

Social Impact of Population Change in Boston Task and Finish Group  
Notes of Evidence-Gathering Meeting of 4<sup>th</sup> April 2012 (6.30 pm)

Present: Councillors Paul Kenny (Chairman), Paul Gleeson (Vice-Chairman), Richard Austin, Elliott Fountain, Mike Gilbert (Portfolio Holder), Richard Leggott, Paul Mould and Judith Skinner. [Apologies for absence were received from Councillor Dr Samra.] Officers: Phil Drury, Andy Fisher, Janette Collier

Witnesses giving evidence: David Shamma (GMB), Councillor Paul Goodale (Unite), Sarah Dawson (Chairman of NFU Horticulture and Potatoes and local farmer), Paul Southall (Job Centre), Paul Kenneally and Ian Livsey (GLA)

UNIONS

David Shamma (representing GMB) and Paul Goodale (representing Unite) answered questions from members of the public and Councillors as follows:

*Why is it the unions have not objected to this mass influx of immigrant labour, which is putting British workers out of work. With well over 3 million unemployed, is it not time they started to lobby the government to stop this open door policy from the EU?*

Immigrant labour has not put British people out of work either locally or nationally; there are many other reasons, for example the serious economic downturn. It is a simple argument, but it is not the case. The unions have not lobbied because they do not believe this is the problem.

*There are that number of people here doing jobs that the indigenous population could do. Most people working in pack houses etc are eastern European.*

I have to disagree; I do not see that that is the case.

*With so many migrants willing to work for the minimum wage, it has made it impossible for an English worker to earn enough money to support his family. We have mortgages and families to support on £200 a week, whereas a lot of the immigrants are single, living together with very little financial commitment. This is not a level playing field. Why are the unions not standing up for the British worker?*

The unions try to treat people equally regardless of their nationality etc. Unions were set up for working people, not specifically for the English. It is the unions' job to represent all workers, all its members and they do not make artificial distinctions. To say that some group can live on a certain amount of money is a generalisation that would not bear close scrutiny. Unions fought hard for the minimum wage, though of course it could be higher. The Conservative party and the CBI were against it. So the unions do stand up for workers, I won't accept that criticism.

*50-60 people apply for one job on minimum wage, which puts employers in a very good position. If it had been done in a controlled way in the first place, but hundreds of thousands of immigrant workers have caused problems.*

Unions are not employers; they represent employees no matter what their nationality. Unite believes the minimum wage is too low and is campaigning about it, but it is a matter for Government, as is the number of immigrants. Some countries obtained dispensation to put a cap on the numbers coming in, but Britain didn't. This is an area of low wages and low attainment. It is wrong to label the trade unions as responsible; the unions represent people in work and they lobby Government to protect working people. Lack of money and job shortages are not new to the area; it was the same in the 1980s.

*The immigration policy has put the British working man back 10 years, it was Tony Blair; other countries waited 10-15 years. Companies are paying less now in many cases than they were 5 years ago, add inflation to that and we have a situation where it is becoming impossible to survive. If it is not controlled there will be a lot more people on the breadline. You need to see this and lobby Government. The British work force need your support, where is it ??*

*Do you believe your members have the perception of being muscled out of work?*

Unite: Yes, that is the general feeling. Many members of the local branch of Unite do believe that, but it is not necessarily the case; it is anecdotal and there are a lot of truths and myths, which are difficult to distinguish between. There are migrant workers and there are immigrants, but people lump them together.

GMB: There is an odd comment so I won't deny that people feel a bit more marginalised. However, I have not been contacted by anyone who says that they have been dismissed, made redundant or replaced by migrant workers, though they may be afraid of that happening.

*Do you represent migrant workers?*

Yes.

