



Compliance update

February 2017

Licence holders: 976

Ongoing applications: 34 (with a further 22 being processed and at various stages)

Ongoing compliance inspections: 31 (Including compliance, new business and change of Principal Authority)

Common areas of non-compliance

Licensing Standard	Title	Non-compliance
2.1 PAYE/NI/VAT	Self-Employment	Prevalent still with non-sector workers irrespective of what they do task wise.
2.2 Paying Wages	Umbrella Companies	Workers being set up as “businesses” by LPs who enter into an agreement with umbrella companies so as to avoid tax with workers having no knowledge of such arrangements. (reported in November still ongoing: GLA working with HMRC)
	Foreign Based Companies	Setting up workers with foreign owned companies without their knowledge in order for the LPs to benefit from tax payments.
	Personal Accident Insurance	Workers being pressurised to take out this on condition of employment
	Travel Time	Payment between assignments is an issue under scrutiny and review by HMRC and at present there is confusion within certain sectors namely poultry

	<p>Waiting time</p> <p>Training Time</p> <p>Equipment Use</p> <p>Piece Rates</p>	<p>Time spent waiting for an assignment to begin and outside of the control of workers e.g. waiting for an arrival of goods or for machinery to be fixed etc. (HMRC guidance being sought)</p> <p>Evidence that this is not being paid by some LPs debate between LP/LU over who should be responsible</p> <p>Penalties imposed for loss/misplacement of high value work related equipment.</p> <p>Lack of accurate recording so as to ensure NMW is met at all times</p>
2.3 – Benefits	Holiday pay	<p>This area is again the most common in terms of alleged non-compliance with large amounts of holiday pay being alleged as unpaid to workers. Workers not being advised of the balance of days and hence are losing out at year end.</p> <p>Lack of understanding of their holiday entitlement. No details at all provided in some cases</p> <p>Conflicting holiday pay information when using umbrella companies (different holiday year in some cases)</p> <p>P45 / Holidays when to pay up holidays and at what point are workers issued P45</p>
2.4 - Payslips	None being issued	Workers are paid via a third party and no checks are made that workers receive payslips. In a recent case it was found that workers had not had one for many months.
3.1 Mistreatment	Threats	Workers subjected to threats of sack if they did not stop complaining about accommodation problems
3.2 Bonded Labour	Passports	Passports being removed from workers on arrival at seasonal work contracts and held until the contract completion

3.3 Withholding wages	Various	Mainly associated with holiday pay but we have received allegations of disputes over hours worked and wages being held back
4.1 Accommodation	Quality Landlords	<p>There have been a number of recent occurrences of poor or very poor quality accommodation housing workers. Often difficult to address directly with the LP as often the LP merely recruits for the end user who supplies the poor accommodation (GLA working with LA EH Depts. and also the Fire service)</p> <p>Increase in reports that landlords rather than LPs are exploiting workers, some within the sectors we regulate. In worst cases MS offences are being reported and evidenced. (GLA working with appropriate agencies)</p>
5.5 - Confidentiality	Information Commissioner Use of Data	<p>Still an ongoing and common problem</p> <p>Organisations are required to register with the Information Commissioners Office if they process personal information. Many LPs are not aware of this fact (see link)</p> <p>https://ico.org.uk/about-the-ico/what-we-do/register-of-data-controllers/</p> <p>Use of workers IDs without their knowledge see 2.2</p>
6.1 Assessing Risk	No RAs in place	Evidence that no RAs are in place or if they are they are not being monitored by the LP in respect of worker location etc. Many seen were out of date
6.2 – Instruction &	Training	No specific training in place at LU sites. Workers not aware of H&S issues or what they should follow on site etc.

Training		Consultants employed to carry out H&S visits but no systems in place to record formally any findings and control actions.
6.3 – Safety at Work	<p>PPE</p> <p>First Aid</p> <p>Night Workers</p>	<p>Allegations of PPE charges being made</p> <p>Absence of PPE in some cases land workers and higher risk areas (chilled)</p> <p>Deposits charged for basic PPE</p> <p>No identified First Aiders on fields</p> <p>Health & RAs</p>
6.4 - Transport	<p>Drivers</p> <p>PSV</p>	<p>Hours, Pay, Limits of Driving Hours, Insurance. More recently some vehicles seen transporting workers that were not safe or legal (GLA working with Police)</p> <p>LPs letting workers organise the transport and blaming them if caught on PSV and insurance matters</p>
7.1 Fees & Services	Optional fees	This is an area that we continue to address especially with overseas businesses as workers report having to pay for services that may appear to be work finding fees GLA Brief 38 refers

7.3 Contracts	No contract in place	Workers not provided with any terms and conditions so have little or no understanding of many issues. Particularly relevant to umbrella companies
	Handbooks	Handbooks in place but not communicated to workers. Electronic copies available but workers not made aware in some cases.
8.2 Sub-Contracting	Records	Failure by LP to declare they are S/C to LU Sub-contracting in certain areas is on the increase again and there does appear to be a lack of credible documentation to support any such arrangements (GLA working with HMRC)
	S/C Management	Lack of control of S/C throughout the supply chain. Lack of checks about who is supplying the labour or where it may have come from so heightening the risk of MS offences for supplied workers.

Other issues reported or identified

- As part of ongoing training GLA officers have been accompanying NMW staff to visits to car washes. Issues identified are no proper PPE and massive underpayments of NMW with most if not all workers being found to be earning well under the NMW.