 2024

<sup>135</sup> Anti-Slavery International et al, *Access to work for survivors of slavery to enable independence and sustainable freedom*, March 2021; Hestia, *Underground Lives: Aspirational Britain: Survivors of modern slavery want to work too*, 2022

*“With victims of labour exploitation, there can be a nervousness about returning to a workplace, particularly to an environment that is potentially triggering, so it can be a real balance, and it’s different from individual to individual. [...] some might be quite highly qualified in a trade or a particular sector, or may have lots of experience, for example, in hospitality or construction, and it can be this tension between using their skills and their experience, but also fear of returning to an environment where they’ve been exploited using those skills and experience, and that might be triggering as well, to return to that environment.”*

Senior Manager, Women and Modern Slavery Projects, Jericho Foundation

Supported work placements, such as those facilitated by the Bright Future Cooperative<sup>136</sup> or the Jericho Foundation’s Equiano programme,<sup>137</sup> allow victims to be placed in understanding workplaces and with external support workers to offer additional assistance.

Victims who do not have the right to work or are not ready to begin regular employment may begin with volunteering. For some victims, this can be a positive way to test the waters, to keep busy while waiting for an NRM and/or asylum decision and to build confidence. However, even finding a volunteer placement is not always easy. Some victims may be concerned about having to share personal information or being asked about their exploitation. In other situations, the placement may be concerned about whether they can provide the level of support and trauma-informed supervision that they think is needed.

Some victims can also become frustrated that they are not able to be paid, and there is a risk that this has unhelpful echoes of their exploitation where they were not paid for their work.

*“For those who have come out of labour exploitation, [volunteering] is a difficult concept to explain sometimes. One of my clients who was volunteering, after some time, started questioning why he wasn’t getting paid, and even though I explained it to him, he felt he was just in the same situation as before.”*

Victim Navigator, Justice and Care

## Recommendation 20

The Home Office should include provision of work-preparedness training and experience (vocational training, workers’ rights education and supported work placements) in the specification, KPIs and funding for the next Modern Slavery Victim Care Contract (from 2025 onwards).

## Recommendation 21

The Home Office should provide all confirmed victims with a positive Conclusive Grounds decision an additional 12 months of support after the NRM including temporary leave to remain, recourse to public funds and the right to work for those with irregular immigration status. (Centre for Social Justice and Justice and Care, A Path to Freedom and Justice, 2022)

<sup>136</sup> <https://www.linkedin.com/company/bright-future-co-operative-limited/about/>

<sup>137</sup> <https://www.jericho.org.uk/equiano>



## Spotlight: Jericho Foundation Equiano Programme

The Jericho Foundation is a Birmingham charity and group of social enterprises ranging from construction to cleaning and catering focused on providing “supported work opportunities for people facing extreme challenges in getting a job”.

The Equiano programme provides victims of modern slavery with volunteer and paid part-time work placements for an average period of six months within one of Jericho’s social enterprises. Placements are designed as a stepping stone to help participants prepare for permanent employment elsewhere outside Jericho’s supportive environment. During these placements, participants learn practical work skills. Depending on the role, they may build confidence in dealing with the general public or how to handle inquiries. Alongside those practical work skills, participants can experience what ‘decent work’ looks like, understand employment rights like contracts and payslips, how to manage a rota (coming to work for your shift on time) and understand things like annual leave.

Jericho core staff have received training to be able to create a trauma-informed workplace and are committed to the Foundation’s core mission of offering supportive work opportunities to those who need them. So, whilst these staff are primarily responsible for running the social enterprise, they can be a first line of understanding and support for a victim placed into their team. In addition, a wider team provides wrap-around support to enable each participant to remain and succeed in their placement.

Alongside the work placement, Jericho offers participants a programme of social activities like picnics or visits to historic cities like Oxford and London. This programme complements the work opportunities to reduce social isolation and improve wellbeing and mental health. They also provide opportunities for participants to develop friendships and peer support.

Approximately 70-80% of participants have a positive outcome after completing their placement, which could be into paid employment outside Jericho (some participants have gone on to a Bright Future placement) or into further volunteering if they do not have the right to work. Some participants go on to education having built up their confidence through the programme.

Yasmin\* is currently on a work placement in Jericho’s catering business. Because of the horrible experience she had at the hotel where she was forced to work in many different roles, she felt she had lost all her confidence in her culinary skills, so she began volunteering in other roles at Jericho, including reception work. In time, after rebuilding her confidence, she started working in Jericho’s catering business. Yasmin said about her experience at Jericho, “Step by step, I felt like I regained my power, my dignity, and with all those social trips, art therapy sessions and things like that. I started to know about the country, the culture and everything, and I felt more peaceful inside and regained my confidence [...] I felt I lost my culinary experiences completely. But now I feel very confident. I feel like slightly I’m going back to my normal life.”

