



Modern Slavery Act 2015 Committee

Corrected oral evidence: Modern Slavery Act 2015

Monday 4 March 2024

4.45 pm

Watch the meeting

Members present: Baroness O'Grady of Upper Holloway (The Chair); Baroness Barker; Baroness Butler-Sloss; Baroness Hamwee; Lord Kempson; Lord Randall of Uxbridge; Baroness Shephard of Northwold; Lord Smith of Hindhead; Lord Watson of Invergowrie; Lord Watts; Lord Whitty.

Evidence Session No. 3

Heard in Public

Questions 44 - 52

Witnesses

I: Phil Cain, Director of Operational Delivery, Gangmasters and Labour Abuse Authority; Elysia McCaffrey, Chief Executive, Gangmasters and Labour Abuse Authority; Margaret Beels OBE, Director of Labour Market Enforcement.

USE OF THE TRANSCRIPT

1. This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Phil Cain, Elysia McCaffrey and Margaret Beels.

Q44 The Chair: Good afternoon, everybody, and welcome back to the second panel of the public evidence for the Modern Slavery Act Committee. I am very pleased to welcome Phil Cain, director of operational delivery at the Gangmasters and Labour Abuse Authority; Elysia McCaffrey, chief executive at the Gangmasters and Labour Abuse Authority; and Margaret Beels OBE, director of labour market enforcement. Thank you very much for joining us.

We have just heard in the first panel from the police about the challenges of gathering evidence from victims in modern slavery investigations. Could you give us an update on the victim navigator scheme, which we understand has a key role?

Elysia McCaffrey: Yes, of course. Thank you, Chair. At the Gangmasters and Labour Abuse Authority, we have one victim navigator whom we fund with Justice and Care. It has access to additional resources with the other victim navigators as well. It has been instrumental in changing the way that we support our victims and helping to keep them well engaged throughout the process.

Our navigator is currently supporting 19 victims in live investigations. Our funding allows for a maximum of 20 to be supported at any given time, so we make very good use of this resource. We have seen some positive outcomes that we would not have achieved had we not had that person in place. They work very closely with the victim, support them through difficult situations, and have even helped us where victims have returned to their country of origin to stay engaged and to then come back to the UK and support us with prosecutions. So it has been a very positive programme for us.

The Chair: Thank you. Does anybody else want to add to that?

Phil Cain: Chair, just to put it into context, modern slavery investigations can be extremely complex and take some time. Investigations can take two to three years. One example of the use of our victim navigator is that last year we secured a conviction of a suspect who received an eight-year custodial sentence. That investigation took place over a number of years. The victim navigator was instrumental in supporting the victims of that case. Those victims, as Elysia has said, returned to their country of origin. The victim navigator kept them engaged, supported them back into the UK through the judicial process, and assisted us in securing an extremely lengthy sentence.

In addition to that, the victim navigator is crucial in supporting our victims who are applying for the national referral mechanism and seeing them through that process, because that can be time consuming and it can be complex for the victims to understand what has taken place. The victim navigator is key for us in how we both support the victims and present the evidence for consideration within the NRM process.

Margaret Beels: I met the GLAA's victim navigator for the first time last week and was very impressed. I know she is held in extremely high regard. I think it is a really good initiative.

Q45 **The Chair:** Excellent. Can I just ask a follow-up question? I am very interested in how changes in public policy or the law affect your thinking about risk assessments and areas where you might prioritise action or resources. For example, has the seasonal worker visa scheme been assessed as high risk?

Elysia McCaffrey: Yes, it has. We are an intelligence-led organisation. We look at the intelligence that comes in and we prioritise our quite limited resource according to where we think the highest levels of threat, risk and harm are. We have a control strategy that at the moment has four priority areas, and one of those is the seasonal worker scheme.

The Chair: What does that mean in practice? What will you do to follow up?

