



CEO's Quarterly Report

January – March 2014

News

DJ Houghton Ltd withdraws appeal

A Kent gangmaster - who exposed dozens of migrant workers to some of the most extreme exploitation ever experienced by the GLA - has withdrawn its appeal and accepted the revocation of its licence. Directors at DJ Houghton Catching Services maintained their innocence for the poor practice unearthed at their company and appealed against the decision to take away their licence when the police confirmed they would not face criminal charges in June last year. They repeatedly stated in the local press that the company would fight to clear its name in the appeal court, get the company's licence reinstated and resume trading as soon as possible.

However, the business – based in Maidstone – has now withdrawn its appeal and accepted the revocation. GLA Chief Executive Paul Broadbent said: “The treatment of workers in this case was horrific. It's a shocking example of an utter disregard for the welfare of workers. The exploitation was prolonged and disgraceful by anyone's standards. Their working conditions were unsanitary, unreasonable and wholly unacceptable.”

Additional funding secured ... and savings identified

After some lengthy negotiations, Defra has agreed to provide an additional £425,000 to the GLA for the coming financial year, for which the GLA is extremely grateful. The funds will enable the organisation to balance its books without impacting on front-line delivery. The original, lower, funding allocation from Defra was rejected by board members who took the view that working to such a reduced budget would undermine the effectiveness of the GLA to deliver operationally and an increase was subsequently secured. The revised budget still includes around £260,000 worth of savings identified by the GLA when compared to the 2013-14 figure. This will allow the organisation to avoid making any of the high-risk savings that had been identified.

GLA works with council to tackle ‘rogue landlords’

Rogue landlords are being targeted in Lincolnshire after the GLA joined forces with Boston Borough and Fenland District Councils to identify workers living in squalid and dangerous conditions. The partnership arrangements started after the councils secured grants from central Government to fund investigations into activities of unscrupulous landlords. The GLA welcomes any opportunity to work with partners in identifying and tackling those who exploit workers - whether that is through low wages or poor living conditions.

Joint Committee on Modern Slavery

The GLA Chair and Chief Executive were recently invited to give evidence to assist the Joint Committee on the draft Modern Slavery Bill. Evidence was given on new and emerging trends among the criminal element involved in exploiting people for labour, as well as the powers of the GLA and how they might be enhanced to improve the effectiveness of the organisation and protect the vulnerable. There were also discussions on what possible civil sanctions could be introduced to assist the GLA’s work and whether its remit should be expanded. The committee was also told how the GLA works well with the supermarkets and producers and how this had been formalised recently through the introduction of the retailer/supplier protocol in October last year.

Response to HMIC consultation

Early this year the GLA responded to a consultation by Her Majesty’s Inspectorate of Constabulary on what areas police force inspections should include in 2013-14. One of the suggestions up for discussion was whether ‘Modern Slavery’ inspections should be included in future inspections. The GLA responded by saying that this should be covered in future HMIC work and it was keen to assist in any way possible.

Events

Leading the Field – ALP Roadshows

The GLA has been spreading the word across the UK about its ongoing battle to protect vulnerable and exploited workers. Chair Margaret McKinlay and Chief Executive Paul Broadbent shared speaking duties at the annual roadshows, hosted by the Association of Labour Providers, under the banner ‘Leading the Field’. Their address covered the changing face of labour provision over the past decade, current challenges, partnership working and anticipated challenges that may be encountered in the future. The roadshows were staged throughout March in Bristol, London, Coventry, Grantham, Manchester and Perth.

Operations

Endeavour (update) – In the last quarterly newsletter it was reported that a day of action had been held in October around the area of March and Wisbech, in Cambridgeshire, to investigate reports of unlicensed activity. As a result, Slender Contracting (see separate article below) and MAS Recruitment had their licences suspended. Both were later revoked and the deadlines for both companies to submit appeals against the decisions have now passed. A third company, Roberto Mac Ltd, also had its licence revoked but is attempting to appeal the decision despite the company currently being in liquidation.

Two men who were arrested on the day and charged with acting as an unlicensed gangmaster, blackmail and fraud remain in custody awaiting trial.

