

# The Chartered Institute of Building

submission to

## The Department for Business, Innovation & Skills (BIS) & The Home Office

on the consultation on

## Tackling exploitation in the labour market

*3 December 2015*

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Department for Business, Innovation & Skills

# Tackling exploitation in the labour market consultation response form

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for this consultation is 07/12/2015.

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Please return completed forms to:  
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When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.

	Business representative organisation/trade body
	Central government
	Charity or social enterprise
	Individual
	Labour provider
	Large business (over 250 staff)
	Legal representative
	Local Government
	Medium business (50 to 250 staff)
	Micro business (up to 9 staff)
	Small business (10 to 49 staff)
	Trade union or staff association
<b>x</b>	Other (please describe) <b>Professional Body</b>

## Introduction

The Chartered Institute of Building (CIOB) is at the heart of a management career in construction.

We are the world's largest and most influential professional body for construction management and leadership. We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, which we have been doing since 1834. Our members work worldwide in the development, conservation and improvement of the built environment.

We accredit university degrees, educational courses and training. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and other professionals procuring built assets.

We welcome the opportunity to respond to this consultation and are happy to be involved in the debate as it develops.

## The case for more effective enforcement

1. Do you agree that more needs to be done to tackle organised labour market exploitation?

- Yes  
 No  
 Not sure

Please give your reasons

Whilst it is easy to develop a distorted picture of slavery and exploitation in the labour market, human rights abuses are prevalent across the globe. Anyone can become a victim of exploitation and modern slavery – and, as research tells us, workers can be just as vulnerable in their home countries, as they are abroad.

Given that labour market exploitation is the second most common form of modern slavery in the UK, we are clear that there is increasing scope to improve the handling of the issue and ensure greater protection for workers in high risk industries, such as construction. In total, the Home Office estimates that the numbers trapped in some form of modern slavery could be as high as 13,000 people, although the secretive nature of exploitation makes it difficult, if not impossible, to make accurate assumptions.

Although there have been notable improvements in the field, which have been coupled with the introduction of the Modern Slavery Act 2015 as well as sector based campaigns such as Operation Magnify in construction, we are in agreement that more needs to be done to tackle organised crime and labour market exploitation.

Earlier this year, the CIOB released a report entitled [Modern Slavery: The Dark Side of Construction](#) which was intended to kick-start discussions on what we, as individuals and organisations, can do to combat the issue. Owing to the structure of the industry (e.g. levels of sub-contracting, and tight profit margins), the casualization of labour and the dependence on employment agencies, the report argues that construction is a particularly vulnerable to worker exploitation.

In addition to the unimaginable suffering and hardship felt by the victims and their families, reports of modern slavery and labour market exploitation pose serious reputational risk to entire business sectors. Construction, for example, struggles to showcase its professionalism and is often considered a dirty and dangerous industry to work in. We need only to look at reports of exploitation that have surfaced in Qatar to see the cloud that has been cast over the sector and a number of contractors as they prepare for the 2022 World Cup<sup>1</sup>. Further scandals involving exploitation would only further damage the reputation of the sector.

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<sup>1</sup> Amnesty International UK, [Qatar: FIFA must not tolerate human rights abuses on construction projects for 2022 World Cup](#), 17 November 2013

Businesses that knowingly hire illegal workers – or supply them to other contractors further up the supply chain, are likely to be paying below the national minimum wage, and undercutting their law abiding competitors. A business that is willing to exploit underpaid, under-trained labour is also likely to cut corners in other areas, such as health and safety, employment legislation or tax and National Insurance. The presence of exploitation and illegal employment in the industry therefore leads to downward pressure on safety standards and the overall quality of the output, both of which are crucial to a successful construction industry. For these reasons, we agree that more needs to be done to tackle organised labour market exploitation.

Measures such as a universal definition of exploitation may serve as a useful starting point for many businesses in the sector. And this consultation does not currently provide a clear legal definition of ‘organised labour market exploitation’.

We would also be supportive of further campaigns such as Operation Magnify which saw a week of interventions that targeted 153 construction sites across England and Wales. This resulted in 257 arrests and 9 ongoing investigations. However, we do have concerns that further activity requires further resources, yet the consultation states that more should be done with the same level.

## **A new Director of Labour Market Enforcement and more flexible enforcement**

2. Do you agree with the following statement?

*“Establishing a new Director for Labour Market Enforcement to set the strategic direction of the enforcement bodies will be effective in tackling worker exploitation”*

- Yes
- No
- Not sure

Please give your reasons

Whilst we consider it too early to comment on the potential effectiveness of a new Director for Labour Market Enforcement, we firmly support measures intended to increase oversight, leadership and coordination on this important issue.

## **Information sharing**

9. Do you agree on the need for powers to share data and intelligence across the enforcement bodies and with other organisations?