Phil Cain: It is what we call a control strategy priority and a priority for our tasking process, which means that all agencies' resources can be limited in what can be achievable against the scale and scope of the challenges out there. That allows us to focus on our control strategy priority, of which the seasonal worker scheme is one. Therefore, we will have a specific intelligence collection plan designed to identify the gaps in intelligence that we have on the seasonal worker scheme, and we will work proactively with our partners—because we share that with our partners in wider law enforcement and other agencies such as HMRC and others—to ensure that we are all working to try to identify the intelligence gaps that we have in the system.

Alongside that, we have a dedicated senior investigating officer who has a plan that is reviewed routinely by him or herself at the tasking meetings as to how we will tackle the exploitation that we see in the seasonal worker scheme. That plan includes prevention work as well as operational investigative work.

As an example of our prevention work, the GLAA has negotiated successful MoUs with two of the main countries that we draw workers from into the seasonal worker scheme. We are also in further negotiation with two other countries that are the main importers into our seasonal worker scheme to get an MoU with those Governments. That means that we can share intelligence and we can work with those countries to reduce the exploitation taking place at source so it does not then land within the UK borders.

In addition, there are six main operators that provide workers into the seasonal worker scheme. Our investigators are directly linked to those main operators. We know that the season is coming up, so we are already engaged with the operators, and we look at the practices and processes that they are putting in place to make sure that they are supporting the designing-out of exploitation. We have currently inspected

three out of those six, and we are in the process of planning two overseas visits to meet the two overseas providers in some of those countries as well. It enables us to focus our resource on where we see the highest risk of labour exploitation.

The Chair: Thank you. Ms Beels, can I ask about your role?

Margaret Beels: We have always regarded agriculture as a high-risk area—seasonal workers are employed there—because of things like the remoteness of the locations, the physical nature of the work and the way that the workers are paid; it is often a mixture between an hourly rate and piecework. A variety of factors make it a higher-risk sector generally. The seasonal worker visa scheme is coming into an area where there is already a flag for us.

Measures are being taken to reduce the risk, and Phil has talked about some of them. One of the high-risk areas was where there was a very rapid recruitment programme for workers in 2022, and the net was cast extremely wide. When we looked at the results coming back from that, in certain countries there was a risk of paying undue fees, recruitment fees and other sorts of fees. Nepal and Indonesia were two countries where there was clearly a high risk of that sort of abuse. For 2023, there was a massive reduction in the number of workers coming from those countries and a greater dependence on the countries with whom there are established relations. That serves to reduce the risk.

The Chair: Thank you. We may well come back to this issue.

Q46 **Lord Smith of Hindhead:** I have a question that I am sure you will all want to come in on. It comes in different parts, but I will put it all in one and you can pick out the bits that you want to answer or how you answer it to stop me from having to come back and cross-examine you on it, which is never nice to be on the receiving end of.

Recent immigration legislation has made changes to the Modern Slavery Act, including the withdrawal of some protection for potential victims. What has been the impact of these changes so far? In particular, do you consider the national referral mechanism to be fit for purpose following changes in the support available to potential victims? Has the willingness of victims to come forward proactively changed as a result of the Nationality and Borders Act? Is it not Section 58 that gives a time span for when people can claim that they are the victims of modern slavery? I am not sure what the time span is. You will have to remind us of that when you answer the points. If all of you can give your general view on that very important position, we would be grateful.

Elysia McCaffrey: As your earlier witnesses said as well, because some of this has not been operationalised yet, it is hard to see the impact of it. We have not seen anything clearly coming through. We have seen an increase in waiting times for reasonable grounds decisions following a referral. We are concerned about the amount of time that it can take within the NRM. We understand that the Home Office has a review planned on the NRM, and we are keen to be supportive of that. When our

victims have entered the NRM, we have had some positive outcomes. They have really been helped and supported and it has been a positive experience for them, but, of course, the challenge is the time that takes.

As to the willingness of victims to come forward, this is always a problem and a challenge. It is one of the reasons why we think the victim navigator programme is so good. Quite often, people are scared to engage with us as a government body. Quite often, exploiters use authority as a threat: "You'll be in trouble. We'll report you". That can make it quite hard for people to come forward. We also regularly see people who just do not identify as victims. They do not recognise that label. We know that they are being exploited but they may not feel that themselves. There is already a number of things that make it difficult for victims to come forward. Sometimes they do not understand UK processes and what might happen to them. All those things can make that quite difficult.

