

Environmental Audit Committee

Oral evidence: Hand Car Washes, HC 981

Tuesday 26 June 2018

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Members present: Mary Creagh (Chair); Colin Clark; Mr Philip Dunne; James Gray; Caroline Lucas; John McNally; Alex Sobel.

Questions 1 - 88

Witnesses

I: Alastair Chisholm, Chartered Institute of Water and Environmental Management, Professor Ian Clark, Professor of Work and Employment, Nottingham Business School, and Dr Akilah Jardine, Research Associate for the Rights Lab, University of Nottingham.

II: Councillor Alan Rhodes, Modern Slavery Spokesperson, Local Government Association, Brian Madderson, Petrol Retailers Association, Dr Lucinda Gilfoyle, Head of Catchment and Coastal Strategy, Anglian Water, and Teresa Sayers, CEO, Downstream Fuel Association.

Written evidence from witnesses:

- [Chartered Institution of Water and Environmental Management \(CIWEM\) - written evidence](#) | [PDF version \(68 KB\)](#) 
- [The Rights Lab, University of Nottingham - written evidence](#) | [PDF version \(107 KB\)](#) 
- [The Petrol Retailers Association and The Car Wash Association - written evidence](#) | [PDF version \(1.9 MB\)](#) 
- [Anglian Water Services - written evidence](#) | [PDF version \(62 KB\)](#) 
- [Downstream Fuel Association - written evidence](#) | [PDF version \(123 KB\)](#) 

Examination of witnesses

Witnesses: Alastair Chisholm, Professor Ian Clark and Dr Akilah Jardine.

Q1 Chair: Can I open today's hearing? It is the first day of two hearings on hand car washes. The purpose of today's hearing is to assess the environmental and social impact of hand car washes and the gaps in how they are currently regulated. At our next meeting on 10 July, the Committee will have a chance to put the issues that we discuss today to the relevant regulators and to Ministers from DEFRA and the Home Office. Can I welcome this morning's panel and can I ask you to introduce yourselves from my left, to right, please?

Alastair Chisholm: I am Alastair Chisholm. I am the director of policy at the Chartered Institution of Water and Environmental Management.

Professor Clark: I am Ian Clark. I am the Professor of Work and Employment at Nottingham Business School.

Dr Jardine: Good morning. My name is Akilah Jardine and I am a research associate at the Rights Lab at the University of Nottingham. The Rights Lab is a Beacon of Excellence focusing on eradicating global slavery.

Q2 Chair: Thank you all very much. You are all very welcome.

Can I kick off with a question to our academics, please? If you can give us the landscape, how widespread, and how serious, is the labour exploitation taking place in hand car washes?

Professor Clark: In the published work I did with my colleague, Trevor Colling, which was a study of hand car wash sites in two East Midlands cities, during the period from the end of 2014 to last year, we studied 45 hand car washes in detail. If I summarise it for you, none of them were observing the national minimum wage or the living wage. We got that testimony from workers who were working there, once we had gathered their trust. Obviously, in many hand car wash sites, the health and safety requirements that would be imposed on a normal business, if you like, or a legitimate business, are not really in place. Also, the workwear that many of the hand car wash operatives wear while undertaking their work are not really compliant with the regulations, particularly in relation to, say, for example, hydrochloric acid, which is the spray solution that is used to clean alloy wheels. Some hand car washes, when they have a longer history, have become more formalised in the sense that workers do wear more protective clothing, but I would say that the labour exploitation is significant in relation to the national minimum wage and the national living wage. When we did our research we calculated that what academics call "wage theft"—the underpayment in relation to the national minimum wage at the time, which was £6.50 an hour—was somewhere in the region of 15%, which accords with the literature in the



United States, where hand car washes have been studied extensively in New York City or parts of California.

Dr Jardine: One of the things I wanted to raise today is that the levels of exploitation significantly differ. You have different categories of exploitation as well. Car washes would not all be the same. You have workers who have been through the National Referral Mechanism and have been give positive conclusive grounds decisions on modern slavery.

Q3 **Chair:** Can you explain what that is?

Dr Jardine: The National Referral Mechanism is a process of referring potential victims of modern slavery, to basically identify victims of modern slavery. Hand car wash workers have been referred to this system and have been positively identified as victims of modern slavery and human trafficking. However, at the other end of the spectrum, there are some workers who are subject to various labour abuse violations but do not necessarily consider themselves as victims of modern slavery in subject comparison with how they have been working in their homelands. So in the UK, they are making a lot more money, although significantly below the national living wage, and their conditions are better than what they would experience back home, so for them, they do not consider themselves necessarily as slaves. There are also some workers who do consider themselves as being exploited but they will not voluntarily refer themselves to the National Referral Mechanism because they see the system as not being able to offer them support. What they want is the opportunity to make money and what the National Referral Mechanism does is offer them support as victims and that is not necessarily what they want. We have different categories of exploitation within all hand car washes.

Chair: Interesting.

Professor Clark: I am in agreement with my colleague. There is a spectrum of exploitation. At the one end, there is what academics who specialise in work and employment would call routine exploitation, which I have described in relation to exploitation against the national minimum wage, not receiving holiday pay for example. Then you have, down a continuum, moving up to elements of modern slavery, potential trafficking, where some hand car wash workers, as my colleague said, do not self-identify as being modern slaves or victims of modern slavery—for a variety of reasons, which we can go into if you want us to—but also hand car wash workers do not see themselves as victims of modern slavery because they are often placed in jobs through intermediaries that may relate to their country of origin communities of country of origin communities in the UK. One other element that makes it a complicated issue for us all to study is that in relation to some of the hand car wash workers we were able to talk to at length, the majority of the ones we spoke to, came to the UK on Ryanair or easyJet so they did not come over stereotypically in the back of a wagon or anything like that; their



exploitation started when they got here, which is different from other forms of exploited workers.

Q4 Caroline Lucas: Is some of the reluctance to report because maybe in some cases their own status is not regulated and therefore they fear they might put themselves at risk with the authorities here?

Professor Clark: I think so. As academics, we always have to be sceptical when we deal with people. From an academic point of view, we call these types of workplaces “hard to reach” workplaces. If you want to know about employment practices in an American multinational in the UK, you get in touch with the HR, you go in, and you have a script and all the rest of it. In the hard-to-reach workplaces, we have to be sceptical that the people we are interviewing are not working to scripted speeches for some of the reasons you might be alluding to there, that their status may be uncertain, they may think that if they reveal things to you, you may be involved with the immigration authorities or something like that.

Dr Jardine: Some workers are legally working here, but again, their employment is not legal in terms of the wages they are paid, the health and safety conditions, the environmental conditions of the work. They may be more reluctant to report the abuse or be more compliant with police authorities.

Q5 Caroline Lucas: Dr Jardine, you said in your evidence to the Committee, the bit that you have just said, which is that some workers think, “This is better than I would be doing at home”, but you also have had reports of passports, ID documents, being held, threats of denouncement to immigration enforcement, infliction of physical abuse, and debt bondage. Can you say something about some of those areas?

Dr Jardine: Yes. We got our information from a number of sources, including Professor Ian Clark’s research, the Petrol Retailers Association, and various police authorities. What I have noticed, especially speaking with police authorities, is again this differs across all localities. In some areas, police authorities will say it is definitely a case of modern slavery, victims are being held under debt bondage, they are not being paid—in one case workers were made to Hoover coins out of a car to survive on—whereas in other localities, workers were not experiencing this extreme level of exploitation. Some workers do have their identification documents withheld from them in order to, for example, keep them in that exploitation, to pay for accommodation that their employer has provided for them or to pay for potential flights, as you said, or travel within the UK. That creates a situation analogous to modern slavery because now they do not have the advantage of being able to leave.

