



HM Government

United Kingdom Labour Market Enforcement Strategy 2025 to 2026

Annex B: labour market and non-compliance risk analysis

Director of Labour Market Enforcement

Margaret Beels

July 2025



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of the Immigration Act 2016

July 2025



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Introduction

Under the remit set out in the 2016 Immigration Act, the Director of Labour Market Enforcement must set out an assessment of the scale and nature of non-compliance in the labour market and must set an annual strategy for the 3 enforcement bodies, HMRC National Minimum Wage (NMW), the Gangmasters and Labour Abuse Authority (GLAA) and the Employment Agency Standards Inspectorate (EAS) to address such non-compliance. To inform the strategy, evidence is collected from a wide range of sources. This document sets out supplementary information, evidence and analysis supporting the 2025/26 Labour Market Enforcement Strategy.

Section 1 focuses on emerging economic and labour market issues that may impact on labour non-compliance in the future. This sets out data from the Office for National Statistics (ONS) and other official sources which highlights the impact of the economy and wide factors on non-compliance, such as the strength of the labour market, wage growth and interest rates.

Section 2 provides a detailed description of the work on the Office of the Director of Labour Market Enforcement (ODLME) risk model. The risk model is focused on evaluating different industry sectors and the enforcement bodies assessment of non-compliance within those sectors through intelligence gathering. This year we focus on three priority sectors (agriculture, adult social care and

construction) as well as sectors with a profile that is of interest to the enforcement bodies – referred to as medium risk.

Section 3 provides the concluding remarks from the director. The section highlights the generic risk factors affecting all workers and sets out future risks of which workers and enforcement bodies will need to be aware – especially as the enforcement bodies begin to transfer into the Fair Work Agency (FWA).

Section 1: Emerging economic and labour market issues

This section highlights official data and publicly available research the director has considered to inform her thinking on how the UK economy and labour market are performing and how current and future developments might impact on non-compliance affecting workers. It considers the recent and forecast economic and overall labour market performance and how the performance of the economy leads to risk factors. It also considers publicly available data on the scale of non-compliance in key areas such as the National Minimum Wage (NMW).

1.1 Labour market trends

Data quality issues continue to hamper our ability to present a robust picture of the state of the current labour market¹. The Office for National Statistics (ONS) highlights increased volatility of estimates from its main source, the Labour Force Survey (LFS). Reporting of some data series (for instance on employment of non-UK nationals) has been suspended, while other data (such as data of Workforce Jobs and HMRC's Pay As You Earn (PAYE) Real Time Information (RTI) on employees) are

1 Quality under challenge: Regulating statistics and data from the Labour Force Survey – Office for Statistics Regulation 2025 available at: <https://osr.statisticsauthority.gov.uk/publication/statistics-from-the-labour-force-survey/pages/5/>

recommended as supplementary sources². Our assessment here of labour market trends therefore should be treated with additional caution. Key data are presented in Table 1.

Despite relatively slow economic growth in both 2023 (0.4 per cent) and 2024 (0.9 per cent), the labour market has continued to perform relatively well. LFS data suggest total employment and the number of employees both increased over the year to the period November 2024 to January 2025 by 0.6 million and 0.5 million respectively³. The employment rate for those aged 16-64 now stands at 75 per cent, a 0.3 percentage point improvement over the year.

At the same time, the rate of unemployment also increased to 4.4 per cent, up from 4.1 per cent on the same period last year. As discussed further below, unemployment is expected to remain at this level for 2025 before falling again. Despite the increase, unemployment remains relatively low by historical standards.

The rate of inactivity – again for the working-age population (16 to 64 years) – declined by 0.6 percentage points over the year from 22.1 per cent to 21.5 per cent.

2 Labour market overview, UK – Office for National Statistics 2025 available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/march2025>

3 It should be noted that HMRC PAYE data suggest lower employee growth on 67,000 over the year to February 2025.

There remain though almost 9.3 million people who are neither in work nor looking for work, around 0.8 million more than pre-Covid.

Latest estimates for average nominal pay growth over the year suggests this has remained high: HMRC PAYE data for employees shows 5 per cent pay growth (to Feb 2025), while LFS estimates pay growth at just under 5.8 per cent (Nov-Jan 2025)⁴. The rate of growth in pay is expected to fall from 2025 onwards (see section 1.3.1 below).

4 including bonuses

Table 1: Key labour market metrics November 2024 to January 2025, Office for National Statistics⁵

Key Metrics	Current	Change on quarter	Change on the year	Change since Covid-19
Employment (000s) 16+	33,922	+144	+608	+739
Employment rate (16 to 64)	75.0 per cent	+0.1 percentage points	+0.3 percentage points	-1.5 percentage points
Unemployment (000s), 16+	1,545	+40	+132	+181
Unemployment rate, 16+	4.4 per cent	+0.1 per cent	+0.3 per cent	+0.4 per cent
Economic inactivity (000s), (16 to 64)	9,268	-65	-169	+820
Economic inactivity (000s), (50 to 64)	3,542	-7	-17	+313
Economic inactivity rate (000s), (16 to 64)	21.5 per cent	-0.2 per cent	-0.6 per cent	+1.2 per cent
Economic inactivity rate (000s), (50 to 64)	26.7 per cent	No change	-0.1 per cent	1.6 per cent
Payroll employees (000s) Three-month average	30,410	-9	+72	+1,377
Provisional Dec-Feb vacancies (000s)	816	+1	-98	+20
Annual average wages in cash terms (total pay, incl. bonuses)	5.8 per cent annual change in weekly earnings	N/A	+£2,013	+£8,563
Annual average wage adjusted for CPI inflation (total pay, incl. bonuses)	3.1 per cent annual change in weekly earnings	N/A	+£809 (in 2015 prices)	+£1,192 (in 2015 prices)

Office for National statistics: EMP01 SA: Full-time, part-time and temporary workers (seasonally adjusted)

5 Data in the table comes from a range of sources, available at the Office for National Statistics: employment data available at: A05 SA: Employment, unemployment and economic inactivity by age group (seasonally adjusted). Earnings data available at: Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted. Vacancy data available at: VACS01: Vacancies and unemployment. Average Weekly earnings available at: EARN01: Average weekly earnings. Real average weekly earnings using consumer price inflation (seasonally adjusted) available at: X09: Real average weekly earnings using consumer price inflation (seasonally adjusted)

1.1.1 Trends in the National Minimum Wage (NMW) population

NMW is a key right for low paid workers. Data from the Low Pay Commission (LPC) suggests the NMW covers⁶ an estimated 1.9 million or 5.3 per cent of all employees as of April 2024⁷. This is a substantial increase of almost 400,000 compared to 2023 and has been attributed to the fast growth in NMW rates versus growth in pay above the NMW.

Estimated underpayment increased slightly in 2024 for both the National Living Wage (paid to workers aged 21 and over) and the NMW for those aged 20 and below. However, this remains below numbers underpaid in 2019 and, due to the increase in coverage reported above, is also lower as a share of coverage.

Further data⁸ from the LPC report highlighted that in April 2024, looking at the National Living Wage (NLW) population alone, there were 344,000 jobs paid below the NLW. Of these, 140,000 were underpaid by more than 50 pence per hour, with a similar number paid within 10 pence of the NLW (Table 2). Data is needed to

6 LPC defines workers to be on minimum wage if their wage is between 5p/10p of min wage rate.

7 Compliance and enforcement of the National Minimum Wage in 2024 Low Pay Commission available at:
<https://www.gov.uk/government/publications/compliance-and-enforcement-of-the-national-minimum-wage-in-2024>

8 ASHE is based on a sample of employee jobs taken from HM Revenue & Customs PAYE records. Information on earnings and hours is obtained in confidence from employers. ASHE does not cover the self-employed nor does it cover employees not paid during the reference period. ASHE data is classified as official data which is more reliable than self-reported data.

understand the reason for this underpayment. This also underscores the importance of clear payslips to enable workers to monitor their own pay and identify any issues.

Table 2: Coverage and estimated underpayment of the minimum wage by NLW and NMW rate, 2019, 2023, and 2024, UK, ASHE⁹

Minimum Wage Rate	Under Payment 2019	Under Payment 2023	Under Payment 2024	Coverage 2019	Coverage 2023	Coverage 2024	Under payment as a share of coverage 2019	Under payment as a share of coverage 2023	Under payment as a share of coverage 2024
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Per cent	Per cent	Per cent
Apprentice rate	9	6	8	31	24	27	29.7	26.1	31.5
16-17	3	3	4	36	34	51	9.4	10.0	8.0
18-20	19	14	14	116	82	88	16.3	17.2	15.9
21-22	20	26	31	98	93	147	20.9	27.5	21.2
23-24	12	23	21	57	89	107	21.6	25.5	19.8
25+	364	279	292	1649	1204	1494	22.1	23.1	19.5
Total	428	351	371	1987	1527	1914	21.6	23.0	19.4
NLW (21+)	364	301	344	1649	1294	1748	22.1	23.3	19.7

Source: Compliance and enforcement of the National Minimum Wage in 2024 – GOV.UK, table 1, pg7¹⁰

9 AR stands for Apprentice Rate

10 Source: LPC analysis of ASHE, low-pay weights, chain linked, UK, 2019-2024. Notes: a. Underpayment is measured as anyone paid below the rate for the relevant minimum wage population. b. 21-22 became a new rate in 2021. Prior to this they were part of the 21–24-Year-Old Rate. c. 23–24-year-olds became entitled to the NLW in 2021. Prior to this they were part of the 21–24-Year-Old Rate. d. NLW was 25+ from introduction in 2016 until the addition of 23–24-year-olds in 2021, 2022 and 2023. 21–22-year-olds became entitled to the NLW in 2024. e. Figures may not sum due to rounding.

1.1.2 Trends in the modern slavery and serious labour exploitation population¹¹

Data collected by the Home Office's Modern Slavery Unit¹² looks at the after National Referral Mechanism add (NRM)¹³ to monitor the number of potential victims of modern slavery and forced labour. Non-Government Organisations (NGO) respondents to the call for evidence as well as the Office for National Statistics have noted that modern slavery offences are commonly under-reported¹⁴.

Home Office NRM statistics for 2024 show labour exploitation was the most reported type of exploitation (32 per cent of all modern slavery referrals). In 2024, the 6,163 potential victims of labour exploitation were the

-
- 11 There are a variety of ways potential victims can be exploited as set out in the modern slavery statutory guidance. From October 2019, the recording categories were changed, to include more types and combinations of exploitation. Statistics prior to this should therefore not be compared, and more information can be found in the 'revisions' section.
 - 12 Modern slavery is a term that includes any form of human trafficking, slavery, servitude or forced labour, as set out in the Modern Slavery Act 2015. Potential victims of modern slavery in the UK who come to the attention of authorised first responder organisations are referred to the NRM.
 - 13 National referral mechanism guidance: adult (England and Wales) – GOV.UK 2024 available at: <https://www.gov.uk/government/publications/human-trafficking-victims-referral-and-assessment-forms/guidance-on-the-national-referral-mechanism-for-potential-adult-victims-of-modern-slavery-england-and-wales>
 - 14 Modern Slavery: National Referral Mechanism and Duty to Notify statistics UK, end of year summary 2023 published 2024 available at: <https://www.gov.uk/government/statistics/modern-slavery-nrm-and-dtn-statistics-end-of-year-summary-2023/modern-slavery-national-referral-mechanism-and-duty-to-notify-statistics-uk-end-of-year-summary-2023>

highest recorded in a single year since the NRM began in 2009¹⁵ and a third higher than in 2023.

Almost all (97 per cent) of this growth was among potential victims experiencing exploitation overseas, before the workers came to the UK. Some 72 per cent of labour exploitation now happens overseas and this share appears to have increased markedly over recent years¹⁶.

Over the past year the growth in the volume of reported labour exploitation occurring only in the UK has been more modest (5 per cent)¹⁷. The significant shift towards overseas exploitation cases presents a serious challenge for the three enforcement bodies whose legal powers extend only to the UK.

Potential victims of labour exploitation are predominantly men aged 18 and over (77 per cent of the total). However, the number of female potential victims rises significantly in 2024, much of this among Vietnamese women mostly experiencing labour exploitation overseas¹⁸.

15 Modern slavery: National Referral Mechanism and Duty to Notify statistics UK, end of year summary 2024 – GOV.UK available at: <https://www.gov.uk/government/statistics/modern-slavery-nrm-and-dtn-statistics-end-of-year-summary-2024/modern-slavery-national-referral-mechanism-and-duty-to-notify-statistics-uk-end-of-year-summary-2024>

16 Due to changes in the recording of modern slavery exploitation types in 2019 it is not possible to make a direct comparison here with the pre-Covid period.

17 ODLME analysis of UK Data Service NRM dataset

18 *ibid*

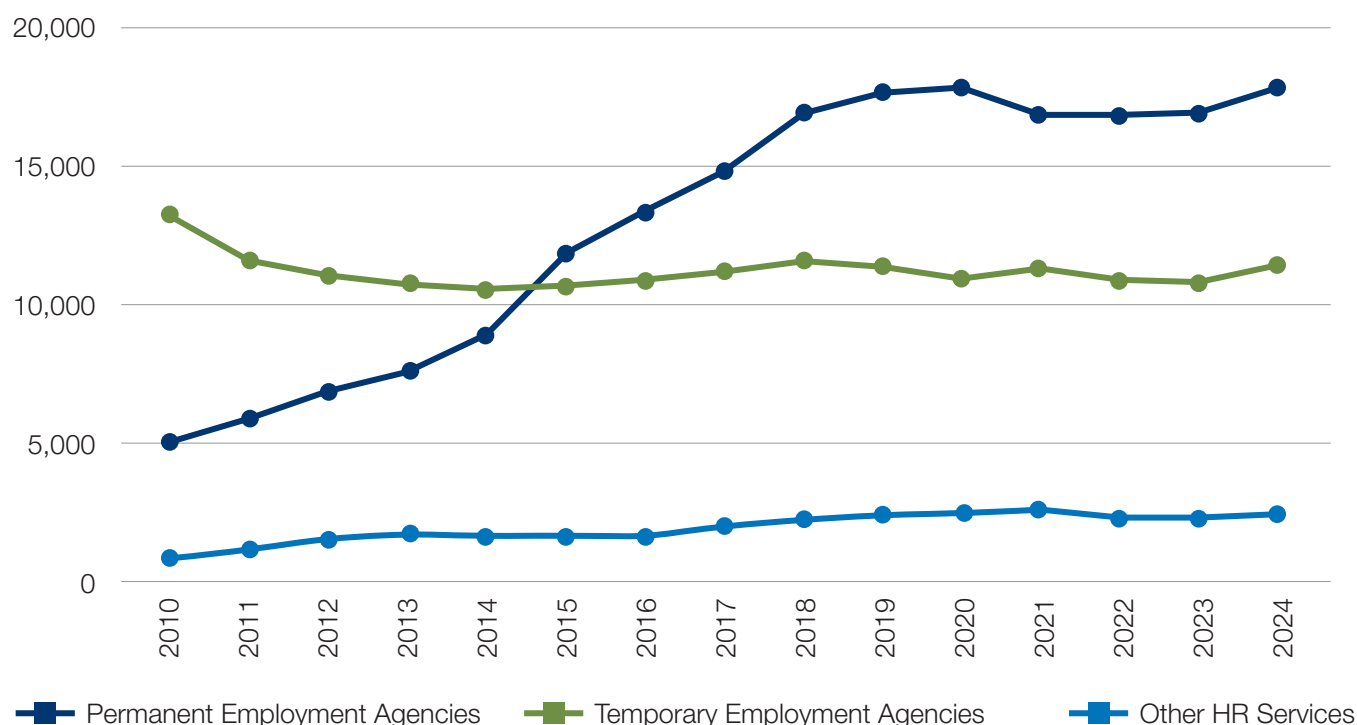
Overall, by nationality, almost half of all potential victims of labour exploitation were Eritrean (1,089), Somali (925) or Vietnamese (915).