Lord Smith of Hindhead: That is really helpful. Thank you.

Phil Cain: In terms of the number of victims whom our victim navigator supported, over the last 12 months 24 victims have been engaged by our victim navigator, and every one has been supported with the programme and entered the programme with the victim navigator. It shows the value of that programme. The victim navigator has said that there are challenges around the NRM. As a median average, we were seeing a waiting time of about six days for a reasonable grounds decision in quarter 3 of 2022. In quarter 3 of 2023, this has increased to 47 days as a median average time. We have seen a significant change in that and the application of that. This is why we are supportive of the Home Office review into the NRM and taking that forward.

The unique element for us as the GLAA is that we deal with adult victims of modern slavery and labour exploitation. As a result of that, our victims need to provide consent to enter the NRM process, otherwise it would be "a duty to notify" occasion for us. Again, this is why the victim navigator process is extremely important to us in relation to that.

As we said, the Illegal Migration Act is yet to operationalise, and we are working with the Home Office and other agencies to ensure that we understand the challenges that will come in relation to that. There will be potential challenges around victims: how we keep them engaged if they are deported from the UK and how we continue to engage and maintain contact with them and keep them within the criminal justice system. We will have the opportunity under the Act in relation to the application of the victim's status if they are supporting a modern slavery investigation where they are the victim of modern slavery that took place within the UK. There are some elements of that. We need to understand better what that means, how long a period will be allowed by the Secretary of State and what it means in terms of, potentially, the CPS's engagement with other justice partners where those victims may be deported if they are overseas.

There are some challenges around the Illegal Migration Act that we have to work through, but we are engaged at the moment in how we do that effectively.

Margaret Beels: What Elysia and Phil have spoken about are the sorts of things that also get said to me. When we have issued calls for evidence, we get the same story. There has been a significant increase in the number of referrals to the national referral mechanism. The last published period, which was January to September last year, was the highest ever. The system is creaking under the pressure of the number of referrals. Labour exploitation emerges as the single biggest category of exploitation, and, of course, that is the one that is closest to me. All these things are very important to me as well.

Lord Smith of Hindhead: Thank you.

Q47 **Lord Watson of Invergowrie:** Good afternoon. I would like to turn your attention slightly to the supply chains issue and the fact that companies of a certain size are, of course, obliged under Section 54 of the Act to prepare a slavery and human trafficking statement for each financial year. It is fair to say that the impression has been that that has been patchy as to the extent to which it has been complied with. I wonder what you feel about that. I have a couple of specific points to ask, but I want to ask a general one to start.

The Government have suggested—and the previous anti-slavery commissioner restated support for it—the implementation of the setting up of a single enforcement body that might pool together the various strands of compliance. Could I ask you all individually what you think of that suggestion and how feasible you think it might be?

Margaret Beels: Yes, I read with great interest the report that the previous Independent Anti-Slavery Commissioner had called for, and there are a number of really good points. The provisions in terms of notification of what companies are doing to address modern slavery is important. Having that registry in the public domain is important. I do not think enough use is being made of it. There is a lot of useful information on supply chain compliance. The responsibility for supply chains rests with a completely different part of the business department from the bit that I am in.

It would be good for the Government to implement what they said they were going to do, which was mandating the topics that should be covered in modern slavery statements, requiring them to publish them on the registry—at present, there is voluntary compliance with that—and making sure that there are penalties if companies do not. I would welcome that sort of role, and it is certainly one that could be within a single enforcement body were there to be one. There is a lot of information there about supply chains that we are not making sufficient use of.

Elysia McCaffrey: I agree with Margaret on everything that she said. In relation to a single enforcement body, we work very closely with the two other bodies that were proposed to be part of that with us. We sit

underneath Margaret's strategy as director of labour market enforcement. Several years ago, when it was a newish concept, the three bodies did not work particularly closely together, but we work much more closely together now. We run joint operations together. We communicate through shared webinars that people can come to and learn about the work that we do and what they need to do to make sure that they are complying with the things that they need to comply with.