- Yes
- No
- Not sure

Please give your reasons

We acknowledge that the ability to share intelligence is of paramount importance to the work of our enforcement agencies. However, in order to be successful in the fight against modern slavery and organised crime, we need to look beyond simple intelligence gathering and take a multifaceted approach towards the issue. By multifaceted, we mean a three pronged approach which covers prevention, protection and prosecution; which the United Nations Human Trafficking Protocol (2003) specified to be an effective framework for combating the issue.

Although we recognise that data sharing plays a critical role in preventing organised crime and exploitation - its ability to offer protection to victims is, under the existing legal framework, slightly more ambiguous. We believe this situation is compounded by the current immigration rules, which stipulate that workers, on certain visas, must stay with their sponsor - or risk detention.

Whilst it is intuitive that measures designed to disrupt and prevent exploitation will offer a degree of protection and potentially help to reduce the number of victims over the longer term, there is concern over the implications of data sharing on the welfare of those trapped in some form of exploitation. Unless adequate safeguards are put in place, trust in officials may suffer as a result of closer integration between other organisations, such as immigration bodies and local authorities, when compared with law enforcement agencies<sup>2</sup>. This may, in turn, impact negatively on the ability of the latter to collect and gather intelligence. Given this assessment, the CIOB remains cautious about the sharing of data and intelligence under the current legal framework and immigration rules and acknowledges that greater coordination may give rise to a number of unintended consequences which could undermine the performance of each organisation.

To continue with this point, if data is to be shared across a range of enforcement bodies and agencies we need to see appropriate safeguards put in place to ensure that individuals who have the courage to come forward are not penalised for doing so. It is imperative to avoid a situation whereby organisations such as the Gangmasters License Authority are seen as extensions to law enforcement. For these reasons, we remain cautious about the sharing of data and intelligence unless appropriate safeguards are put in place.

## Reforming the GLA

10. Do you agree with the proposal to expand the role of the Authority or should we retain the current model?
- Yes, expand the role of the Authority
  - No, retain current model
  - Not sure

Please give your reasons

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<sup>2</sup> Caroline Robinson, [Preventing Trafficking for Labour Exploitation](#), March 2014

We are supportive of measures designed to increase the role of the Gangmasters License Authority (GLA) in order to cover industries at a higher risk of exploitation and modern slavery. However, we are clear that closer linkages with other bodies may, without appropriate safeguards, threaten its intelligence gathering function.

Additionally, the GLA should not have its remit expanded without a matched increase in resources. For these reasons, and without full details of the expansion, we remain cautious of any proposals to expand the GLA.

## The objectives and remit of the new Authority

12. Should the new Authority work with business to provide training, and develop codes of conduct and voluntary accreditation schemes?

- Yes
- No
- Not sure

Please give your reasons

We firmly believe that the new Authority should work with businesses to provide training and develop codes of conduct. However, given the remit of professional bodies, and the work they do in terms of providing training, CPD, developing codes of conduct and accreditation courses, we feel that they also present a valuable resource for policymakers.

Earlier this year the CIOB launched a report which sought to explore the socio-economic value of professionals and professional bodies. Amongst other factors, the report, entitled: [Understanding the Value of Professionals and Professional Bodies](#) featured a discussion of institutions and respect for UK law. The report explains that the foundation on which we build a successful and sustainable economy is trust – one of the key attributes that it associates with professional bodies. Given that their goal is to create a group of professionals that can be trusted to deliver work to standards that are acceptable both socially, economically and ethically, it concludes that professional bodies can be very effective at working with the industries they cover to install an ethical culture amongst their members – whether they are based at home, or abroad. Whilst we support greater coordination with businesses, we also support greater communication with professional bodies.

13. Should the new Authority be able to charge for such services?

- Yes
- No
- Not sure

Please give your reasons

The CIOB considers that there is a moral obligation on all businesses operating in the UK to ensure that their supply chains are slavery free. Given this assessment, we do not believe it appropriate for the new Authority to charge for the provision of such services.

14. What other tasks might the new Authority perform?

We believe that unless additional funding and resource is given to the Authority then no additional tasks should be performed.

## Powers of the New Authority

16. Do you agree that the new Authority should have the power to investigate these offences across all sectors of the labour market?

- Yes
- No
- Not sure

Please give your reasons

The CIOB is supportive of measures designed to increase transparency and reduce the risk of exploitation across the labour market. However, we are clear that some sectors – particularly those where minors are deemed to be at increased risk of exploitation, will likely require additional measures.

## Governance and oversight of the new Authority

27. Will the proposed governance arrangements enable the new Authority to achieve its mission under appropriate oversight?

- Yes
- No
- Not sure

Please give your reasons

At this stage, we consider it too early to comment on the governance arrangements of the new Authority. We do however; recognise the importance of independent oversight and performance evaluations.