1.1.3 Trends in the agency workers population

The latest UK recruitment industry status report (REC) published October 2024, indicated that recruitment activity continued to be dampened by economic uncertainty¹⁹. At the beginning of 2024, an estimated 31,247 enterprises were operating in the UK recruitment industry. This was up by 5.4 per cent on the equivalent figure at the start of 2023. This marks the first increase after four consecutive years of decline. Annual growth was seen across all recruitment subsectors, marking the strongest expansion since the pandemic. The largest increase occurred in ‘Other HR services,’ which grew by 6.7 per cent. Temporary agencies (agencies providing temporary workers as most of their business) followed with growth of 5.4 per cent, rebounding after two years of decline, while the number of businesses focused on permanent placements grew by 5.3 per cent.

19 UK recruitment industry status report 2023/24: The REC available at: <https://www.rec.uk.com/our-view/research/recruitment-and-industry-status-report/uk-recruitment-industry-status-report-202324>

Figure 1: Number of enterprises in the recruitment sector by type of agency activity, 2010-2024



Recruitment and Employment Federation: [December Report](#), Nomis data

Overall Figure 1 shows that permanent employment agencies have been increasing since 2010 to 2024 going from 5,000 to around 17,000. Temporary employment agencies have dropped slightly and Other HR services have slightly increased.

Most recruitment industry enterprises are classed as micro businesses, with fewer than 10 employees, comprising 78.6 per cent of the total recruitment business population in early 2024. This is up from the 77.3 per cent recorded in 2023.

1.2 General risks in the labour market 2024/25

This section examines some of the current general risks for exploitation within the labour market.

1.2.1 Low-paid workers at greater risk in a changing economic outlook

ODLME's focus is on vulnerable workers, often in low-paid and insecure work arrangements. Accordingly, the research project we have commissioned has an emphasis on building a stronger evidence base around precarious working. Initial results from this project show that between 2009 and 2022¹⁹, 10 to 11.7 per cent of the workforce could be classified as precarious workers²⁰.

Though less severe than in 2022-23, the cost-of-living situation continues to be a concern as inflation, slowing wage growth and fewer vacancies put pressure on workers looking for new roles or roles to supplement their primary income as shown in Table 1. Additionally, the impact of inflation and higher borrowing costs has been felt disproportionately by those on lower incomes²¹.

Workers struggling with higher living costs may be more

20 Measuring the scale and nature of labour market non-compliance affecting people in precarious work in the UK: executive summary – GOV.UK 2024 available at: <https://www.gov.uk/government/publications/assessment-of-the-scale-and-nature-of-labour-market-non-compliance-in-the-uk-interim-report/measuring-the-scale-and-nature-of-labour-market-non-compliance-affecting-people-in-precarious-work-in-the-uk-executive-summary>

21 Life on low pay during a cost-of-living crisis | Living Wage Foundation – published 2022 available at: <https://www.livingwage.org.uk/life-low-pay-during-cost-living-crisis>

at risk of having to accept insecure and potentially exploitative work.

1.2.2 Increase in National Living Wage (NLW)

The last two years have seen a substantial uplift of the NLW by over 20 per cent between April 2022 (£9.50) and April 2024 (£11.44). This means there is a growing number of people paid at or near the minimum wage. The Low Pay Commission believe employers have absorbed the 2023 uplift²², but this has not been fully assessed. Some businesses have been vocal about the scale of the April 2025 increase, highlighting concerns they already face cost pressures, including with the Employer National Insurance increases. The magnitude of this NLW uprating will increase the overall population at risk of potential NMW non-compliance and may also bring new sectors and occupations into consideration for enforcement purposes.

1.2.3 Exploitation of workers from overseas

Many of the low-paid occupations and sectors are also characterised by high concentrations of workers from overseas. Migrant workers enter the UK labour market either:

- legally – for example, via bespoke immigration routes such as for seasonal workers or care workers, or

22 National minimum wage to rise by 6.7% from April, Reeves confirms | Rachel Reeves | The Guardian 2024 available at: <https://www.theguardian.com/politics/2024/oct/29/national-minimum-wage-to-rise-by-67-from-april-reeves-confirms>

- illegally – for example, they have entered the country illegally, have overstayed their visa or are working outside the terms of their visa, or have relied on fraudulent documentation

Work based immigration routes remain at risk of being abused by those seeking to exploit workers. Workers with the right to work are vulnerable to exploiters who prey on the fear of tied visas being removed. The payment of upfront fees to facilitate UK work opportunities makes the worker vulnerable to exploitation²³. These payments are extremely difficult for the enforcement bodies and employers to identify prior to UK entry. Additionally, where workers upon arrival in the UK are not provided with the promised work as required by their visa, this heightens the workers vulnerability.

Others will seek to work illegally, either through lack of accreditation or having entered the country illegally or on visas without the right to work, making them at even higher risk of exploitation.

Aside from the impact on the workers, the use of illegal workers provides an opportunity to undercut competitive businesses operating legitimately.

Employers are required to carry out right to work checks on employees. There are some sectors, particularly within the gig economy, where the use of workers and the

23 Sent home: how Kenyan's dream of life as a UK care worker turned sour 2023 available at: <https://www.theguardian.com/society/2023/sep/03/sent-home-how-kenyans-dream-of-life-as-a-uk-care-worker-turned-sour>

self-employed, alongside the use of substitutes²⁴ (sending someone else to work in your place) continues to allow circumvention of right to work checks, facilitating illegal working. The abuse of visas and illegal workers is outside of the director's remit; however, they have impacted the operations of GLAA and EAS through allegations of forced labour and the supply of labour without employment checks being undertaken or documentation being falsified. The Home Office has announced²⁵ an intention to broaden the requirement for employers in the gig economy to carry out right to work checks on workers, as which, when implemented, should hopefully go some way to addressing issues discussed above.

The introduction of new visa routes – especially for seasonal workers and the care sector – enabled a rapid increase in worker population but without commensurate oversight. This has resulted in non-compliance and exploitation as demonstrated by Operation Topaz – an enforcement operation in the care sector involving EAS and GLAA launched in 2022 to 2023.

Care workers were added to the government's Shortage Occupation List (SOL) in early 2022, following a recommendation from the Migration Advisory Committee (MAC). The SOL itself was replaced by the Immigration

24 Calls for investigation of Uber Eats and Deliveroo after raid on Bristol caravan camp 2024 available at:

<https://www.theguardian.com/business/2024/oct/12/calls-for-investigation-of-uber-eats-and-deliveroo-after-raid-on-bristol-caravan-camp>

25 Crackdown on illegal working and rogue employers in 'gig economy' available at: [Crackdown on illegal working and rogue employers in 'gig economy' – GOV.UK](#)

Salary List (ISL) in April 2024 as part of reform to the Skilled Worker Visa route, again following a MAC recommendation. Employer sponsors are permitted to recruit migrant workers for 20 occupations (including in care and construction) across the UK.

Recruitment for three further occupations is permitted in Scotland only. In 2024 the Home Office tightened the arrangements for adult social care visas to mitigate some of the threats and the number of international recruits coming via this route has declined substantially, but migrant workers continue to be vulnerable.

An additional area of risk is the population of workers entering the UK through the EU Settlement Scheme (EUSS). This was set up in August 2018 to allow EU nationals already in the country to apply to remain in the UK after Brexit by mid-2021. Originally it was estimated there would be 3 million EUSS applications. By the end of 2024 6.3 million people had applied with 5.7 million holding a grant of status. Of these, 4.1 million have settled status and 1.7 million pre-settled status²⁶²⁷.

The impact of post-Brexit employment on EU nationals in the UK remains unclear. The numbers suggest that there are many EU workers with Settled Status (and Pre-

26 Under the EU Settlement Scheme (EUSS), pre-settled status is granted for a period of five years, initially requiring individuals to then apply for settled status once eligible (after five years of continuous residence in the UK).

27 How many people have been granted settlement via the EU Settlement Scheme – 2025 available at:
<https://www.gov.uk/government/statistics/immigration-system-statistics-year-ending-march-2024/how-many-people-have-been-granted-settlement-via-the-eu-settlement-scheme>

Settled Status) who are not working in the UK now. The EUSS continues to accept applications but under tighter conditions. There may continue to be workers from the EU in the UK who are not in the scheme and working illegally. The ODLME needs more and higher quality data on the EUSS population to determine the scale of workers added to the UK workforce under the scheme.

1.2.4 Impact on labour enforcement resources

The risk areas outlined above can also be exacerbated by the impact of increased non-compliance on available enforcement resources. Reported labour exploitation in the care sector, for example, diverted considerable resources of EAS and GLAA. Other high-risk areas may be left without adequate compliance and enforcement cover as a result. In addition, some of these non-compliance risks fall beyond the direct or even indirect remits of the three labour enforcement bodies such as illegal migrant workers and the gig economy. These labour violations cannot be addressed in isolation and there is a need for greater join-up across law enforcement to tackle what are often sector-wide issues, again impacting on resources.

1.2.5 Workers not receiving payslips

Evidence has been provided through the ODLME call for evidence to suggest that some workers are not receiving payslips. This is supported by work from the Resolution

Foundation which found 1.8m workers²⁸ (7 per cent of all workers 2019 to 2020) reported not being able to access a payslip with 14 per cent of workers in small businesses (fewer than 20 employees) and 11 per cent of low paid workers reporting they do not receive payslips.

The Low Pay Commission further highlights concern from stakeholders (such as Unison, GMB, Home Care Association and the TUC) in relation to issues with payslips and record-keeping, where workers are asked to keep their own timesheets without any training or guidance on how to access or complete these tasks. Workers not being paid for travel time and payslips that fail to provide sufficient information continue to have large scale impacts on NMW and NLW compliance.

This is a significant area of concern for the director as evidence from our assessment in section 2 highlight that underreporting often leads to exploitation worsening sector wide.

1.2.6 Workers not receiving holiday pay

Further evidence from the report highlights older and younger workers are significantly more likely to report receiving no paid holiday and no payslip than those workers between 25-44 (almost 12 per cent of older workers aged 65 and over say they have no paid holiday, compared to fewer than 3 per cent of those aged 25-44, for example). Equally, the differentials for some ethnic

28 Enforce for good – the Resolution Foundation – 2023 available at: <https://www.resolutionfoundation.org/publications/enforce-for-good/>

minorities are stark: 9 per cent of workers with Bangladeshi heritage report not being in receipt of holiday pay, for example, compared to 3 per cent of white workers.

1.2.7 Semi-permanent homeless communities

The high cost of accommodation remains a vulnerability for low paid workers where they may be at risk of homelessness (where accommodation is provided) and reluctant to change jobs as a result. Media reports of semi-permanent homelessness sites highlighted the Park Lane area of London and car-based homelessness²⁹ in Brighton and Bristol³⁰.

While these are isolated examples with a low number of people, this is an indicator of the vulnerability that workers may encounter. These sites may provide informal support networks but consequently provides a base for non-compliant employment opportunities. The scale and extent of these semi-permanent locations and impact on non-compliance has not been identified. Enforcement action has taken place at the London and Bristol sites, but the ongoing impact is unknown.

29 Daily Mail article up to 100 homeless migrants living in tent city opposite the Dorchester on park lane- 2024 available at: <https://www.dailymail.co.uk/news/article-13619963/were-not-going-anywhere-up-to-100-homeless-migrants-living-in-tent-city-opposite-the-dorchester-on-park-lane-vow-to-stay-put-because-they-dont-have-any-money-as-furious-residents-slam-council-for-doing-nothing.html>

30 'I wouldn't wish this on anyone': the food delivery riders living in 'caravan shantytowns' in Bristol | Gig economy | The Guardian 2024 available at: <https://www.theguardian.com/business/article/2024/aug/24/i-wouldnt-wish-this-on-anyone-the-food-delivery-riders-living-in-caravan-shantytowns-in-bristol>

1.3 Future look (over the next 2 years)

1.3.1 Economy and labour market forecasting

The Office for Budget Responsibility (OBR) halved the GDP growth forecasts it made in autumn 2024 due to stagnating domestic output in the second half of 2024, lower business and consumer confidence, higher energy prices and heightened geopolitical risks. The OBR also placed strong caveats around their forecasts and underlying data, stating ‘recent UK population, labour force, and output data do not provide a clear signal about domestic economic prospects’³¹.

Latest OBR forecasts highlight continued moderate economic growth in 2025 of 1 per cent (marginally higher than in 2024), though growth should pick up in 2026 and 2027 being closer to 2 per cent per annum (Table 3 below). Inflation, measured by the Consumer Prices Index (CPI), having peaked at 11.1 per cent in late 2022 fell to 2.5 per cent in 2024. Although the OBR expects inflation to rise to 3.2 per cent in 2025, it should then fall again to around 2 per cent from 2026 onwards.

31 Executive summary – OBR Economic and Fiscal Outlook, March 2025, March 20204 available at:
<https://obr.uk/efo/economic-and-fiscal-outlook-march-2025/>

Similarly, interest rates are also forecast to fall from an annual average of 5.1 per cent in 2024. However, interest rates will likely remain well above pre-pandemic levels over the forecast period, averaging around 4 per cent.

The impact of all of this on the labour market will likely be a small rise in unemployment in 2025 to 4.5 per cent of the labour force, up from 4.3 per cent in 2024.

Unemployment is then forecast to fall by a similar degree in subsequent years. Employment on the other hand is still forecast to grow in 2025 by 0.4 million compared with 2024 and by a further 0.4 million by 2027. This is despite a sharp fall in net migration to around pre-pandemic levels. Earnings growth is also set to fall and stabilise from 2026 onwards.

Table 3: OBR economic forecasts and metrics 2019 to 2027^{32 33}

	2019	2023	2024	2025	2026	2027
Real GDP (annual per cent change)	1.6	0.4	0.9	1.0	1.9	1.8
Inflation (annual CPI per cent change)	1.8	7.3	2.5	3.2	2.1	2.0
Interest rate (bank rate per cent)	0.8	4.7	5.1	4.2	3.9	3.8
Employment (millions)	32.9	33.3	33.6	34.0	34.2	34.4
ILO unemployment rate (per cent)	3.8	4.0	4.3	4.5	4.3	4.2
Average earnings growth (per cent)	2.6	7.6	4.7	4.3	2.3	2.1
Net migration (mid-year estimates, 000s)	224	906	728	350	262	258

Source: Office for Budget Responsibility, Economic and Fiscal Outlook, March 2025

32 Economic and fiscal outlook – March 2025 available at: <https://obr.uk/efo/economic-and-fiscal-outlook-march-2025/>

33 Note: Data for 2019 and 2023 are outturn figures; data for 2024 onwards are OBR forecasts

1.3.2 Risks in the future

There are several factors on the horizon which have the potential to impact on business practices in the next couple of years. We raise these as general risks as it is not possible to quantify the additional non-compliance impact.

1.3.2.1 National Minimum Wage National Insurance Contributions

Planned rises to National Minimum Wage and National Insurance Contributions may increase non-compliance through off record working. Large businesses highlighted the cost impacts of the increases and indicated that jobs may be lost to absorb these costs.

1.3.2.2 The global economy

Global economic conditions have deteriorated. Energy and food markets have faced continued disruption due to ongoing conflict in multiple regions. Monetary conditions have tightened globally to bring down inflation. GDP growth, especially in advanced economies, is expected to remain slow this year. The International Labour Organisation³⁴ sees worsening economic conditions as a direct link to increasing all forms of exploitation (including labour exploitation).

34 Profits and poverty the economics of forced labour ILO 2024 available at: <https://www.ilo.org/publications/major-publications/profits-and-poverty-economics-forced-labour>

1.3.2.3 Artificial intelligence

Our understanding of the potential of artificial intelligence and technology as regards worker exploitation is still developing. Management by algorithm could involve unrealistic and inflexible productivity targets and mechanistic redundancy decisions. The use of AI is already seen in candidate selection. Management by algorithm might fail to take account of temporary issues affecting a worker's performance or the working environment. There are several initiatives and research considering the impact of such developments (for example, by the TUC³⁵), and we look forward to seeing these assessments.