We are working together in a good and joined-up way. There is still benefit to having a more formal single enforcement body. That gives you the opportunity to share resource and improve resilience as well as potentially look at changes to our powers through that legislation that might help to strengthen the way that we work.

Lord Watson of Invergowrie: That is very helpful, and it is good to hear that that amount of work is going on on an informal basis. We wanted to ask the Department for Business and Trade last week on this point, but unfortunately it declined to appear.

I also wanted to ask on this question—you might support it or not—about things to try to firm up the existing legislation. Although the Government have the power to injunct a company for a breach under Section 54 of the Act, that has never happened. It is probably fair to say that I am not the only one on the committee who believes that there has to be something firmer to make it a meaningful change.

What do you think of the legislation that has been introduced in the United States—a specific Bill to deal with Uyghur forced labour in the Xinjiang province of China? I read an article recently that said, I think I am right in saying, that a considerable number of BMW cars were impounded—I do not know whether they still are—on the basis that in their supply chain it was clear that parts had come from that part of China. Do you think that would be feasible for legislation in this country?

Margaret Beels: Knowing that you wanted to ask questions about supply chain and mindful of the fact that it is not my own policy area, I sought some guidance about the Government's position. The Government at present believe that voluntary due diligence is better than statutory due diligence. There is a certain pattern of having to demonstrate whether voluntary is actually delivering and looking at that.

Lord Watson of Invergowrie: Would you not say that we know the answer to that question already?

Margaret Beels: I think there are definitely—

Lord Watson of Invergowrie: I do not want to put you in an awkward position.

Margaret Beels: I get into trouble when I talk outside my own remit. It does not mean that I stop but—

Lord Watson of Invergowrie: Perhaps I have been seduced by the

lilting Scottish accent. I understand fully what you are saying. I think the three of you have at least nodded at the idea that there has to be something firmer to shift the dial on compliance.

Margaret Beels: I think it is important for businesses that there is a level playing field in the rules that apply, and we should not have a situation where failing to comply with providing a modern slavery statement or saying, "We're not doing anything at all", is sufficient. I do not think it is.

Elysia McCaffrey: You have to create as much disruption as you can. As Margaret says, trade and import laws are not our area of expertise, but we know that when we make it difficult for people to operate they will pop up somewhere else. So a tougher approach will always yield better results.

Lord Watson of Invergowrie: Thank you.

The Chair: A lot of labour providers and agencies would not come close to qualifying for responsibilities under the supply chain provisions.

Elysia McCaffrey: No, that is right.

The Chair: Yet that transparency, as we are hearing more and more from stories in various sectors, is important. Do you think those labour providers should be covered, or does the licensing regime already require that transparency?

Elysia McCaffrey: The licensing scheme that we operate for the labour providers that are just in our sectors—horticulture, agriculture, shellfish gathering, food processing and packaging—has very specific provisions around protecting workers within their area. It does not look at wider supply chain issues and where they are drawing from, but it looks at the workers particularly whom they are providing into our sectors. They are robust standards and we enforce them robustly, but there are still gaps.

The Chair: That is helpful. Thank you very much.

Q48 **Lord Whitty:** Carrying on with that theme in relation to agriculture and related industries, I declare an interest as the Defra Minister who was seized on the Private Member's Bill to establish the Gangmasters Licensing Authority. It has changed some of its roles both positively and negatively since then. Do you think that you now have enough powers within those areas—the food manufacturing areas as well as agriculture and fisheries? I will return specifically to the seasonal worker scheme in a moment, but agricultural workers go beyond the seasonal scheme.