Professor Clark: I agree with that, but in the empirical research we did on the ground when we studied these 45 car washes over a long period of time and got to know the workers, we did not see elements of modern slavery or trafficking as a typical practice, though there were some at the extremes. Where I do agree with my colleague, and I think it is the case,



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a lot of these things to do with debt bondage are often gentrified through terms like intermediaries or family or community kinship groups, but when you really get down to it, it is as we described there; it is a form of debt bondage in the sense that you are paying back, or their families in their countries of origin are paying back, some debts that were secured to enable them to travel to the UK. It was very difficult for us to get accurate inform about this on the ground. There are lots of press reports and there high-profile examples of it, where this kind of exploitation is taking place, the Sandu case, for example, which many of you may be familiar with. What we found in our research, how we try to characterise it, is there is this continuum from routine exploitation to more severe cases of modern slavery and trafficking. That is important. There could be up to 20,000 hand car washes in England and Wales. We are not sure on the accuracy of those figures, but let's say there were only 10,000, the level of visibility is too high for them all, and all the workers on them to be involved in some form of trafficked arrangement because, it seems to me, if that was the case, there would be more reporting of the problem. Although I do agree that the issues of modern slavery and trafficking are present, I would not say the problem applies universally to all car wash sites.

Q6 **Chair:** Can you talk about the case that you just mentioned?

Professor Clark: The Sandu case?

Chair: Yes.

Professor Clark: This is a case of car washer who was electrocuted.

Dr Jardine: He was electrocuted.

Professor Clark: He was not living in a house of multiple occupation. I think he was effectively living on site, in a form of shipping container that had been converted to accommodation for the car wash workers. I think they had a shower in there; there were electrical items, there was water and the water touched electrical items and he was electrocuted.

Dr Jardine: I think the employer was trying to by-pass electricity meters, so while the worker was showering, he was electrocuted, unfortunately.

Q7 **Chair:** Dr Jardine, what this the methodology for your research? You said you had spoken to police forces; you have not the going into the car washes. Or have you done that as well?

Dr Jardine: No. Unlike Ian's research, we have not undertaken first-hand investigation.

Q8 **Chair:** Yours is desk investigation.

Dr Jardine: It is specifically desk investigation. We are looking to police authorities, GLAA operations, different law enforcement bodies' investigations, to draw a fuller picture of what is happening in the UK.



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Q9 Chair: Can I go back something you said about people not seeing themselves as victims; they have come here because they want to earn money and they do not want to be put into the National Referral Mechanism. Do you think the Modern Slavery Act has been effective in combatting exploitation in hand car washes? Or is it not the right Act?

Dr Jardine: It has raised awareness of instances of modern slavery and human trafficking, definitely, not just in hand car washes but in exploitation generally. The Modern Slavery Act, however, only requires companies with a turnover of £36 million or more to report on the steps they have taken, or not taken, to combat modern slavery. Hand car washes do not fall within the scope of the Act. They do not have to report on the measures they have taken to combat modern slavery. Also, the sector itself is so fragmented, so unregulated, that it is difficult to assess the nature and prevalence of labour exploitation in hand car washes for the Modern Slavery Act to any effect. One thing the Modern Slavery Act has done is raise awareness specifically among law enforcement bodies. There are numerous operations, investigations into hand car washes, at the moment. It is questionable, however, how much it has raised awareness because the general, often unsuspecting, public continue to utilise and normalise these services; the extent to which the Act has raised awareness in this area is questionable.

Professor Clark: I agree with that. The one area where it has had some effect on hand car washes is in what, in our research, we call “supermarket carpark trolley washes”. Obviously, the supermarkets, the well-known, branded supermarkets in the UK, probably fit into the category of having a turnover of greater than £36 million. Tesco, if I can name a company in this forum, was the first supermarket to come out and ban all independent hand car washes from their carparks. They do have hand car washes but they are in a franchise, contract relationship, with a company called Waves. If you go on to a Tesco carpark now, in the Midlands—I don’t know about down in this part of the country—there are hand car washes but they are liveried as Tesco hand car washes with Tesco logos on all the boards, and you can get Clubcard points and all the rest of it. For us, this was an interesting development. We spoke to some of the senior executives at Tesco and when the issue of the £36 million-turnover and control of contractors down the supply chain was put to them, they made a decision that they were going to remove all independent or itinerant, pop-up—whatever phrase you want to use—car washes from their carparks. They have done that. Other supermarkets have not done that. One small effect, therefore, of the Modern Slavery Act, is that it has encouraged, if you think about it, organised businesses, organised capital, to come back into this market and I think it is fair to say the operatives who work on Tesco carparks are treated normally in terms of employment relations practices.

Chair: Thank you. That is very helpful indeed.

Q10 Colin Clark: Could you paint a picture of the typical working conditions at a hand car wash in both the exploited ones that you have been



speaking about, and the quasi-legal ones?

Dr Jardine: There are the more visible signs of exploitation—lack of protective gear such as boots and gloves, lack of necessary training to be handling these dangerous chemicals, detergents and trade effluents. You have cash-in-hand hand car washes that tend to not be compliant with regulations, tend not to accept cards and you can only pay by cash, which show they tend to evading tax, national insurance, and other regulations. You can sometimes see that the workers are being exploited in terms of how their appearance; they are tired and they are overworked.

Less visible signs of exploitation would be that maybe they do not have their document, their passports, identification, there is debt bondage—

- Q11 **Colin Clark:** How would the general public tell? If you don't mind my saying, my wife has asked me about this. She uses a hand car wash, she has used it for five years and she assures me they are absolutely kosher, 100%, but I say, "How would you know?" That is really what I want to know. How would the general public work it out, if there is no certification?

Professor Clark: It is very difficult. I agree with the comments that my colleague made. Essentially, most hand car washes are on abandoned spaces or sites, which are unsuitable for that type of business because they do not have the heavier-gauge drainage, which would be necessary. I don't know the technical names for the drainage and so on, the systems—

Chair: We will be coming on to that later.

Professor Clark: —that would make it easier to wash away some of the chemicals.

- Q12 **Colin Clark:** In a multi-storey carpark attached to a major retailer, which I will not name, you would assume—

Professor Clark: What I was leading up to in answering your question, is that one of the things that we discerned in our research was that precisely the point you are making: how would the public know; why would they know. It is very difficult for members of the public and indeed anybody else—academics—because one of the things we discerned is that hand car washes try to mimic formality; they put reasonable amounts of effort into the signage, they have professionally manufactured awnings, and so on, which make it look as though it is—in the language I am trying to describe it—a legitimate operation. Obviously, at the more one-person-and-their-bucket end of operations, you can just see; people are often wearing trainers, jeans, they do not have waterproofs, no waterproof boots or high-visibility bibs, those kinds of things. In any kind of workplace where there are moving vehicles, you would normally have high-viz jackets on, or bibs at least, and things like that.



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To answer your question, general members of the public would think, "If it is operating on the street, it must be legitimate".

- Q13 **Colin Clark:** How serious are the health and safety issues relating to the use of corrosive chemicals used in hand car wash operations? We have seen evidence of operators being burned and injured.

Professor Clark: We have seen evidence. We have a connection with the Queen's Medical Centre at the University of Nottingham and we have talked to people there in relation to car wash operatives coming in and developing things like trench foot because their feet are soaking wet all the time, and hydrochloric acid burns, not necessarily from the actual sprays themselves but the vapours stay around and get on the skins and if you get more water on it, you can gradually get slow burns. I think the working conditions are pretty bad in some cases.

The research we are conducting now looks at timelines of hand car washes. There is some evidence, if you look at the timelines, say through Google Street View, that some hand car washes do begin to formalise a bit in terms of the operatives wearing better and more compliant clothing, but I still do not think they are operating correctly on the wage front. The conditions generally are poor and workers suffer as a consequence. You can see for yourself, if you go into a hand car wash, if someone is wearing sneakers or training shoes over a shift of three or four hours, they are eventually going to get wet through.

- Q14 **Colin Clark:** Does anybody else want to comment on that aspect?

Dr Jardine: I completely agree with the things Ian has said.

- Q15 **Colin Clark:** Professor Clark, you said in your submission that you have found evidence of tarmac being damaged by the chemicals being use.

Professor Clark: That is right.

- Q16 **Colin Clark:** How common is it to find hand car washes using surface storm sewers to dispose of their wash water and the chemicals in it? On the example of the carpark washes, where else is the water going? I suppose there are not specialist drains.