\*Name changed

## 7.2.4 Risks of re-exploitation

The desire to work, along with some of the challenges in accessing appropriate work, can put victims at risk of re-exploitation. Victims, especially those who do not have the right to work, are drawn in by offers of informal or cash-in-hand jobs, which pose extreme risks of a return to forced labour or exploitation.

“What we find is that the people with labour exploitation are more likely to have only ever had experience of these kind of informal pathways, and maybe have a limited education, limited English language. So there really are a lot of barriers to get them into mainstream employment, which [...] does make it an even bigger challenge for so many people. You know, how do you reduce that risk of re-trafficking when they're very used to this form of work, and they don't have any other option.”  
Matthew, Research and Participation Manager, Causeway

These risks are exacerbated by the length of time victims must wait for an NRM Conclusive Grounds decision and any subsequent asylum or temporary leave decision that would give them the right to work. Anecdotal evidence suggests some victims experiencing long delays who do not have the right to work are accepting offers of illegal work, putting them at great risk of re-exploitation. There is an urgent need for changes to the NRM decision-making process to reduce delays.<sup>138</sup>

### Case study - Paul's story

Paul\* was deceived in Romania with a promise of a good job in the UK in construction as he had a Construction Skills Certificate. In London, he was welcomed by a couple who took him to an overcrowded flat and then told him he had to work in their car wash. His passport and certificate were taken by the couple. He was made to work ten hours per day for £40. He had to share the flat with eight other people and therefore slept on the floor. When he asked for his documents and to work in construction as previously agreed, the couple told him he had to work for them to get his ID back.

Paul escaped and found his way to a police station. However, he was not believed. Paul slept rough for several days until finding his way to The Passage where he was immediately assessed as a potential victim.

Paul entered the NRM and received a positive Conclusive Grounds decision within 36 months. When he left the NRM, he had a temporary part-time job and a flat. The police arrested the couple in a successful criminal investigation. However, loneliness and solitude drove him to alcohol abuse. He was unhappy with the job as he wanted it to be full-time, and it was not in construction. As a result, he left the job and the flat and travelled to London to seek economic stability. But the lack of opportunities drove him to become homeless again, and eventually he accepted another untrustworthy job. Paul was never seen again.

Case study shared by The Passage

\*Name changed

<sup>138</sup> See our previous recommendations in Centre for Social Justice and Justice and Care: *A Path to Freedom and Justice*, 2022

## 7.3 Criminal investigations are few and challenging

Criminal prosecution of exploiters is one of the core ways that the risks of exploitation are prevented, protecting the public through imprisonment and deterring criminals from engaging in modern slavery in future. It is also a way for individual victims and communities to get a sense of justice being done by holding exploiters accountable for their actions.

However, not only are overall modern slavery prosecutions relatively low in comparison with NRM referral rates, there are fewer investigations into forced or compulsory labour than criminal exploitation or even sexual exploitation. Just under 14 per cent of all live modern slavery investigations are for forced or compulsory labour, compared to 60 per cent for criminal exploitation and 18 per cent for sexual exploitation.<sup>139</sup> Analysis shared with us by the Modern Slavery and Organised Immigration Crime Unit (MSOICU)<sup>140</sup> shows that the number of forced or compulsory labour investigations has remained relatively consistent since 2020, ranging from between 430 and 464 investigations each year. However, forced or compulsory labour now makes up a much smaller proportion of all modern slavery investigations, and this “is largely explained by the relative infrequency of criminal exploitation [investigations] in earlier years”.<sup>141</sup> We noted in previous research the possibility that “The higher rates of NRM referral and police investigation for criminal exploitation compared with other types of modern slavery may be a byproduct of other policing priorities (such as pursuit of drugs crimes, especially a focus on county lines).”<sup>142</sup>

Police officers we spoke to highlighted that wider pressures on the police resources and investigative challenges present in all modern slavery cases are part of the problem. Among these pressures is the turnover in police staff and a need for more experienced detectives. Home Office statistics show that at the end of March 2024, officers with less than five years of service accounted for 35 per cent of all police officers in England and Wales.<sup>143</sup> Police experts and community organisations also highlighted the need for greater language and cultural understanding on the part of police officers to improve engagement with victims and diaspora communities.