*What are the main purposes of your union within the Boston area? Do you have any particular concerns regarding employment issues within Boston? Do you have any concerns about pay rates? Is the minimum wage being adhered to?*

Unite represents people in the organisations they work for and in the national and political arena, ensuring they are treated fairly and within their terms and conditions etc. Unite is concerned about pay rates in Boston; it is a low-wage economy. There is a lot of anecdotal information that the minimum wage isn't being adhered to. But in the work place, there are agreements with the company which obviously don't apply to people who don't work there; some are sub-contracted, some are self-employed and the union has no control with respect to those people. The abolition of the Agricultural Workers Board was the biggest blow to agricultural workers, as it set out a national minimum framework. Organised gang labour doesn't want workers to have union involvement.

GMB has concerns about pay rates. It is impossible when only dealing with an individual and collective agreements are difficult to organise in some agricultural places. With respect to the minimum wage, the union is only aware of anecdotal

information about it not being adhered to; the union has not pursued any members' claims on that issue.

*What kind of union activity do you have within the Boston area? How many members do you have? Do you recruit members within the food processing factories/industries? Do you have any issues regarding translation? Are there any concerns regarding Health and Safety issues?*

GMB has members in the Council, Boston Mayflower, Foggerty's, FinnForrest, Asda and lots of individual members elsewhere. The union is always trying to increase membership and improve terms and conditions. The assertion that unions work less hard for the indigenous population is absolutely untrue. There are two local branches that do translations for the union and it may be that the county's schools use them too. There are issues, but migrant workers often speak very good English. If they don't and they have a problem they usually get a friend or colleague to translate for them. Two people work for the union in Nottingham who are fluent Polish speakers and they help. From the hundreds of meetings the unions has with migrant workers 90% understand well enough. When they have to have a translator it takes a lot longer that's all. With respect to health & safety, union organised places are twice as safe because they have representatives to ensure employers abide by their obligations. So concerns are in places where there are fewer registered or where the workers are more transient because there is less rigorous monitoring etc.

Unite has two main branches in Boston town and there are 466 members in my own branch; there are probably about 1,200 altogether. Unite's experience with respect to translation is similar to GMB's. Half of members are fluent and professional interpreters are used if needed. A lot of migrant workers speak good English but it is easier to explain things in their own language. In the event of an accident, workers may not know how to warn people to get out of the way in Polish, but shouting and waving a warning still works.

*What involvement has your union had within the migrant worker issue? Do you have any staff locally or nationally that work specifically on this issue? We are aware that you have a member who attends the GLA meetings – what kind of issues do they take to the meetings?*

GMB has had individual cases and has dealt with many disciplinary / grievance matters in low-skill, low-pay work, such as pack-houses and food proceeding. Unions have been organised in work places both where migrant workers are the majority and the minority of workers. The union has produced information in different languages or asked people along to translate. The two employees in Nottingham who are Polish nationals mostly help with translation issues but also have administrative duties on a 50/50 split. There are no other local members of staff with specific duties relating to migrant workers. The union has 3,000 members with a mix of public / private sector workers and a mix of nationalities. One person from the union attends national GLA meetings regarding the treatment of transient workers, terms and conditions, gang masters and the rights of workers and significant progress has been made. The union was not dealing with this locally. No members had approached the union and said that they were gang workers and were being

treated badly. Usually, they are disciplinary / grievance matters; none have been about not being paid the minimum wage.

## GANGMASTERS' LICENSING AUTHORITY

Ian Livsey (Chief Executive) and Paul Kenneally (Enforcement Officer) from the Gangmasters' Licensing Authority (GLA) answered questions from Councillors and members of the public as follows:

*What is the Gang Masters Licensing Authority?*

The authority was set up from a Private Members' Bill, which received cross-party support. Mark Simmonds MP was part sponsor of the Bill. It is a Non-Departmental Public Body (NDPB) and is, therefore, funded by the state. It deals with the licensing scheme which regulates labour practices of businesses in the food and food processing industry.