Phil Cain: In terms of the labour providers, as Elysia has said, the licensing standards are really robust. The great thing about the GLAA licensing is that we can apply that to overseas as well as UK-based businesses. We are in a unique position where we can do that. Where I think it could be strengthened is after the labour providers have provided their labour to the farms. The GLAA's remit stops at the labour providers

unless we get an allegation of modern slavery within England and Wales. Then we can go and investigate on a farm. We cannot inspect those farms proactively to see if the labour providers that are licensed to provide labour on the farms and the farms themselves are behaving in an appropriate manner. There is a gap in relation to that.

I know we will probably talk about the care sector later, but there is also a similar kind of theme in the care sector. It may be reversed in that way as well. They can be strengthened if there was provision to inspect the farms proactively to assess that rather than having to wait for modern slavery investigation allegations.

Margaret Beels: You would probably want more resources.

Phil Cain: Yes. There would be a need. We would not be able to do it under current resources or funding.

Lord Whitty: You said earlier that the seasonal worker scheme was part of your four priorities. Proportionately, how large is it, and what are the other three?

Phil Cain: The largest impacted area for us is the adult social care sector. We have seen over a 400% rise, since the introduction on the shortage occupation list, in allegations in relation to the adult social care sector. The seasonal worker scheme for us is the next layer. Our third priority area is dealing with unlicensed gangmasters and high-risk licensed gangmasters as to our compliance activity and our investigations under the Gangmasters (Licensing) Act.

The fourth for us is working with UK law enforcement and the regional organised crime units to understand how organised crime groups are operating in the forced or compulsory labour area. At the moment, we have identified 37 organised crime groups that are specifically targeting forced or compulsory labour in the UK. We do not think that is the totality of the picture. We think it is larger than that. That is just where our intelligence is taking us at the moment.

Lord Whitty: Under the seasonal worker scheme that you are licensing and there are firms, do you feel that there is enough information coming to you to start an enforcement, or do you feel there is a lot of hidden malpractice?

Phil Cain: Across the board on modern slavery, we have an iceberg situation where the tip of the iceberg is visible to us. Lots more investment could take place in this space. Forced or compulsory labour is a key area for us, because below the modern slavery threshold for forced compulsory labour you have labour exploitation. That can take lots of serious forms and not quite meet that threshold for modern slavery. This is the challenge that we are finding. If it is not licensed by us or regulated by the GLAA and it does not meet the modern slavery threshold, it is really difficult for an agency to tackle some of these issues, particularly if

you have labour exploitation that starts overseas and manifests itself within the UK borders.

There is lots more that we could do to tighten up on that in how we can be smarter at how we use regulation and licensing to tackle serious labour exploitation and combine that with our modern slavery investigations.

Margaret Beels: The seasonal worker visa scheme is run by the Home Office and is a visa scheme. There is a tension between systems that are about trying to control migrant workers coming into the country and solving the problem that they are there to solve. The same is true in the social care sector with the tensions that exist. On the seasonal worker visa scheme, these workers are brought in and then employed on the farms. They are not employed by the labour providers; they are brought in by the scheme operators, and they are regulated by the Home Office, but you have the workers coming in. The complexity of the regulatory landscape—and we may come back to that—is part of the issue here. You have two drivers going in different directions.

Lord Whitty: Are the majority of the ones in the agriculture and related sectors covered by people who are provided by visa holders, or is there a wider problem in agriculture? Or is it primarily that group of seasonal workers? The seasonal scheme has increased massively over recent years, but it does not incorporate everybody.

Phil Cain: No, it does not. When you look at the totality of the areas that we regulate, we cover shellfish gathering, wider agriculture, the food processing elements and horticulture. The seasonal worker scheme is just one area for us. The wider agricultural scheme does not necessarily feature as a high priority for us. That is because we do lots of proactive work in other ways with labour providers into that sector. We have about 1,100 licence holders in total covering our regulated sector across all four of those areas. They each have to adhere to the licensing standards that are in place.

Within those four areas, if anybody draws labour from an unlicensed gangmaster, they commit a criminal offence. If anybody supplies labour without one of our licences, they commit a criminal offence. That is where the strength is in terms of the regulation and the licensing parts of our sector. On average, between 85 to 100 investigations per year take place with unlicensed gangmasters. The activity is still out there. We are still investigating it and we are still driving towards eradicating it, but I think it shows the importance of an effective licensing scheme.