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<sup>139</sup> Modern Slavery & Organised Immigration Crime Unit National Policing Insight Unit *Non-LEA Overview of Live Modern Slavery Investigations (Msid) in UK Policing April 2024 (Data To 07/05/2024)*, May 2024. This data uses the term “labour exploitation” to refer to the sub-category of modern slavery that is forced or compulsory labour. Note: Only investigations recorded through the PND DDE (Direct Data Entry) process have been taken into consideration for the visuals in this report. PND DDE is a manual process whereby forces identify and enter their investigations onto PND; as such, the analysis reported here is dependent on the quality of data input through the PND DDE process.

<sup>140</sup> The MSOICU is a Home Office funded transformation programme working to improve the policing and wider law enforcement response to modern slavery (MS) and organised immigration crime (OIC). The MSOICU is led by a Chief Superintendent who reports to the National Police Chiefs’ Council lead for MS and OIC, Assistant Chief Constable Jim Pearce.

<sup>141</sup> Analysis provided privately by the Modern Slavery and Organised Immigration Crime Unit National Policing Insight Team of data on the Police National Database. The analysis is based on live police investigations being conducted by police forces in England and Wales into MSHT where the primary slavery type is recorded as labour. Since November 2020, only investigations recorded through the PND Direct Data Entry (DDE) process for MSHT are included. PND DDE is a manual process whereby forces identify and enter their investigations onto PND; as such the analysis reported here is dependent on the quality of data input through the PND DDE process.

<sup>142</sup> Centre for Social Justice and Justice and Care *Criminal exploitation: Modern slavery by another name*

<sup>143</sup> Home Office *Accredited official statistics Police workforce*, England and Wales: 31 March 2024. Updated 24 July 2024.

The biggest challenge police officers spoke about is victim engagement. Victim complaints and testimony remain the cornerstone of police investigations, but many are reluctant to engage with the authorities (for reasons outlined above); others just want to get on with their lives and find new work or return home.

It is common for modern slavery offenders to threaten their victims that nothing will happen if they try to report their crime because they have the police in their pocket. When suspected exploiters are released on bail during the course of investigations, this can undermine the confidence and trust of victims and local communities who see the perpetrators back on their streets, apparently living life as normal. These concerns and fears are intensified after a trial if a perpetrator is given a suspended sentence, released from prison on early schemes, or just returns to the same community after serving their sentence — especially if police are not informed and are not able to advise victims of the release.

***“We find that there’s been a little bit of a slump with getting complainants on board [with criminal proceedings] recently, and it may be to do with this early release scheme where defendants aren’t serving the full sentence, and they’re getting released early. [...] There was one such instance where a defendant served part of their sentence, then they made an application for the early release scheme through the Home Office. We weren’t told. [A charity] contacted us and said the complainant has just passed the suspect in their hometown [in Romania], and obviously, they’re very scared.”***

Police Officer, Metropolitan Police

***“Now we see people who have been actually released from prison because, obviously, they serve the sentence. So, they’re back into the community, continuing what they’ve been doing, you know, and I think there was a sense of horrendous injustice and a sense of, you know, this is corrupted, if people can do it, and they can get away with it.”***

Director, European’s Welfare Association

The length of the investigative process and long delays for cases to come to court due to backlogs in the system can mean the victims disengage during the process even if they did originally contact the police.<sup>144</sup> Support during this process is critical to enabling victims to have confidence and personal stability to be able to take part in the justice process. Justice and Care’s innovative Victim Navigator programme embeds specialist Victim Navigators in police forces and the GLAA to provide wrap-around support to victims from the point of identification through to the end of the criminal justice process and beyond.<sup>145</sup> Ninety-seven per cent of the survivors of forced or compulsory labour Justice and Care is working with have engaged with the police to some degree. A national rollout of the programme has been recommended by the Home Affairs Select Committee and endorsed by key police leaders, including ACC Jim Pearce the National Police Chiefs’ Council Lead for Modern Slavery and Organised Immigration Crime.<sup>146</sup>

<sup>144</sup> The Law Society, *Press release: Backlogs continue to spiral in crisis-ridden criminal justice system*, 28 March 2024

<sup>145</sup> Justice and Care, *Victim Navigator Pilot Final Evaluation From Victim to Witness to Survivor*, November 2022

<sup>146</sup> House of Lords Modern Slavery Act 2015 Committee *Corrected oral evidence: Modern Slavery Act 2015*, Monday 4 March 2024