Professor Clark: Hand car washes occupy a variety of different abandoned spaces. You have former petrol stations, former pubs, pub car parks, pub sites, where pubs have been demolished, exhaust centres, those kinds of places. The one advantage that petrol stations have over the other sites, if you want to look at it in this way, is that petrol stations themselves have to have heavier-gauge drainage, so better drains. However, what I am leading up to is that for hand car washes that are on pub sites, or other abandoned spaces, there are no heavy drains for the solutions in the water to go away with. In our research, we found corrosion around the storm drains and the sewers, where the tarmac was degraded because the chemicals were eventually burning it up over a period of time. We saw that more often on former pub sites or pub



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carpark sites. There was some evidence on former petrol station sites but the one thing I would say is that petrol stations, open or closed—former petrol stations—do have a minor advantage over these other sites because they do have this heavier gauge drainage.

Alastair Chisholm: Also, the material that the deck is made of in petrol stations is concrete, typically, which is highly impervious, whereas in a pub carpark, for example, the surface material might be quite porous, so you get direct infiltration, straight into the ground as well.

Chair: We are just going to come on to that with a question from James Gray.

Q17 **James Gray:** You have been let off quite lightly, so far, Mr Chisholm. Now is your moment.

Two aspects to the question of water: first, if we do not know how many hand car washes there are, presumably we do not know how much water they are using.

Alastair Chisholm: Correct. It is reasonable to expect that hand car washes use more water than automatic car washes. Automatic car washes tend to have—or they can have in the more advanced technologies—water re-use systems in them. That is not commonly used for hand car washes.

Q18 **James Gray:** We have to assume that an extremely large quantity of water is being used altogether.

Alastair Chisholm: On the face of it, it is quite a large quantity of water, but if you compare it with some other industrial processes, it is probably really quite small. Some of the hand washes, a pop-up wash, let's say, use 1,000-litre water tanks if they do not have a mains connection, and that might do them for a day.

Q19 **James Gray:** So in terms of their environmental impact, you would say the quantity of water is not necessarily particularly significant.

Alastair Chisholm: I would say the water consumption is the least significant problem.

Q20 **James Gray:** What I really want to know about this is where the water goes to—presumably there is a difference between regulated, legitimate operations and illegitimate ones—what that water is like, what is in it, and what are the environmental consequences of it being disposed of.

Alastair Chisholm: In properly regulated car wash, trade effluent permits would have been sought by the operator. There would be heavy-duty drainage in place, so some kind of interceptor, silt separators, and so forth. In those contexts, the water is taken away to water treatment works, is treated, and is discharged back into the environment. There is really minimal impact.

Where the problems occur—



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Q21 **James Gray:** Before we move off that, that presumably is regulated and checked, so we know there are no residual chemicals. Where that occurs—

Alastair Chisholm: As far as I understand, in a wastewater treatment works there will be conditions attached to the trade effluent consent so if there are any issues from the water company's side about what is actually being put down, the water company will flag it up.

Q22 **James Gray:** Right. But non-regulated operations: what is happening to that water and what is in it?

Alastair Chisholm: There are two issues. A car wash that might be non-regulated, if it on a former petrol-station site, may be discharging into a foul sewer but it may not have the appropriate permits in place. What seems to be happening quite a lot is that these abandoned sites are sites that do not have the appropriate drainage and they have surface-water drains. Surface-water drains are designed to convey largely uncontaminated rainwater straight to a ditch stream, untreated, apart from a degree of oil separation that will take place in the gully pot—the grid that you see on the surface.

Normally, when that system operates as designed, it is raining, so there may be a small amount of pollution that might wash off the road that will be diluted to such a degree that the impact on the receiving water is minimal. Also, the receiving water will be in fairly high flow, if it is raining.

The issue with hand car washes is that they operate when it is not raining. Probably, and certainly in weather like this, when there the receiving water is in particularly low flow, you could get circumstances locally where most of the flow going into a water course is actually from that drainage system, if it not draining to the right system.

Obviously, you have been given a picture of a range of chemicals—

Q23 **James Gray:** We have heard about hydrochloric acid. What else might be in there? Is this pretty nasty stuff that is coming off the hand car wash sites? Or is it relevantly benign?

Alastair Chisholm: It depends who you talk to. Basically, there are two sides to it. There are the detergents and the other chemicals that are being used. There are detergents and acids for cleaning wheels and you might have phosphates in the detergent; phosphates can increase the nutrient load of the receiving water and potentially cause putrefaction, which then reduces the biological oxygen demand in the water, which is pretty bad for the ecology in there. You will have acids, which, depending on the sensitivity of the receiving water, could alter the pH of that body to a point where it might affect certain sensitive species. There are also surfactants, which are the chemicals that are used to dissolve oils and greases, mobilising them in the water so that they can be carried away. The problem with those is that when they are in the surface-water



drainage system, you have this gully pot, which has rudimentary oil separation in it, but if the oils are mobilised in the water, those are ineffective so the oils get taken into the receiving water too. All of these substances, pretty much all of them, are toxic.

- Q24 **James Gray:** You are being quite cautious. What I am trying to get at is to what degree do you believe that the outflow from hand car washes is having a detrimental effect on Britain's environment. Is it damaging wildlife? Is it damaging biodiversity? Is this seriously concentrated stuff? Is this something to be worried about or is it something that is pretty marginal in the passing?

Alastair Chisholm: Environment Agency says the overall concentration of the effluent is not that strong but you do have to take that in the context of the conditions at the time, the state the receiving water is in. If there is a lot of water in the receiving water, probably it is not a big issue, albeit there are certain substances in washwater—there is everything that gets washed off the car as well—and it is quite difficult to find UK-specific studies of components of washwater, but there are some studies in the States. I will read some of the substances very quickly from a list: antimony, arsenic, beryllium, cadmium, lead, thallium, aluminium, iron—there are a lot of metals in there, potentially, from wear from the vehicles, from the brakes. Those substances can accumulate in sediments. If you have very low flow in the stream, for a long period of time, even a dilute effluent can result in these metals accumulating in the sediment. Then, if you get a rainfall—

- Q25 **James Gray:** Sorry to break in; if you don't mind my being impolite, you are being careful, very academic, and quite rightly, too—you are not a politician—but nonetheless, what we, as a Committee, are trying to get to, is whether this stuff is bad. Do we have a problem in Britain today because of hand car washes releasing all this stuff into our streams, or don't we? Or is it just a question of that in dry weather it is a bad thing, but in wet weather, it is not so bad?

Alastair Chisholm: If you want a clear answer, we do not want this stuff going into surface-water drains and into streams. It is difficult to get a picture of exactly how big a problem it is, but if you take into account that in 2016 only 14% of river water bodies were meeting their Water Framework Directive standard, or higher, target, and we have some quite significant targets to reach, either on the Water Framework Directive or under the 25 Year Environment Plan, even if it is not the biggest contributor to urban diffused pollution, if we are going to reach 75% of water bodies in as close to their natural state as possible, which is the target in the 25 Year Environment Plan, we have to hit the smaller things too.

If you are looking at water quality generally, and compliance against the Water Framework Directive, we are taking quite a lot of the low-hanging fruit already and a lot of the problem that exists now, relates to diffused pollution.



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Another point I would make is that if you are looking at the Water Framework Directive compliance monitoring, there is a static monitoring network and that will not necessarily always pick up the discharges into really small streams; there are only so many monitoring points and they tend to be on the slightly larger streams so we may not be getting the full picture.

Q26 **Chair:** That is interesting, and people do not tend to wash their cars when it is raining.

Alastair Chisholm: No.

Chair: That is what I have noticed in my house anyway. Thank you.

Q27 **Mr Philip Dunne:** Professor Clark, I was intrigued when you said earlier that Tesco has been an exemplar of good practice, prompted by the Modern Slavery Act implications. You then, rather alarmingly, said other major supermarket chains have not taken any action as a result of that Act. Would you say this is a reflection of a lack of regulation or a lack of enforcement?

Professor Clark: It is probably an element of both. In the research we did, we looked at what we call "trolley washers" because they have little trolleys for bringing all their equipment on supermarket carparks. I think they are present in most branded supermarket carparks. When we spoke to the contracts managers of some of the supermarkets their view was they assumed all their contractors comply with the regulations, so they are in a subcontract relationship with a series of self-employed car wash workers and that was the end of the issue as far as they were concerned.