Lord Whitty: You obviously want additional resources, but what would be the one additional power that any of you would like to see in the agricultural and related sectors?

Phil Cain: Resource-wise, there is a real challenge. The regulated sector that we currently regulate is about 520,000 workers. There are obviously the international standards for the number of inspectors required to

manage that number of workers. With our current model that we have reviewed and introduced to our compliance activity, we are probably maxed at the number of compliance activity inspections and the like that we can do. However, it would mean that if we maintain all that activity to the max we could probably cover about 25% of licence holders per year. It is not for us to say whether that is sufficient for what you would want us to cover, but that is probably the max we can do with the resources we have.

The Chair: How short are we of the international standard?

Phil Cain: Including our licensing team, we have a total of 21 who would be classed as inspectors covering 520,000 workers for our regulated area.

Elysia McCaffrey: We would need 52, which is not actually a huge number.

Margaret Beels: Once you reflect on this, achieving compliance will never be done by enforcement acting on its own. Enforcement is important, and it is particularly important on the high end, but I have been quite encouraged by the work of what is called the seasonal worker scheme taskforce, which is an industry group that includes retailers, growers, suppliers and scheme operators. It is looking at what it can do to improve the lot of seasonal workers as well. It has a programme of work that looks at what goes on before the recruitment processes, what happens when the workers arrive on the farms, how best practice can be followed, how workers can get better access to money because they have come to work here, and how they can work better with government—and that is both Defra and the Home Office. It will be plugging some of the gaps that exist.

As you probably know, each year Defra does a survey of the workers involved in the seasonal worker visa scheme, but that takes place after the workers have come back, whereas the taskforce will commission this year an in-year survey of all the workers by an independent body. That sort of thing, which industry can get on and do, seems to happen much faster than when a government department gets involved in doing things; it always seems to take a bit longer. We should strongly support the ways that the industry itself is trying to improve things for the seasonal workers.

The scheme operators are going through processes of getting accreditation under the Stronger Together responsible recruitment scheme. If the scheme operators are getting recognition as responsible recruiters, that will help with the prevention stuff that Phil has talked about.

The Chair: Thank you.

Q49 **Baroness Hamwee:** I was grimacing, but that begs the question. Do you have any observations about the effectiveness of prevention and risk

orders?

Margaret Beels: They have proven very successful, but I refer you to the expert.

Phil Cain: Yes, I think slavery and trafficking risk orders are extremely useful. I mentioned to you earlier that we had secured an eight-year sentence. The police mentioned a similar custodial sentence that they had secured in one of their cases. We are talking about two to three years of investigation plus the additional judicial time. You can secure up to 10 years' compliance with a slavery and trafficking risk order and slavery and trafficking prevention order on conviction.

Baroness Hamwee: Are you able to apply for as many as you would like? Is there a resource constraint?

Phil Cain: The resource for us is the access to the legal support to take these to court. Initially, a slavery and trafficking risk order is a civil request because it is pre-conviction. If there is a breach, it turns into a criminal matter and we get CPS support for the criminal element of it. For the risk order, the GLAA pays for legal provision to support access to that. Dependent on the complexity of that, the costs can be anywhere between £3,000 and £12,000 for us to secure that. However, that cost for us is not prohibitive. If we require a slavery and trafficking risk order, we will seek such an order. Unfortunately, it would give the chief executive a headache of spending a lot more on the legal to do that.

Since the introduction of the powers to the GLAA, we have secured 38 STROs and STPOs—so 36 slavery and trafficking risk orders, because we take a proactive, preventive approach to those. We have seen a few breaches of those, and we have seen some of those challenged at court, but we have been successful in gaining those. It is a very useful piece of legislation.

Q50 **Baroness Shephard of Northwold:** You have already referred to the situation in the care sector, which my question is about. Last week, we heard evidence given by government officials that there has been a big increase in modern slavery victims in the care sector. I wanted to ask two questions about that and then one about the CQC.