Performance

Fourth quarter - Jan 1 to Mar 19 (time of writing)

Operational

| | |
|------------------------------------|-----|
| • Application Inspections: | 14 |
| • Compliance Inspections: | 13 |
| • Licence Revocations: | 3 |
| • Workers identified as exploited: | 184 |
| • Ongoing Criminal Investigations: | 57 |

Licence Totals - (taken at 21 March 2014)

Full: **974**

With ALCs: **9**

Discretionary Inspections

Since it was decided to introduce the consideration of discretionary site visits as part of the application inspection process on 1 October 2013, the GLA has received 41 licence applications.

Of these applications 37, have gone forward for inspections and a final decision has been reached on 21 of them. Of these 21 completed cases, a physical site visit was conducted in 17 instances.

For a full and detailed breakdown on the new approach see the separate board paper entitled 'Update on the Discretionary Approach to Application Inspections'.

Parliamentary Questions

| 2013-14 | PQ Totals | Subjects | | | | |
|--------------------------------|-----------|----------|-------------|--------|----------|-------|
| Quarter | | Finance | Operational | Powers | Staffing | Board |
| Apr - Jun | 10 | 2 | 1 | 0 | 7 | 0 |
| Jul - Sep | 4 | 1 | 1 | 0 | 2 | 0 |
| Oct - Dec | 8 | 2 | 4 | 2 | 0 | 0 |
| Jan - Mar | 5 | 0 | 2 | 1 | 2 | 0 |
| Total (financial year to 21/3) | 27 | 5 | 6 | 2 | 9 | 0 |

Financial

2013 -14

The GLA looks set to record a small underspend for 2013-14 due to vacancies that occurred towards the end of the financial year. These posts were kept open to avoid committing to additional spending before the budget for the coming 12 months had been finalised and agreed. It was decided such recruitment should be avoided as it could potentially put jobs at risk in the future. The vacancies for two enforcement /compliance posts and a managerial post will be filled as soon as possible.

Human Resources

Carval

The last quarter has seen the start of a roll-out of a self-service HR system called Carval to all GLA staff. The product allows employees to request absences and manage their own records more flexibly than the system it has replaced. It also gives managers the facility to authorise and retract absences and set up management substitutions.

Licensing and Legal News

Two Derby couples receive prison sentences

A Slovak family, who lived off money earned by men they trafficked into Derby, all received prison sentences at Derby Crown Court. Brothers Igor Marcin (36) and Marek Marcin (40) were jailed after pleading guilty at an earlier hearing to trafficking in and within the UK.

Igor was sentenced to 52 months while Marek received 40 months. The brothers met their victims in Slovakia and the Czech Republic, promising them a better life in Derby. When the men arrived in the city, they were put into squalid rooms with up to four men sharing. They were made to work in car washes and factories and only received a small amount of their real earnings – the rest was taken by the brothers.

Igor's wife Dagmar Marcinova (38), who admitted fraud and theft, was sentenced to ten months. She took money from one of the victim's bank accounts and stole cash from another. Marek's wife Gabriela Marcinova (42) pleaded guilty to theft after stealing money belonging to one of the victims. She was sentenced to eight months. The two couples were arrested on Monday 15 July last year when warrants were executed by Derbyshire police assisted by officers from the National Crime Agency's UK Human Trafficking Centre and the GLA.

March gangmaster handed suspended sentence

The managing director of one of the companies investigated during Operation Endeavour in Cambridgeshire has admitted using the services of two unlicensed gangmasters. Martyn Slender, of Slender Contracting, admitted the offences at Peterborough Magistrates' Court. In one instance, a Latvian worker received just £151 for five 10 hour days – less than half the National Minimum wage. Slender also admitted destroying legitimate payslips and falsifying replacements in order to underpay his employees. He was given a 12-week prison sentence suspended for 12 months and was also ordered to perform 200 hours of unpaid work. Slender Contracting has now ceased trading

Other News

Warnings issued for Cornish flower season

The GLA called on agencies that provide flower pickers in Cornwall and the growers themselves to help stamp out worker exploitation through the 2014 season. Problems have been experienced historically when daffodil picking gets underway in the south west in January. Migrant workers have arrived to find their working and living conditions in the UK fall well short of what was described. The large influx of migrant workers to the area over a relatively short period of time, presents opportunities to exploit vulnerable people with little or no command of the English language. The GLA has communicated to all known growers and labour providers operating in the area to remind them about adhering to licensing standards and inviting them to report any irregular activity to the intelligence team.