



House of Commons
Environmental Audit Committee

Hand car washes

Tenth Report of Session 2017–19

*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
to be printed 6 November 2018*

HC 981

Published on 15 November 2018
by authority of the House of Commons

Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House.

Current membership

[Mary Creagh MP](#) (*Labour, Wakefield*) (Chair)

[Colin Clark MP](#) (*Conservative, Gordon*)

[Dr Thérèse Coffey MP](#) (*Conservative, Suffolk Coastal*)

[Geraint Davies MP](#) (*Labour (Co-op), Swansea West*)

[Mr Philip Dunne MP](#) (*Conservative, Ludlow*)

[Zac Goldsmith MP](#) (*Conservative, Richmond Park*)

[Mr Robert Goodwill MP](#) (*Conservative, Scarborough and Whitby*)

[James Gray MP](#) (*Conservative, North Wiltshire*)

[Caroline Lucas MP](#) (*Green Party, Brighton, Pavilion*)

[Kerry McCarthy MP](#) (*Labour, Bristol East*)

[Anna McMorrin MP](#) (*Labour, Cardiff North*)

[John McNally MP](#) (*Scottish National Party, Falkirk*)

[Dr Matthew Offord MP](#) (*Conservative, Hendon*)

[Dr Dan Poulter MP](#) (*Conservative, Central Suffolk and North Ipswich*)

[Joan Ryan MP](#) (*Labour, Enfield North*)

[Alex Sobel MP](#) (*Labour (Co-op), Leeds North West*)

Powers

The constitution and powers are set out in House of Commons Standing Orders, principally in SO No 152A. These are available on the internet via www.parliament.uk.

Publications

Committee reports are published on the Committee's website at www.parliament.uk/eacom and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

Committee staff

The current staff of the Committee are Lloyd Owen (Clerk), Leoni Kurt (Second Clerk), Nicholas Davies (Committee Specialist), Laura Grant (Committee Specialist), Laura Scott (Committee Specialist), Jonathan Wright (Senior Committee Assistant), Baris Tufekci (Committee Assistant), and Anne Peacock and Simon Horswell (Media Officers).

Contacts

All correspondence should be addressed to the Clerk of the Environmental Audit Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5777; the Committee's email address is eacom@parliament.uk

Contents

Summary	3
1 Introduction	5
Growth of hand car washes in the UK	5
Unregulated businesses	5
Planning permission	6
Hand car washes across Europe	8
2 Environmental pollution	9
Sustainable water quality	9
Impact on water quality	9
Disposing of wash water correctly	12
Water regulations	13
Incorrect drainage	13
Environment Agency approach	14
Guidance withdrawn	15
3 Labour exploitation	17
Sustainable Employment	17
Extent of labour exploitation	17
Labour Market Enforcement	18
National minimum wage	19
Gangmasters and Labour Abuse Authority	23
Car wash allegations recorded by the GLAA - 12 months to 1 May 2018	23
Combatting modern slavery	25
Health and Safety	27
Strengthening enforcement & ensuring compliance	29
Proposed Licensing system for hand car washes	29
Conclusions and recommendations	32
Appendix: Breakdown of car wash pollution incidents in England, 2013–2017	34
Formal minutes	38
Witnesses	39
Published written evidence	40
List of Reports from the Committee during the current Parliament	41

Summary

In the last 15 years, thousands of cheap hand car washes have sprung up across the UK on car parks and disused forecourts, often using migrant labour. Faced with this competition the number of automatic car washes on petrol forecourts has dropped by over 1,100 in the decade up to 2016 and hand car washes now make up the bulk of the vehicle washing market. Hand car washes compete predominantly on costs and convenience of access and this has led to widespread practices of undercutting labour standards and other regulation. We were told that the majority of hand car washes may have some illegality around them, but the regulatory system that is supposed to deal with this is not currently fit for purpose.

We were told that a 'spectrum of exploitation' is taking place at hand car washes, from non-payment of the minimum wage or holiday pay, to serious cases of debt bondage. Research suggests that hand car washes are linked to trafficking into and within the UK for labour exploitation. This is modern slavery in plain sight on Britain's streets. Over the last three years the growth of the hand car wash industry has resulted in increasing numbers of Health and Safety Executive (HSE) and immigration inspections, focusing on serious health and safety risks and the possibility of labour exploitation. We heard some shocking cases of health and safety violations, tragically leading to the death of a worker in linked accommodation, and cases of trench foot and chemical burns amongst workers resulting from prolonged exposure to water and cleaning agents. In some cases, hand car washes are charging less than £5 per vehicle, despite employing large numbers of workers. Such low prices indicate that labour abuses, such as non-payment of the minimum wage, are occurring.

There are also concerns that some hand car washes are allowing their waste water to flow directly into surface water drains or seep into the ground. While this is not the most prevalent source of water pollution, where drains discharge wash water directly into water courses on a concentrated basis, it can damage water quality and kill animals and plants in large numbers in streams and rivers. There are a range of potentially toxic substances within wash water, including acids, oils and phosphates which can suffocate water courses by encouraging the growth of algae. If the UK is to meet its water quality targets in the 25 Year Environment Plan there needs to be efforts to deal with urban and agricultural sources of water pollution.