First, do you have any data on the reasons for the modern slavery referrals in the care sector? Secondly, do you have any data on the number of referrals in the care sector that result in prosecution? We will come to the CQC after that.

Elysia McCaffrey: Thank you for that question. This is a really significant concern for us. As Phil has already said, we have had more than a 400% rise in referrals to us around modern slavery and labour exploitation since the introduction of care workers on to the shortage occupation list. We have had 337 separate allegations of exploitation, which related to 162 referrals in the care sector. Bringing that on to the shortage occupation list has clearly been a factor there as well as the fact that there has been a lot of press coverage on this. There has been a "Panorama" programme

and increased awareness. It helps care workers to feel emboldened in putting their hands up and saying, "There's a problem and we're being exploited".

Because we are so concerned about this, we are looking at what the potential solutions might be. We have been running some round-table events where we have brought together academics, NGOs, unions, labour providers, other government departments and the ODLME all into one room to discuss what the problems are and what the potential solutions might be. In the majority of cases we see that the visa system is being weaponised and used as a way of controlling workers in the care sector: with threats such as, "We'll remove your sponsorship if you complain about things", or those who have come on student visas are being forced to work longer than they should.

Baroness Shephard of Northwold: Where are the threats coming from?

Elysia McCaffrey: From the exploiters.

Baroness Shephard of Northwold: Is it from the agencies?

Elysia McCaffrey: It is a combination of official agencies or people who are bringing over people whom they know into the UK. It is not just overseas workers. We are primarily seeing overseas workers, but some of the stakeholders that we have talked to have said that it is a problem for UK workers as well.

Baroness Shephard of Northwold: The second thing I asked was about the number that have ended in prosecutions. This is work in progress, is it not?

Elysia McCaffrey: Yes.

Baroness Shephard of Northwold: I do not mind if you cannot answer that question.

Phil Cain: I can give you an overview of the totality of the cases that we have. Currently, within the GLAA alone, we are running 22 live modern slavery investigations into the care sector and we are receiving five to seven new reports each month in relation to allegations around the care sector itself, which is why we are seeing significant growth.

As to the real challenges that we are seeing, nearly every investigation that we are looking at has a threat attached to it in relation to the visa. Either the certificate of sponsorship is being removed or somebody is being sacked and therefore threatened with deportation.

Another thing to take account of in the sector is that we have victims who, prior to entering the UK, are being charged thousands of pounds. Anywhere between £10,000 to £30,000 is being charged per victim prior to entering the UK. Those are charges for visa applications, certificate of sponsorship assistance, DBS checks and training courses. If that takes

place overseas, that may not be illegal in their home country. If they are charges that are taking place within the UK, they can be illegal in the UK depending on the charges. Certainly, you cannot charge work finder fees within the UK; that is illegal. However, we are seeing that there is evidence that it has taken place within the UK as well.

A noble Lord: Do you refer that to the police?

Phil Cain: We can deal with the modern slavery aspect ourselves. We have modern slavery investigation powers in England and Wales. We will pick that up as an investigation. We have some where we have up to 60 to 70 victims per investigation. We are currently supporting the NCA and UK policing with an operation. Some of our lead investigators are supporting the police and providing some training to UK law enforcement. There are some real challenges with investigating this sector. If you just remove the sponsor's licence to be able to provide workers in the care sector, that means that any of the workers who are under their licence who have a certificate of sponsorship with that particular agency are then out of work. If the work is tied to accommodation, they could also be out of accommodation. They have 60 days to find a new sponsor, new employment and potentially new accommodation. It is extremely challenging for an individual.

Baroness Shephard of Northwold: It is indeed. This was just touched on by officials last week. I think that what you have just said is very overwhelming. Linked with that is the fact that we were told by government officials last week that the CQC had part of its responsibility to seek out abuse of the system during their inspections. I think most people know that the CQC following Covid and lockdown has to do an enormous amount to catch up on the backlog of the work that accumulated due to both of those things. Certainly, I was very struck last week thinking whether it has the capacity to do this as well as the extremely important work it does on care and what it is like in care homes in particular.