1.3.2.4 Climate change

The number and severity of weather events attributed to climate change continues to increase. Recent years have seen an increasing number of high heat events, which is expected to increase further in coming years³⁶. High heat events have contributed to deaths of outdoor workers in mainland Europe in 2024. This may lead to new health and safety legislation and increased costs for employers to refurbish workplaces to better standards. Both indoor and outdoor workers can experience testing conditions associated with heat and cold which need to be factored

35 TUC launches AI taskforce as it calls for “urgent” new legislation to safeguard workers’ rights and ensure AI “benefits all” 2023 available at: <https://www.tuc.org.uk/news/tuc-launches-ai-taskforce-it-calls-urgent-new-legislation-safeguard-workers-rights-and-ensure>

36 london-facing-45c-days-in-foreseeable-future 2023 available at: <https://www.theguardian.com/uk-news/2023/sep/18/london-facing-45c-days-in-foreseeable-future-mayor-sadiq-khan-warns>

into productivity targets. As a health and safety issue, this does not necessarily fall under my remit but may where workers are set unrealistic productivity targets given the conditions or find it difficult to access transport to work during difficult weather.

1.3.2.5 Employment models

New employment models continue to be developed. The Employment Rights Bill seeks to restrict working practices that some consider to be unfair such as zero hours contracts and the engagement of umbrella companies and other intermediaries in the employment chain. These can contribute to a flexible labour market which is welcomed by employers and workers alike. However, they can also create risks for vulnerable workers through uncertainty of income, insufficient work or failing to understand and plan for the financial impact of their employment status.

1.3.2.6 Employment status

The issue of employment status is crucial to establishing worker entitlements. Government's 'Plan to Make Work Pay' suggests a move towards a two-part framework for employment status. Changes in the definition of employment status have an impact on the eligibility for minimum wage and other rights, generating additional complaints. Additionally unscrupulous employers will continue to seek advantage by declaring staff as self-employed to avoid providing entitlements.

Section 2: ODLME collective assessments

2.1 Introduction

This section explores the output from the ODLME's collective assessment, driven by the intelligence risk model exercise, to produce a statement for what the director sees in the high-risk sectors listed below. This aligns with the sectoral approach used by the three enforcement bodies for measuring and comparing worker complaints, intelligence, data, and official statistics.

2.2 The risk model: ODLME approach to assessing non-compliance risk

Box 1: Risk model approach

While a number of criteria are considered in our risk assessment, the overall level is determined by the types of behaviour which occur over a five-point spectrum ranging from error to modern slavery, as follows:

- A (includes a proportion of Modern Slavery)
- B (deliberate Non-compliance)
- C (serious Non-compliance)

- D (interpretation, non-compliance)
- E (error)

The number of compliance and enforcement interventions is also taken into consideration, though this presents a challenge for assessing in comparison with the size of worker populations within those sectors.

The criteria include the assessment of the enforcement bodies themselves, as well as the assessment of other stakeholders and open-source reporting such as media and academic research.

ODLME uses primarily a sectoral approach to assess labour non-compliance risk. This assessment is based on the enforcement bodies assessment of the non-compliant behaviours, though there are wider risks, such as illegal working, that impact workers and businesses (see Box 1).

Our risk focus is based on severity of behaviours and the sectors we have assessed to be higher risk (discussed in the sections below) will be those scored as A, B or C.

It is important to note that the sectors we assess as higher risk do not necessarily align with the distribution of cases undertaken by the enforcement bodies. The individual enforcement bodies assess risk based on the risk factors from their own perspective. For example, HMRC NMW risk model identifies risk factors that

correlate with underpayment of NMW and to identify the populations that pose the greatest risk of underpayment. The ODLME Risk Model assesses wider non-compliant behaviours.

When discussing forced and compulsory labour we align our approach with the ILO indicators of forced labour.

The following sections highlight key sectors in terms of labour non-compliance. Unfortunately, some sectors have intrinsic risks and remain high priority, but we have seen limited or no change in non-compliance. For example, for hand car washes, while the estimated number of hand car washes has reduced in recent years there has been no overall change in risk. However, work continues to mitigate risk in high-risk sectors.

High priority sectors included in this edition's annex are:

- Adult social care
- Agriculture
- Construction
- Hand car washes

Other sectors which are not such high priority as determined by the risk model but are important to the director are:

- entry jobs in sectors such as modelling, film industry and equestrian
- food manufacturing and processing

- nail bars
- cleaning
- garment industry
- fishing
- seafaring
- overseas domestic workers

2.3 Adult social care

The adult social care sector has been a focus for the Director of Labour Market Enforcement (DLME) since the 2017/18³⁷ strategy due to complaints of labour exploitation across the whole spectrum of offences and because of the importance of this sector which delivers key services to vulnerable adults. NGOs³⁸ have questioned why action by the enforcement bodies, immigration enforcement and wider government has failed to eliminate the risk to workers in this sector.

The government has announced an independent commission into adult social care to be chaired by Baroness Casey “to make clear recommendations for how to rebuild the adult social care system to meet the current and future needs of the population.” While this is not focused on labour exploitation, the director will be

37 United Kingdom Labour Market Enforcement Strategy 2019/20 published 2019 available at: <https://www.gov.uk/government/publications/labour-market-enforcement-strategy-2019-to-2020>

38 Home Care Association Home Page available at: <https://www.homecareassociation.org.uk/>

engaging with the review to ensure that these important issues are considered.

2.3.1 The adult social care workforce

As a sector, adult social care (ASC) still lags behind the NHS in terms of data and data collection. A key source of data regarding the care workforce is the Adult Social Care Workforce Data Set (ASC-WDS), which the Department of Health and Social Care (DHSC) funds Skills for Care to deliver³⁹. This data is England focused and the lack of comprehensive and standardised methods for collecting and digitalising data across the four nations can lead to inconsistent and incomplete records (such as underreporting of personal assistants in the sector). This gap hampers the ability to track and analyse workforce trends, service quality and care outcomes effectively. The government recently outlined a ten-year plan⁴⁰ to transform health and social care services digitally which should provide an opportunity to improve the data.

In addition, data across the four nations cannot be combined or compared. We recognise that ASC is a devolved issue, however, the lack of a four-nation approach to data collection in the ASC sector presents an

39 Around 20,000 care providers currently use the ASC-WDS service to record details of the adult social care workforce which the government uses to inform policy development to support the sector. This includes demographic data, skills and qualifications, and recruitment and retention.

40 Care data matters: a roadmap for better adult social care data 2023 available at: <https://www.gov.uk/government/publications/care-data-matters-a-roadmap-for-better-adult-social-care-data>

issue to enforcement when risking and intelligence teams attempt to quantify the scale of labour. Additionally, datasets on investigation, outcomes, tracking the visa journey of a worker or a registry of workers in the sector are incomplete.

The latest available workforce data are presented below in table 4, highlighting the high proportion of females working in the sector and the relatively high use of zero-hour contracts in England.

Table 4: Workforce data for England, Scotland, Wales and Northern Ireland, 2023/2024⁴¹⁴²

Category	England ¹	Scotland ²	Wales ³	Northern Ireland ⁴
Data producer	<ul style="list-style-type: none"> Skills for Care England 	<ul style="list-style-type: none"> Scottish Social Care Council 	<ul style="list-style-type: none"> Social Care Wales 	<ul style="list-style-type: none"> Northern Ireland Social Care Council
Number of workers (approximately)	<ul style="list-style-type: none"> 1.84 million total posts (23/24) 	<ul style="list-style-type: none"> 144,520 headcount (2023) 	<ul style="list-style-type: none"> 88,232 total posts (2023) 	<ul style="list-style-type: none"> 40, 532 registered workers (2024)
Workforce breakdown (number of workers)	<ul style="list-style-type: none"> 740,000 domiciliary 700,000 residential 240,000 community 30,000 daycare 	<ul style="list-style-type: none"> 76,720 domiciliary 50,410 residential 6,020 nursing agencies 	<ul style="list-style-type: none"> 19,571 domiciliary 29,100 residential 2,954 daycare 	<ul style="list-style-type: none"> 31.6 per cent of domiciliary care 35.2 per cent residential care
Workforce characteristics (per cent of workers)	<ul style="list-style-type: none"> 21 per cent on zero-hours contracts 79 per cent not on non-zero-hours contracts 243,600 international recruits starting in direct care roles 	<ul style="list-style-type: none"> 83 per cent on permanent contracts 4 per cent on zero-hours contracts majority are female 	<ul style="list-style-type: none"> lowest vacancy rate majority are female (81.6 per cent of workers) 1.8 per cent agency workers 	<ul style="list-style-type: none"> majority are female (84 per cent) difficulties with recruitment and retention
Data gaps	<ul style="list-style-type: none"> non-registered businesses supported living personal assistant workforce 	<ul style="list-style-type: none"> distinguishing ASC from health and social care size of migrant workforce personal assistants 	<ul style="list-style-type: none"> distinguishing ASC from health and social care size of migrant workforce personal assistants employment agencies 	<ul style="list-style-type: none"> distinguishing ASC from health and social care breakdown by subsector migrant workforce

Source(s) 1. [The state of the adult social care sector and workforce in England](#), 2. [Scottish Social Service Sector: Report on 2023 Workforce Data | Scottish Social Services Workforce Data](#), 3. [Social care workforce report 2023](#), 4. [20241007_Live-Register_Overview_30Sept24-Qtr-2_v1-final.pdf](#)

- 41 Source(s) 1. The state of the adult social care sector and workforce in England 2024 available at: <https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/publications/national-information/The-state-of-the-adult-social-care-sector-and-workforce-in-England.aspx> 2. The Scottish Social Services Council (SSSC) Scottish Social Service Sector: Report on 2023 Workforce Data available at: <https://data.sssc.uk.com/data-publications/22-workforce-data-report/359-scottish-social-service-sector-report-on-2023-workforce-data>. 3. Workforce reports 2025 available at: <https://socialcare.wales/research-and-data/workforce-reports> 4. Live Register Report at 30 Sept 2024 (Qtr. 2) available at: [20241007_Live-Register_Overview_30Sept24-Qtr-2_v1-final.pdf](#)
- 42 Data are from multiple sources and cannot be combined or compared. Data also uses different categories for totals depending on country this is due to differing definitions and data collection techniques.

Skills for Care England suggest that if the adult social care workforce grows proportionally to the projected number of people aged 65 and over in the population then the workforce would need to see a 29 per cent (540,000) increase in the number of posts by the end of 2040⁴³. They argue domestic recruitment alone will not be able to satisfy this demand. Further international recruitment may therefore be needed, which brings focus to the need to address specific risks for migrant workers (see section: Overseas workers (on care visas) below).

2.3.2 The enforcement landscape in adult social care

In the period April to June 2024 31 per cent of all reports made to the Gangmasters and Labour Abuse Authority (GLAA) were in the UK's care sector⁴⁴. The GLAA have collaborated with other agencies such as the CQC, HMRC NMW and the police to investigate reports of modern slavery and exploitation.

EAS' annual report 22/23⁴⁵ highlights 201 cases in the healthcare sector, making up 8 per cent of their cases.

43 The state of the adult social care sector and workforce in England 2024 workforce projections available at:
<https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/publications/national-information/The-state-of-the-adult-social-care-sector-and-workforce-in-England.aspx>

44 Exploitation is on the rise in the care sector (2024) available at:
<https://www.gla.gov.uk/whats-new/press-release-archive/181024-exploitation-is-on-the-rise-in-the-care-sector>

45 Employment Agency Standards (EAS) Inspectorate: annual report, 2022 to 2023 published 2024 available at:
<https://www.gov.uk/government/publications/employment-agency-standards-eas-inspectorate-annual-report-2022-to-2023>

353 infringements were found, 22 per cent of all infringements, although this may also include NHS cases. We understand cases in healthcare remain high compared to other sectors.

The care sector provided the largest volume of information during this period which led inspections, with 148 cases being actioned by EAS. Most of the cases where EAS was unable to act related to international abuses.

EAS initiated a joint operation called Operation Topaz looking into the adult social care sector. This work during this period saw EAS activity in adult social care increase by 393 per cent against the previous year and was responsible for 44 per cent of targeted activity.

Information of enforcement activity in adult social care is not published by HMRC NMW but is shared with the director for operational use. ASC remains a focus of their attention including cases of serious non-compliance.

We discuss below how organisations, many partners beyond the remit of the Director of Labour Market Enforcement have been working together in this complex sector.

Operation Topaz was established under the aegis of the Strategic Co-ordination Group (SCG) chaired by ODLME. This multi-organisation operation looked at a range of issues concerning potential exploitation of care workers in the UK between 2021/22 and 2023/24. This included

joint operational visits as well as guidance and information for both business and workers. This operation was a key milestone in establishing multi-agency labour market enforcement (with joint working a key theme of the director's strategy).

Ongoing work in the sector continues with the support of the SCG. Members of the group were involved in the NCA led multi-agency activity in March 2024 targeting modern slavery and human trafficking reported in their National Strategic Assessment⁴⁶. Figure 2 shows the links between the responsibilities of partner organisations.

EAS, GLAA and other operational partners have addressed the following forms of exploitation:

- payment of work-finding fees
- abuse of the student visa system by engaging students to work more than their permitted 20 hours per week
- debt bondage in relation to fees paid to travel from abroad to work in the UK. These fees include visa related fees, accommodation and transport
- suitability checks for the role not being carried out, for example, identification, criminal record checks⁴⁷, references

46 National Strategic Assessment 2025 of Serious and Organised Crime available at: [NSA 2025 – Modern Slavery and Human Trafficking – National Crime Agency](#)

47 Check someone's criminal record as an employer: Checks you can make on someone's record – GOV. UK – available at: <https://www.gov.uk/dbs-check-applicant-criminal-record>

- use of fake or falsified documents
- deductions or payments that may affect NWM or NLW rate, such as ‘reimbursements’ to the agency, accommodation deductions
- use of illegal workers

2.3.3 Sponsored workers on the Health and Social Care Visa

One key area of risk in the sector is international recruitment, which rose sharply due to the high demand for ASC in 2021. Initially, registered managers and senior care workers were added to the Shortage Occupation List (SOL). Given the pressures identified by the independent Migration Advisory Committee in their annual report in 2021 the government added care workers to the Shortage Occupational List, Health and Care visa in February 2022 (which includes several protections, including right to work and salary). This created an avenue for workers to enter the UK and work through the Skilled Worker's Visa sub-component the Health and Social Care Visa. The Migrant Advisory Committee noted that by Q1 2024 257,000⁴⁸ Health and Social Care visas have been issued of which 144,000 were for social care.

However, the extension of the Health and Care visa (see section 2.3.6) lacked any prior assessment of the potential risks to international recruits from labour exploitation under existing local authority commissioning practises.

Unseen⁴⁹, a UK based charity, has reported serious concerns with the ASC sector regarding modern slavery,

48 Migration Advisory Committee (MAC) annual report, 2024 (accessible) available at: <https://www.gov.uk/government/publications/migration-advisory-committee-annual-report-2024/migration-advisory-committee-mac-annual-report-2024-accessible>

49 Who carers – unseen 2023 available at: <https://www.unseenuk.org/modern-slavery-in-the-care-sector-problems-and-solutions/>

with 106 cases of modern slavery in 2022 (10 per cent of all modern slavery cases recorded and a 606 per cent increase since 2021). In 2022, 48 per cent of victims (where nationality was known) were from India, followed by Zimbabwe (15 per cent), Nigeria (8 per cent) and Ghana (7 per cent)⁴⁸.

Additionally the Unseen report, suggests debt bondage has been reported, with workers paying significant charges ranging between £2,000 to £25,000 to their employers in relation to visa costs in addition to deductions for accommodation, food, and transport. In 2023, the average amount of debt bondage per worker indicated to the Unseen helpline was more than £11,800⁴⁸.

UKVI have seen examples of bonded labour linked to the adult social care sector. From May to July 2023, there were 25 cases where a caseworker found information within an employment contract or elsewhere that indicated prohibited costs would be deducted from the international recruit's salary. For example, some sponsors were explicitly charging the applicant the Immigration Skills Charge (ISC) despite this being against the sponsorship guidance.