Therefore, to answer your question, I am not altogether sure what the regulation arrangements would be as some of the trolley wash workers, the ones we interviewed, saw themselves differently to people who worked on other car washes. The people who worked on trolley washes in supermarkets or in city centre carparks saw themselves as self-employed. They bought a pitch, if you like. In all the time we did the research, over the two-year period, none of the car washes we examined, either in supermarkets or more generally, were subject to any form of investigation at all.

Q28 **Mr Philip Dunne:** No inspection of any kind?

Professor Clark: No, nothing at all. There were a couple in Nottingham that, if you like, were kind of busted for employing undocumented workers. However, there was nothing for any environmental issues or to do with other elements of regulation.

Our colleague, Alastair, talked about the Environment Agency and the role it plays. In Coventry City Council there was a Coventry city car wash campaign, which the Environment Agency was heavily involved in. I think they had an arrangement to try to outlaw or stop all hand car washes that were not compliant with some of the regulations Alastair was talking



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about, and that also did not have things like employers' third party liability in case people were injured.

To answer your question, I think it is a question of enforcement. I am pretty sure various regulations relating to labour, environmental issues and all the rest of it exist. However, we got the impression there was low visibility in terms of enforcement and that is why we called the article we published "Permissive Visibility".

- Q29 Mr Philip Dunne:** You talked about many companies turning a blind eye to what is happening on their premises. That goes back to what Mr Clark was saying at the beginning. People do not know whether they are operating within the regulations or not. There must be some kind of corporate responsibility, where it is operating on premises owned by major public companies, so they should not be turning a blind eye but taking some action.

Professor Clark: There should be. I think you have the regulators coming in a couple of weeks. If you talk to the people at the GLAA—for example, Darryl Dixon, Head of Strategy—they are focusing on the issues we are talking about. Their strategy is to go in through the supermarkets to ensure there is compliant regulation because of the visibility. Their approach to regulation is, "If we start to focus on supermarkets, which are subject to the Modern Slavery Act, we can begin to attack the problem from that end". In terms of other car washes, beyond supermarket carparks, it may be something to do with licensing that may have to be considered in the future.

- Q30 Mr Philip Dunne:** Thank you. Mr Chisholm, following this point on about regulation, do you think anybody is paying attention to the water quality regulations in terms of hand car wash operators.

Alastair Chisholm: Again, it is difficult to tell because there is not very good data on the level of compliance out there. Awareness among small operators of exactly what they have to comply with probably is not what it should be. If you set up a car wash, you probably need to get planning permission first. That is the most likely consent you will get. I am not aware there is consistently a touchpoint between that approval and the need to get a trade effluent consent from a water company or, if you are not discharging into a foul sewer, from the Environment Agency. There is more that can be done to boost awareness of SMEs and the really small outfits of what their compliance obligations are.

In terms of how many are complying and how many are not, I am afraid I really cannot give a picture of that.

- Q31 Mr Philip Dunne:** Are you saying you are not aware of any local authorities that impose conditions on planning consents for hand car washes that require compliance with water disposal regulations? Are you suggesting that is something we should be calling for?



Alastair Chisholm: There will almost certainly be planning conditions put in. There is always a question about how well planning conditions are enforced in practice. There used to be comprehensive guidance put out by the Environment Agency, "Pollution Prevention Guidance Note 13", which was out until 2015. That was informative around the kind of activities operators should and should not be doing. There is still guidance on the gov.uk website but when everything was consolidated on that website it was slimmed down quite a lot. It is not as much of an opportunity as it could be to help drive proper practice through planning conditions. It would be useful if there was some kind of additional touchpoint between the local planning authority and the water company, or if the Environment Agency was a little bit more active.

Q32 **Mr Philip Dunne:** Do you see any evidence of the Environment Agency taking any action? Are you aware if it is investigating hand car washes or is it turning a blind eye to what is going on?

Alastair Chisholm: As far as I know, it does take action. The Environment Agency has a certain amount of resource, which drives it to take a risk-based approach to its regulations. Therefore it will, by definition, go after the bigger problems first. There are two ways it can do it. If there are a number of indications that in a certain area there are problems with repeated pollution incidents, or you get a particularly bad pollution incident, it will then go and investigate and potentially—as happened in Coventry and in other areas—it will lodge a pollution prevention campaign. It may work with the local authority or the water company to go out and do more of a spot check of an area to check on regulation. Normally if there is a pollution incident it will trigger a tracing back and it will try to find the source. However, that can be quite tricky given the state that the drainage networks. Historically there have been a lot of misconnections between foul water drains and surface water drains and there is a programme to correct that now. Given these networks evolve over time, they are not necessarily particularly well mapped and documented, and therefore tracing back an event to the perpetrator can be challenging and resource intensive.

Q33 **Mr Philip Dunne:** Finally from me, Professor Clark, you touched on evidence from the US where a lot of research has been done and there is a lot of activity, similar to this country. Can you suggest countries in Europe where they are having a similar problem? If most countries in Europe are not having a similar problem, why do you think that is?

Professor Clark: When I first met Darryl Dixon—Head of Strategy at Gangmasters & Labour Abuse Authority—and he was helping with some research we were talking about how it is only Ireland and the UK that there is a significant presence of hand car washes. I am from an Anglo-German family based in Munich. If a hand car wash set up in a district of Munich or other substantially sized German city, I am pretty sure within a day or two they would be stopped, if not on employment regulations, then on environmental regulations. There is stricter enforcement, particularly on usage of water. Within Western European countries



generally, the diffusion of hand car washes in the way we are describing today in this Committee is very low, if not non-existent. However, when you talk to the GLAA, if you have Darryl Dixon here in a couple of weeks, it has done comparative research that we have been able to view. There is now the beginning of diffusion of similar hand car washes that we see in the UK in other Western European countries. However, in Germany and Austria, in particular, the authorities stop it very quickly.

To answer your question, certainly in Germany there is stricter adherence to environmental enforcement regulation.

Q34 Caroline Lucas: I want to go back to the issue of what individuals might be able to do to draw attention to the concerns here. I know the Church of England has developed an app that people can use if they want to report abuse at hand car washes. I wondered how effective you might think, Professor Clark and Dr Jardine, those kinds of mechanisms would be.

Dr Jardine: From a research point of view, the creation of this app will definitely help us get an understanding of how many hand car washes exist in the UK and geographically where they are located.

From an intelligence point of view, using community members to flag up signs of a potential case of modern slavery on the app could help feed into a better intelligence picture around this area. The information goes back to the National Crime Agency and GLAA so it helps to get a better idea of what is happening in this area. As you mentioned, bodies such as the National Crime Agency and GLAA do not have the resources to investigate every single hand car wash. The sector is too fragmented and unregulated. The creation of this app has the potential to possibly lead to a community intelligence-led approach that can feed back into the investigation of these car washes.

Professor Clark: I agree with my colleague's observations that they can be useful but it paints a picture where effectively you have civil society organisations taking the lead in terms of regulating things. That may sound a bit peculiar to some people, particularly in relation to the response to your colleague's question about the situation in Europe where authorities themselves are more determined to take action.

There is potentially a danger with civil society organisations or apps. Roger Bannister and Darryl Dixon at the GLAA refer to these kinds of things as "Miss Marple approaches". People could be putting themselves at risk in certain situations. Working on an app in the car while it is being washed or something like that, you could imagine there could be difficult circumstances.

They are useful but there are also additional ways data can be gathered. The ongoing research we are doing right now is using Google Street View to try to get histories of sites since 2008. We also have ordinance survey community engagement parameters that divide communities or areas



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into different categories on a range of 15 metrics and we can try to put them all across that. There are different ways to get information. They are useful. You could get all the hand car washes if everybody went to every hand car wash, but I would have thought the data collection would be relatively slow.

Dr Jardine: Once we have the data we can see how useful it is.

Q35 **Caroline Lucas:** From an environmental perspective specifically, is there anything you would observe in terms of those kinds of citizen-led apps or reporting mechanisms?