Would you like to comment on that? I am not criticising the CQC. We all know the situation it is in, but, really, honestly, can it take on much more of your kind of work?

Phil Cain: I cannot comment on its capacity. I can say that we work very closely with the CQC. We are aligned in our thinking on the challenges in the sector. The CQC is one care inspectorate among our devolved authorities. There are the other, additional three care inspectorates. It is trying to line up all those. They all have slightly different remits. However, what is core for their remit is with regard to care providers. It is inspecting care providers. We are seeing in our investigation labour providers also being exploiters, and the CQC does not have any remit to cover the labour providers.

The Employment Agency Standards Inspectorate has regulatory authority over employment agencies within the UK. However, the gap for us is that nobody has oversight of the overseas labour providers. That is where,

through our lens, from our regulatory sector, we can see that picture, because with the seasonal worker scheme we are overseeing overseas labour providers as well as UK-based ones operating in our regulated sector. We see that as a big gap in the care sector. I said to you earlier that we think the gap in the seasonal worker scheme is the employer, the farmer, the inspection. We think it is the other way round in the care sector. We think it is effective regulation and oversight of the labour providers. The CQC has a significant challenge and a significant remit around care providers, but I do not think it is its responsibility to do the labour providers. That is for other experts like us or others.

Baroness Shephard of Northwold: The distinction that you have made is very useful to the committee and you are giving us a real pointer of where to go next. Thank you.

The Chair: Thank you very much indeed. I am really sorry about this, but I am conscious that we are about to have some back-to-back votes. There were more questions that we wanted to ask. Particularly because your evidence has been so rich and useful, I would be keen to find another way to have an opportunity to talk to you. It may be that we can do it by correspondence or we may even be able to find a slot if you were willing to come back, because this has been incredibly important. I will have to suspend.

- Q51 **Baroness Barker:** Can I ask one very quick question? You probably heard the evidence from our previous panellists. One of the things they drew to our attention was the importance of financial investigation in both the agricultural sector and the care sector. That thing about following the money seems to me to be particularly relevant to the issues that you have just drawn to our attention about regulating care providers as opposed to labour providers. I wonder if you might care to ponder on that issue of financial tracking and perhaps write to us in view of what you heard earlier this afternoon about how that could form part of what our committee reports on.

Margaret Beels: I think that is a really important point.

The Chair: Similarly, Lord Watts may have a question, just to give you a warning.

- Q52 **Lord Watts:** I have a three-part question, so I will put them all together and see how much progress we make. Regulation in the care sector is complex and conducted by numerous bodies. What regulatory changes would you like to suggest to reduce exploitation? What involvement do you have in improving checks conducted on care agencies by the NHS, local authorities and the Employment Agency Standards Inspectorate? What can the DLME and enforcement bodies do to deliver benefits that would come through the creation of a single enforcement body, which you have touched on already?

Margaret Beels: I absolutely agree. You will not be able to see this, but I can easily send it to you. This is a diagram that one of my people drew trying to illustrate who does what within the regulation of the care sector.

It involves about a dozen agencies and four different government departments. As you will know from my strategy, part of what I advocate is better joined-up thinking. The whole issue about the financial models associated with the provision of care is one that I think deserves greater scrutiny because some people are making money out of this and we need to get to the bottom of that.

On the single enforcement body, Elysia has talked about the fact that the three bodies for which I have oversight are working better, but somehow we have to find a way of delivering more than just a sum of the parts. We need to simplify the interfaces, especially with other bodies, and get better joined up in the operations that we have. We have a strategic co-ordination group that serves to pool not only those three agencies but other ones together. I can explain more about that in writing. Each body using their powers to complement each other and get us joined up is a subject that is very close to my heart.

The Chair: Thank you very much indeed. We certainly will be following up with you for that very helpful chart and on the questions that we would have liked to have explored in more depth. Thank you again. We are now ending the proceedings for our evidence session today. We will all be going off to vote.