*What are the licensing standards and how are they enforced? How many licences have been revoked and for what reasons are licenses revoked?*

No new requirements have been brought in by the GLA; the standards are external, (for example the health & safety regulations are incorporated into the licensing standards) and businesses have to show that they meet them. The GLA has a team of enforcement officers and executive powers to prosecute where necessary if a licence holder has committed an offence. Visits are made to businesses, sometimes unannounced, to verify and check that they are complying with the standards. There are 1,200 employment agency, labour provider and gangmasters across the country and 10% operate without a licence, i.e. illegally. The reasons for revocation vary from non-payment of minimum wage and illegal deductions from pay to forced labour, withholding passports and serious organised crime.

There are 57 licence holders and since 2006 48 licences have expired (because the organisation has ceased trading) and 17 have been revoked.

*Is the GLA regulated strongly enough to protect workers or are there loopholes?*

More can always be done with more resources; the GLA has only 60 staff though they also worked with partners such as the HMRC. There are always people who try to find ways round the rules, e.g. travel and subsistence schemes are challenged all the time.

*Who are your customers?*

Labour users. The GLA tries to produce information regarding the minimum standards, revocations, guidance etc regarding labour supply. Its work is valued. There isn't anything that the GLA should be doing differently. There were three sides to its work: protection of vulnerable workers, including immigrants, protection of labour users and protection of the exchequer. The GLA had to be vigorous; this was complex work.

*How many registered gang masters in Boston area? Is that number increasing or declining? What is the split by nationality?*

The number is declining. The majority are locals, but a number are migrants.

*In the Boston area, where do the people provided by gang masters work? At the peak how many people are being provided by gang masters? What is the split between different types of employment? Do you know their nationalities?*

They work in agriculture and food processing mainly. There is no data on the number provided; within 20 days the gangmaster has to notify the GLA regarding the number of workers, but not afterwards. When they apply for a licence they have to state the area of work, but no further information. The GLA does not gather information with respect to nationalities, it would be too onerous, but intelligence networks indicate workers are Polish, Lithuanian, Latvian and Russian.

*Do you have any role in the conditions of people employed by Gang Masters outside of the workplace?*

If they are living in accommodation provided by the gangmasters; they can only charge a certain level. Enforcement officers make inspections and check with local authorities about houses in multiple occupation, which have conditions they must abide by.

*Does the minimum wage apply to people working for gang masters? We hear reports of people being paid as piece workers to avoid being paid the minimum wage, is there evidence for this? There are reports of people being charged excessive amounts for transport/accommodation etc. and seeing very little of their wages.*

Yes, the minimum wage does apply to people working for gangmasters and there is evidence of piece work. The number of hours that people work has to be recorded and if they don't provide the information it is a breach of the licensing standards. There were a lot of incidents at first with people being underpaid, but since the enforced standards were introduced this has improved. Some gangmasters charge administration or accommodation charges, but the GLA checks and ensures these are not above the accepted rates.

*There is a belief that there are Gang Masters who will not employ the indigenous population? Is there any truth in this belief? If there is proof of this has the GLA any powers to remedy the situation?*

The GLA has seen no evidence of this. It is within the licence that they must not discriminate. It is not an issue for the GLA unless workers are illegal in which case the UK Border Agency would be informed. Migrant workers are from A8 nations mainly; so they have the legal right to work here.

There is a helpline – a Nottingham number – to ring the GLA. There have been very few complaints about this from locals and when there has been one this has been looked into and there has been no evidence. The helpline is specifically for such

complaints and when one is made it triggers an investigation. The GLA operates on an intelligence basis and investigates if there are problems with respect to a labour provider.

*How did local firms cope with the shortage of labour in agriculture the 1980s and 1990s? Are the current arrangements with migrant workers an improvement on the recent past?*

In the past, workers were transported in for other areas. They had to travel to and from work and then work an 8-10 hour day. Now, the majority of workers are living in the area and there are fewer accidents because people are not so tired. Employment has been regularised in the last 15-20 years.