*“The role of witness care and liaison is not something the police, on the whole, can stretch to in foreign countries. [In a recent case] the assistance provided by Justice and Care, working alongside La Strada [a European NGO], proved to be fundamental in victim support alongside the support of the victims for the judicial process [...] maintaining a positive relationship with those victims that remained in the UK [...] and] pivotal in the relationship with La Strada and all of our victims in Czechia.”*

Police Officer, Metropolitan Police

## Recommendation 22

The Home Office and Ministry of Justice must ensure each police force has access to a specialist Victim Navigator to support modern slavery victims through the criminal justice process. (Centre for Social Justice and Justice and Care, A renewed vision for the fight against modern slavery in the UK: A programme for government, 2024)

Even if victims are willing to speak to police, it can be difficult to gather sufficient evidence to be able to make a case at the criminal threshold. This is especially difficult when it comes to the vital element of deception or coercion (see Chapter 2).

*“Labour exploitation is harder to prosecute than sexual exploitation. Sexual exploitation is easier to evidence because the element of control is usually clearer. [...] Juries do understand it [forced labour], but it is about presentation. I present the case to them visually, ‘compare and contrast - your life with the victim’s life, the victim’s life with the defendant’s life.’ ”*

Caroline Haughey KC

If there is no evidence to support a victim’s allegation of threats or coercion, such as documents or text messages, even with evidence of other aspects of the forced or compulsory labour, it may not be enough for a prosecution.

*“Usually, the evidence that you’ve got is word against word. So, it might be supported through some other kind of evidence that might be available. But you’ve then got to prove those indicators, those forced and compulsory labour [criteria] versus a dispute of agreed salary, agreed wages, agreed working conditions, and that can become really difficult. In part, this can be because the evidence isn’t secured at the earliest stage because officers don’t recognise or aren’t sure they are dealing with a criminal offence.”*

Police Officer, Greater Manchester Police

We heard about how important financial investigations are in modern slavery cases and especially in forced labour cases, which often hinge on payments made and monies held. However, according to police evidence to a House of Lords Committee, “Financial investigators in the service are a finite resource. Equally, it is often difficult to retain them because they are so specialised.”<sup>147</sup>

<sup>147</sup> Temporary Chief Superintendent Tamasine Matthews, Unit Commander for the Modern Slavery and Organised Immigration Crime Unit, House of Lords Modern Slavery Act 2015 Committee *Corrected oral evidence: Modern Slavery Act 2015*, Monday 4 March 2024

***“Lack of financial investigators is crippling efforts to crack down on labour exploitation because financial evidence is so key. If you have financial evidence, you can even do an investigation without victims’ participation (which is often challenging). If you have physical and financial evidence that you can present to the defendant for which they have no answers, that can make your case that this was forced or compulsory labour like, ‘Why do you have so many bank cards not in your name?’”***

Caroline Haughey, KC

If there is insufficient evidence that the criminal threshold of forced or compulsory labour has been met, then investigations will be dropped. It is a central pillar of our criminal justice system that there must be sufficient evidence, and one person’s allegation is not enough for the severe consequences that result from criminal prosecution. However, we must be sure that every effort has been made to find and analyse all other possible sources of evidence.

When investigations are discontinued, it can be very disappointing and confusing for victims who continue to live in fear, and even support workers can doubt the value of encouraging victims to report these crimes to the police.

***“The police initially handled the case very professionally, but then, strangely, they just closed it without further investigation. I’m still unsure why. It felt like they didn’t put enough effort into it, maybe because they saw it as a small crime. The lack of proper investigation left me feeling abandoned by the system, and the trauma continues to affect me deeply. Even now, whenever I see a car that resembles my ex-boss’s, I experience a wave of panic and fear, as if she’s still chasing me. It’s like I’m constantly living in her shadow, unable to fully move on.”***

Equiano Participant, Jericho Foundation

***“I’ve been with service users and reported to the police and been like, ‘We know there’s an active brothel where there’s exploitation happening here’ and actions have happened. We’ve gone to the police and said, ‘We know there’s active exploitation happening at this high street shop chain in the cleaning,’ and nothing’s happened. I think that it’s not taken as seriously, so in terms of justice, I don’t think that is a priority from the police in investigating it.”***

Service Manager, Modern Slavery Response Team, Hestia

The criminal justice process can also appear to conflict with victims’ need for support and their rights to compensation. Defence barristers often seek to characterise victims as disgruntled employees trying to get money from the defendants. This argument can be boosted if a victim has also made an application to bring a civil case against their exploiter at the Employment Tribunal — which will usually have to be stayed until the criminal trial is completed because defendants have a legal right not to incriminate themselves.