Risk prioritisation and a lack of inspections by the Environment Agency and water companies should not translate into a licence to pollute for hand car washes or any other businesses. Coordinating mechanisms need to be put in place to ensure water pollution is policed appropriately. We would like to see the Environment Agency write to the planning departments of Local Authorities across the UK to remind them that hand car washes should have interceptors installed and be connected to the foul sewer so that their wash water is treated rather than discharged directly into the environment. The Environment Agency should also write to major supermarkets to remind them that any hand car wash operating in their car parks needs to have appropriate drainage in place connecting to a foul sewer.

It is important to note that not all hand car washes violate labour, employment, health and safety and environmental regulations. There are legitimate regulated hand car wash

brands as well as examples of good practice by independent outlets. In October, the Responsible Car Wash Scheme was launched to enable consumers to identify compliant operators. This was developed by the Downstream Fuel Association in conjunction with the Gangmasters & Labour Abuse Authority (GLAA), five major supermarkets, the police, the Health and Safety Executive, Environment Agency, HMRC, anti-slavery charity Unseen, and national car wash operator Waves. Nevertheless, there remains exploitation and flagrant rule breaking taking place at potentially thousands of hand car washes in plain sight. The failures to enforce employment, planning and environmental regulations at some hand car washes must be rectified. The continued presence and use of non-compliant hand car washes normalises informal labour practices.

We are encouraged that the GLAA and Director of Labour Market Enforcement are stepping up their efforts to tackle labour exploitation at hand car washes. There should be more prosecutions for offences such as non-payment of the minimum wage to send out a stronger deterrence message that labour exploitation will not be tolerated in the UK. To make enforcement easier, the Government should trial a licensing scheme for hand car washes - that brings together all of the major compliance issues including environmental pollution in one more readily enforceable legal requirement. We also encourage HMRC to explore whether there is full and proper reporting of tax responsibilities and liabilities, whether under Minimum Wage legislation, PAYE, VAT, Business Rates and Corporation Tax.

1 Introduction

Growth of hand car washes in the UK

1. Mechanical vehicle washes arrived in the UK in the 1970s and by the 1990s were seen on most petrol forecourts across the UK. In the last 15 years they have faced competition from cheap hand car washes that have sprung up at the side of the road, on disused forecourts and in car parks, often relying on migrant labour. Hand car washes have seen rapid growth over the past decade and now make up approximately 80% of the UK car wash sector by volume, according to the Petrol Retailers Association.¹ This increase has been at the expense of the Automatic Car Wash (ACW) sector, which has seen its site numbers drop by over 1,100 in the decade up to 2016.²

2. Estimates of as many as 10,000 to 20,000 hand car washes operating in the UK were repeated in many of our submissions. The Government said that it was not aware of any robust figure for the number of car washes and therefore could not verify these estimates.³ We believe the higher figure may be an over estimate, but extrapolating from the numbers found in individual cities, we would suggest that the figure is at least several thousand. Data collected by the Church of England's Safer Car Washes app may provide a more accurate figure in the coming months.

Unregulated businesses

3. The Petrol Retailers Association (PRA) and Car Wash Association have stated that the move from ACWs towards hand car washes represents:

... a significant shift in the industry towards what the World Bank has termed the “informal economy” or [...] the “cash-in-hand economy”, where there is no record of the VAT, national insurance and tax that is being paid and passed on.⁴

4. Hand car washes have also been linked to non-compliance on environmental, health and safety regulations, non-payment of tax (VAT, income tax and business rates), lack of appropriate planning permission, poor accommodation for workers and modern slavery.⁵ Car washes are one of the most commonly reported sites of labour exploitation according to the Modern Slavery Helpline run by the NGO Unseen.⁶

5. There is no data to indicate what proportion of the UK's hand car washes may be evading tax or in breach of environmental, employment, and health and safety laws. However, we heard it claimed that it could be as high as 90%.⁷ Researchers at Nottingham Trent University said that:

1 The Petrol Retailers Association and the Car Wash Association (HCW0012)

2 Petrol Retailers Association (HCW0012)

3 DEFRA (HCW0019)

4 The Petrol Retailers Association and the Car Wash Association (HCW0012)

5 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

6 <https://www.modernslaveryhelpline.org/uploads/20180713080158101.pdf>

7 Q48

...in terms of owner, landlord and regulator responsibilities our research found a confused and permissive picture where many blind eyes were turned.⁸

6. It is important to note that not all hand car washes violate labour, employment, health and safety and environmental regulations. There are legitimate regulated hand car wash brands as well as examples of good practice by independent outlets. In October, the Responsible Car Wash Scheme was launched to enable consumers to identify compliant operators. This was developed by the Downstream Fuel Association in conjunction with the GLAA, five major supermarkets, the police, the Health and Safety Executive, Environment Agency, HMRC, anti-slavery charity Unseen, and national car wash operator Waves.