Alastair Chisholm: There are parallels with other areas. For example, water companies have used citizens to help identify frequency of pollution incidents before. I certainly do not think it would hurt. It may help to fill in some of the gaps in monitoring that exist. However, it would only be an indicator. If there were certain patterns being highlighted then it may be a signal for the Environment Agency to come in and have a look where it might not otherwise do so. I cannot see that it would hurt.

Q36 **John McNally:** Thank you, Chair. I would like to move you on to the question of licensing. You will be aware the Director of Labour Market Enforcement recently recommended a licensing scheme be piloted for nail bars and hand car washes. I am fortunate that I am Chair of the Hair Industry APPG here in Westminster and heard from the Hair Council, among other agencies, there have been huge problems of modern slavery regarding nail bars. We are seeking mandatory registration so you can follow the supply chain. Do you think a similar scheme should be applied to hand car washes?

I never got the chance earlier on to ask you this follow-up, but I believe in Scotland hand car washes are legally required to prevent the discharge of chemicals into the storm drainage system. Is that correct?

Professor Clark: All the work in our research refers to England and Wales. Scotland has separate water regulations and separate arrangements in relation to hand car washes as you describe.

Q37 **John McNally:** I believe they have to have a trade effluent permit they have to get in Scotland.

Professor Clark: Inter-comparatively within the United Kingdom, I think there is a higher level of enforcement in Scotland compared to other parts of the UK.

Colin Clark: Apart from that, John, you and I have both seen hand car washing in car parks so I wonder what is really going on, hence the questions.

John McNally: So do I.

Colin Clark: Yes, quite.



Professor Clark: In David Metcalf's documents, as you say, he suggests pilots for nail bars and hand car washes. A report has been written for the Independent Antislavery Commission on nail bars by my two colleagues at London Metropolitan University. One of their observations is that many nail bars are controlled by organised crime units and people who work in them are trafficked into the UK. We are suggesting, in relation to car washes, there is some trafficking but there is more routine exploitation.

In relation to the four potential forms of licensing that David came up with—accreditation, certification, registration and licensing—the first two, accreditation and certification, are quasi-voluntary, a process whereby operators themselves can seek compliance with a voluntary code. I would have thought registration and licensing would be the way, where you have to register with a state-regulated body that is enforced locally through city councils. For example, Nottingham, where we are both based, calls itself a "good work city" in relation to this aspiration for decent work and it wants to be a slave-free city by 2019. If you are going to have accreditation and registration, you could possibly see a checklist of requirements that hand car washes would require in terms of compliance with legitimate business operations. It would perhaps need to be enforced locally as well.

Q38 **John McNally:** By "locally" you mean local authorities?

Professor Clark: We would not want to start from where we are, would we? Let us say there are only 10,000—some people say there are 20,000—it would be difficult to manage that nationally in one go. It seems to me a pilot scheme, which the GLAA is kind of doing with its approach to hand car washes in supermarkets in the East Midlands, might be one way to start. There would have to be a combination of centralised regulation with some kind of enforcement mechanism locally, a bit like the Low Pay Commission where you have a national body that regulates things but it is also enforced locally through local officers.

Alastair Chisholm: It almost comes back to the enforcement point I made in the context of planning conditions. It would be an additional hoop for people to have to jump through to potentially be required, as you say, to meet certain conditions on the licence so there was an adequate drainage plan in place and the trade effluent consent was in place before the licence was granted. That would add an extra layer of useful regulation.

Professor Clark: We talked earlier on in response to another question, Alastair, about planning permission. In the latest stage of our research, we are looking at planning permission applications on hand car wash sites. Often the operatives put in a claim for permission to have certain things, including storm drains and things like that, but when you look they have put the signage and the awning up but have not done the heavy construction work. There is also a question in terms of licensing that some of the hoops people have to go through already exist, they are



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just not being enforced effectively. Therefore it could be a combination of things coming together to get more regulatory compliance.

John McNally: Thank you. It does seem to me to make sense that it should be normal that when you go to any place there is some sort of accreditation notice, whether it is in the form of decal or a display. What Colin said earlier on is quite right, you make an assumption and assumptions are made too often. We are getting nearer to the time when we need more compulsory regulation of all of these things.

Chair: Very good, thank you very much indeed. That closes our first panel.



Examination of witnesses

Witnesses: Councillor Alan Rhodes, Brian Madderson, Dr Lucinda Gilfoyle and Teresa Sayers.

Q39 **Chair:** We are going to move into our second panel. Can I ask the panel to introduce themselves, starting from my left with Brian?

Brian Madderson: Brian Madderson, Chairman of both the Petrol Retailers Association and the Cash Wash Association.

Councillor Rhodes: I am County Councillor Alan Rhodes. I am a member of Nottinghamshire County Council and I am the lead member for the Local Government Association on the issue of modern slavery.

Dr Gilfoyle: I am Lu Gilfoyle and I am from Anglian Water. I look after Anglian Water's catchment and environment programme.

Teresa Sayers: Hello, I am Teresa Sayers and I am the CEO of the Downstream Fuel Association.

Q40 **Chair:** I know some of you were sitting in listening to our previous session. Can I kick off with a general question, what are the signs a car wash might be acting illegally, how would we know?

Brian Madderson: I can start with that by saying that first of all the trade effluent is often flowing over the concrete or the tarmac and, indeed, can be seen flowing out onto main roads where the facility is adjacent to a main road. That is one area. The second area would be signs of poor housekeeping, signs of poor safety clothing for the people doing the work and when you go to use it, if any of you do, it is a cash-only environment. You cannot pay by credit or debit card or cheque; it is cash only. That therefore leads on to a number—I am told by the GLAA and others—likely criminal activities, including the sale of illicit drugs on sale, including sale of illicit tobacco, and even in one case in North Wales, prostitution services while your car is hand car washed.

Chair: That is something new, thank you.

Councillor Rhodes: I concur entirely with what the previous speaker said. It is often around the general appearance and general state of the site and the people working there: whether they have suitable clothing; particularly protective clothing; whether they appear to live on the site; if there are caravans or converted shipping containers or such like to house them. As our colleague has said, for the sites that may be operating illegally it is always a cash-only transaction. The danger is to suggest any site that is un-kept or is cash-only is operating illegally. Of course, that may not be the case but is certainly a cause for concern.

Dr Gilfoyle: From a water quality perspective, it can be quite difficult. We have already heard about water running over the ground. That is a



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really big tell-tale that discharge is happening into the environment. From our perspective, we may also be informed by customers. We may have customers ring us, for example, and say the water in ditches or local water courses looks different, smells different or you can see bubbles in it and then we would go out and investigate. We might even just happen across them while we are looking at other things in the catchment. It can be very, very difficult.

Q41 Chair: Are water companies giving permits out to these hand car washes?

Dr Gilfoyle: It is complex, which I think is part of the issue. A hand car wash owner or operator should approach the local planning authority.

Chair: Yes, we heard that in our first panel and they then either go to the EA or you. What happens when they approach you?

Dr Gilfoyle: The planning authority would pass the details to ourselves and we would comment around the need to have a trade effluent licence to cover those discharges. The safest way to deal with those discharges is to put them into one of our own sewers, they go through a water recycling centre, are treated and can be returned to the environment.

Q42 Chair: How much do they cost?

Dr Gilfoyle: I do not have the cost to hand. I can certainly get that information and send it through. We have a number of car washes that have those consents, about 1,500. They do tend to be the bigger car washes, the ones that are affiliated with big business. The hand car wash pop-up market is slightly different; we do not have figures on those.

Q43 Chair: Thank you, but they should have permits from you?

Dr Gilfoyle: Ideally, yes, they should.

Chair: Thank you.

Teresa Sayers: Another indicator is price. There have been a number of studies that have looked at the cost of doing a compliant car wash. If anything is very, very cheap then it is clearly an indication they are either cutting corners or somebody is being exploited in order to offer such a service at such a cheap price.

Q44 Chair: Are you convinced all of your hand car washes operated on the sites of your members are charging the correct price? What is their average price?