***“The main challenge is that the victims understandably want the money they should have been paid, but the defence keep saying, ‘You are only doing this [giving evidence] to get compensation.’ But compensation is different than having the wages that they have rightfully earned.”***

Victim Navigator, Justice and Care

These issues are not just raised by defence barristers. We were told that they have also been raised by barristers representing the Crown, despite the provisions in the victims' code that give victims the right to be informed by police about routes to compensation.<sup>148</sup>

*"I think that if there is some work to be done with government agencies and barristers and other sort of legal entities that maybe we can explain, articulate it to them better that, this is part of the victim's code, and we should be presenting it to the victims at the very first instance. This is something you're encouraged to do, and it shouldn't be to their [the victims'] detriment when they're then cross-examined at court and asked, or told, 'This was your motivation.'"*

Police Officer, Metropolitan Police

### Case study - Operation Balleh\*

Over a period of nine years from 2010 – 2019, four Czech nationals exploited at least 12 victims (11 Czech and one Slovak), putting them to work in a commercial bakery, a car wash and a McDonald's fast-food restaurant, as well as periods of sexual exploitation and domestic servitude for some female victims.

The victims all came from poor or rural backgrounds, and many of them had struggled with alcohol and substance misuse or homelessness. The crime gang deceived their victims into coming to the UK with the offer of a chance of work and accommodation. However, the victims' wages were all paid to their exploiters, who kept most of it, paying the victims only small sums, claiming the rest was needed to fund the accommodation and council tax or that they were looking after the rest 'for safekeeping'. If victims asked for their money, their exploiters would not give it to them. The exploiters took the victims' ID documents, and the accommodation was very poor – some victims were housed in an unheated garage or shed in cramped and unsanitary conditions with other victims. On the day police came to the accommodation to help the victims, one woman asked if she could have a bath because she hadn't had one in years. Victims were threatened, and some even experienced physical violence at the hands of their exploiters.

Several victims ran away from their exploiters and slept rough, desperately afraid of the consequences if they were found by the gang. One eventually reported their abuse to the police after returning to Czechia. A joint police operation with Czech police led to the discovery of more victims who had escaped, as well as those still caught in slavery under the control of the criminal gang. The majority of the victims entered the NRM. Some are still in the UK; others have returned to Czechia, where they still live in poverty.

Since December 2020, the Justice and Care Victim Navigator has remained in constant contact with the victims participating in the prosecution, helping them to access safe accommodation, healthcare (including rehab for alcohol misuse), debt advice and



<sup>148</sup> Ministry of Justice, *Statutory guidance Code of Practice for Victims of Crime in England and Wales (Victims' Code)* Updated 10 June 2024 Right 5.

supporting them to return home or be reunited with their family in the UK. One of the survivors said about their Victim Navigator, “You are my angel, always helping me. When I have a problem, I know to call you.”

The Navigator also provided a key link to the investigation and prosecution, updating the survivors on progress in the criminal proceedings and supporting them as they gave evidence. Victims who had returned to Czechia were helped to give evidence in court by video link.

The court process endured significant delays caused in part by COVID backlogs and barrister strikes. After being originally scheduled for 2021, the trial eventually took place in 2024. The four defendants were convicted of a total of 60 modern slavery offences. Three defendants received sentences of 13, nine and four years in prison respectively and the imposition of Slavery and Trafficking Prevention Orders under the Modern Slavery Act to place conditions on the defendants’ behaviour with a view to preventing them exploiting other victims in future. (The fourth defendant is yet to be sentenced at the time of writing).

The Officer in Case (lead investigator) said, “Balleh was a very lengthy trial with significant delays that were out of our hands. The role of the Victim Navigator was crucial in ensuring that not only were the victims still willing to provide evidence in the trial itself but also that they were supported throughout this whole period of investigation. I believe that without this ongoing support, the victims wouldn’t have been able to go through the very stressful and difficult process of giving evidence.”

Case study provided by Justice and Care

*\* Operation Balleh is the name of a Metropolitan Police investigation into modern slavery. The victims’ experience features as part of the BBC investigative report ‘Slavery on the High Street’ into the broader activities of this criminal network.*

### Recommendation 23

The Home Office should update the Strategic Policing Requirement outlining specific required capabilities for modern slavery – with specific mention of forced or compulsory labour – as a subsection of Serious Organised Crime (similar to that for drugs and fraud). This should include ensuring increased training for officers and specialist investigation teams across all police forces.