Planning permission

7. We heard concerns that hand car washes sometimes set up and operate without planning permission. When hand car washes are established on the forecourts of former petrol stations or other sites, they may require planning permission for a change of use of the site.⁹ The legal framework in the Town & Country Planning Act 1990 and supporting Government guidance states that any material change of use of land (as well as buildings) can constitute development that would require planning permission. However, the Local Government Association point out there is no statutory definition of ‘material change of use’.¹⁰ Therefore, whether a new hand car wash would require planning permission would be determined by the individual circumstances of the case and in particular the significance of the change and impact on the use of the land, if there is one. For example, while a HCW operating from the site of a former public house might constitute a change of use for the site, a HCW operating from the site of a former petrol station (perhaps previously incorporating a car wash) might not.

8. The Car Wash Advisory Service alleged that hand car washes:

... will very often start trading prior to any planning being sought. Our research also shows a significant lack of understanding in many planning departments regarding hand car washing, with many simply allowing land, warehouses and old forecourts to be used simply as a change of use and without any concern for the environmental impact as it is “not their job”. [...]Our investigations further show that many water companies have either no idea that a car wash has connected to their system without consent, or that again consent has been given without visiting the wash site to establish if a sludge trap/separator has been installed.¹¹

9. The Car Wash Advisory Service said that of 400 sites it investigated:

- 230 had no planning permission.
- 104 had planning in place but with conditions not met.
- 40 were considered lawful and the council would not act.
- 300 had no permission to access the foul sewer.

8 Nottingham Business School (HCW0005)

9 Anglian Water (HCW0010)

10 Letter from Local Government Association to committee (28 July 2018)

11 Car Wash Advisory Service (HCW0013)

- 11 were investigated by EA.¹²

10. When taking planning decisions, local authorities are directed by the Town and Country Planning Act 1990 to take into account any ‘material considerations’. This is not defined further in the Act, but the courts have held that “in principle ... any consideration which relates to the use and development of land is capable of being a planning consideration”.¹³ There are several material considerations—such as noise and disturbance, capacity of the water system, and pollution impacts—which might be raised when a car wash business operates in a residential area.¹⁴

11. The Environment Agency is a statutory consultee for some planning applications, such as development in flood zones or where developments potentially pose environmental risks, for example cemeteries or intensive farming. However, the Environment Agency does not currently need to be consulted regarding a hand car wash development unless it is in a sensitive environmental location, e.g. in an area with critical drainage problems, in a groundwater source protection zone or likely to affect such a zone.¹⁵

12. Anglian Water suggested that the planning system could be utilised to minimise the environmental impacts of hand car wash businesses. It said that the planning process provides an opportunity to ensure the impacts of proposals are considered before they are put in place. However, it argued that it would not be proportionate for water companies to be consulted on every application.¹⁶

13. Alastair Chisholm from the Chartered Institution of Water and Environmental Management raised concerns about how well planning conditions are enforced in practice.¹⁷ Professor Clark said that in their latest research, his team was looking at planning permission applications on hand car wash sites and that this highlighted issues of poor enforcement and compliance:

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 just not being enforced effectively. Therefore it could be a combination of things coming together to get more regulatory compliance.¹⁸

14. Local Authorities have the responsibility to ensure any planning conditions are complied with.¹⁹ Councillor Rhodes representing the Local Government Association said that resource constraints limited Local Authorities ability to enforce planning regulations:

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

12 Car Wash Advisory Service (HCW0013)

13 *Stringer v MHLG* 1971

14 <http://www.rtpi.org.uk/media/686895/Material-Planning-Considerations.pdf>

15 Email from the Environment Agency to committee staff (5 Oct 2018)

16 Anglian Water (HCW0010)

17 Q31

18 Q38

19 Q63

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.²⁰

Hand car washes across Europe

15. We were told that in some northern European nations there is better enforcement of regulations and hand car washes are not found in the same number as they are in the UK.²¹ Professor Clark from Nottingham Trent University provided anecdotal evidence that:

Unregulated hand car washes do not exist in the same way as in the UK and Ireland in other EU nations. In German [sic] and Austria, this is the case because of a strong adherence to bio issues and the green lobby. Academic colleagues at conferences suggest that these operations would be closed down within days in Germany and moreover the public would not use them in the same numbers as in the UK; the latter point may or may not be true. In summary in many northern European EU nations there is better enforcement of regulations of all types.²²

16. The Chairman of the Petrol Retailers Association Brian Madderson argued that the failure to enforce compliance with regulations had contributed to the growth of hand car washes in the UK:

It is extraordinary that we are virtually the only EU country where illegal hand car washing has proliferated over the last 10 years to the extent seen across the UK. This must result from the failure of key agencies to enforce their own regulations.²³

17. In the following two chapters we will examine concerns about water pollution from hand car washes and scrutinise the Environment Agency's record in dealing with this. We will also look at the evidence on labour exploitation and modern slavery at hand car washes and the role of the relevant regulators in enforcing labour market and tax law.

20 Q60

21 Nottingham Trent University (HCW0005)

22 Nottingham Trent University (HCW0005)

23 Local Government Association (HCW0016)

2 Environmental pollution

18. In this Chapter we will examine concerns that were raised with the committee about the potential for hand car washes on roadsides or in car parks to pollute rivers and streams by disposing of water directly into street surface water drains.