Teresa Sayers: Certainly one consortium, a company called Waves that was mentioned earlier that is working with Tesco, has done a significant amount of work into this area. In order to break even in a car wash is about £6.40, which you have to charge just to break even. If you are going to do a more in-depth valet, it is about £12, which is without making any money at all and is just to break even on a compliant car wash. That is some indication of the prices that have to be charged.



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Q45 **Chair:** You are convinced all of your members are charging that, what is the average cost from your members for a car wash?

Teresa Sayers: I am sorry I do not have that information to hand.

Q46 **Chair:** Could you get that to us, please?

Teresa Sayers: Yes.

Chair: Thank you. That will be helpful.

Q47 **James Gray:** Can you give us numbers? We have been told in evidence maybe somewhere between 10,000 to 20,000 hand car washes. Do you have any better information than that?

Brian Madderson: No. That is one of the main problems; we do not know how many are there. We tried to do a limited survey very recently but that has proved flawed and I still have to speak to the people who tried to do that. It is difficult to try in an area—they took Cardiff and Newport as examples—to properly log every single hand car wash operating in that area. They have come up with some numbers but we think they are low. Even using those numbers and the Environment Agency's own numbers from the Coventry study, which was mentioned earlier, would suggest a minimum of 10,000 to 12,000. Twenty thousand may be over the top, but maybe somewhere in the range of 12,000 to 15,000.

Q48 **James Gray:** Leaving aside the raw numbers, what percentage of them would you say are going to be legitimate regulated operators and what percentage would be pop-up cowboys?

Brian Madderson: Of the hand car washes, I would suggest 90% plus would be unregulated.

Q49 **James Gray:** The vast majority of them. A slight number are regulated and the vast majority are unregulated.

Brian Madderson: Absolutely correct.

Q50 **James Gray:** That is extremely clear and very helpful. Teresa, what do your members do to make sure they only have regulated operators on the forecourts?

Teresa Sayers: I represent the supermarkets. The supermarkets have been engaging with the GLAA since August of last year principally to help the GLAA identify where the car washes are and the numbers they have. However, they have absolutely taken on board the concerns in respect of hand car washes. Working together with the GLAA, other regulators and the police, a code of practice has been developed that will be embedded into a voluntary scheme, called the Responsible Car Wash Scheme. It embraces all of the regulatory requirements encompassed in operating a compliant car wash, including the fair treatment of workers in terms of pay and conditions. We will be piloting this scheme in September of this year in the Midlands with 50 car washes located across a number of our



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supermarket sites. As I say, we have been working with the GLAA who will be auditing with us and working with the police.

The idea is that it is a joint responsibility. We hope to have leverage through the supply chain by ensuring the landowners are engaged with this work, and giving them a mechanism through which they can confidently say they have a responsible car wash operator operating on their site. Of course, this also allows us to have a mechanism to promote to consumers what a responsible car wash operator looks like.

- Q51 James Gray:** That sounds great and like a very worthwhile initiative and may well be the way forward. In the meantime, how do you react to some evidence we have received that researchers into all this have been denied access to your members' sites because some of your members do not want researchers to look into the hand car washes that are popping up in the carpark? Is that something that may be right, or would you welcome access to your sites?

Teresa Sayers: Firstly, I should say supermarkets do not operate the car washes themselves. There is some kind of commercial relationship, be that through a franchise organisation or some other commercial relationship. It is a third party that operates on their premises. Certainly all the supermarkets have signed up to this project. Therefore they would embrace any regulator who wanted to come along to audit and be part of the scheme.

In fact, I am very pleased to say that embedded in the scheme is a risk panel that encompasses a broad spectrum of regulators and the police. The idea of the risk panel is to exchange information. It will enable us to be able to develop a picture on a regional basis of the hand car wash sector, those that are compliant and where we might have areas of concern.

- Q52 James Gray:** That will be useful information for the future but the question is right now. The same question also is directed to Councillor Rhodes. If we are going to take this thing forward, researchers have to get access to these sites to find out what is going on there. The evidence we have been given is that some local authorities and some supermarkets are saying, "You cannot come in here. You cannot find out what is going on." If that was the case you would decry it, I take it from your evidence?

Teresa Sayers: Certainly my experience has shown the supermarkets are very supportive of this scheme, they are proactive in terms of the development of the code and the scheme thus far and have signed up to it.

- Q53 James Gray:** That was not my question. The question was whether or not you would advise your members, the supermarkets, to allow researchers to come onto their sites to investigate what these people are doing?



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Teresa Sayers: Certainly we would encourage the researchers to contact the DFA, which is going to operate the scheme, to see how we can facilitate that.

James Gray: That was nicely answered. It was a real "Sir Humphrey answer" that one. Councillor Rhodes?

Councillor Rhodes: The problem we face with this is a lack of compulsory regulation. For local authorities the whole aspect of modern slavery and hand car washes in particular is a relatively new issue to tackle. It is a developing issue and a growing problem in many areas. The GLAA has the role of advising local authorities on how to deal with this particular issue. We have issued the "Modern Slavery Guide" to all our local authority members, which is available online and in hard copy on request. For local authorities this is something that is a new and developing pressure on them. For planning authorities as well, it is a new and developing pressure.

Q54 **James Gray:** Again, that is slightly off.

Councillor Rhodes: I am sorry.

James Gray: Again, if there were researchers who were seeking to find out about these things, who wanted to go onto local authority sites, your advice to them would be, "You should give them permission"? I think that is what Ms Sayers also said.

Teresa Sayers: Yes.

Councillor Rhodes: Yes.

Q55 **James Gray:** You would encourage legitimate access by legitimate researchers to find out what is going on?

Councillor Rhodes: Yes, we would.

Q56 **Chair:** Mr Madderson, can I get back to your study, which you said did not come up with a large number. Who conducted the study?

Brian Madderson: A company called Experian Catalist that is well known and very professional. We have concerns they may have not unearthed all the hand car washes, from evidence we have from members. We will be going to back to visit that with them very shortly.

Q57 **Chair:** With them or perhaps with some researchers from the University of Nottingham?

Brian Madderson: We will certainly start with Experian Catalist.

Q58 **Chair:** Rather than the people who have done academic work on this? Do you not want it to be academically rigorous?

Brian Madderson: Yes, we would very much like it to be academic, but it is very difficult to pinpoint all of these hand car washes. Some of them



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are moving when their landlords kick them out or when other issues develop. They do move around the city centre.

Q59 **Chair:** What were the numbers your study found?

Brian Madderson: In Cardiff it was, from memory, 59, and 23 in Newport. They then used figures from the Department for Transport on the number of motor vehicles in those two cities and then used population, together with the Environmental Agency's own study of Coventry. I think their initial finding, trying to extrapolate that across the UK, was in the range of 8,000 to 10,000.

Chair: That is helpful, thank you. Very interesting.

Q60 **Mr Philip Dunne:** Councillor Rhodes, I would like to talk about planning, which came up in the earlier session. We have had some anecdotal evidence of car wash operators either securing planning consent and then not complying with any conditions that have been imposed on them or setting up without planning consent, being reported and local authorities not acting. Do you have any advice from the LGA on whether hand car wash operations require planning consent?

Councillor Rhodes: Yes, they do require planning consent. Clearly there are planning considerations that any planning committee would have to adhere to, of course. There may be issues outside of those planning considerations but they cannot be considered when planning permission is being approved or refused. Those are constraints for planning authorities. Where permission has been approved and the conditions are not being met then clearly it is a matter for planning enforcement to take place.

I do not want to play the fiddle for local authorities but they are under an awful lot of pressure at the moment in terms of funding and capacity. That has undoubtedly had an impact on the ability of local authorities to respond effectively in many cases, although there are also some excellent examples of good practice up and down country. However, it is important—we are advising local authorities on this—that planning authorities have robust procedures in place to tackle what is, as I said earlier, a growing problem and a growing issue in all of our communities.

Q61 **Mr Philip Dunne:** Does your advice include how to determine whether or not a suitable drainage system has been set up when planning consent is granted?

Councillor Rhodes: Some of that information would certainly come from the Environment Agency or other professional agencies outside local government and outside the LGA. Clearly we have an overview of these matters but we do not have the in-depth expertise to be sure we are giving exactly the right information on those very specific issues.

