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Association of Labour Providers (ALP), Press Release - For immediate release

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New Guidance on Temporary Labour Charge Rates

“Companies that use agency labour and pay unrealistically low rates to their labour providers are conniving in tax evasion, worker exploitation or both.”

So says the Association of Labour Providers who today issue updated temporary labour “Minimum Charge Rate” tables to take account of the new national minimum wage rates that come into force on October 1st 2008.

These rates, agreed with the Gangmasters’ Licensing Authority, Defra, the Scottish Executive and DARDNI, are available to download from www.labourproviders.org.uk.

Rates payable to labour providers for agency workers must cover the appropriate minimum wage, employer’s national insurance, statutory holiday entitlement, overhead costs and an element for labour provider profit. The actual rate charged is ultimately a commercial agreement between the labour provider and user. However, charge rates much lower than those in the rates tables need to be investigated and are likely to indicate illegal activity.

David Camp, Director of the Association of Labour Providers (ALP), states:

“We have reported cases to the GLA in which labour users are paying rates where there is no chance that taxes can be paid and the workers receive minimum wage, holidays and their other entitlements. In these cases the labour user is complicit in law breaking and faces serious disruption to their business and damage to their brand when eventually the authorities catch up with them. Anyone who is aware of such low rates being paid may advise the ALP or can report it directly to the GLA.”

The ALP continues to urge both HMRC and the GLA to step up enforcement activity targeted at labour users paying unrealistically low rates. The supermarkets and other wholesaler purchasers of food also have a duty to ensure that fair and legal rates are paid to labour providers throughout their supply chain.

ENDS

Notes:

The Association of Labour Providers (ALP) is the specialist trade association for organisations that provide and use temporary, contract and seasonal workers within the food, agricultural and other GLA regulated sectors.

**Representing and supporting labour providers in the agriculture, fresh produce
food manufacturing and packing sectors**

The ALP is a centre of expertise and good practice on temporary labour issues for both labour providers and labour users alike.

The ALP welcomes labour users as Associate Members.

The ALP Chairman is Mark Boleat and Director is David Camp

A list of members and further information can be found at www.labourproviders.org.uk.

Contact 01276 509306 or info@labourproviders.org.uk for further details.