Sustainable water quality

19. The UK is required to minimise water pollution as a signatory to the UN Sustainable Development Goals and EU Water Framework Directive. UN Sustainable Development Goal 6 is to manage water sustainably, for all. Target 6.3 commits Governments to:

By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater ...²⁴

The EU Water Framework Directive adopted in 2000 required the UK to achieve ‘good’ status of all water bodies (including rivers, streams, lakes, estuaries, coastal waters and groundwater) by 2015.²⁵ However, by 2016, only 35% of surface waters across the UK were classified as ‘good’ or better.²⁶ The prognosis for UK water bodies is bleak. The Defra Secretary of State confirmed in May 2018 that “around one quarter” of water bodies in England will not meet ‘good’ status and have been set lower objectives.²⁷

20. A further commitment the Government has made to improve water quality is its 25 Year Environment Plan which ‘aims to deliver cleaner air and water in our cities and rural landscapes, protect threatened species and provide richer wildlife habitats’.²⁸ It pledges to ‘achieve clean and plentiful water’ by ‘improving at least three quarters of our waters to be close to their natural state as soon as is practicable’.²⁹ It says that it will reach or exceed objectives for rivers, lakes, coastal and ground waters that are specially protected, whether for biodiversity or drinking water as per our River Basin Management Plans.³⁰ It also says that it will make sure ‘that all those with a role to play take action to improve water quality by, for example, removing misconnected plumbing, improving surface water drainage and land management, and maintaining private sewage systems to a high standard.’³¹

Impact on water quality

21. Car wash waste water can contain phosphates, detergents, surfactants, oils, silts/sediments, traffic film remover, rubber, copper and other metals.³² These pollutants can have a range of direct and indirect impacts, depending on the volume and frequency of discharge, the level of dilution and whether it flows directly into a watercourse. For

24 <https://sustainabledevelopment.un.org/sdg6>

25 House of Commons Library, [Water quality](#) (26 July 2018)

26 House of Commons Library, [Water quality](#) (26 July 2018)

27 House of Commons Library, [Water quality](#) (26 July 2018)

28 Defra, [25 Year Environment Plan](#) (2018)

29 Defra, [25 Year Environment Plan](#) (2018)

30 Defra, [25 Year Environment Plan](#) (2018)

31 Defra, [25 Year Environment Plan](#) (2018)

32 Chartered Institution of Water and Environmental Management (CIWEM) (HCW0023)

example, the phosphates in detergents can ‘overfertilise’ the water with nutrients leading to excessive algae growth, consuming oxygen and killing animals and plants in large numbers.

The Car Wash Advisory service provided us with this description of some of the chemical products used in hand car washes:

Shampoos and Foams made from a mixture of surfactants, with a small addition of sequestrants and acid or alkali. Foams also have colourants and dyes added for visual effect. The shampoos and foams perform essential tasks in the car wash process. Manually applied by hand washers with mittens or in a machine by brushes, they help to wet the car’s surface, lift the dirt and assist in keeping the dirt in suspension prior to rinsing thereby preventing re-deposition on the paintwork.

TFR (Traffic Film Remover) made from strong alkalis such as sodium hydroxide and a range of other highly reactive chemicals. These are powerful cleaners and are designed to be selectively sprayed by hand onto the dirtiest parts of cars, or used in a much-diluted form in the pre-soak cycle in some rollover car wash machines. They help to soften and loosen dirt, remove insect remains, and are particularly effective at cleaning oils and grease from paintwork. Available in a range of strengths, extremely strong caustic alkali Traffic Film Removers are in widespread use in the Hand Car Wash sector as they are both cheap and effective. Used incorrectly they can damage car paintwork.

Acid Wheel Cleaner is made from strong acids such as Phosphoric Acid, Hydrofluoric Acid and Hydrochloric Acid (sometimes referred to as ‘brick acid’). As they are relatively cheap and effective in removing stubborn brake dust deposits without any manual scrubbing, they are widely used in the hand car wash sector where operators are rarely seen wearing the recommended eye protectors, protective clothing and nitrile gloves to handle these chemicals. If they are sprayed onto the car wheels and the hot brake discs immediately behind them, the resulting fine mist or vapour can cause immediate choking and skin damage. Used incorrectly, they can also easily damage the wheels’ finish and corrode brake pipes.³³

22. The number and severity of recorded water pollution incidents linked to vehicle washing is minor compared to agricultural pollution or water company incidents, but the detergents and vehicle dirt in wash water can impair water quality and have toxic effects on animal and plant life if disposed of incorrectly and not treated at a sewage works. The greatest risk to water quality relates to hand car washes located in car parks and similar sites, which drain directly to surface drains.³⁴ Many surface water drains discharge to minor urban watercourses, with little dilution, particularly in dry weather.³⁵

23. The Chartered Institution of Water and Environmental Management (CIWEM) pointed out that the level of pollution risk is likely to be linked strongly to site specific issues and local watercourses. Discharge of acids or alkalis to watercourses will have different impacts depending on the location and pH level of the receiving water course. For instance, discharges of acids into chalk streams will have a far greater impact than if the same discharge was made into an upland stream coming off a coniferous forest, which