## JOB CENTRE

Paul Southall (Job Centre Manager) answered questions from members of the public and Councillors as follows:

*How many people are unemployed in Boston at the present time? Have you a breakdown by nationality? And have you a breakdown per ward?*

As at February 2012, there are 1,518 people claiming Job Seeker's Allowance (JSA) due to unemployment in Boston. This information came from the Nomis website [www.nomisweb.co.uk](http://www.nomisweb.co.uk) – a service provided by the Office for National Statistics, which gives free access to the most detailed and up-to-date UK labour market statistics from official sources. A breakdown by nationality isn't available but the number includes very few immigrants.

The breakdown per ward is as follows:

Central	105	Kirton	120	Staniland South	105
Coastal	60	North	60	Staniland North	35
Fenside	205	Old Leake & Wrangle	50	Swineshead & Holland Fen	65
Fishtoft	95	Pilgrim	100	West	15
Five Villages	80	Skirbeck	155	Witham	130
Frampton & Holme	15	South	30	Wyberton	80

*Is it a myth that there is a large number of migrants claiming benefits?*

That is the information I have; there are very few claiming JSA.

*How many long term unemployed are there in Boston? What help are you giving the long term unemployed? How many have you got back into full time employment? What sanctions are imposed on long term unemployed people if they don't look for work?*

245 people have been unemployed for 12 months or more; 320 have been unemployed for between 6 and 12 months; 950 have been unemployed for less than 6 months.

The target is to get 53.4% back to work within 13 weeks of claiming; 75.4% within 26 weeks and 91% within 52 weeks and all three have been achieved in the last year.

To receive JSA a person has to be actively seeking and available for work. If there is doubt it is referred to an independent decision maker and each case is dealt with on its own merits. A work programme is delivered by Injus and A4E and there are specific sanctions regarding non-compliance, for example a 2, 4 or 26 week sanction on benefits.

*How many people have we got on the worker registration scheme in Boston? Have you got a breakdown by nationality? Have you got a breakdown per ward?*

I believe it closed in April 2011. People from Bulgaria and Romania will require work permits until 2014. There are no breakdowns.

*When people come to Boston from EU countries? What help and advice do you give them? Are they entitled to any benefits - if so which benefits can they claim?*

We don't tend to see them in job centres; they have pre-arranged jobs to go to. They have to register with an agency and pay for it in their own country and the agency then finds work for them. I recommend that you look at the European Employment Services website. The few who have come to the job centre have usually come to get national insurance numbers and we had high numbers in at one point, but that is done in King's Lynn now. Yes, people have to attend in person.

*Do they have a good understanding of our system or not?*

They are in very low numbers, especially when they first arrive, so it is hard to say how well prepared they are when they come into the country.

*How much translation do you have to do within Boston? How much does it cost? Annually how many people do you translate for? Do any of your staff speak any of the EU languages? How many languages do you translate for in Boston?*

They sometimes need translation, but they usually bring a friend. We don't need very much translation. I don't know how much it costs; it is dealt with by the regional office. It is arranged through The Big Word. There are very small numbers claiming benefits and they usually bring friends. No members of staff speak EU languages. The largest number are Polish, Russian or Lithuanian. I am not aware of any from Bulgaria or Romania.

*It is common belief by local people that the influx of migrant workers are taking away all their jobs. Have you any statistics to support or refute this belief? How many EU workers come through the job centre or do most of them get work through employment agencies? How many job opportunities are available at this moment in time – and how many are registered unemployed?*

There is no evidence to support this. The Nomis website shows that the level of unemployment is roughly the same in the East Midlands as it is nationally. Wage

levels tend to be lower than the rest of the East Midlands: the average weekly pay in the East Midlands is £471.90, nationally it is £503.10 and in Boston it is £369.60. Over the last three years the trend in the East Midlands and nationally has been a slight increase; whereas in Boston it had been more varied. Boston is bottom of the pile in the East Midlands, yes. The averages are the average wages of all jobs.

*How many jobs are available in Boston?*

There are 151 vacancies on the Job Centre's free website, but employers don't use this website.

*Does the number of unemployed include those who can't claim JSA and those migrant workers who lose their jobs?*

People don't generally sign with us. I don't have that information here, but I could provide it.