Q62 **Mr Philip Dunne:** Is the Environment Agency a statutory consultee for such applications?



Councillor Rhodes: Yes, I would say so.

Q63 **Mr Philip Dunne:** Is there any responsibility on the building regulations team to determine whether or not the conditions have been complied with?

Councillor Rhodes: Yes, there is a responsibility on the council as a whole to ensure that any planning conditions are complied with fully.

Q64 **Mr Philip Dunne:** Dr Gilfoyle, within the water company environment, do hand car washes have to apply for specific consents to dispose of water?

Dr Gilfoyle: The way it works is that the local planning authority would contact us. We would assess that application and give that business bespoke advice based on the chemicals in the products they wanted to use and the receiving treatment works, the sewerage network, it would be going into. This is how that would work. What I can say is that when we do issue the trade effluent consent and for the 1,500 we currently have in place for car washes—it will not just be hand wash, the bulk will be the bigger car washes—we have not seen any breaches. We test and enforce, if you like, once that notice has gone in. For the ones we currently have on record, as a means of protecting the environment it is working as far as we can tell.

Q65 **Mr Philip Dunne:** You have not had any complaints about effluent from hand car washes in your area?

Dr Gilfoyle: Once the trade effluent consent has gone in our trade effluent inspectors, who work for the water company, will visit that premise and will sample. We take probably about 10,000 trade effluent samples a year from the registered businesses we currently have. We monitor their compliance against what we asked them to do because that is obviously legally binding once they have that in place. That works well for the washes we have. Obviously what we do not know is how many hand car washes are out there outside of that process.

Brian Madderson: I just want to point out that in terms of planning you only need to apply for planning permission if there is a fixed structure involved in the application. In almost all cases with hand car washes we are not talking about a fixed structure, we are talking about some type of canvas over a roof, or a caravan or a portable cabin that can be moved. Almost none of them have fixed structures like the forecourts with rollovers or jet washes have, which have to apply for planning. I do not think—unless Councillor Rhodes wants to correct me—hand car washes, without a fixed structure, need to apply for planning. This is another loophole where they can set up very easily without having to go through the same rigmarole we have to do as a registered business.

Q66 **Mr Philip Dunne:** That is very helpful clarification. Ms Sayers, for example, if a supermarket, one of your members, wishes to set up a hand car wash in its carpark does it have to apply for planning permission



for change of use from carpark to hand car wash where there may be no permanent structure?

Teresa Sayers: Certainly our members would require all the hand car washes that want to operate on their forecourts, or indeed their carparks, to be compliant with the regulations. As Brian has quite rightly pointed out, the vast majority of hand car washes, including those on carparks, do not have a fixed structure; it is more of a canopy. Therefore I am not aware they are required.

Q67 **Mr Philip Dunne:** That suggests they do not require planning consent?

Teresa Sayers: No.

Q68 **Mr Philip Dunne:** Councillor Rhodes, another example we heard about was disused pub carparks. If, again, no permanent structure is put on those, does an operator require change of use in order to start operating on a disused pub site?

Councillor Rhodes: I am grateful to both our colleagues for the clarification they have given. I would contest that, where there is a change of use in that land then permission would be required. I am happy to be corrected again if that is not the case, but I would have thought that would be the case.

Q69 **Mr Philip Dunne:** To go back to the question I just asked Ms Sayers, if you turn a carpark into a temporary car wash facility, is that a change of use under planning laws? Does anybody know?

Councillor Rhodes: I do not know. I can certainly establish that, Chair. We can find that information out and write to the Committee, if that is helpful.

Q70 **Chair:** We are all feeling our way on this so we are very happy for people to come back to us with written evidence to follow up from today's session, thank you. That is very helpful.

Councillor Rhodes, how many licences for hand car washes do you have in Nottinghamshire, do you know?

Councillor Rhodes: I do not have that information to hand, Chair, but again I can have it provided to the Committee, should you wish me to.

Q71 **Chair:** Can you give us some examples of good practice? We have heard about Coventry. We have heard about what is happening in Nottingham. We have evidence from the east of England. Any other examples of good practice you would like the Committee to be aware of?

Councillor Rhodes: There is quite a lot of good practice around and about. A large group of local authorities in the south-east worked together to deal with the issue of the proliferation of hand car washes in their area. By combining their resources and their expertise—and working collaboratively with other organisations—the GLAA was able to deal with large instances, in some cases, of people working in modern slavery



conditions. I know Bradford Council in West Yorkshire has also refused a number of applications for hand car washes in their area as well.

Q72 **Chair:** On what grounds?

Councillor Rhodes: I need to check the grounds. That is why I am a little bit unsure of the new information I have received from Brian, Chair. They were refused permission. They must have therefore applied to the authority. We can establish what the situation was if it helps.

Chair: That is very helpful, thank you.

Q73 **John McNally:** Thanks very much, Chair. It has been absolutely amazing so far. Who would have thought hand car washes could have raised issues like a debt economy, environmental issues and modern slavery. One thing I do notice about these hand car washes is that they are very highly visible. They choose their sites very carefully, nearly always on central roads, so people driving past can look in and see if they are busy and make a decision there and then. That is a highly calculated move, I would say. I used one myself in my own area. You can see it is a van that is ready to move. It has water there but where the water goes I am not sure.

The question I would like to go back to that we have touched on is the disposal of effluent. This is for you, Lucinda. We have heard some hand car washes are located in areas, such as car parks, without the necessary drainage facility to support the impact the washed water from the car wash was having on water quality if it is not disposed of correctly, as we heard earlier on, depending on the conditions. That is an extremely concerning issue to all of us.

Dr Gilfoyle: It very much depends on the type of watercourse they are going to enter. We have covered that if it goes into the sewers then it gets treated and can be returned to the environment safely, our processes will be able to deal with that. There is no such thing as a typical chemical you will find in a hand car wash; it can be a whole range of different chemicals. Some of those, and also fuel washings, can be toxic to aquatic organisms. If there is that runoff going into a local watercourse then you might see some localised issues.

For water treatment and public drinking water quality, our processes would be able to address those issues from a health perspective although we would be very, very interested in activity that is close to boreholes. Groundwater, obviously, is very pure and you can sometimes have a very shallow layer of soil over groundwater aquifers so we would be very interested in that kind of activity if it was to suddenly spring up next to a borehole.

Where we find these businesses have plumbed themselves, in effect, into our sewers without permission then, obviously, that is illegal so we would pick that up at that point. However, we do believe the risk to water quality in terms of the public water supply is very, very low with this kind



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of activity. It is primarily about localised issues with aquatic life in localised watercourses.

Q74 **John McNally:** Thank you. Does anybody else want to comment?

Brian Madderson: One of the things Scotland has been extremely adept at is having a better method of enforcement. In Scotland they have the GBR, the general binding rules, which is much more easily enforceable. If you see that the trade effluent is not going into a foul sewer drain but is going into a surface water drain you can take action immediately.

Below the border, down in England, the Environment Agency has to prove some kind of pollution before it can take action. That is reactive, not proactive. What would be really good in this country, in England, would be to have the same type of general binding rules as you have in Scotland because that is a real and immediate deterrent and much more easily enforceable by the environment authorities.

Dr Gilfoyle: We would certainly support that.

Councillor Rhodes: To agree with the comment you made at the beginning of your statement, who would have thought we would be having this conversation. Five years ago I suggest we would not have been. This is a very new issue. Hand car washes are, as you said quite rightly, very visible. People think they offer a very good service at a very competitive rate. However, we heard earlier from other colleagues that they often cover up some very unpleasant working conditions and often some criminal activity too. There is a need for more awareness in our communities about that. This is not just a fantastic facility where they wash your car for a fiver. There is often something much darker behind that as well. We all have a role to play in that. Certainly I have made the point to local government on many occasions that they need to raise public awareness on modern slavery, particularly with these very high-profile businesses such as nail bars and car washes too.