33 Car Wash Advisory Service (HCW0013)

34 Chartered Institution of Water and Environmental Management, (HCW0023)

35 Chartered Institution of Water and Environmental Management, (HCW0023)

is already acidic. Anything that could alter the pH balance of a river or lake could have significant implications on fish as different species are sensitive to different water pH (e.g. significant changes in a salmonid river could have a greater impact than, say, in the lower reaches near tidal waters).³⁶

24. The Environment Agency acknowledged that car washing discharge may have a harmful effect on animal and plant life in water courses if it is in sufficient concentrations and where there is low dilution - for example, discharging into a stream or river with low flow rate. However, it argued that it did not warrant serious attention:

At face value this may appear like a serious risk, however pollution incident evidence shows that car wash waters are very diluted by the time they reach water courses and any harmful effects on water quality and the environment tend to be minor only. Often any impact is indistinguishable from other low-level sources of pollution in the drainage system such as misconnections from washing machines, car washing outside homes or contaminated drainage from industrial and commercial premises.³⁷

25. Under EU law, however, the presumption in relation to groundwater is that broadly it should not be polluted at all. This precautionary approach comprises a prohibition on direct discharges to groundwater, and (to cover indirect discharges) a requirement to monitor groundwater bodies so as to detect changes in chemical composition.³⁸ The European Water Framework Directive (WFD), which came into force in 2000, established a framework for the assessment, management, protection and improvement of the quality of water resources across the EU.³⁹

26. Only 40% of European surface water bodies surveyed by the European Environmental Agency (EEA) in 2018 were found to be in a good ecological state.⁴⁰ England was one of the poorer performers to emerge from the State of Our Waters report published on 3 July 2018, which studied 130,000 waterways. Scotland outperformed England in the clean water assessment, with water standards similar to much of Scandinavia, across the 2010–15 period.

27. The Chartered Institution of Water and Environmental Management (CIWEM) told us that although the pollution associated with hand car washes is relatively minor compared to pollution from agricultural waste and fertilisers, it is still something that needs to be prevented due to its local impacts.⁴¹ Alistair Chisholm said:

... 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 diffuse pollution, if we are going to

36 Chartered Institution of Water and Environmental Management, (HCW0023)

37 Environment Agency (HCW0024)

38 http://ec.europa.eu/environment/water/water-framework/info/intro_en.htm

39 House of Commons Library, [Water quality](#) (26 July 2018)

40 <https://www.theguardian.com/environment/2018/jul/03/most-of-europes-rivers-and-lakes-fail-water-quality-tests-report>

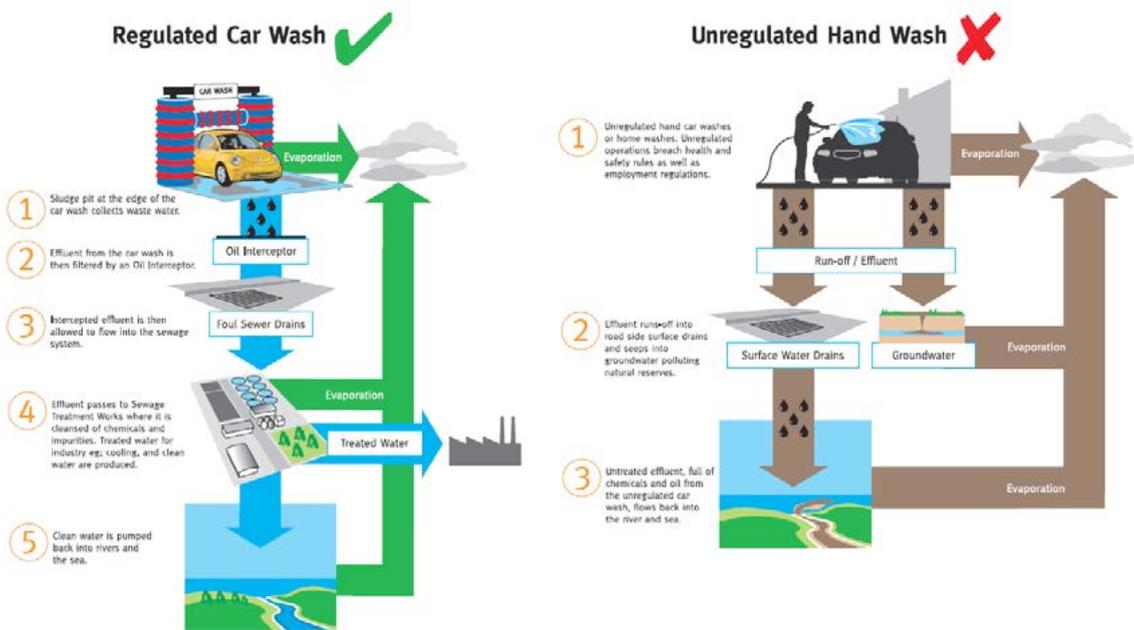
41 Chartered Institution of Water and Environmental Management, (HCW0023)