Once a sponsored recruit on the Health and Care visa reports labour non-compliance, several steps can occur. Approximately 500 sponsors⁵⁰ have so far lost their

50 New estimate 'shows scale of exploitation on Wild West care visa route' 2025 available at: <https://www.independent.co.uk/news/uk/home-news/home-office-wild-west-university-of-oxford-seema-malhotra-stephen-kinnock-b2714006.html>

licences. Following the revocation of a license the sponsored worker will need to find a new employer within 60 days⁵¹ once they have received notification from the Home Office or be required to leave the country. While protections exist on the NRM system, reports are made to ODLME that workers can find themselves destitute or working outside their visa requirements as a result.

Stakeholder responses to the ODLME call for evidence (see Annex A)⁵² said sponsored workers are reluctant to complain over fears of losing their visa, right to work and right to be in the UK. Channel 4 News and the Royal College of Nursing reported⁵³⁵⁴ ‘many working in the care sector too afraid to report their employers due to fears of retaliation, threats against their visas, or because they are not members of trade unions.’ The report also found a six-fold increase in care workers complaining of exploitation by rogue employers.

51 The 60 days commences from the point the worker notified and doesn’t commence at the point a sponsor loses his license.

52 Labour Market Enforcement Strategy 2025 to 2026: call for evidence published 2024 available at: <https://www.gov.uk/government/calls-for-evidence/labour-market-enforcement-strategy-2025-to-2026-call-for-evidence>

53 Surge of ‘rogue employers’ exploiting international care workers channel 4 2024 available at: <https://www.channel4.com/news/surge-of-rogue-employers-exploiting-international-care-workers>

54 Royal College of Nursing demands urgent investigation into exploitative migrant care worker contracts 2024 available at: <https://www.rcn.org.uk/news-and-events/news/uk-rcn-demands-urgent-investigation-into-exploitative-migrant-care-worker-contracts-200824>

Measures⁵⁵ have been taken to tackle the issues. During 2023, in response to intelligence reports and increased engagement with the sector, UKVI began to apply additional scrutiny during the application of the genuine vacancy test resulting in fewer Health and Social Care visa applications⁵⁶. International intake began to drop towards the end of summer 2024 whilst compliance activity has continued at pace as UKVI expose unethical employment practices. In addition, DHSC provided £16 million to regional partnerships in 2024/25⁵⁷ and is providing £12.5 million for 2025/26 to respond to unethical international recruitment practices in the adult social care sector. This includes supporting international recruits impacted by sponsor licence revocations to find alternative employment in the sector⁵⁸.

55 New laws to cut migration and tackle care worker visa abuse 2024 available at: <https://www.gov.uk/government/news/new-laws-to-cut-migration-and-tackle-care-worker-visa-abuse>

56 A recent MAC report: Migration Advisory Committee (MAC) annual report, 2024 (accessible) available at: <https://www.gov.uk/government/publications/migration-advisory-committee-annual-report-2024/migration-advisory-committee-mac-annual-report-2024-accessible> Noted, Since November 2023, Health and Care (H&C) visas have dramatically decreased, likely as a result of changes in how the 'genuine vacancy test' applied to Skilled Worker (SW) visa applications was assessed. The ban on dependants of care workers was implemented from March 2024 and the number of H&C visas issued has continued to decline since then.

57 [International recruitment regional fund for the adult social care sector 2025 to 2026 - GOV.UK](#)

58 Support offer to international ASC workers whose employer's sponsor licence has been revoked 2025 available at: <https://www.gov.uk/government/publications/support-offer-to-international-asc-workers-whose-employers-sponsor-licence-has-been-revoked/support-offer-to-international-asc-workers-whose-employers-sponsor-licence-has-been-revoked>

2.3.4 Adult social care funding and commissioning practices

Local authorities are facing significant financial pressures. Commissioning practices place significant downward pressure on businesses to reduce costs, thereby increasing the risk of labour market non-compliance.

There is no national government budget for adult social care in England. Publicly funded social care is financed through local government funding, via the local government finance settlement as well as locally raised revenue from business rates, council tax and income from fees and charges. Individual local authorities then determine how much is allocated to social care.

In recent years, the government has provided ring-fenced funding to local authorities for adult social care. The most substantial ringfenced element of this funding is currently the Social Care Grant for adult and children's social care, worth around £5 billion, alongside the Better Care Fund and Discharge Fund (£2.6bn combined) and Market Sustainability and Improvement Fund (£1.05bn) in 2024/25⁵⁹. Between 2015/16 and 2023/24, spend on adult social care has increased by 26 per cent in real terms since 2015/16⁶⁰.

59 Social Care Grant table: final local government finance settlement 2024 to 2025 published 2024 available at:
<https://www.gov.uk/government/publications/social-care-grant-table-final-local-government-finance-settlement-2024-to-2025>

60 Local government financial sustainability – NAO Report 2025 available at:
<https://www.nao.org.uk/reports/local-government-financial-sustainability-2025/>

The director's office has engaged with a range of stakeholders in this sector including the Homecare Association, Assist Care Group and the Association of Directors of Adult Social Care Services (ADASS), as well as holding a roundtable⁶¹ to understand the issues in ASC. All raised serious concerns about ASC commissioning models. A recent report⁶² by the Homecare Association found that the true cost to the local authority of providing domiciliary care (homecare) in England was £32.14⁶³ per hour from April 2025⁶⁴. The Homecare Association argue that this amount is necessary to allow compliance with the National Living Wage (£12.21 per hour). Taken at face value⁶⁵, this would make a large proportion of local authorities non-compliant with NLW legislation for domiciliary workers as highlighted in figure 3.

The Homecare Association's 2023 report⁶⁶ highlights local authorities' inability to pay the calculated cost of domiciliary care per hour in 2023. This impact can be felt by workers through a lack of contracted hours and the high level of zero-hour contracts, low pay, call cramming (scheduling back-to-back visits with no time for travel),

61 Held 18th of December 2024

62 Minimum Price for Homecare – England 2025-2026 – 2024 available at: <https://www.homecareassociation.org.uk/resource/the-homecare-association-releases-its-minimum-price-for-homecare-2025-26.html>

63 A breakdown of what these costs are can be found on page 11

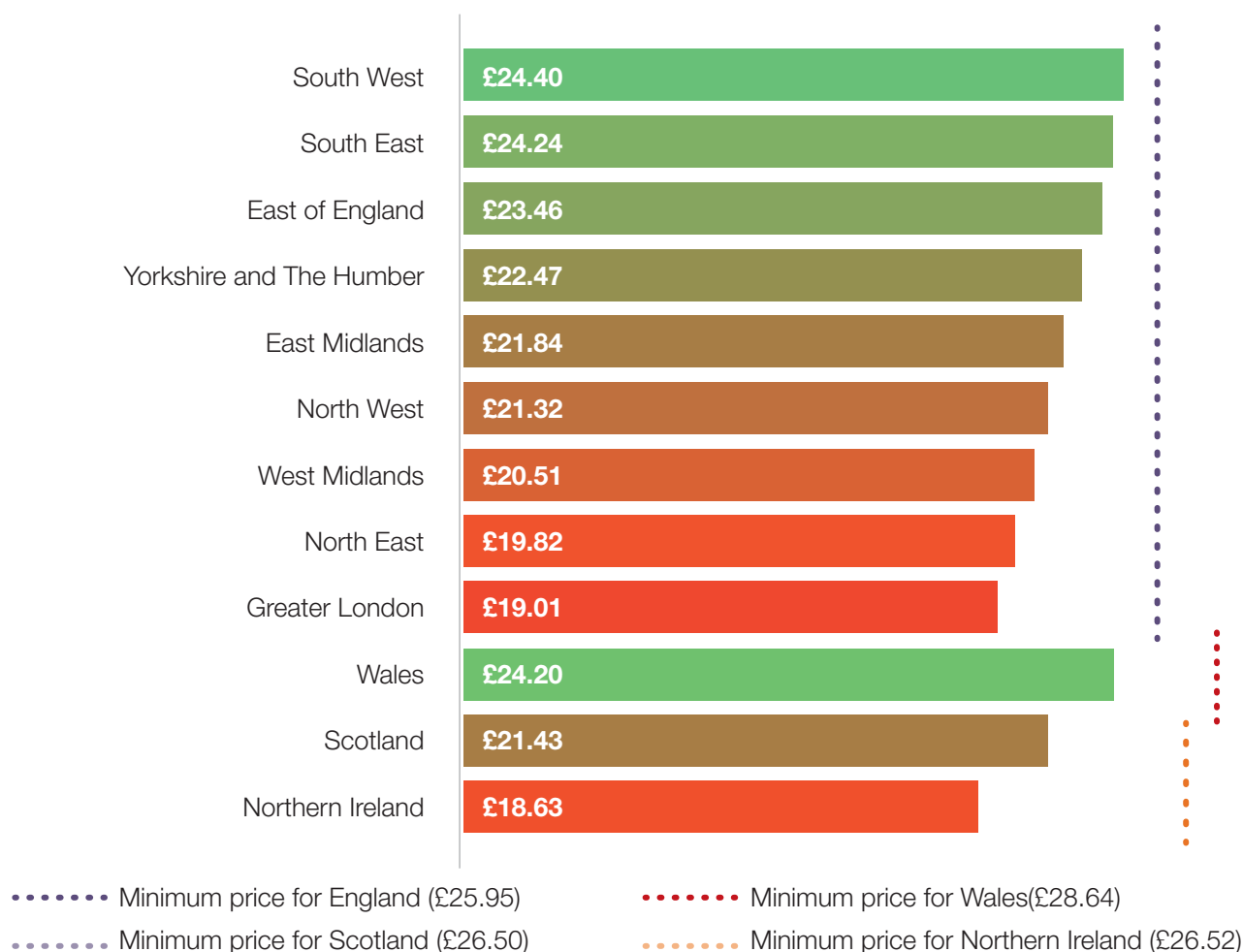
64 when the UK's statutory National Living Wage increases and changes to employers' National Insurance (ENI) Contributions come into effect.

65 ODLME have not performed an assessment of these data yet

66 The Homecare deficit 2023 available at: <https://www.homecareassociation.org.uk/resource/the-homecare-deficit-2023-pdf.html>

high workload or no payment for travel time or sleeping time.

Figure 3: Weighted average hourly prices paid for homecare in the UK by region, decorative only⁶⁷



Source: [Homecare Association Deficit 2023](#), Figure 34

Due to those budgetary imbalances there are concerns that local authorities must focus on cost savings and efficiency measures over quality of care or working conditions when evaluating bids. Private firms bidding for local authority contracts are incentivised to put in the

⁶⁷ Sample taken in 2023

lowest possible bid to the local authority to secure a high volume of contracts. However, if this company finds they cannot provide the services required at the price point set in the contract they are unable to pass on any additional cost to the patient. Instead, the additional cost is passed onto the worker. The concern is that savings are made through delivering lower quality care or lower standards for workers. The Homecare Association⁶⁸, refer to this as a “race to the bottom” and say that it is a “leading contributor to non-compliance in the sector”, arguing that under current models a large proportion of local authorities cannot pay all the costs associated with employing an ASC worker.

Some stakeholders have suggested the existing enforcement of quality of care and workers’ protection is insufficient to ensure these commissioning practises do not have a detrimental impact on people who draw on care and support, or workers. A recent review into the operational effectiveness of the CQC⁶⁹ found “poor operational performance” with the number of inspections dropping from 16,000 in 2019/20 to 7,000 in 2023/24 and one rating for a social care organisation being over 9 years old. A decline in inspections can result in poor practices not being discovered and poor operators more likely to continue to operate. In response to the 2024

68 Minimum Price for Homecare – England 2025-2026 – 2024 available at: <https://www.homecareassociation.org.uk/resource/the-homecare-association-releases-its-minimum-price-for-homecare-2025-26.html>

69 Review into the operational effectiveness of the Care Quality Commission: interim report Department for Health and Social Care 2024 available at: <https://www.gov.uk/government/publications/review-into-the-operational-effectiveness>

review into the operational effectiveness of the Care Quality Commission by Dr Penny Dash⁷⁰, CQC are taking some immediate actions. CQC's recovery plan ensure the organisation can publish reports, carry out more assessments, clear its registration backlog, and make sure it has acted promptly on information of concern and notifications. At the same time as delivering these immediate actions, CQC will also deliver a foundational piece of work to re-focus its purpose and ensure it has the right values that guide its work.

2.3.5 Intelligence assessment of the adult social care sector

The overall DLME risk score for the ASC sector has not changed since last year and the threats linked to the abuse of visas to work in the sector remain. However, in assessing the overall risk to the sector, there are different worker populations at varying risk of labour non-compliance – notably between domestic and international workers (discussed further below). In 2024/25, this sector was assigned an increased rating to B following the greater understanding of the extent of worker exploitation identified through Operation Topaz. The rating remains the same this year, with all three enforcement bodies reporting a significant caseload in relation to ASC with GLAA being particularly stretched by the number of cases with which they are involved.

⁷⁰ Review into the operational effectiveness of the Care Quality Commission: full report: [Review into the operational effectiveness of the Care Quality Commission: full report – GOV.UK](#)

Sector SIC	Description	2024 Impact of non-compliance	Trend	2023 Impact of non-compliance
86-88 Care sector	Social care	B	No change	B

Overall assessment: B No overall change

- adult social care sector: Some risk of modern slavery and severe labour exploitation (A) with a high risk of serious non-compliance (C) and deliberate non-compliance (B), with an implication for interpreted non-compliance (D)

Below is a short breakdown of the risks of labour exploitation to workers in adult social care. Data highlights that exploitation and abuse in the ASC sector is multifaceted and complex, with workers likely to experience a range of issues. Taken together they amount to conditions which can create precarious employment for a significant proportion of adult social care workers.

Risk by worker type:

- overseas workers (on Health and Care visas sponsored as care workers and senior care workers) (Score A/B): These international recruits are exposed to risks within the sector as a whole but in addition are dependent on their sponsors for employment and may have paid excessive fees in their country of origin to secure the roles. The need to pay off this debt and retain their employment puts them at a high degree of risk of exploitation including, in extreme situations,

modern slavery. They are less likely to know where to seek help

- overseas workers (with no right to work) (Score A): This group presents the highest threat to care customers as the workers potentially lack any training and their credentials may be falsified (A). They may be underpaid and forced to work excessive hours as they have no grounds for appeal
- UK worker population (C/D): The evidence points to workers not being paid in full for working time, including travel time, deductions for uniform and training, expenses not being re-imbursed, long working hours, short notice change to working hours and poor record keeping by employers
- personal assistants/domestic workers (Unknown): There is a lack of data specific to personal assistants and domestic workers delivering elements of social care. The circumstance of their employment suggests a degree of vulnerability

2.3.6 Risk factors to experience labour exploitation

2.3.6.1 Workers on the Health and Care Worker visa route

In the Director's 2024/25 Labour Market Enforcement Strategy risk around visa arrangements was highlighted, driven by a large influx of international recruits and the sponsorship licensing regime. As discussed in section

2.3.3 workers still face a significant risk of labour exploitation from their visa arrangements with the evidence presented above suggesting that these harms can exist at the most severe end with workers subject to instances of modern slavery, forced labour and debt bondage. Our risk model still presents international recruits as an A (a risk of modern slavery and labour exploitation to workers). However, the controls put in place by UKVI, should reduce the possibility of this occurring over time, with a recent NAO report also suggesting this is the case⁷¹.

2.3.6.2 Funding

Funding, as discussed in section 2.3.4, is a driver or risk to workers in the sector. There are significant concerns, particularly in domiciliary care, that due to the pressure of local authority budgets, changing commissioning practices may lead to more precarious work for care workers and to workers being overstretched. This concern is articulated by NGO respondents to the call for evidence. It is unclear how significant a risk this is to workers – given the lack of evidence around the relationship between funding and quality of care provision and worker treatment. Some evidence was presented through the DLME call for evidence suggesting small providers simply can't pay NMW at the current level of local authority commissioning rates.

