Wednesday, 8 November 2017

Dear Rt Hon Frank Field MP, Rachel Reeves MP,

Thank you for inviting me to give evidence on 25 October 2017 to the Business, Energy and Industrial Strategy Committee and the Work and Pensions Committee on the Taylor review of modern working practices.

**Leicester Garment Industry**

I provided an example of opportunities for stronger collaborative working across the three bodies and other organisations tackling non-compliance the garment trade in Leicester.

HMRC have been involved in a joint operation with partner agencies in this area and have uncovered evidence of serious non-compliance which is being investigated fully. Discussions are ongoing with their Fraud Investigation Service and where there is sufficient evidence they will look to prosecute on a criminal basis. Four businesses were part of the operation and serious non-compliance was uncovered in two, they also found 11 illegal workers.

The intelligence gathered will be used to form the basis for further joint operations including the three enforcement bodies.

**Vacancies in HMRC NMW team**

A query was raised by Chris Stevens MP on the percentage of vacant posts in the HMRC minimum wage compliance unit. I agreed to check with HMRC colleagues on the correct figure for NMW resourcing. HMRC have confirmed that vacant posts in the unit do not stand at 25%, as suggested by Chris Stevens MP, but they are currently in the process of filling the final 10% of vacancies.

**Holiday Pay**

I cited the current lack of enforcement of holiday pay as an issue that needed to be addressed, suggesting this fell into the remit of the Health and Safety Executive (HSE). I spoke with the HSE and they clarified that whilst holiday pay is a statutory employment entitlement, they do not hold responsibility for enforcing it.

I hope this information is helpful to you.

Yours sincerely,

Professor Sir David Metcalf
Director of Labour Market Enforcement