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 diffuse pollution.⁴²

Disposing of wash water correctly

28. Best practice for commercial vehicle washing requires discharge to be directed to a foul sewer from a dedicated non-permeable area, via an interceptor or silt-trap, in accordance with a trade effluent consent.⁴³ Car washes should be able to show drainage plans. Where it is not possible to connect to a foul sewer, a collection unit should be used and all traps, separators and interceptors should be emptied regularly by a registered waste collector.⁴⁴

29. The Association of Convenience Stores provided this diagram outlining the difference between correct and incorrect drainage connections for a car wash:



30. Alastair Chisholm from the Chartered Institution of Water and Environmental Management explained the difference in drainage:

In a 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.⁴⁵

42 Q25 Alistair Chisholm

43 Car Wash Advisory Service (HCW0013), Anglian Water (HCW0010)

44 Car Wash Advisory Service (HCW0013)

45 Q20

Water regulations

31. Hand car wash operators are subject to the trade effluent provisions in the Water Industry Act 1991.⁴⁶ Section 118 of the Act makes it an offence to discharge trade effluent to a sewer without the written consent of the local water company. It also states that to obtain consent, the discharger must serve written notice (an application) on the sewerage undertaker (the water company). This means that the onus is on the discharger to obtain consent and not the sewerage undertaker to make sure they have one. Anglian Water told us that, in its experience, ‘very few hand car washes obtain a discharge consent prior to conducting business, this includes many hand car wash businesses which set up in supermarket car parks.’⁴⁷

32. The Environment Agency is responsible for protecting water quality in England and regulates discharges into surface waters or onto or into the ground (and groundwater) through the environmental permitting system. You need an environmental permit if you discharge liquid effluent or waste water (poisonous, noxious or polluting matter, waste matter, or trade or sewage effluent) into surface waters, for example, rivers, streams, estuaries, lakes, canals or coastal waters.⁴⁸ In England, the Environment Agency can issue fines to anyone who discharges waste water or sewage without a permit, or who breaches of their permit conditions. Helen Wakeham, from the Environment Agency, explained:

From an environmental perspective, the regulations for water and water protection are very simple. The environmental permitting regulations have an offence to cause polluting matter to enter water and the defence to that offence is to have a permit. There is a regulatory system in place. We don’t permit hand car washes because the effluent from hand car washes is unsuitable for discharge to water. What we would advise always is for hand car washes to be connected to the foul sewer.⁴⁹

Incorrect drainage

33. We heard various accounts of hand car washes allowing their trade effluent into surface road-side sewers. Professor Clark, from the Nottingham Business School, said that many HCWs located on abandoned spaces are not connected to the correct foul sewers and that there is evidence of the tarmac being worn away by chemicals:

Many road-side petrol stations have appropriate heavier drainage systems. HCWs located on other abandoned spaces do not and there is clear evidence of degrading and damage to tarmac and around storm drains where chemical concentration eventually breaks down brick and tarmac.⁵⁰

46 (Part IV, Chapter III, sections 118 to 141).

47 Anglian Water (HCW0010)

48 Environment Agency (HCW0024)

49 Q99

50 Nottingham Trent University (HCW0005)

34. The PRA argues that many supermarket car parks where hand car washes are located will not have the correct drainage connections or interceptors. It said that:

... past research has shown that none of the major supermarkets have installed foul water drains as their car parks were never originally intended to accommodate HCWs. In addition, they allow HCWs to conduct their activities on porous asphalt surfaces (as opposed to concrete pads with foul drainage connections) that allow the effluent to seep directly down into the water table - which is even more harmful for the environment.⁵¹

35. However, the Environment Agency insisted that its work in Coventry had shown that most inner-city hand car washes will be connected to the foul sewer if they are operating within town or city centres, because of the nature of the existing sewer system. In 2014 the Environment Agency worked with the Car Wash Association and Severn Trent Water Limited (STW) in Coventry to educate and, where required, undertake enforcement action to minimise the impact of commercial car washes on the water environment. STW and the EA visited all the known car washes in Coventry and undertook dye tracing to discover where their contaminated drainage discharged to. They visited 47 sites and found that 25% of these were misconnected.⁵²

Environment Agency approach

36. The Environment Agency (EA) has seen its budget cut in recent years. Figures from Annual Reports going back to 2010–11 show that there has been a real terms reduction in the overall funding of the EA of 5% since 2010–11.⁵³ The specific grant-in-aid from Defra to the EA that is dedicated to environmental protection has fallen by 47% in real terms since 2010–11 (allowing a greater proportion of the budget allocated to the EA to be spent on flood defences).⁵⁴ To ensure its resources are targeted effectively, the Environment Agency says that it takes a risk-based approach focusing on the most serious and frequently occurring pollution incidents.

37. The Environment Agency says that pollution from hand car washes is a minor problem. The Agency searched its National Incident Reporting System to provide evidence to the committee on how many pollution incidents were related to hand car washes. There is no pollution source category for 'hand car washes' and the system only records 'vehicle washes' of any type as a category. On average around 340 vehicle washing incidents of all types are reported in England each year according to the Environment Agency.⁵⁵ This represents 2 per cent of the total number of water pollution incident reports it receives annually.