Brian Madderson: It is extraordinary we are virtually the only EU country that has had hand car washing proliferating over the last 10 years to the extent we have; 15,000 to 20,000, whatever it is, is an extraordinary number. We work with the Belgium Car Wash Association. It is just beginning to see hand car washing coming into their country but already the authorities—the police and Antwerp city—have made some very good decisions on licensing. Already they are making this really difficult for the hand car wash operators to even start.

Q75 **Chair:** Do you know what the Scottish situation is? What is the rule in Scotland?

Brian Madderson: SEPA has the same GPP 13, which is the same as Northern Ireland and the same as Wales. England decided it would go for the smart route.

Q76 **Chair:** Sorry, smart route of what?



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Brian Madderson: To quote the Deputy Director of the Environment Agency, "The environmental risk posed by such facilities as hand car washing, if they meet good industry practice standards, is minimal". How on earth do mainly foreign owned hand car washes, with foreign workers, ever get hold of a guidance note from the Environment Agency if it is hidden away in their website?

Q77 **Chair:** What does GPP stand for?

Brian Madderson: That is the general practice guidelines for vehicle washing. The Petrol Retailers Association provided technical input into that. That was adopted and launched last April by the three environment agencies.

Q78 **Chair:** But not the EA in England?

Brian Madderson: But not in England. That seems to us to be a manifest weakness. They are saying, "We do not even publish it. If people want to know, they can look on our website." We are dealing with a criminal element, mainly foreign owned. They are not going to look on the Environment Agency's website, Chair.

Teresa Sayers: Brian has raised a very important point. There are quite a number of regulatory requirements for hand car washes. A very useful thing to do would be to pull them all together in a framework so there is information and guidance for those who do wish to operate compliantly. That is the way we will raise standards as well. We need to be able to pull this together and provide this information in a very user friendly way.

Q79 **Chair:** What percentage of the car washes on supermarket carparks have these interceptors installed connected to the correct drains?

Teresa Sayers: I do not have the exact number to hand but we have already heard earlier this morning about Tesco and Waves and what they have done there. The other supermarkets have very few hand car washes on their sites at the moment. I can certainly look into that but there is a general acceptance that is the requirement for a compliant hand car wash.

Q80 **Mr Philip Dunne:** Would it be possible for you to survey your members to try to find out the actual numbers of hand car washes operating the estate?

Teresa Sayers: Absolutely.

Mr Philip Dunne: That would be very helpful.

Teresa Sayers: I can provide you some detailed information following this. I do know at the moment it is in the region of 500 across the UK.

Brian Madderson: That out of a total of maybe 15,000 to 20,000 is not that many in terms of destinations for where you go to get your car washed by hand.



Q81 **Chair:** How many automatic hand car washes?

Brian Madderson: Automatic hand car washes, about 3,150 on forecourts. These are all subject to rigorous planning approvals.

In addition, Chair, we have found out that in England about 500 of our members have been so besieged by the unfair competition from local hand car washes that they have brought hand car washes onto their sites. This is an issue we are taking up with those members. I now know who they are and I am going to be talking to them very shortly. We have already started by sending out our fortnightly newsletter telling them to be aware of the issues.

Chair: Thank you, that is helpful.

Q82 **Alex Sobel:** We have heard a lot of compelling evidence today from both panels about the whole range of issues with hand car washes. We do not currently have a licensing scheme but there have been calls for licensing to be introduced for hand car washes. What are the advantages or drawbacks for licensing?

Brian Madderson: You have a sense of licence with the environmental permit. All hand car washes should have an environmental permit if they are handling trade effluent. That environmental permit would not allow them to put their effluent into surface drains, as most of them do one way or another. That is already an example of where we have a regulation but it is not enforced. We also have the water authority. They too have permits, again probably not fully enforced, although they say quite rightly that for car washes on forecourts, where planning permission has had to be sought and gained, that sort of permit would be in place. Therefore there are two regulations already in existence for hand car washing.

To go a step further, we would certainly look at that but something like a doctrine of the general binding rules would make it much easier for the Environment Agency to go around however many it is—10,000 to 15,000—and start enforcing.

Q83 **Alex Sobel:** Alan, obviously for local authority licensing you have to look at whether people are fit and proper to run pubs and other alcohol establishments, and in terms of vehicle licensing for private hire drivers and so on. Do you think there should be some licensing around the people operating the car washes?

Councillor Rhodes: There is a licensing scheme that is currently being looked at that the GLAA are putting forward. We have to remember that, as important as the environmental impacts are, there is a modern slavery aspect as well. The GLAA is on to that in quite a serious way. We are working them to look at licensing, which takes licensing away from the localities and makes it possibly a national scheme. We need to wait to see what that looks like before it can be reviewed and implemented further.



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Certainly, I think there is a general view that licensing is important to take this forward.

You mentioned private hire vehicles and taxi licensing. In the awarding of private hire and taxi licences there is a part that has the view of whether that person is a proper and responsible person to hold the licence, particularly if an offence has been committed previously. I wonder if something like that ought to be introduced to this as well so that if we find there is a rogue element to a particular car wash and a prosecution takes place then that person can be excluded from running such a business in future.

Brian Madderson: I will send my colleague here, Alan, a copy of the licensing scheme that has just been introduced by the city of Antwerp to try to prevent rogue hand car washes setting up all over their city. It is fairly recent.

Q84 **Alex Sobel:** That is a good practice. Alan, in terms of licensing and enforcement of licensing, do you think this should sit under the GLAA, with the Gangmasters & Labour Abuse Authority, or do you think it should sit with local authorities like your county council?

Councillor Rhodes: We need to see what it looks like when it has been developed. I think local authorities would be happy to take this responsibility, provided we are properly resourced and so on and able to take another responsibility on. At the same time we should be content that the GLAA is more than capable of looking at this particular issue and enforcing any legislation that needs to be enforced, particularly in instances where modern slavery is a concern.

Teresa Sayers: I think the work of the GLAA Councillor Rhodes is referring to is the pilot I mentioned earlier that we are running for them. It is important to appreciate that compliance in hand car washing encompasses a number of areas including, of course, the very important aspect of making sure people are not being forced into modern slavery and so on. There is a huge benefit in having a multi-stakeholder approach, with us all working together to share that intelligence and through that to drive up compliance. When such audits are undertaken any significant issues that are highlighted will be referred to the appropriate authorities so they can best target what may be limited resources in a very good fashion.

Dr Gilfoyle: If I may add, the water companies are not statutory consultees. We are dependent on our local authority colleagues to pass us details of when these businesses pop up. If we were to introduce a more formal approach, and that could include compulsory trade effluent, it would address many of the issues from a quality perspective as well.

Q85 **Mr Philip Dunne:** Mr Madderson, I think in some of your evidence you were indicating there is a potential significant taxation shortfall from this potentially illegal activity. Could you enlighten the Committee of what you



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think that might amount to?

Brian Madderson: Our estimates, depending upon the number, vary from £500 million to £1 billion a year of tax evasion by the hand car washes, assuming they do not pay any VAT, any corporation tax, any national insurance, any taxation at all. It is a very significant sum. I have, at last, managed to get the Director of Small Businesses at HMRC interested and she would like me to meet with some of her colleagues to discuss this issue. It is a significant amount of money that is available there.

One of the things we would like HMRC to fund is a proper study to show us, along with the research that has already been undertaken, how many hand car washes there are and where they are. That would help local authorities and everyone else who is concerned with human trafficking, tax evasion and trade effluent disposal get a better understanding of how to take some action going forward.

Q86 **Mr Philip Dunne:** You have brought your concerns to the attention of HMRC's tax evasion team?

Brian Madderson: Yes, we have.

Q87 **Mr Philip Dunne:** I get the impression from your comment that this is a relatively recent acknowledgement there might be an issue.

Brian Madderson: Yes.

Q88 **Mr Philip Dunne:** Do you think this inquiry might have prompted them to take note?

Brian Madderson: It may well have done, I think so. There was a certain amount of defensive verbiage in the letter I received back from the Chief Executive of HMRC; too small, too difficult, not known. Then, of course, your inquiry came out and suddenly we had rather more positive overtones.

Chair: Heaven forbid we get defensive verbiage from the Government, it has never been known. What a thought. That concludes the end of our panel number two. Thank you all very much indeed for attending. It has been very interesting.