71 Immigration: Skilled worker visa report NAO 2025 available at: <https://www.nao.org.uk/reports/immigration-skilled-worker-visas/>

2.3.6.3 Low pay

Job roles in the ASC sector are classified as low paying by the Low Pay Commission (LPC)⁷². Data from Skills for Care England⁷³ shows in 2023/24, when the National Minimum Wage was £10.42, pay for care workers was estimated at £12.01. Although this is 15 per cent above the minimum, ASC has additional risk factors due to contractual arrangements, travel time and other deductions. Additionally, with increased budget restrictions due to funding issues explained above, pay in the ASC sector could get closer to the NMW rate, especially in services funded through local authorities, increasing the risk of non-compliance.

2.3.6.4 Payslips

As discussed in section 1.2.6 workers may not receive, or do not understand, their payslip, particularly in low paying sectors. UNISON research⁷⁴ suggests most care workers (63 per cent) cannot tell from their payslips whether they are being paid for all their working time and that payslip records are often very hard for workers to access. This problem is likely to be made worse due to high turnover rates and lack of digital records (discussed in section

72 Low pay sectors review 2023 available at: <https://www.gov.uk/government/publications/low-paying-sectors-review>

73 The state of the adult social care sector and workforce in England 2024 available at: <https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/publications/national-information/The-state-of-the-adult-social-care-sector-and-workforce-in-England.aspx>

74 News article from Unison 2018 available at: <https://www.unison.org.uk/news/2018/04/employers-care-sector-hiding-behind-complex-incomplete-pay-slips-break-wage-laws/>

2.3.1). Workers often lose access to their digital payslips when moving roles. Without payslips workers lack a vital piece of evidence to make complaints to enforcement bodies or challenge through an Employment Tribunal and, as discussed in the main strategy, more work must be done in this area.

2.3.6.5 Deductions, expenses, and travel time

Evidence presented to the director shows workers may be unaware that their employer should pay for uniforms and training, with some workers accepting deductions from their wages to cover these costs. Respondents to the call for evidence and media input also shows that one of the most pressing matters in the sector around unpaid activities is travel time in the domiciliary (home care) sector, with an estimated 75 per cent of workers suggesting they have not been paid for travel time ⁷⁵.

Some work has been done to address this with the Advisory, Conciliation and Arbitration Service (ACAS) and HMRC NMW providing guidance⁷⁶. But, in a recent ODLME roundtable on ASC, attendees have stressed this guidance is not robust enough. The director understands these concerns and is aware that further work is needed.

75 Majority of homecare staff are unpaid for travel between visits – Unison 2023 available at: <https://www.unison.org.uk/news/2023/06/majority-of-homecare-staff-are-unpaid-for-travel-between-visits-says-unison/>

76 Working-time-rules/working-time-for-someone-who-travels-for-their-job Aces 2024 available at: <https://www.acas.org.uk/working-time-rules/working-time-for-someone-who-travels-for-their-job>

2.3.6.6 Precarious working practices

ASC is driving and increasingly adopting precarious working practices. Examples are unpredictable shift patterns and long working hours. This is done to work around budget constraints particularly in domiciliary care. These types of practices tend to increase the risk to workers of being exploited⁷⁷.

The director has commissioned research into precarious working, titled an Assessment of the scale and nature of labour market non-compliance in the UK. The interim report found workers who are in non-traditional, insecure work often suffer from high level of precarity and are more likely to accept exploitative conditions. A driver of precarity is the high use of zero-hour contracts (ZHCs), however some workers may prefer ZHCs for flexibility. In 2023/24, 29 per cent of care workers and 43 per cent of domiciliary care workers in CQC registered organisations were on zero-hour contracts.

The pressure on workers in the sector to meet growing demands for services is also creating a culture of long working hours, another indicator of precarity. Many workers report being asked to work long hours, not having the time to travel between clients (known as ‘call cramming’) and staff shortages leading to workers feeling overwhelmed. Data on violations of employment rights provided via the call for evidence showed 1 in 3 care

⁷⁷ Assessment of the scale and nature of labour market non-compliance in the UK: interim report 2024 available at: <https://www.gov.uk/government/publications/assessment-of-the-scale-and-nature-of-labour-market-non-compliance-in-the-uk-interim-report>

workers were paid less than they should have been, 1 in 6 experienced excessive working hours and 1 in 6 experienced discrimination (Citizens Advice, 2024).

2.3.7 Conclusion on the adult social care sector

ODLME has undertaken the task of updating the director's view of the scale and nature of labour exploitation in the adult social care sector with assistance from partners, stakeholders and the enforcement bodies.

Compared to ODLME's analysis in March 2024, there is evidence to suggest that labour non-compliance in the sector is changing. A report by the MAC⁷⁸ questions why, if the number of international recruits has sharply decreased, has the number of instances of non-compliance affecting migrants not also decreased. There are suggestions of lag, as Home Office and DHSC have put in several changes to improve conditions, but the director awaits data from the enforcement bodies to make that decision.

The analysis identifies additional risks present in the ASC sector, separate to visa concerns. Local authority commissioning practises and financial pressures have pushed local authorities to accept the cheapest bids, resulting in non-compliant businesses securing local authority contracts. Further risks such as a lack of

78 Migration Advisory Committee (MAC) annual report, 2024 (accessible) available at: <https://www.gov.uk/government/publications/migration-advisory-committee-annual-report-2024/migration-advisory-committee-mac-annual-report-2024-accessible>

payslips, not receiving pay for travel time, low pay and concerns about access to Employment Tribunals have been raised. (Annex A⁷⁹ for more detail).

It is crucial to recognise that with increased demand for ASC services, not only from an aging population but also from those aged between 18-64, the demand for workers in the sector is only going to grow. The government's ambitions to create a National Care Service through an independent commission, alongside short-term improvements and a Fair Pay Agreement for care workers, aims to address at least some of these issues but they will take time to deliver.

2.7 Agriculture⁸⁰

Although accounting for just 0.6 per cent of total UK GVA, agriculture provides national food security by helping to meet demand for food. Therefore, it is essential that the sector is sustainable and operating within the law to help achieve this.

Information relating to non-compliance in the agriculture sector is primarily drawn from the GLAA, as it is one of their licensed sectors. This is supplemented by data, intelligence and information from partners including EAS, UKVI, HMRC NMW, the devolved governments in

79 United Kingdom Labour Market Enforcement Strategy 2024/25 Annex A: Emerging issues around compliance and enforcement in the UK labour market published 2024 available at: [Labour Market Enforcement Strategy 2024 to 2025 – GOV.UK](#)

80 The assessment captures both agricultural and horticultural work but will be referred to as agriculture for this brief

Scotland, Wales, and Northern Ireland, the Health and Safety Executive (HSE) and the Department for Environment, Food and Rural Affairs (Defra), as well as from trade bodies, charities, and academia.

2.7.1 Agriculture workforce

Defra reports on the agriculture workforce distinguishing broadly between farmers, partners, directors, and spouses (essentially self-employed and family workers) on the one hand, and regular employees (salaried managers, regular employees, and seasonal, casual or gang labour) on the other.

The UK agriculture labour force stood at around 453,000 in mid-2024, of which only just over a third (160,000) were regular employees, including approximately 60,000 seasonal workers. It is estimated that 60 per cent of these are migrant workers on 6-month visas under the Seasonal Worker Visa route, less than 5 per cent are British, and the remainder are EU workers with Settled Status and Ukrainians on extended visas⁸¹.

The assessment and information received by ODLME through the call for evidence and roundtables suggest the greatest risk of labour market non-compliance is within the migrant seasonal work population. Hence, the

81 Independent review into labour shortages in the food supply chain: government response 2023 available at: <https://www.gov.uk/government/publications/independent-review-into-labour-shortages-in-the-food-supply-chain>

remainder of this section focuses mainly on this group of workers.

2.7.2 Seasonal visa workforce

Growers require additional temporary workers during labour-intensive periods, such as the fruit and vegetable harvesting season. As in many other countries the UK has used migrant seasonal labour to overcome these challenges. With the UK's departure from the European Union the UK now operates a Seasonal Worker's Visa scheme. Some 47,000 visas are made available each year, and this can be increased by another 10,000 a year if the government considers it necessary to meet demand.⁸² The visas are allocated between 6 scheme operators appointed by the Home Office who can each recruit overseas up to the limit of the allocation of visas. The responsibilities of scheme operators are specified by the Home Office⁸³. The government recently announced a 5-year extension to the scheme⁸⁴.

Over time the source countries supplying labour have changed. In 2019 workers mostly came from Ukraine and Russia. Today a much wider range of nationalities are

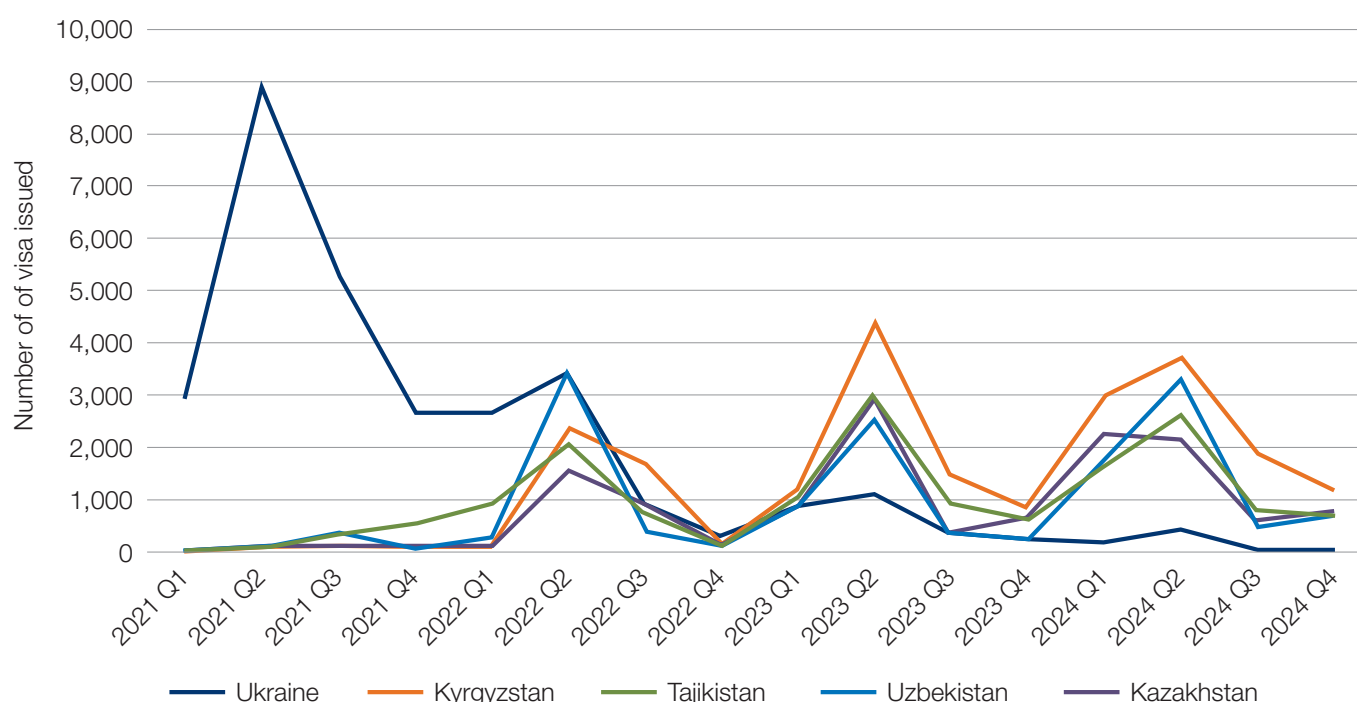
82 Seasonal Worker visa and UK agriculture 2023 available at: <https://commonslibrary.parliament.uk/research-briefings/cbp-9665/>

83 Workers and temporary worker guidance for sponsor a seasonal worker 2025 available at: <https://www.gov.uk/government/publications/workers-and-temporary-workers-guidance-for-sponsors-sponsor-a-seasonal-worker/workers-and-temporary-workers-guidance-for-sponsors-sponsor-a-seasonal-worker-accessible-version>

84 Government announces raft of new policies and major investment to boost profits for farmers 2025 available at: <https://www.gov.uk/government/news/government-announces-raft-of-new-policies-and-major-investment-to-boost-profits-for-farmers>

represented, including from Central Asian countries such as Kyrgyzstan, Uzbekistan, Tajikistan and Kazakhstan.

Figure 4: Top 5 nationalities applying for Seasonal Worker Visas, 2021Q1-2024Q4, Quarterly, UK



Source: Home Office immigration statistics quarterly, Data_Occ_D02

Seasonal visa volumes increased from 32,758 in 2023 to 35,561 in 2024. Home Office immigration statistics show numbers from Ukraine continue to fall, decreasing by 72 per cent from 2,551 in 2023 to 708 in 2024. In 2024 78 per cent of visas issued were for workers from Kyrgyzstan (9,842, up 23 per cent on 2023), Uzbekistan (6,278, up by over 50 per cent), Tajikistan (5,828), and Kazakhstan (5,811). Visas issued to workers from Bulgaria and Romania fell by a quarter between 2023 and 2024 and together now account for just four per cent of seasonal workers overall. It should also be noted that

in Figure 4 Ukraine dropped out of the top 5 nationalities in 2024 due to the conflict in Ukraine.

In relation to the 2022 season, reports from a joint group of NGOs (led by the Modern Slavery and Policy Evidence Centre) highlighted the significant risk to Nepalese and Indonesian workers where excessive agency fees were charged, resulting in instances of modern slavery being reported to the national referral mechanism (see MSPEC report [here](#)). Since then, scheme operators have all but stopped recruitment from these countries. Reported abuses to workers from certain countries have prompted scheme operators to focus on countries where they have a clear understanding of the recruiting practices and can work closely with government.

2.7.3 Seasonal Worker's Visa Survey of Workers

Since 2019 Defra has undertaken an annual survey of SWV scheme workers. This helps our assessment of the scale and nature of the exploitation in the SWV route⁸⁵. The 2023 survey captures 13,111 workers (out of 32,724 seasonal workers). The data was gathered after the worker returned to their country of origin.

85 Seasonal workers survey results 2023 published 2024 available at: <https://www.gov.uk/government/publications/seasonal-workers-pilot-review/seasonal-workers-survey-results-2023>

The survey found:

Pre-arrival costs: Apart from visa and travel costs, 66.6 per cent of respondents said they did not pay any other up-front costs before arriving in the UK. Those who did reported Migration (or Labour) Ministry fees (7.6 per cent) or medical fees (4.6 per cent). Around half of respondents funded their trip through savings (51.6 per cent) or a loan from family and friends (29.2 per cent).

Complaints: 78.3 per cent of respondents knew how to raise a complaint and most (86.5 per cent) stated they did not need to raise a complaint during their time on the farms. Of those respondents who did raise complaints (369, 3.0 per cent), raised a formal complaint. The most cited route to raise their complaint was through their farm manager (89) or to colleagues (46). Only 5 respondents stated they reported their complaint through an official government route. There were 1,670 respondents (10.5 per cent) who had a grievance but did not raise a formal complaint. The most common reason for not raising a formal complaint was due to a belief that no action would be taken (expressed by 27.6 per cent of these respondents).

Transfers: 23.5 per cent of respondents requested a transfer to another farm. Of those respondents who requested a transfer, 37.8 per cent stated it was due to the lack of hours on their current farm, while 20.3 per cent requested a move to be with friends. Of those requesting a transfer 64.9 per cent were successful.

Respondents stated most frequently that no reason was given for not being transferred (32.2 per cent). Where a reason was given, the most frequently reported was either there were no jobs available on the farm the worker wanted to move to, or no other farm was available.

Our intelligence assessment shows that overseas fees paid by workers can lead to instances of debt bondage⁸⁶ and can, according to reporting by Unseen⁸⁷ increase the risk to migrant workers paying these fees of falling into modern slavery.