### Recommendation 24

Every Police Regional Organised Crime Unit should appoint one modern slavery financial investigation SPOC (single point of contact) to contribute to and drive financial investigative awareness in modern slavery cases, supporting police forces with this aspect of investigations. These posts should be funded through assets seized under Proceeds of Crime legislation through the Asset Recovery Incentivisation Scheme (ARIS).

## 8. Conclusion and recommendations

Modern slavery in the form of forced or compulsory labour is a cancer at the heart of the British economy. Weaknesses in our labour market and immigration system are being utilised by criminals to exploit vulnerable people and defraud the British public. The government must take particular responsibility for establishing effective scrutiny to prevent visa schemes from becoming pathways into slavery, including considering how to stop third parties overseas from exploiting victims coming to the UK by these routes. The private sector can play a leading role in preventing and identifying exploitation where criminals infiltrate their business or sector. However, the government needs to provide a framework of regulation and labour market enforcement that will create a level playing field and an economy that no longer allows abuse at any point along the labour exploitation continuum. In the most severe cases, police need to have the resources to investigate modern slavery crimes so perpetrators can be held to account. Victims should be provided with appropriate care and support to help their recovery and their engagement with the police. Attention is needed to ensure safe and supported routes into work for victims as part of their recovery and to prevent re-exploitation as part of a wider review of the support system. Failure to prevent the forced or compulsory labour of workers in our communities damages us all. The new Labour Government has pledged a “New Deal for Working People” and to “Take back our Streets”. Modern slavery in the form of forced or compulsory labour undermines both of these aims and must be tackled head-on.

### Recommendation 1

The Department for Business and Trade should establish a mandatory licensing regime for hand car washes. Responsibility for monitoring and inspecting compliance with these licences should sit with the new Fair Work Agency.

### Recommendation 2

The Director of Labour Market Enforcement should conduct a review of other informal sectors that are high risk for modern slavery and non-compliance with employment law to consider their suitability for a further licensing regime.

### Recommendation 3

To prevent forced and compulsory labour and the conditions that allow it to flourish and to strengthen the response to it, the proposed Fair Work Agency must:

- Have resources, capacity and a strategy to conduct more inspections and enforcement action, both proactive and reactive, at all levels along the labour exploitation continuum. This should include capacity for financial investigation and an uplift in the number of labour inspectors to reach ILO recommended levels.
- Retain the GLAA's specific expertise, powers and focus on modern slavery as part of its core mission.
- Take a victim-centred approach, including:
  - easily accessible and widely advertised information and reporting channels (in multiple languages or with interpretation services)
  - responsibility for action on labour abuse and modern slavery, without statutory duties connected to immigration enforcement (this separation of powers should be clear in worker information)
  - signposting to support with accessing alternative employment
  - continued specialist independent support for modern slavery victims through a team of embedded Victim Navigators (with funding from the FWA budget as per the current GLAA model).
- Have powers to issue penalties and engage with employers to remedy breaches across all sectors of the economy, including retaining the powers of the Employment Agency Standards Inspectorate and the HMRC NMW team to recover unpaid wages or money owed to temporary workers and unlawful fees charged to workers.



#### Recommendation 4

The Treasury and Department of Business and Trade should create a Fair Work levy in legislation (similar to the Economic Crime levy) applying to the same companies falling within Section 54 of the Modern Slavery Act. The levy should be used to increase funding for the Fair Work Agency, including an additional £18.8 million to fund an increase in labour inspectors and further income to fund other investigative resources for the GLAA, EAS and HMRC NMW team initially and the Fair Work Agency once established.<sup>149</sup>

#### Recommendation 5

UK Visas and Immigration should provide information on employment rights and how to report abuse (developed by the FWA) with every grant of a work visa. The same information should be provided by Border Force to every worker arriving on such a visa at UK ports of entry.

#### Recommendation 6

The Home Office and Department for Environment, Food & Rural Affairs should accept and implement the recommendations of the 2024 Migration Advisory Committee (MAC) Review into the Seasonal Worker Scheme.<sup>150</sup> In particular, we call for urgent implementation of the recommendations for:

- A more flexible visa, reducing the gap between visas to three months
- Fairer work and pay in line with market rates for workers not on the SWS, further communication with employers about the required 32 hours per week guaranteed pay and a guaranteed minimum of two months' pay
- Tighten, communicate and enforce employee rights, including giving the GLAA statutory powers to visit farms as part of compliance work; distribution of information on employment rights in the workers' own languages to workers at recruitment and reissued on arrival; grouping together of audit processes carried out by scheme operators and supermarkets and consideration of how the Employer Pays Principle might operate in the scheme.