51 The Petrol Retailers Association and the Car Wash Association (HCW0012)

52 Email from the Environment Agency to committee staff 6/07/2018

53 Analysis completed for the Committee by the House of Commons scrutiny unit (29 October 2018)

54 Analysis completed for the Committee by the House of Commons scrutiny unit (29 October 2018)

55 Environment Agency (HCW0026)

38. The Environment Agency categorise pollution incidents based on their environmental and amenity impact, so:

- Category 1—major, serious, persistent and/or extensive impact or effect on the environment, people and/or property. This would be a major incident, for example a failure at a sewage works leading to a large discharge of raw sewage to a river that affects water quality and amenity.
- Category 2—significant impact or effect on the environment, people and/or property. For example, a failure of a slurry store giving rise to a localised fish kill.
- Category 3—minor or minimal impact or effect on the environment, people and/or property.
- Category 4—substantiated incident with no impact.

39. The Environment Agency provided us with a table showing a geographical distribution of all vehicle car washing pollution incidents in England (see Appendix 1).⁵⁶ It illustrates the number of reports the Environment Agency received for all car washing pollution incidents between 2013 and 2017 and the number of these that were confirmed as having an impact on water. Confirmed incidents are categorised as either Category 1 Serious, Category 2 Significant or Category 3 Minor, depending on the severity of their impact.

40. Helen Wakeham from the Environment Agency, explained that urban pollution was a less significant problem for water quality than agriculture and water industry incidents:

On a risk basis, car washing will never make it to the top of the list. However, we know that about a third of the incidents and a third of our water pollution problems arise from the water industry where we have a sophisticated regulatory regime and a source of income for that because water companies can charge their customers. About a third of issues arise from rural land and agriculture where there are mechanisms by which we manage that impact. The final third is much more difficult and the 10% or 11% that arises from urban areas is really hard to tackle because it is lots and lots of very small sources. Hand car washing is a part of that; people washing cars at home is another part of that; road drainage is part of that. There are things that we need to do and ways that agencies need to work together to tackle that 11% because it is tricky and there is not a magic bullet for it.⁵⁷

Guidance withdrawn

41. There was some criticism of the Environment Agency during the inquiry for its decision to withdraw pollution prevention guidance on vehicle washing.⁵⁸ The Northern Ireland Environment Agency, Scottish Environment Protection Agency and Natural Resources Wales have a document entitled Guidance for Pollution Protection 13 (GPP 13):

56 Environment Agency (HCW0026)

57 Q132

58 Petrol Retailers Association (HCW0012), Association of Convenience Stores (HCW0015)

Vehicle washing and Cleaning which is based on relevant legislation and good practice.⁵⁹ However, similar guidance was removed from the Environment Agency website in England when it was consolidated into Gov.uk in 2015 to reduce the volume of guidance.

42. The Association of Convenience Stores said it was hearing accounts from its members who were having to use guidance from devolved administrations for the compliance of their car washes in England. The ACS said it would encourage the Environment Agency to review its guidance and ‘work with the devolved administrations to improve and relaunch the GPP13: Vehicle Washing and Cleaning guidance so there is one single guidance document across the whole of the UK.’⁶⁰

43. The failures to enforce planning and environmental regulations at hand car washes must be rectified. Risk prioritisation by the Environment Agency and water companies should not translate into a permissive licence to pollute for hand car washes or other businesses.

44. The Environment Agency should reinstate its pollution prevention guidance for car washes. We recommend that the Agency also writes to the planning departments of Local Authorities across the UK to remind them that hand car washes should have interceptors installed and be connected to the foul sewer so that their wash water is treated rather than discharged directly into the environment.

45. The Environment Agency should also write to major supermarkets to remind them that any hand car washes operating in their car parks needs to have the appropriate drainage in place connecting to a foul sewer.

46. The Environment Agency should work with immigration, tax recovery and GLAA enforcement to ensure that unannounced inspection of hand car washes are comprehensively investigated for a full range of potential regulatory breaches.

47. The Government should consider whether changes are necessary to the water regulations governing urban diffuse pollution. Water companies should be encouraged to map and report to the environment agency where waste water is not properly being handled. This would help address the lack of data that currently hampers effective enforcement.

59 Natural Resources Wales, Northern Ireland Environment Agency, Scottish Environment Protection Agency, [Guidance for Pollution Protection 13: Vehicle washing and cleaning](#) (April 2017)

60 Association of Convenience Stores (HCW0015)

3 Labour exploitation

48. In this chapter we examine the extent of labour exploitation in hand car washes and the role of Government agencies such as the National Minimum Wage unit, Gangmasters and Labour Abuse Authority (GLAA) and Health and Safety Executive in enforcing labour market rules. The chapter will conclude with a consideration of the Director of Labour Market Enforcement's proposal for a pilot licensing scheme to be introduced for hand car washes.