To resolve general issues while working, the individuals may complain or request a transfer to other farms. The survey findings indicate most workers knew how to make a complaint, meaning there was good awareness of their rights. However, the particularly low rate of complaints that went to official government bodies (only 5) was lower than expected and raises questions about whether workers knew how to complain to the authorities. Qualitative research from the Modern Slavery and Policy Evidence Centre⁸⁸ suggests that workers feel their complaints to public bodies would be met with inaction

86 Higher visa fees will increase risks of debt and exploitation in the UK report by Flex 2023 available at:
<https://labourexploitation.org/news/statement-announced-visa-increases-will-fuel-modern-slavery-in-the-uk/>

87 The price we don't pay – modern slavery in UK agriculture – Unseen 2024 available at:
<https://www.unseenuk.org/the-price-we-dont-pay-modern-slavery-in-uk-agriculture/>

88 UK agriculture and care visas: worker exploitation and obstacles to redress 2024 available at:
<https://www.modernslaverypec.org/resources/uk-agriculture-care-visas-vulnerability-exploitation>

and harsher punishments (loss of sponsorship licences and bullying).

Workers are entitled to request a transfer to another farm supplied by their scheme operator. As set out above such transfer requests are not always successful which may lead to workers feeling trapped in jobs or at locations they wanted to leave.

The terms of the scheme operator's licence requires that workers have a minimum 32 hours paid employment throughout their stay in the UK, regardless of whether work is available. This can mean that the start of an assignment is delayed by the scheme operator or that it is ended earlier than the worker expected. Positively, around 94 per cent stated they worked for 32 or more hours per week, with 81 per cent of respondents working 32-40 hours. A question is raised about whether workers want more hours to cover the cost of living, or to cover fees paid prior to arrival in the UK. Additionally, a follow up would be needed with the 6 per cent of the workers who were working below the 32 hours mandated by the visa changes on 1st April 2023. In addition, when specifically asked, almost 87 per cent stated they were paid for at least an average of 32 hours per week. The reason for the disparity in answers (87 per cent versus 94 per cent above) is not clear.

2.7.4 Non-government organisations findings in relation to the seasonal worker visa scheme

The NGO Focus on Labour Exploitation (FLEX)⁸⁹ notes that temporary migration schemes are “associated with increased risks of labour abuse and exploitation”. It identifies various factors that contribute to the risks, some of which are reflected in the terms of the Seasonal Worker visa.

A FLEX survey report in 2023 suggested 25 per cent (of 395 respondents) were not given accurate information concerning the nature of the work they would be undertaking. For example, some workers came to the UK expecting to do a specific job such as picking fruit in a greenhouse but instead were picking cabbages outdoors or pruning. More research is needed in this area.

2.7.5 Regulation and the enforcement bodies in agriculture sector

ODLME has consistently identified agriculture as a sector at high-risk of labour market non-compliance. The risk assessment finds migrant workers carry a higher risk profile when compared to domestic UK agricultural

89 Press Release: New research highlights improvements needed to protect migrants from debt and disappointment on UK’s Seasonal Worker Scheme – Flex report 2024 available at: <https://labourexploitation.org/publications/press-release-new-research-highlights-improvements-needed-to-protect-migrants-from-debt-and-disappointment-on-uks-seasonal-worker-scheme/>

workers (however it should be noted our view of domestic workers is limited due to data gaps).

Home Office licences the scheme operators following a selection process led by Defra. UKVI has enforcement responsibility of the visa route and a dedicated enforcement team which routinely visits farms (without notice) to check on a range of issues including compliance with the immigration scheme rules⁹⁰. These set out standards and behaviours expected of farms with respect of their seasonal workers on this visa.

Through the Gangmasters Licencing Scheme (GLAA) have primary responsibility for oversight of licence holders supplying agency workers in the agriculture and horticulture sectors (also shellfish gathering and food packing). This includes oversight of living and working conditions. The GLAA does not routinely carry out inspections on farm premises as it is not the lead agency on the rights of seasonal workers. The Independent Chief Inspector of Borders and Immigration has reported a “lack of clarity about who is holding farms and scheme operators accountable⁹¹.”

90 Workers and temporary worker guidance for sponsor a seasonal worker 2025 available at: <https://www.gov.uk/government/publications/workers-and-temporary-workers-guidance-for-sponsors-sponsor-a-seasonal-worker/workers-and-temporary-workers-guidance-for-sponsors-sponsor-a-seasonal-worker-accessible-version>

91 Inspection report published: An inspection of the Immigration Enforcement Competent Authority (January – June 2024) available at: <https://www.gov.uk/government/news/inspection-report-published-an-inspection-of-the-immigration-enforcement-competent-authority-january-june-2024>

GLAA publish industry profiles⁹² suggesting SWV workers at highest risk are male migrants below the age of 35. GLAA highlights geographic areas of high concern are Lincolnshire, Somerset, and Cornwall. In non-compliant businesses there has been reporting of wages being withheld, non-payment of overtime and holiday pay as well as poor accommodation (usually a caravan). Some stakeholders raised concerns that GLAA has too few inspectors.

Health and Safety Executive (HSE) statistics show that the rate of fatal injuries for Agricultural, Fishing and Forestry is 21 times higher (accounting for almost one person a week being killed in agricultural work) than all other industries and non-fatal injuries are statistically significantly and higher than other industries. The risk to migrant workers is suggested to be higher than for domestic workers with HSE pointing to poor training, review and management resulting in higher instances of non-fatal injuries.

The Migrant Advisory Committee and House of Lords Horticulture Sector Committee reports both highlighted a high risk to workers on the SWVs.

2.7.5.1 Enforcement and governance gaps

Gaps in enforcement for migrant and domestic workers must be addressed, including:

92 Industry Profile – Agriculture – 2020 available at: <https://www.gla.gov.uk/who-we-are/modern-slavery/industry-profile-agriculture-2020/>

The responsibility for enforcement of accommodation standards is unclear. Whilst the Health and Safety Executive and Local Authorities (LAs) co-regulate on some matters this is not the case with accommodation. Stakeholders report that the Mobile Homes Act 2013 legislation is not fit for purpose and legislation should be revised.

Only a small percent of people raised a concern directly to GLAA or UKVI. Complaints are generally raised with the farm/ supervisors then escalated to operators. Complaints/transfers may be triaged in different ways, depending on the size/ability to transfer workers.

Stakeholders highlighted that the UK government should clarify arrangements around payment for time for travelling between fields (travel time) and transfer costs. It should also be made clear what avenues are available for workers to report concerns, particularly if they do not want to report to their sponsor or scheme operator, what actions are taken in response to any structural issues identified, and how individual workers have been supported to access redress.

2.7.6 Data gaps in agriculture sector

Gaps in data for migrant and domestic workers must be addressed, including:

Foreign recruitment practices and agencies: It is difficult to identify the scale and nature of the foreign recruitment agencies and the debt bondage faced by migrant workers

not only in the agricultural sector but in other high-risk sectors. As the first point of contact with overseas workers, reports of illegal fees being charged could be actively monitored by Home Office or the GLAA.

Non-migrant workers: More data is needed on the number and experiences of UK workers.

2.7.7 Intelligence assessment

Factors impacting the risk to workers reflect the changing demographics of agricultural workers – notably as regards workers coming to the UK under the SWV scheme. Currently migrant workers in the sector are more likely to experience instances of poor working conditions, poor accommodation standards and health and safety risks.

Overall assessment: A No overall change

01 Agriculture: mainly risk of modern slavery (A), deliberate non-compliance (B) and serious non-compliance (C) and GLAA licenced sector.

Sector SIC	Description	2024 Impact of Non-compliance	Trend	2023 Impact of non-compliance
01 Crop and animal production, hunting, and related service activities	Agriculture including horticulture	A	Decreasing	A

2.7.7.1 Reasons for risk

Risks seen throughout the sector include:

- lack of guaranteed working hours. However, to note, workers on the SWVS have a guaranteed 32 hours as part of their visa conditions
- poor working conditions and health and safety risks
- poor worker management arrangements on farms
- poor accommodation
- isolation

Additional risks associated with the Seasonal Worker's Visa:

- illegal recruitment fees charged in countries of origin creating debts for the worker that have the impact of tying them to whatever work they are given – sometimes described as a form of “debt bondage”
- misleading pre-departure representation of the available work, working conditions and accommodation
- some SWV scheme workers not getting the required minimum 32 hours
- barriers to changing job
- no formal route for worker to change scheme operator where concerns are found, and scheme operators lose their license

2.7.8 Conclusion on the agriculture sector

Agriculture has risk factors associated with the nature of the work. It can be physically demanding with health and safety risks. Open-air work is affected by the weather, and the volume and timing of the work can be unpredictable. The workplace is comparatively isolated and changes as workers move from crop to crop. There is a low level of unionisation across the sector. These factors increase the risk of vulnerability for workers.

The GLAA licensing system has contributed to a reduction in risk for agency workers and the tighter labour market has also supported rising employment standards.

Initially when the Seasonal Workers Visa Scheme was introduced in 2021 there was an increase in risk associated with poor overseas recruitment practices across a range of countries. However, the data suggests that the drivers of non-compliance (notably unlawful charging of fees) decreased between 2022 and 2023. This aligns with ODLME intelligence assessment suggesting that the risk of modern slavery to the workers is decreasing due to tighter scheme rules (for example, the minimum 32 hours work requirement) and action from UKVI, for example, by routinely visiting farms.

However, risks remain for those on the SWVS such as not being provided work for the duration promised (up to 6 months), not receiving the required 32 hours of pay per

week⁹³, misrepresentations of working conditions and a lack of payslips or payslips that are unclear or fail to measure hours worked. Some SWVS workers, through NGOs, complain that the inability to transfer to another farm or a different scheme operator traps them in exploitative situations.

Accommodation now appears to be a large driver of worker complaints to labour providers and the enforcement bodies, with substandard conditions being reported in the media and in feedback to the enforcement bodies and Defra. Scheme operators have an obligation to ensure that workers have suitable accommodation and need to be held to account for ensuring that the farms provide this for the workers.

Finally, while this analysis has focused on the drivers and impact of labour exploitation on seasonal workers in the UK's agricultural sector it is important to note that the evidence above also suggests domestic (UK) workers are also facing labour exploitation. ODLME has heard anecdotal evidence from stakeholders that travel time, including movement between fields, is not being paid. However, referenceable information does not exist and is a gap in our knowledge.

93 Migrant Advisory Committee (MAC) and Home Office Review of the Seasonal Worker's Visa: available at: <https://www.gov.uk/government/publications/seasonal-worker-visa-review/review-of-the-seasonal-worker-visa-accessible>

2.8 Construction

Construction remains an important sector of the British economy accounting for around six per cent of the UK workforce and gross value added (GVA)⁹⁴. It is a very large and complex sector.

Broadly speaking the sector can be sub-divided into three types of activity:

Major construction sites – characterised by a lead construction company with multiple layers of subcontractors where workers range from highly skilled to manual workers, some on site for months others for a few days with some employees and others self-employed. A single site may have more than 100 workers at any given time. Access to such sites is typically highly controlled.

House building development sites – again with a lead contractor and subcontracting but typically fewer layers of subcontracting and a smaller range of skills. A development may have 10's of workers at any given time. Again, some workers are employees and others self-employed. Although there will be a site office, access to the sites is typically more open.

Single premises building work ranging from refurbishment, house extensions, roofing work, where the work may all be done by one company with some

94 Trade Credit UK Construction Sector Report 2024 available at: <https://www.tmhcc.com/en/news-and-articles/thought-leadership/trade-credit-uk-construction-sector-report-2024>

subcontracting for specialised activity such as scaffolding or electrical work. The company may employ some of the workers directly and others will be self-employed. At any given time, there will be fewer than 10 workers on site. Individual jobs may last for as little as a few hours.

While there are some common factors as regards non-compliance between the three groupings there are also differences. By far the hardest area to oversee is the single premises building work due to the small scale and dispersed nature of the work.

2.8.1 Construction workforce

Total employment of the UK construction sector (as defined by SIC F) was around 2.22 million between June to September 2024⁹⁵. Construction is characterised by high self-employment (around 30 per cent), as well as a significant proportion of migrant labour. June to September 2024 there was an average of 682,000 self-employed construction workers in the UK⁹⁶.

Overall employment in construction has been declining over the past decade, though this masks divergent trends between employees and the self-employed. Over the preceding year (September 2024) the number of

95 JOBS05: Workforce jobs by region and industry ONS 2024 available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/workforcejobsbyregionandindustryjobs05>

96 JOBSO4: Self-employment jobs by industry ONS 2024 available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/selfemploymentjobsbyindustryjobs04>

construction employees fell by less than 1 per cent, with those classed as self-employed declining by 5 per cent⁹⁷.

The construction sector has been seen as a driver of growth with, among other things, the focus from the government to increase house building to address housing shortages. Therefore, the workforce is likely to grow to meet that demand.

2.8.2 Stakeholder findings in the construction sector

Stakeholders continue to highlight the same historical issues that put pressure on the labour supply chain and consequently increase the vulnerability of workers.

Common risks reported include:

- not being paid for their work
- the temporary nature of the work means that workers do not receive contracts
- workers are required to work flexibly leading to informal hiring and firing practices
- delays in payments to workers as employers are dependent on payment for completion of stages
- low skilled work

97 JOBS05: Workforce jobs by region and industry ONS 2024 available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/workforcejobsbyregionandindustryjobs05>

- informal recruitment rather than agreed terms and conditions e.g. through social media
- workers lack awareness of their employment status or acting as self-employed with limited contractual protection. The Construction Industry Scheme (CIS), a tax scheme, is highlighted by respondents as it adds complications for workers on employment status determination. Individuals may mistakenly believe that a unique tax reference number confirms they are self-employed
- wage deductions and difficulties in knowing who is responsible for rectifying concerns
- as the levels of subcontracting increases, this further reduces limited profit margins and increases the risk of lack of due diligence and paperwork supporting the labour supply chain
- working in difficult and unsafe conditions

As noted above the construction sector has a high level of self-employment, which is due to subcontracting and short-term work. However, respondents reported to the call for evidence that a proportion might be under “bogus self-employment” in construction, which can result in tax and employment law non-compliance. Respondents to the ODLME call for evidence raised concern that workers, who should be classified as employees, are missing out on national insurance contributions.

ODLME received evidence of increased construction-related calls to worker helplines:

- in 2023 the Modern Slavery Helpline Annual Assessment identified construction as the second most reported industry for cases of labour exploitation. In total, there were 98 cases reported in 2023, and 523 potential victims identified. While the number of cases reported in 2023 shows a reduction of 30 per cent (compared to a 35 per cent increase the year before), the number of workers identified in 2023 compared to 2022 showed a smaller 4 per cent decrease⁹⁸
- the Work Rights Centre indicated that in 2023 26 per cent of calls to their helpline were related to construction, up from 18 per cent in 2022.

Unseen⁹⁹ cites the widespread use of sub-contracted labour and a high turnover of workers as factors potentially facilitating labour abuse in the construction industry. This means it is difficult for the main contractors to ensure workers throughout the labour supply chain are being paid correctly and are not working under duress.

Previous DLME strategies have highlighted factors in the industry that increase the risk of exploitation, which have been reported by the industry in key reports such as by

98 Unseen annual assessment 2023 available at: [Annual assessment 2023 – Unseen](#)

99 Construction leaders unite to tackle modern slavery with new awareness film – Unseen 2024 available at: <https://www.unseenuk.org/construction-leaders-unite-to-tackle-modern-slavery-with-new-awareness-film/>

Chartered Institute of Building (CIOB) and the Farmer Review.

The CIOB¹⁰⁰ report on modern slavery highlights the following factors:

- pressure on costs and schedules
- variability in labour demand
- a high concentration of migrant labour
- widespread use of agency and subcontracted labour
- a large proportion of work at minimum wage levels.