We recommend that the provision of further statutory powers for the GLAA be enacted through the proposed Employment Rights Bill and brought into force as an interim measure before being migrated to the new Fair Work Agency when that begins to operate.

<sup>149</sup> See earlier calculations. The CAB calculated a levy of £3.25 per employee on large businesses could raise over £35 million so the levy could be used to fund further additional staff resources on top of more inspectors as well as contributing towards some of the existing costs.

<sup>150</sup> Migration Advisory Committee, *Review of the Seasonal Worker Visa*, July 2024

### Recommendation 7

The Home Office should amend the Immigration Rules to ensure seasonal workers on the scheme are recruited only from countries with which the UK Government has signed Memoranda of Understanding (MOUs) for information sharing and collaboration to prevent exploitation of workers. We support the MAC's recommendation that MOUs be set up between the UK and each country seasonal workers are recruited from. However, we believe the government should go further by enshrining this in the scheme eligibility.

### Recommendation 8

Local authority partnerships providing support through the international recruitment funding in adult social care should ensure all displaced overseas care workers are eligible for assistance to find new sponsors and not limit help to workers whose sponsor's licence has been revoked (including, for example, where the worker has been unfairly dismissed or was able to escape their exploitative employment independently).

### Recommendation 9

The GLAA should establish an information-sharing process with coordinators under the regional partnerships supporting displaced social care workers under the international recruitment fund, whereby GLAA will notify coordinators to apply a red flag to any sponsors where there are outstanding concerns of exploitation (following complaints or ongoing investigations) until such a time as the concerns no longer apply. This will prevent re-exploitation.

### Recommendation 10

The Home Office must change the time limit for workers on Health and Care Worker visas to find a new sponsor from 60 days to 120 days (or if the person has entered the NRM until a Conclusive Grounds decision is made if that is longer). This will reduce the risks of re-exploitation.

### Recommendation 11

The Home Office should prioritise the employment of migrant care workers already in the UK who are unemployed (after their sponsor has lost their licence or they have escaped exploitation) by not issuing any more Health and Care Worker visas for social care workers outside the UK until it considers the number of workers displaced due to exploitation and/or the revocation of their sponsor's licence has reached manageable levels. This should be determined in collaboration with the Department of Health and Social Care and local authority partnerships under the international recruitment fund through shared data collection and analysis of the number of overseas workers on visas, the number of such workers displaced due to exploitation and/or revocation of sponsor licences.



## Recommendation 12

The Department for Health and Social Care and the Home Office must urgently commission an inquiry into the exploitation of migrant workers in the adult social care sector. The inquiry should consider:

- the nature and scale of exploitation
- the adequacy of mechanisms to prevent and identify exploitation (including scrutiny of sponsors) and the gaps in support for exploited workers
- the effectiveness of the Modern Slavery Act 2015 and other criminal offences to prosecute perpetrators
- the effectiveness of the international recruitment funding for local authorities in supporting displaced overseas workers
- the wider implications for those receiving care, local communities and local authorities' responsibilities
- the impact of recent changes to immigration rules building on the ICIBI inspection report
- the potential effectiveness and feasibility of licensing labour providers in the sector to prevent exploitation.

## Recommendation 13

The Department for Health and Social Care must ensure the proposed “Fair Pay Agreement” in the adult social care sector includes measures to address the specific circumstances of overseas care workers on sponsored visas and the need to increase recruitment and retention of domestic care workers. These should include:

- ensuring the same pay and conditions for workers on sponsored visas as those recruited locally to prevent the exploitation of migrant workers and undercutting of local staff
- measures to support sponsored workers to find alternative employment if their sponsor's licence is suspended or revoked or they experience exploitation
- steps to improve working conditions, career progression and pay within the adult social care sector in order to recruit and retain more British-resident workers.

## Recommendation 14

The Home Office, Department for Environment, Food & Rural Affairs and Department for Business and Trade should develop a regime of penalties for Skilled Worker sponsors and SWS scheme operators who breach their obligations to ensure worker welfare and compliance with employment law (including issues such as issuing of contracts, working hours and minimum wage). The penalties should be available in addition to or instead of the existing options of suspending, downgrading and revoking the licence. Such penalties should not be an alternative to criminal prosecution in cases of modern slavery or prevent individual remedies for workers through the employment tribunal. The remedies should include:

- Disqualification of company directors
- Ineligibility of business or named company director for a future sponsorship licence

- Fines in the same range as for illegal working.

### Recommendation 15

The Department for Business and Trade and the Department for Environment, Food and & Affairs should issue guidance for retailers, scheme operators and suppliers on coordinating the timing of social audits to reduce the burden on suppliers of multiple and differing audit processes. This guidance should begin with the horticulture and food production sectors, mindful of the MAC recommendation in the Review of the Seasonal Worker Scheme noted previously.