*Staples recently advertised 200 vacancies and they had only 11 applicants; where these vacancies advertised with you?*

No, but I have asked why.

## NFU HORTICULTURE AND POTATOES

Sarah Dawson, Chairman of the NFU Horticulture and Potatoes, and a local farmer answered questions from members of the public and Councillors as follows:

*Why will employers only employ people through a third party e.g. gang master/agency?*

That is not accurate. There is the Seasonal Agricultural Workers Scheme, which is focused outside the UK especially for fruit-picking – students work for set periods then go home. There is a range of ways, though it is the prominent way.

*Don't you think people would be more attracted/eager to work for you if you cut the agency/gang master out and offered the job direct to the worker at the rate charged by agencies/and gang masters?*

It is the lack of permanent full-time employment that is a very big barrier to attracting labour in the farming community. There is a lot of concern about the availability of labourers because of the seasonal nature of the work and it prevents direct employment; it is a serious barrier.

*Don't you as employers think that by employing workers via a third party that this leaves workers open for exploitation by unscrupulous agencies and gang masters?*

You have heard from the GLA; that organisation has done a great deal in that regard. Licensing standards have to be met now and this is a success for employers and employees; there has been great improvement. The GLA carry out frequent

inspections and can revoke licences. I accept there is a perception there are issues, but I don't know about them and so therefore can't comment.

*Do you think that by employing people who cannot communicate in English that you are running a safe working environment for all and that health and safety rules are being followed and understood?*

Health & safety signage is universal. There are inductions for workers and health & safety regulations are specific to a business and are very firm. Workers have to demonstrate that they understand and individuals sign to say so. It is a requirement of employers that their employees can understand. There is a lot of effort by businesses and, where necessary, requirements are translated. Workers have a basic level of English; it is difficult to get by without.

*What if a worker has no English?*

Health & safety is paramount. World class businesses demand above the legislative requirements; so inductions are of a level above the 1974 requirements.

*Don't you think that by employing large numbers of EU citizens that you alienate your work place to English workers who are looking for work?*

My experience in manufacturing, food processing and the field is that people form groupings no matter what nationality they are, which can alienate any others; this is not specific to migrant labour.

*Do you think your work place is a friendly inviting work place for young English people to want to come and work and what percentage of your work force are currently English?*

The fact is at times it can be gruelling work; that has the biggest negative impact. In my family's business we employ 4 UK citizens and between 12-14 Lithuanian women for a specific crop.

*Why do employers feel the English are lazy and don't want work and who did your jobs before this wave of EU migration?*

There has been an evolution in the pool of workers for over 100 years; in the 1950s and 60s it was done by Irish workers; in the 1980s by former coal miners and in the 1990s by eastern Europeans. Bulgarian and Romanian workers will continue this and I hope it does continue; the Seasonal Workers Scheme is very well run. It will change and continue to evolve.

*What do you think could be done to get more investors businesses to come to Boston to create jobs for all the people who live here as we seem to see more and more closing down and leaving the town?*

My personal view is that the infrastructure is challenging and the increase in fuel and moving food around the country makes it more expensive. HS2, the planned high-speed railway between London and the Midlands, should be coming to this area

rather than the West Midlands. Historically, businesses set up near to the crop. As the indigenous fruit and vegetable crops decline, they can have their offices where they like. We need to grow more crops from less land and access the market more freely and that is down to the infrastructure in rural areas.

*[The Chairman advised the meeting that the East Midlands Councils has been lobbying for the HS2, that it is an all party issue and is key to success.]*

Absolutely, it is essential to provide affordable food.

*The current UK unemployment figure is 2.7 million do you think EU migration is playing a part in these figures?*

No. Unemployment has been lower and it has been higher. We have heard that there is no suggestion that migration is having an effect at the Job Centre.

*But British people would be in those jobs.*

The lack of permanent employment is a huge barrier to British people; whereas, migrant workers are happy to live in rented accommodation.

