

Improving Labour Market Enforcement: Building a Fair Work Agency that Works for All

The Fair Work Agency (FWA), launching in April 2026, is a major opportunity to strengthen protections for the UK's most vulnerable workers.

To ensure the FWA succeeds from the outset in protecting the workers who need it most, this briefing sets out three essential priorities.

Three Priorities for a Successful Fair Work Agency

- 1. Properly resource the FWA**, including enough inspectors, proactive enforcement capacity and regional presence
- 2. Ensure the FWA is a safe and trusted enforcement body for migrant workers.** A firewall separating the FWA from Immigration Enforcement is essential to stop exploitation and build trust.
- 3. Publish transparent enforcement data**, to ensure public trust and help identify gaps in labour market protections.



Introduction

The Employment Rights Act 2025, which received Royal Assent on 18 December 2025, represents the most significant shift in employment law in a generation. A central reform is the creation of the **Fair Work Agency (FWA)**, a single enforcement body designed to tackle labour market abuses more effectively than the UK's current, fragmented and under-resourced system.

With the FWA set to begin work in **April 2026**, early decisions will shape its long-term credibility and effectiveness. For the Agency to meet its mandate, it must work for **all workers**, including those most at risk of exploitation: individuals who are non-unionised, unrepresented, marginalised, and unable to safely enforce their rights.

This briefing outlines **three essential priorities** to ensure the FWA succeeds from the outset in protecting the workers who need it most.

Who we are

These recommendations reflect the experience of a coalition of organisations working to improve the working conditions of the most vulnerable workers across the UK through advice, policy and funding.

Convened by the Employment Legal Advice Network (ELAN) and funded by Trust for London, the coalition includes:

- Centre for Progressive Change
- Focus on Labour Exploitation (FLEX)
- Latin American Women's Rights Service (LAWRS)
- Work Rights Centre (WoRC)
- Good Jobs First

*ELAN is a network of over 100 not-for-profit organisations supporting vulnerable workers through employment rights advice and policy. It is funded by Trust for London. ELAN's members work daily with individuals facing exploitation, giving us a unique understanding of what is needed for the FWA to succeed.

Three Priorities for a Successful Fair Work Agency

1 Properly resource the FWA

The Fair Work Agency has the potential to transform labour market enforcement and ensure workers benefit from the additional protections of state enforcement, most notably for holiday pay and statutory sick pay.

However, it will only deliver meaningful change if it is sufficiently funded and staffed.

A properly resourced FWA requires:

- **Proactive inspection capacity.** International best practice recommends a balance between proactive (60%) and reactive (40%) inspections, and a staffing ratio of one labour inspector per 10,000 workers. Current UK enforcement bodies fall far below these standards. For example, the Employment Agency Standards Inspectorate has just 18 inspectors overseeing nearly 40,000 labour agencies.
- **Evidence-based staffing and investment.** Resources should reflect labour market size, risk sectors, and regional needs. Effective enforcement requires both capital investment and personnel with specialist expertise.
- **Regional presence and local intelligence.** Regional offices would give workers accessible, trusted points of contact and help inspectors better understand local risks and patterns of exploitation.
- **A balanced enforcement model.** The FWA must be equipped for both reactive, complaints-led work and strategic, intelligence-driven proactive enforcement, including investigation of individual rights breaches.
- **A full suite of compliance tools.** This includes advisory support for employers, robust inspection capabilities, and meaningful enforcement powers such as fines and prosecutions.

The existing budgets of the National Minimum Wage ('NMW') enforcement unit, Gangmasters & Labour Abuse Authority ('the GLAA') and the Employment Agency Standards Inspectorate ('EASI') will be amalgamated into the FWA in April 2026. However, this alone is insufficient.

The Chartered Institute of Personnel and Development ('the CIPD') suggests that an additional £300 million per year is needed for the Agency to operate at a meaningful level. Investing now will not only strengthen worker protection; it will also generate wider benefits through recovered wages, increased tax revenue, and reduced pressure on courts and tribunals.

2 Ensure the FWA is a safe and trusted enforcement body for migrant workers

The effectiveness of the FWA will depend on whether workers trust it enough to report abuse. One in 5 workers in the UK were born abroad and in London, this number rises to 45%.

For many migrant workers, fear of immigration consequences prevents them from seeking help. Without strong safeguards, exploitative employers weaponise immigration status as a tool of control leading to entrenched exploitation, under-reporting and lost intelligence for enforcement bodies.