The Farmer Review of the UK Construction Labour Model highlighted¹⁰¹:

- low productivity
- low predictability
- fragmentation
- low margins, adversarial pricing models and financial fragility
- poor industry image

100 Construction labour market in the UK: Farmer review 2016 available at: <https://www.gov.uk/government/publications/construction-labour-market-in-the-uk-farmer-review>

101 The Farmer review of the UK construction model: available at: <https://www.cast-consultancy.com/knowledge-hub/the-farmer-review-of-the-uk-construction-labour-model/>

These factors are evidenced in reports by Flex¹⁰², in terms of non-compliance and exploitation, a 2018 Flex survey found:

- 36 per cent had experienced not being paid for work they had done
- 33 per cent had experienced verbal or physical abuse on the job
- 53 per cent were made to work in dangerous conditions
- 50 per cent were not given a written contract

Prior to Brexit, there was a large Eastern European worker population in the sector who may now have leave to remain. 15 per cent of workers were told (incorrectly) they no longer had the right to work immediately following the referendum making them vulnerable to exploitation¹⁰³.

Though these reports are a few years old, we assess that these factors remain current and, following Brexit, difficulties in recruiting workers may have increased.

102 Shaky Foundations available at: [Shaky Foundations: Labour Exploitation in London's Construction Sector – FLEX](#)

103 All work and no pay: pay: Flex report reveals high risk of exploitation in London's construction sector -2018 available at: <https://labourexploitation.org/news/all-work-and-no-pay-flex-report-reveals-high-risk-of-exploitation-in-londons-construction-sector/>

2.8.3 Developments in the construction sector

The government has announced a large-scale house building programme, in a sector with existing labour shortages. The programme aims to build 1.5 million new homes in the next 5 years¹⁰⁴, averaging 300k units per year compared to approximately 200,000 units currently completed.

The government is aware of the potential exploitation and non-compliance in the sector, illustrated by a Cabinet Office roundtable held in August with industry and government representatives seeking to mitigate the risks of modern slavery. The event was chaired by a former Independent Anti-Slavery Commissioner and attended by 17 major UK construction companies. The roundtable acknowledged the risks of modern slavery in the construction sector are significant and increasing, and therefore there is a need for the sector to act.

As part of its Construction and Property Programme, Stronger Together is running in 2025 a series of training workshops aimed at tackling modern slavery in construction.

104 Fact sheet 1: The need for homes 2024 available at: <https://www.gov.uk/government/publications/new-homes-fact-sheet-1-the-need-for-homes/fact-sheet-1-the-need-for-homes>

2.8.4 Regulation and enforcement within the construction sector

ODLME has consistently assessed the construction sector as high risk due to serious labour exploitation through non-compliance and fraud. Construction is a very large and diverse sector, ranging from large scale infrastructure projects (including publicly funded) to house building, through to smaller domestic projects. However, the risk to workers in the labour supply chain remains. An ongoing challenge is limited intelligence, both related to the three enforcement bodies as well as for wider law enforcement partners. Over the past year ODLME has been working to explore new data sources to fill data gaps.

The enforcement bodies under the DLME remit represents only a portion of wider regulatory activity in the sector. From the perspective of the labour market enforcement bodies, the main areas of interest are:

HMRC National Minimum Wage: the self-employed fall outside of their remit, though there are issues around work status misclassification. But they do see other issues (such as tax compliance and cash income) in the sector and have been involved in joint operations with partners. The pay of skilled construction workers will generally be above minimum wage rates, but those working in elementary occupations in the sector will be at greater risk.

GLAA: are most involved in tackling allegations of serious labour exploitation. This includes working with various police forces and jointly coordinating large operations with the NCA, under Operation Aidant.

EAS: Despite there being agency work within the sector the work site and actual conditions may not be known to the enforcement body. EAS have investigated employment businesses supplying temporary workers to a variety of industries within the construction sector and found there to be non-compliance.

A challenge for the labour market enforcement bodies is that much of the recruitment is done in local communities and by social media, or through casual 'pick-up' points where workers are collected for a day's labour.

Beyond the director's remit, risks and threats involving other enforcement bodies include:

Police: In historical cases of modern slavery and human trafficking (MSHT) and serious labour exploitation within the construction sector, the main investigating agency has been police forces. Most police forces have strategic partnerships looking at MSHT and have led the investigations and prosecutions. Modern slavery has historically been identified in construction with workers under the control of organised criminal groups in the UK¹⁰⁵. This has typically involved the housing of workers who are transported to and from work sites.

105 Independent Anti-Slavery Commissioners report: Microsoft Word – IASC Construction Report Friday FINAL

Health and Safety Executive: The sector remains one of the most dangerous sectors for workers in terms of fatalities and serious injuries. Furthermore, the suicide rate for construction workers is four times the rate compared to average workers¹⁰⁶.

National Crime Agency: The NCA has the lead for Modern Slavery and has undertaken Operation Aidant exercises to investigate serious exploitation in the sector.

Home Office Immigration Enforcement: Consider the construction industry to be high risk and identify nationalities with specific skill sets who may be working illegally.

Security Industry Authority: The construction industry is associated to other industries, such as security who facilitate entry to sites, who may not be licenced or are working illegally.

Trading Standards: Inferior, unfinished, or dangerous work, referred to as ‘cowboy building’ means that employees of the fraudster may also be working in substandard or non-compliant conditions.

HMRC Taxes: As well as tax evasion through the hidden economy, it is a target for organised labour fraud. Labour fraud in construction is the creation and use of fraudulent labour supply chains.

106 BBC Radio 5 Live – Me, My Health and I – Mental wellbeing in the construction industry: ‘It’s ok to not be ok’ – 2024 available at: <https://www.bbc.co.uk/programmes/p0hy3vt0>

Counterfeit documents: The industry has taken steps to improve conditions in the sector and help vulnerable workers. However, abuse of the Construction Skills Certification Scheme means that counterfeit documents can allow entry to sites by unskilled workers or those without the right to work.

As such, the scale of non-compliance is difficult to assess across all these stakeholders where there may be overlaps with victims facing multiple risks. Additionally, as the stakeholder framework is very fragmented and not necessarily fully joined up, ODLME believe that the level of non-compliance and labour exploitation in the sector is most likely underreported.

2.8.5 Data gaps in the construction sector

Our most recent assessment rates the risk of serious labour exploitation as high, with the threat continuing, but we accept this is based on the historical cases and assessed intelligence. However, this also reflects the view of NGOs, unions, and other key stakeholders, including industry leaders. Construction is also recognised as a high-risk sector in other countries.

The lack of intelligence, reporting and complaints is the main challenge for the enforcement bodies and law enforcement partners in tackling this ongoing picture. We believe there is more intelligence in the local communities that is not fully utilised, for example, on pick-up points, smaller domestic developments and renovations, the

various recruitment methods via text and social media rather than normal employment routes.

As we have repeated throughout this section, the construction sector has a wide variety of trades and occupations. The work activity will also differ in terms of duration and visibility. Consequently, enforcement bodies lack a granular assessment of the scale and nature of non-compliance across the spectrum of non-compliance.

Additional data gaps include:

- our understanding of the scale of domestic construction compared to large scale projects. For example, the scale of roofing work compared to installation of kitchen equipment in houses
- geographically, there is a hotspot of construction in London and the Southeast, alongside other major cities but construction activity will happen across the country
- some activity in the sector is attributed to ‘cash in hand’/off record work to evade tax, this aspect of the hidden economy is again difficult to measure
- while there is some information around illegal working in construction, as with the other data gaps, we are unaware of the scale and spread of illegal working across the country for the sector
- we are unsighted on the level of recruitment through messaging apps or social apps, where workers may

not receive notification of their entitlements. This is compounded by the diverse number of nationalities and languages which feature in the construction industry

2.8.6 Intelligence assessment

Construction covers two ONS Standard Industrial Classification (SIC) codes:

- 41 Construction of buildings and
- 43 Specialised construction activities (such as demolition, plumbing, roofing).

Sector SIC	Description	2024 Impact of Non-compliance	Trend	2023 Impact of non-compliance
41/43 Construction	Construction	A	No change	A

Overall assessment: A No overall change

- SIC Code 41/43 Construction: A risk of “includes a portion of modern slavery” (A) with other non-compliance spread around B/C for GLAA and C/D for HMRC NMW where their remits are different
- Operation Cardinas Report published in 2022 listed several drivers of exploitation risk in construction. We assess that many of these drivers still exist in the sector¹⁰⁷

Key reasons for assessment:

- informal recruitment including social media and pick up points
- lack of documentation providing employment terms
- delays in receiving pay
- cash payments
- wage deductions
- low skill work
- dispersed small sites
- bogus self-employment
- lack of compliance within the sector: open-source information highlights the theft of tools and subsequent sale at car boot sales or online

¹⁰⁷ OPERATION CARDINAS AND BEYOND: Addressing exploitation risk in the construction sector – Independent Anti-slavery commissioner 2022 available at: [IASC Archive | Reports and links](#)

marketplaces. These sales are likely to support unrecorded construction activity where workers may be vulnerable to exploitation

The overall score for construction has not changed, but the scope for joint intervention activity remains difficult.

2.8.7 Conclusion on construction sector

We have previously reported on structural problems in the sector such as labour shortages, lack of innovation, delayed payments and penalties for late work completion which creates vulnerabilities in the labour supply chain. Recruitment of workers can be through informal channels or via platforms, with the risk of terms and conditions not being clear. In part of the sector cash payments are common. Work sites are dispersed, and workers may only be on site for short periods of time. Some workers, typically at the higher skill end of the spectrum, are true self-employed; for others, the situation is less clear.

This creates an environment where workers are at risk of exploitation. These structural problems remain. However, the current understanding does not provide a strong intelligence picture or scope for joint action to mitigate these threats. We need to increase the ‘radar picture’ (resolve data gaps) to provide a clear focus which would allow the respective agencies to develop a joint plan and tackle the problems.

The government’s commitment to build over 1.5 million homes means that issues such as labour shortages will

be exacerbated over an extended period. The industry itself has highlighted gaps in the workforce. If, as we have seen in the care sector, those gaps are partly or significantly filled by overseas workers, this raises the risk of exploitation. The three enforcement bodies and their partners need to learn from experiences in other sectors where the victims in labour exploitation cases have been mainly EU or international workers.

We must act further to exploit intelligence opportunities as well as working with stakeholders to understand business practices and prepare a clear picture of the non-compliance and exploitation. Recommendation 8 in the strategy proposes work in this area.

2.9 Hand car washes

2.9.1 Hand car wash workforce

It is estimated there are around 5,000 hand car washes (HCWs) in the UK¹⁰⁸. However, this sector is not recorded officially by the ONS, which, combined with the lack of record keeping for employment and the cash based economic activity, it is difficult to provide more robust estimates of the volume of HCWs. Additionally, the number of workers at each location may vary making this difficult to estimate as well.

108 Expert blog: Washing away labour exploitation in Britain's hand car washes – lessons from NTU research for the next government 2024 available at: <https://www.ntu.ac.uk/about-us/news/news-articles/2024/06/washing-away-labour-exploitation-in-britains-hand-car-washes>

The ODLME Risk Model and responses to the call for evidence highlight the continuing high risk, particularly for non-payment of minimum wage in the sector. There is also some risk of modern slavery.

Since Brexit and the end of free movement of EU labour to the UK, it is believed there has been an increase in illegal working in this sector. The Car Wash Association have highlighted that where illegal working is identified and penalised by Immigration Enforcement, penalties often remain unpaid.

Furthermore, as hand car washes are a mainly cash-based business with historical non-compliance, the sector is attractive to organised crime groups seeking to disguise or launder the profits of other crime.

2.9.2 Data gaps in hand car wash sector

More robust estimates of the volume of HCWs are needed. Despite this gap, it is thought the number has reduced over several years but remains in the low thousands¹⁰⁹. Hand car washes may also be registered under other business functions such as tyre fitting or garages making identification in official statistics difficult. A more confident estimate of the number of car washes would allow better comparative analysis of compliance in the sector.

109 Facts and figures: the hand car wash industry 2023 figures available at: <https://www.carwashassociation.co.uk/en/about/facts-and-figures>

2.9.3 Intelligence assessment

While there is no specific SIC code for hand car washes, other Cleaning Services (81299), is used to align with management information.

Sector SIC	Description	2023 Impact of Non-compliance	Trend	2022 Impact of non-compliance
81299 Other cleaning services	Hand car washes	A	No change	A

Overall assessment: No overall change A

- 81299 Hand car washes: a risk of ‘includes a portion of modern slavery’ (A) with a high risk of serious non-compliance (C) and deliberate non-compliance (B).

2.9.4 Conclusion on hand car wash sector

The principal enforcement bodies (HMRC NMW and GLAA) continue to see a largely non-compliant sector where common problems such as a lack of record keeping and entity change frustrate enforcement. There are regular reports of workers who do not have the right to work, being employed at sub-NMW rates on car wash sites creating a risk for legitimate workers being undercut.

Although the number of hand car washes is believed to be declining (anecdotally some of this may be due to residential redevelopment and fewer urban sites available to set up a hand car wash), the director sees this sector as high risk for non-payment of the NMW that will require continued investigation. Recommendation 7 in the strategy proposes work in this area.

2.10 Other sectors

The ODLME Risk Model assesses the labour non-compliance risk across all identified industries in the UK economy (to two digit SIC codes used in official statistics), which is approximately 100 sectors. The ODLME call for evidence attracts representations from a wide range of stakeholders that may go beyond the director's statutory brief. That said, within the theme of 'Joined Up Thinking' the director seeks to ensure that these issues are not lost and welcomes the continued input from NGOs, charities, and other organisations. In the next section several sectors are highlighted due to the risks and threats found within, but it is not an exhaustive list as non-compliance can be found in any industry.

2.10.1 Entry jobs in sectors such as modelling, film, and equestrian

EAS report cases of deliberate non-compliance in the modelling industry, with regards to charging of fees. Employment agency legislation means agencies finding work for certain occupations in the model and entertainment sector must operate a client account. The client account allows the agent to receive money for workers from the hirer and pay these fees (less deductions) within a defined period to the worker.

Additionally, the modelling sector is one that is highly attractive to entrants due to the perceived glamour. This

can increase the vulnerability of workers regarding paying fees/expenses or being targeted for exploitation.

Similar risks of exploitation, particularly for younger workers exist in industries such as the film industry and the equestrian sector, where younger workers may accept non-compliant conditions to gain employment in an industry they aspire to join.

2.10.2 Food Processing

As with agriculture, the supply of workers into food processing is licenced by the GLAA. Similarly, the industry is reliant upon low-skilled or unskilled labour with high numbers of temporary and seasonal workers in a physically demanding work environment.

GLAA assess that there is a small proportion of modern slavery risk, with a larger element of deliberate non-compliance. Comparably HMRC NMW assess that serious non-compliance represents most of the non-compliance from their perspective.

The nature of the industry shows that most food manufacturing companies in the UK are small with 70 per cent of companies having fewer than 10 employees. This makes it harder to monitor.

2.10.3 Nail bars

The beauty sector (encompassing both hairdressing and beauty under SIC 96.02) poses a high risk to workers in terms of modern slavery. However, these workers tend to

be working illegally or self-employed and beyond the remit of this office and the three enforcement bodies. Therefore, tackling this issue is for the Home Office and UK Visas and Immigration (UKVI), but it is important to highlight the factors investigated by this office.

Due to the nature of working in the sector (for example, cash payment, self-employment practices, non-routine working patterns and unknown quantity of work) coupled with consumer demand for cheaper services, creates a precarious environment sector for workers. Precarious working conditions can lead to increased risk of labour exploitation. We encourage the enforcement bodies to continue to monitor and investigate the sector and support work by the National Crime Agency and Home Office to target the industry to stop illegal working, debt bondage and modern slavery practices. We also welcome work by charities such as Unseen to refer individuals to the National Referral Mechanism (NRM) and encourage Home Office to produce statistics from the NRM on a sector basis.

2.10.4 Cleaning

There are concerns of non-compliance and labour abuse within the cleaning sector. ODLME sees the risk remaining at medium with no change from last year.

There are risks due to the precarity of the work as well as the workforce being less visible as cleaning is done out of office hours and in domestic premises, meaning exploitation may go undetected for longer. There has

been some involvement of trade unions in support of the sector, but it is not a highly unionised sector. Mechanisms such as collective bargaining and community support groups may help to increase worker confidence in understanding their rights, empowering, and enabling them to raise issues without fear of repercussions.