*Migrants work 12 hours for £6.08 an hour. Businesses had to pay British workers proper wages before that.*

About ten years ago an element of flexible work was introduced. But the minimum wage is paid; it is there to protect workers. We pay piece work rates when we can. It is a misconception that more was paid to workers before today. There is a lot of standardisation of harvesting; it is either feast or famine. But the rates depend on that and on demand; individuals can earn more than £800 per week.

*Would the Boston area farmers change their farming pattern if a plentiful source of dependable labour, much of it supplied by gang masters, was not available to deal with the present high proportion of labour intensive crops?*

There are very good reasons why crops grow where they are; they are well matched to the water retentive soils. The land is world-class and 70% of what the UK consumes in terms of UK vegetables is grown here. Resources are well matched. There would be great concern if there wasn't the labour; migrant and local labour is second in importance only to water. Hard work is being done to increase automation by robotics and engineering because it is recognised that low-skilled workers are becoming more of a concern for the future. It is a paradox and a challenge. Businesses would adapt through new technology or a more controlled approach, for example the Seasonal Workers Scheme.

*The vast majority employed in horticultural work are not indigenous people, why?*

In very general terms it's been evidenced by work carried out by the NFU that the work ethics of those who bother to turn up is very poor. I have evidence I could share of where employers have gone above and beyond to employ UK citizens and they have got nowhere. It appears to come down to three factors: a lack of work

ethic (time-keeping, shoddy workmanship) and a lack of enthusiasm or engagement (for example, with piece work, momentum is needed to keep up with the rest of the group) is significantly lacking. Many of these questions are satisfied in a document *Grow: EM*, commissioned by the East Midlands Development Agency and produced by Bidwell with the support of the NFU

*Have you any views or explanation as to why few school leavers are employed in the local agricultural and food processing economy?*

My own view and that of a lot of NFU members is that it is down to the school curriculum; the profile of food and farming is very poor. Also, negative connotations are taught or alluded to, i.e. that farming is polluting and environmentally damaging. Over the past two years there have been efforts to project it more accurately – the importance of food, food preparation and health – but this predominantly stops at primary level. In secondary schools it is seen as a more inferior career choice. Those that do understand farming still have a low opinion of the work and this is a serious issue and a barrier to opening it up as an employable industry. It's ridiculous to suggest there is no career progression in agriculture and horticulture. Like most industries you have to start at the bottom and work your way up, that's what I did. I started with working in fields during the summer holidays, then after school began my career with a cauli knife in my hand. I worked hard, showed a keenness to succeed and was eager to make a career in the food industry, which I did. No-one is owed a living.

*[The Chairman extended an invitation to Mrs Dawson to attend the next Task and Finish Group meeting on 26<sup>th</sup> April to which various school representatives have been invited.]*

There have been over 9,000 jobs created nationally, including the Lincolnshire area, in the last 18 months. The industry is growing and diversifying significantly and businesses are finding it very difficult to recruit low, middle and senior managers as the industry is seen as 'demeaning', which is far from the truth. People can progress in the job. There is a reluctance by some businesses to elevate migrant labour beyond the low managerial level because it is thought "they are not going to be here"; so there are jobs available.

*What do you think could be done to get more young people into the industry?*

My personal view is that this is a generation on benefits who feel they will only be valuable if they are high achievers so they prefer to stay in and play on their play stations. An important work ethic has been lost, particularly in secondary schooling. Out of school activities are restricted. In the holidays, children could get academic credits for harvesting, working within farming. High-tech equipment is used to do a range of jobs. There are very skilled jobs – sales, marketing, Accountancy, agronomist, engineers and mechanics. The industry is desperate for young people to engage with it.

*How much money is generated for the local economy by Farming? How many people are employed on the land permanently and temporarily, directly by farmers and via gang masters? What is the split indigenous/migrant?*

I have all these details and I can send you them.

The Chairman thanked the witnesses for attending and for their contributions.

(The meeting ended at 8.55 pm)