### Recommendation 16

The government should strengthen the Modern Slavery Act 2015 Section 54 reporting requirements by:

- Extending them to public authorities and investment organisations
- Setting mandatory minimum reporting requirements, including new measures to increase the quality of the information provided (such as details of all instances of forced labour identified and the remediation taken or giving reasons for why none has been found)
- Introducing penalties for failure to comply with the section, including a level of personal responsibility for company directors such as disqualification and fines set at an appropriately dissuasive level proportionate to an organisation's turnover. (These penalties should be enforced by the new Fair Work Agency). (Centre for Social Justice and Justice and Care, A renewed vision for the fight against modern slavery in the UK: A programme for government, 2024)

### Recommendation 17

The Department for Business and Trade should commence a review to assess how to further strengthen UK public and private sector supply chains, including consideration of:

- Legislative developments in other jurisdictions (particularly of key trade partners and markets where UK companies do business) and their impact on the UK
- New policy and legislative options for the UK, including mandatory human rights due diligence legislation and import controls. (Centre for Social Justice and Justice and Care, A renewed vision for the fight against modern slavery in the UK: A programme for government, 2024)

### Recommendation 18

The Ministry of Justice should add modern slavery to the list of “crimes of violence” in the Criminal Injuries Compensation Scheme to make it easier for victims of forced or compulsory labour to apply without needing proof of physical or diagnosed psychological injuries.

### Recommendations 19

The Crown Prosecution Service should update guidance for prosecutors, requiring them to consider making applications for confiscation orders under proceeds of crime legislation and reparation orders under Section 8 of the Modern Slavery Act 2015 in all modern slavery cases.

### Recommendation 20

The Home Office should include provision of work-preparedness training and experience (vocational training, workers' rights education and supported work placements) in the specification, KPIs and funding for the next Modern Slavery Victim Care Contract (from 2025 onwards).

### Recommendation 21

The Home Office should provide all confirmed victims with a positive Conclusive Grounds decision an additional 12 months of support after the NRM, including temporary leave to remain, recourse to public funds and the right to work for those with irregular immigration status. (Centre for Social Justice and Justice and Care, A Path to Freedom and Justice, 2022)

### Recommendation 22

The Home Office and Ministry of Justice must ensure each police force has access to a specialist Victim Navigator to support modern slavery victims through the criminal justice process. (Centre for Social Justice and Justice and Care, A renewed vision for the fight against modern slavery in the UK: A programme for government, 2024)

### Recommendation 23

The Home Office should update the Strategic Policing Requirement outlining specific required capabilities for modern slavery - with specific mention of forced or compulsory labour - as a subsection of Serious Organised Crime (similar to that for drugs and fraud). This should include increasing training for officers and specialist investigation teams across all police forces.

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# Appendix: Research participants

## Lived experience contributors

- Md. Amir Hossain Sarkar and another Lived Experience Consultant, Align Ltd
- Equiano Participant, Jericho Foundation
- Modern Slavery Lived Experience Advisory Panel England
- Wesley Hall Community Centre Service User

## Local and national charities, NGOs and trade unions

- Adavu
- Ashiana Sheffield
- ATLEU
- Causeway
- Citizens Advice Gateshead
- Clewer Initiative
- Community Trade Union
- Dewsbury Community Outreach
- Diversity Matters North West
- European's Welfare Association CIC
- Focus on Labour Exploitation (FLEX)
- GMB Union
- Hestia
- Jericho Foundation
- Justice and Care Victim Navigators
- Justice in Fashion
- Labour behind the label
- Matter South Yorkshire
- Medaille Trust
- Nottingham Trent University, Work, Informalisation and Place Research Centre
- Oasis Community Housing
- Oasis Centre, Gorton
- The Passage
- Snowdrop
- Stop the Traffik
- Stronger Together
- Unseen
- Wesley Hall Community Centre, Leicester
- West Midlands Anti-Slavery Network

## Private Sector

- ABP UK
- Achilles Information Ltd
- Alliance HR
- The Entertainer
- Practical Ethics
- Pro-Force
- Retail Motor Industry Federation
- Tesco

## Statutory services and law enforcement

- Caroline Haughey KC
- Gangmasters and Labour Abuse Authority
- Greater Manchester Police
- Metropolitan Police
- Modern Slavery and Organised Immigration Crime Unit
- Partners in Care and Health, Local Government Association
- West Midlands Police



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