There is some evidence of workers being treated unfairly and poorly, but this is likely to fall below the threshold for modern slavery so there are gaps on who should address these matters. Uncertain employment status may also be an issue, including where staff are provided through an agency but managed locally.

2.10.5 Garment Industry

Data, stakeholder evidence and intelligence provided to this office paints a mixed picture of an industry which has been declining in recent years. The findings of Operation Tacit, as the largest joint working exercise in relation to labour non-compliance, did not support the allegations of modern slavery and severe labour exploitation within Leicester garment manufacturing. Recent data suggests that the risk may be decreasing, for example, due to offshoring of manufacturing to other countries but also initiatives within the sector to raise standards.

That said, stakeholders continue to respond to our call for evidence detailing issues in the sector. This ranges from unsustainable margins to calls from worker groups claiming they have been exploited. Stakeholders have claimed that given the margins available from brands,

some garment factories cannot be paying their workers either the minimum wage for UK workers or ethically for offshore production. Some brands report that they cannot comply with the law and remain competitive.

Stakeholders have highlighted that an adjudicator would help to “level the playing field” and this is something the government should consider. There may be greater opportunities for UK manufacturers as regards higher value add garments as opposed to fast fashion.

2.10.6 Fishing

There continues to be media coverage of concerns of severe exploitation within the fishing industry, which presents a dangerous work environment. The concerns relate to migrant workers entering the UK with transit visas.

For the enforcement bodies and other regulators these workers have a very small footprint in the UK, when they have entered the UK and are waiting for their ship to leave. The worker may have entered the UK but be working in international waters so outside of eligibility for the National Minimum Wage and other UK employment rights.

2.10.7 Seafarers

As is the case in other industries, there is a complex landscape of stakeholder responsibilities in the sector. There are international conventions as regards payments to seafarers and some stakeholders have suggested that

the Fair Work Agency should work with the Maritime Coastguards Authority to enforce these conventions. This would be a major undertaking; in the meantime, I welcome efforts to co-ordinate activities by the Seafarer's Charity to focus attention on exploitation in the fishing industry and seafarers' rights.

2.10.8 Overseas Domestic Workers

The exploitation of overseas domestic workers continues to be reported to ODLME. The overseas domestic worker's (ODW) Visa allows individuals or families not resident in the UK to bring workers with them when visiting this country to support their families and work. This visa usually allows someone to be in the UK for up to six months, and workers are free to change employer during their stay in the UK without notifying UKVI or securing sponsorship, so long as the new position is also as a domestic worker. The immigration category for domestic workers found to be victims of slavery also permits up to two additional years of unsponsored work in private households.

Research commissioned by the Modern Slavery Policy and Evidence Centre¹⁰⁸ highlights the issues faced by Indonesian care workers on the overseas domestic work visa. This includes pay below NMW, with some workers reporting £3 per hour¹¹⁰ (before deductions). Incorrect

110 UK agriculture and care visas: worker exploitation and obstacles to redress 2024 available at: <https://www.modernslaverypec.org/resources/uk-agriculture-care-visas-vulnerability-exploitation>

salary deductions by employers including for work clothes and visa application fees. Isolation and lack of knowledge as to where to seek help increase the vulnerability of these workers.

2.10.9 Recruitment fraud

While compliant recruitment businesses have improved the effectiveness of digital recruitment, job boards and employment opportunities, there will always be those who use technical innovation to defraud or exploit people. There remains an ongoing threat to work seekers having to paying fees for fake jobs, training opportunities or false credential checks through fraudulent websites.

Social media platforms and messaging provide an environment where there is less visibility for these types of fraud. Online recruiters based outside of the UK also pose a significant challenge to enforcement.

Section 3: Concluding remarks

Previous Labour Market Enforcement Strategies have highlighted the risk of an increase in non-compliance as the economy and, in turn, the labour market weakens¹¹¹.

Due to several domestic and international factors the Office for Budget Responsibility (OBR) has halved the forecast growth rate for the UK to 1 per cent in 2025, only marginally higher than growth achieved a year earlier. The OBR has upgraded its growth forecasts for the following years closer to 2 per cent in 2026 and 2027. Both inflation and unemployment are forecast to rise slightly this year, before falling back again from 2026 onwards.

Despite this loosening in the labour market, the OBR still expects total employment to grow by 0.4 million this year. They also note however that “the rise in employer NICs (National Insurance Contributions) is also likely contributing to falling recruitment and rising redundancies”¹¹². It may be the rise in the national minimum and living wage (NMW/NLW), from £11.44 to

111 Labour Market Enforcement Strategy 2024/25 published 2024 available at: <https://www.gov.uk/government/publications/labour-market-enforcement-strategy-2024-to-2025>

112 OBR, Economic and Fiscal Outlook, March 2025, p.33 available at: <https://obr.uk/economic-and-fiscal-outlooks/>

£12.21¹¹³ in April 2025, may add to this. Nevertheless, the national minimum wage increase will deliver a significant benefit for low paid workers. It should be noted these OBR forecasts do not include any estimated impacts arising from policy changes related to the Employment Rights Bill (discussed below).

Our evidence has been gathered from the operational insight of the enforcement bodies supplemented by stakeholders through the call for evidence, as well as analysis of publicly available data and research. Analysis carried out by the ODLME's Information Hub has highlighted several trends, risks and challenges. The data does not show if the scale of non-compliance measured in terms of number of victims is changing. More victims coming forward may simply reflect information reaching workers. There are areas where risk has reduced as well as some risk factors having diminished, but exploitation continues to reflect the historical position. There are areas where new risks are emerging.

Our risk model is focused on the severity of harm and the sectors we have assessed to be higher risk. This continues to highlight adult social care, agriculture, construction and hand car washes as sectors with the greatest non-compliance risk.

113 National Minimum Wage and National Living Wage rates – GOV.UK Available at: www.gov.uk/national-minimum-wage-rates

Factors contributing to the risk of worker exploitation, may be structural, associated with how the labour market works, or how specific sectors operate.

Generic factors which point to greater risk of non-compliance are: (examples of relevant sectors are given in brackets):

- low margin businesses where increases in employment costs (including NMW and national insurance) are harder to absorb (adult social care, garment industry, agriculture)
- low pay sectors experiencing labour supply shortages (retail, adult social care)
- physically demanding working conditions – both outside (agriculture, construction) and inside (warehousing), noting concerns that climate change could make conditions more challenging
- lack of certainty of work – use of zero hours contracts, lack of guaranteed hours and uncertain shift patterns (adult social care, hospitality)
- absence of arrangements for collective representation of workers – for example through unions or effective workers' councils (hospitality, garment industry and construction)
- Visa arrangements which unintentionally facilitate exploitation, including:

- visas tied to a sponsor making it difficult for the worker to change roles or challenge poor behaviour by the employer (agriculture, adult social care, overseas domestic workers)
- in extreme circumstances, debt bondage associated with illegal recruitment fees charged in country of origin (agriculture, adult social care)
- informal recruitment and cash-based working (recruitment, nail bars, hand car washes)
- workplaces where workers are less visible or may be isolated – rural (agriculture) urban (construction, cleaning, domestic workers)
- payslips which are hard to understand, potentially not capturing hours worked, for example, travel time or deductions (agriculture, adult social care)
- barriers to reporting, with not all workers willing to engage with enforcement bodies or not understanding to whom they should go (cleaning, car washes, nail bars)
- jobs where housing is linked to employment (both formally and informally) (agriculture, food processing, hospitality, construction and social care)
- false self-employment – workers may be misclassified or unaware of their employment status – depriving them of rights to which they are entitled and

potentially exposing workers to unexpected tax bills
(construction, retail, equestrian)

Complex and overlapping interests across a variety of enforcement agencies and partners may create enforcement gaps. More joined up working is needed. Budgetary pressures impact on resources available to tackle compliance.

Looking forward, there are several factors on the horizon which have the potential to impact on business practices and labour market exploitation in the next few years:

- measures in the Employment Rights Bill are designed to improve conditions for workers and strengthen the compliance and enforcement landscape
- new employment models continue to be developed which can place workers at risk through a lack of rights and protections and uncertainty about employment status
- the potential of AI and technology to be used as a tool for exploitation is yet to be understood
- the demand for workers in the construction sector is likely to grow with the increase in housebuilding – the need to learn lessons from the adult social care sector and the use of visas to fill gaps is vital

Data will be integral to the success of the Fair Work Agency, therefore data management, sharing, analysis

and evaluation should improve. Areas where more data is required include:

- payslips (number of workers not receiving payslips by sector)
- labour force statistics (particularly for the NMW, NRM and agency workers population)
- sectoral information (particularly on hand car washes, construction and modern slavery victims)
- umbrella companies and related organisations
- case by case information on employment tribunal outcomes
- precarious workers

What is evident is that the need for well informed, well-resourced and well targeted enforcement remains to tackle non-compliance in the labour market. Rightly, there are high expectations for what the Fair Work Agency will deliver and ODLME will do all that it can to assist.

Section 4: References, abbreviations, and stakeholders

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4.2 Abbreviations

Acas – Advisory, Conciliation and Arbitration Service

AHDB – Agriculture and Horticulture Development Board

APSCo – Association of Professional Staffing Companies

ASC – Adult Social Care

ASC-WDS – Adult Social Care Workforce Data Set

AWR – Agency Worker Regulations

CA – Citizen Advice

CIS – Construction Industry Scheme

CQC – Care Quality Commission

DBT – Department for Business and Trade

Defra – Department for Environment, Food and Rural Affairs

DLME – Director of Labour Market Enforcement

EAS – Employment Agencies Standards Inspectorate

EU – European Union

EUSS – European Settlement Scheme

FCSA – Freelancer and Contractor Services Association

FLEX – Focus on Labour Exploitation

FWA – Fair Work Agency

GDP – Gross Domestic Product

GLAA – Gangmaster and Labour Abuse Authority

GVA – Gross Value Added

HR – Human Resources

HSE – Health and Safety Executive

HMRC – HM Revenue and Customs

HMRC NMW – HM Revenue and Customs – National Minimum Wage

ILO – International Labour Organization

IRD – New Zealand Inland Revenue Department (IRD)

KID – Key Information Document

KPI – Key Performance Indicator

LAs – Local Authorities

LFS – Labour Force Survey

LPC – Low Pay Commission

MHCLG – Ministry of Housing, Communities and Local Government

MSHT – Modern Slavery and Human Trafficking

NCA – National Crime Agency

NFU – National Farmers Union

NLS – National Licensing Scheme

NGO – non-government organisation

OBR – Office for Budget Responsibility

ODLME – Office of the Director of Labour Market Enforcement

ONS – Office For National Statistics

REC – Recruitment and Employment Confederation

SIC – Standard Industrial Codes

SOL – Shortage Occupation List

TUC – Trade Union Congress

UN – United Nations

ZHC – Zero Hours Contracts

4.3 Adult social care partners and legislation

Roles and responsibilities of the three labour market enforcement bodies and related partner agencies

Gangmasters and Labour Abuse Authority (GLAA):

- licensing and compliance: ensures labour providers are licensed for licensed sectors only¹¹⁴ and comply with legal standards through inspections and audits
- investigations and enforcement: conducts investigations into reports of labour abuse and modern slavery, working with law enforcement to act against offenders
- raising awareness: provides guidance and training to help recognize and report signs of exploitation
- partnerships and collaboration: works with local authorities, care providers, and other stakeholders to manage risks of modern slavery
- support for victims: safeguards workers who are victims of exploitation, providing support and assistance

Care Quality Commission (CQC)¹¹⁵:

114 Currently Adult Social Care is not an official GLAA licensed sector

115 Primarily operates in England Only, devolved administrations have their own legal responsibilities.

- registration and inspection: registers most health and social care providers (some providers do not require registration¹¹⁶) and conducts inspections to ensure they meet fundamental standards of quality and safety
- monitoring and rating: monitors services and rates them based on their performance, providing transparency and accountability
- enforcement: where concerns on quality or safety are identified, CQC has enforcement powers ranging from issuing a provider with a warning notice, placing restrictions on services to issuing fines and taking criminal action
- guidance and support: offers guidance to providers on how to meet regulatory requirements and improve care quality
- public involvement: engages with the public and people who receive care to gather feedback and ensure their experiences inform regulatory activities
- assessing local authorities: CQC must assess if a local authority is delivering their care responsibilities under part 1 of the Care Act 2014

Employment Agency Standards Inspectorate (EAS):

116 Only providers providing regulated activities under schedule 1 must register: Scope of registration the Care Quality Commission 2025 available at: <https://www.cqc.org.uk/guidance-regulation/providers/registration/scope-registration>

- **regulation and compliance:** ensures employment agencies and businesses comply with legal standards, focusing on fair treatment of agency workers
- **investigations:** investigates complaints from agency workers about unfair practices, such as underpayment or unsafe working conditions
- **targeted operations:** conducts targeted operations in high-risk sectors to identify and address non-compliance
- **guidance and support:** provides guidance to employment agencies on legal requirements and best practice
- **enforcement:** takes enforcement action against agencies that violate regulations, including fines and bans

HM Revenue and Customs (HMRC):

- **National Minimum Wage (NMW) compliance:** ensures that employers in the social care sector comply with NMW legislation, conducting reviews and investigations to ensure compliance
- **enforcement:** undertakes proactive investigations to identify underpayments against employers who fail to pay the NMW, including issuing penalties and recovering arrears for workers
- **education:** work is undertaken to ensure workers understand their rights and know how to complain

Department for Business and Trade (DBT):

- guidance and support: provides resources and support to employers to help them understand and comply with NMW regulations

Department for Health and Social Care (DHSC)¹¹⁷:

- local authority oversight: works with local authorities to ensure they effectively manage and deliver adult social care services
- policy and oversight: develops, implements, and monitors policies for adult social care, ensuring high standards of care and support
- funding and resources: works with MHCLG to allocate funding to local authorities and care providers to improve care quality and accessibility
- regulation and monitoring: works with the CQC and other bodies to monitor and assess the performance of care providers and local authorities
- support and innovation: promotes innovation and improvement in the sector, including the use of technology and data to enhance care delivery

Home Office and UKVI:

- immigration enforcement: works to prevent illegal working in the adult social care sector, ensuring that all workers have the right to work in the UK

¹¹⁷ England only: each devolved administration has its own version.

- **Modern Slavery and Human Trafficking:** Leads efforts to combat modern slavery and human trafficking, providing support to victims and prosecuting offenders
- **policy development:** develops policies related to immigration and labour exploitation, working to create a safe and fair working environment
- **collaboration:** works with other agencies, including the GLAA and UKVI, to ensure a coordinated approach to tackling labour abuse and exploitation
- **health and care worker visa:** manages the visa process for foreign workers in the adult social care sector, ensuring they meet eligibility criteria and have the necessary qualifications
- **immigration salary list (previously shortage occupation list):** includes care workers and home carers on the Shortage Occupation List to facilitate easier recruitment from abroad
- **sponsor compliance network:** ensures that employers and workers comply with immigration laws and visa conditions

Ministry of Housing, Communities and Local Government (MHCLG)¹¹⁸:

- **local authority oversight:** works with local authorities to ensure they are effectively managed

¹¹⁸ England only: each devolved administration has its own version.

- funding and resources: work with DHSC to provide funding and resources to local authorities to support the delivery of high-quality adult social care
- policy and strategy: develops policies and strategies to support the integration of housing and social care, ensuring that housing needs are considered in the provision of care
- collaboration: collaborates with the DHSC and other bodies to address common challenges and improve the overall quality and sustainability of adult social care

National Crime Agency (NCA):

- safeguarding: identifies vulnerabilities and intervenes to safeguard vulnerable adults and children, working with local authorities and other agencies
- combatting modern slavery: leads efforts to combat modern slavery and human trafficking, providing support to victims and prosecuting offenders
- investigations and intelligence: conducts investigations and gathers intelligence on serious and organized crime affecting the adult social care sector
- collaboration: works with other law enforcement agencies and organizations to ensure a coordinated approach to tackling exploitation and abuse

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