

# Immigration Act 2016

## Factsheet – Labour market enforcement (Sections 1-33)

### What are we going to do?

- Improve the effectiveness of the enforcement of certain employment rights to prevent non-compliance and the exploitation of vulnerable workers, via an intelligence-led, targeted approach.
- Give labour market enforcement bodies new tools to tackle rogue businesses prepared to exploit their workers.

### How are we going to do it?

- Appoint a new Director of Labour Market Enforcement to set the strategic priorities for labour market enforcement, thus ensuring that efforts are targeted where risk of non-compliance is greatest.
- Create an Intelligence Hub to support the work of the Director.
- Allow data sharing between the Director, the Intelligence Hub, labour market enforcement bodies and other bodies with intelligence.
- Create a new undertaking and enforcement order regime, with an associated criminal offence to tackle serious breaches of the law by employers.
- Transform the Gangmasters Licensing Authority into the Gangmasters and Labour Abuse Authority, with a broader remit and stronger powers to deal with labour exploitation across the economy.

### Immigration Minister James Brokenshire said:

“Exploiting or coercing people into work is not acceptable. It is not right that unscrupulous employers can force people to work or live in very poor conditions, withhold wages or mislead them into coming to the UK for work.

“Some employers seem to think that by employing workers who are less likely to complain, including vulnerable migrants, they can undercut the local labour market and mistreat them with impunity.

“The unscrupulous need to know that breaking the law is a high-risk activity and the full force of the state will be applied to them.”

## Background

- The UK has a strong legal framework in place to ensure that minimum standards are met for workers. There are three main public bodies responsible for enforcing these requirements: a team in HMRC which enforces the National Minimum Wage; the Gangmasters Licensing Authority; and the Employment Agency Standards Inspectorate (“the enforcement bodies”).
- However, because of an increase in organised criminal gangs engaging in labour market exploitation, we believe that exploitation is occurring that none of the enforcement bodies was designed to deal with without adjustments to their powers and the way they work. This kind of worker exploitation often appears to involve migrant workers.
- The Government ran a consultation from October to December 2015, called *Tackling Exploitation in the Labour Market*. Respondents supported the Government’s proposals in this consultation. These will be put in place by Chapter 1 of Part 1 of this Act.
- Part of the Government’s response to this problem is to establish greater co-ordination and leadership of the enforcement bodies to drive effective activity. Therefore, this Act will create a new Director of Labour Market Enforcement, appointed by and reporting to, both the Home Secretary and the Secretary of State for Business. The Director’s primary functions will include:
  - setting the strategic direction and budgets of the enforcement bodies;
  - publishing an annual report assessing the success of action in meeting the objectives and priorities in the previous year’s plan; and
  - leading an Intelligence Hub, with information drawn from the enforcement bodies and beyond, to provide a single view of risk and priorities across the spectrum of non-compliance – from accidental payroll errors to serious criminality.
- The Government also wants to make sure the three enforcement bodies have the necessary tools to tackle non-compliance across the whole spectrum. While there is a range of civil and criminal penalties available to each of the enforcement bodies, none are designed to deal with repeat offenders. Therefore we are creating a new regime of LME undertakings and orders as a lever to achieve sustained compliance. Breach of an order can lead to a custodial sentence and/or a fine.
- The Gangmasters Licensing Authority was set up by the Gangmasters (Licensing) Act 2004 to protect vulnerable and exploited workers after the deaths of 23 Chinese cockle pickers at Morecambe Bay. It licenses businesses which provide workers to the farming, food processing and shellfish gathering sectors to make sure they meet the employment standards required by law; and carries out inspections and enforcement activity. We are building on the GLA’s expertise by giving designated Labour Abuse Prevention Officers stronger police-style powers to enforce labour

market legislation across the economy, where it is in connection with labour exploitation and in pursuit of the Director's plan. To reflect its new role, the Authority will be renamed the Gangmasters and Labour Abuse Authority.

## Key Questions and Answers

➤ **Will the Director cover immigration enforcement?**

The Director's remit will cover labour market breaches, not immigration offences. The Director and the enforcement bodies will work closely with immigration enforcement wherever labour market breaches are linked to migrants who do not have permission to live or work in the UK. .

➤ **When will the Director be appointed?**

Now the provisions have been passed by Parliament, the Government intends to begin the appointment process shortly.

Home Office

July 2016