To build genuine trust and ensure worker safety, the FWA must be clearly and operationally separated from immigration enforcement.

A robust firewall is essential. Personal data shared with the FWA must never be used for immigration control purposes. This separation must also extend to inspections and enforcement activity: immigration officers should not be present, involved, or embedded within the Agency's operations.[1]

The decision to include a "hidden economy" team responsible for tackling "illegal working" is fundamentally incompatible with the FWA's core purpose.[2]

Assigning immigration enforcement functions to the Agency would:

- Destroy trust among migrant workers, suppressing reporting even in severe cases of abuse
- Create a two-tier enforcement system in which British workers can safely assert their rights, while migrant workers remain trapped in exploitation
- Divert limited resources away from labour rights enforcement
- Enable abusive employers to act with impunity by exploiting workers' fear of deportation
- Undermine international best practice, which clearly separates labour inspection from immigration control

Effective labour enforcement depends on worker confidence. Without trust, there is no reporting; without reporting, there is no enforcement. A failure to separate the FWA from Immigration Enforcement will create a two-tier system in which British workers can enforce their rights, while migrant workers remain trapped in exploitation.

A safe, independent and firewall-protected FWA is therefore not optional - it is foundational to protecting migrant workers and ensuring the Agency can fulfil its mandate.

[1] This approach is backed by several relevant stakeholders, including the Independent Anti-Slavery Commissioner, the former and current Victims' Commissioner, the Trade Union Congress (TUC), Parliamentarians, and international bodies such as the International Labour Organisation (ILO).

[2] This was announced in the policy paper attached to the 2025 budget published, on 26 Nov 2025 and updated 28 November 2025

Why this matters: Teresa's story

Teresa, a survivor of domestic servitude who had been made undocumented by her employers, was unable to report severe exploitation for over a year because she feared detention and deportation. Only when she found specialist support was she able to escape. A trusted and independent FWA could have enabled her to seek help much earlier, preventing prolonged harm.

Why this matters: Matilda's story

Matilda, a Health and Care Worker visa holder, worked extreme hours below the minimum wage under threat of deportation. She could not safely report her exploitation due to fear of immigration consequences. A genuinely independent FWA would provide a safe avenue for workers like her to seek justice.

3 Publish transparent data on enforcement activity

Transparency is vital for accountability and public confidence. The FWA should publish clear, timely, and detailed data on:

- Inspection activity and outcomes
- Enforcement actions taken against individuals and companies
- Sector-specific patterns of risk
- Use of proactive vs. reactive enforcement
- Interaction with the Employment Tribunal system

Data should allow policymakers, civil society organisations, and the public to identify where enforcement is insufficient and where legislative or operational changes are needed.

It should also help monitor whether FWA operations are reducing reliance on the severely overburdened Employment Tribunal system, where hearings are currently being listed up to two years ahead.

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Conclusion

The creation of the Fair Work Agency is a once-in-a-generation opportunity to design a labour enforcement system that genuinely protects all workers. But it will only succeed if it is built on the foundations of **trust, independence, adequate resourcing, and transparency**.

We call on the government to adopt three essential priorities:

- Properly resource the FWA
- Ensure the FWA is a safe and trusted enforcement body for migrant workers
- Publish transparent enforcement data

Implementing these measures will ensure that the FWA begins its work with credibility, capability, and the confidence of the workers it is intended to protect.

To discuss any of these issues further please email Emma Wilkinson, Director of the Employment Legal Advice Network via elan@trustforlondon.org.uk.

This briefing was put together by a coalition, made up of:

- the Employment Legal Advice Network (ELAN)
- Trust for London
- Centre for Progressive Change
- Focus on Labour Exploitation (FLEX)
- Latin American Women's Rights Service (LAWRS)
- Work Rights Centre (WoRC)
- Good Jobs First

The following organisations have signed up to support the briefing and its asks so far:

- AdviceNow
- City Community Legal Advice Centre
- Fashion Roundtable
- Free Representation Unit (FRU)
- Greater Manchester Law Centre
- Institute for the Future of Work
- Kalayaan
- Labour Behind the Label
- Maternity Action
- Protect
- Refugee Workers Cultural Association
- South West London Law Centre
- Southwark Law Centre
- Working Families