Sustainable Employment

49. Ending exploitation in the UK labour market is necessary for the UK to meet the UN Sustainable Development Goals. UN Sustainable Development Goal 8 is to 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.' Target 8.7 commits Governments to:

Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking ...⁶¹

Extent of labour exploitation

50. Hand car washes compete predominantly on costs and convenience of access and we heard that this has led to widespread practices of undercutting labour standards.⁶² We were told that a 'spectrum of exploitation' is going on at hand car washes on Britain's streets from non-payment of the minimum wage or holiday pay to more serious cases of debt bondage and potential trafficking.⁶³

51. Dr Jardine from the Rights Lab in University of Nottingham pointed out that while 'not all exploitative conduct will meet the threshold for human trafficking and modern slavery', there was some evidence of extreme forms of labour exploitation taking place in hand car washes including trafficking within the UK:

Though some car wash workers willingly accept to work under such exploitative and informal conditions, there are others who are subject to more extreme forms of exploitation that prevents them from exercising free will to leave. There have been reports of passports and identification documents being withheld, threats of denouncement to immigration enforcement, infliction of physical abuse or threat of, and debt bondage to control workers.⁶⁴

52. The Modern Slavery Helpline, established by the NGO Unseen in 2016, reports in its Annual Assessment 2017 that it recorded 194 cases concerning treatment of workers at car washes, representing 27% of the total cases of labour exploitation.⁶⁵

61 <https://sustainabledevelopment.un.org/sdg8>

62 The Rights Lab, University of Nottingham (HCW0008)

63 Nottingham Trent University (HCW0005)

64 The Rights Lab, University of Nottingham (HCW0008)

65 Modern Slavery Helpline, Annual assessment 2017

53. Dr Ella Cockbain, Lecturer in Security and Crime Science at University College London (UCL), suggested that there is a clear link to human trafficking:

Our research has identified hand car washes as a fairly common context for trafficking into and within the UK for labour exploitation. Of the 450 victims whose detailed case files we examined (Cockbain & Bowers, 2018), 9% (n=40) were exploited in hand car washes. Most of these victims were adult males (n=36). The 40 victims exploited in hand car washes came from various Eastern European countries: Bulgaria, Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia. They were fairly typical of labour trafficking victims in the UK in terms of their countries of origin and gender profile.⁶⁶

54. Dr Cockbain's evidence cited explicit reports of dire living and working circumstances from the case files that she had examined during her research.⁶⁷ Examples included victims:

- housed in overcrowded and unsanitary accommodation (for example with cockroaches or limited/no heating or electricity);
- Not having access to proper beds (for example, one victim reported only one mattress between four men, others slept on mattresses on the floor or directly on the floor);
- Being underfed and surviving on a nutritionally limited diet (e.g. bread, jam and beans). Victims were often provided with very little food or money to buy food (e.g. one set of traffickers provided 15 victims housed in one property a total of £25/day for food);
- Being paid little or nothing;
- Illegal deductions from wages;
- Having identification documents taken away;
- Suffering verbal abuse, being degraded and humiliated;
- Being assaulted or threatened with violence, arrest and/or deportation;
- Working in wet clothes and wet shoes. Not having access to personal protective equipment;
- Working long hours. Having little or no breaks during the working day.⁶⁸

Labour Market Enforcement

55. The Office of the Director of Labour Market Enforcement was established by the Immigration Act 2016 to coordinate the work of the three main public bodies charged with enforcing labour market rules: the GLAA, Employment Agency Standards (EAS)

66 Dr Ella Cockbain, UCL (HCW0007)

67 Dr Ella Cockbain, UCL (HCW0007)

68 Dr Ella Cockbain, UCL (HCW0007)

and HMRC's National Minimum Wage (NMW) enforcement team.⁶⁹ Government expenditure on the three labour market enforcement bodies in 2017/18 was just over £33 million, up from around £25 million a year earlier.⁷⁰

56. The three bodies have a variety of powers, ranging from the HMRC National Minimum Wage team's ability to levy financial penalties (fines), to regulatory disclosure (so-called naming and shaming), criminal prosecution and prohibiting employment agencies and labour providers from operating.⁷¹ Employment law violations investigated by the three enforcement bodies can be pursued as civil actions, criminal prosecutions or both. The Immigration Act 2016 also introduced a new suite of Labour Market Enforcement Undertakings and Orders (LMEU/O) to increase the enforcement tools available to the three bodies, with breaches punishable by a custodial sentence of up to two years. The National Minimum Wage unit and the GLAA have a direct role in ensuring that businesses like car washes are compliant with labour market rules.

National minimum wage

57. Research undertaken by the Downstream Fuel Association has estimated the break-even costs for an outside wash and an "in and out" valet. It says an outside wash takes about 18 minutes for an average-sized car. Paying the national minimum or living wage with statutory holidays and pension contribution, and adding in the price of the materials used, rent/rates etc, comes out at a net cost of £5.73, giving a minimum breakeven price point, including VAT, of £6.88.⁷² For an 'in and out' valet, the Downstream Fuel Association say it would take 39 minutes at a net cost of £9.25, giving a breakeven price of £11.10 inclusive of VAT. If a car wash is offering services below these rates, it may indicate that the national minimum wage is not being paid to workers.⁷³

58. Professor Clark's research studying hand car washes in and around Nottingham found that the national minimum wage and the living wage were not enforced, neither were holiday pay arrangements and other employment protections.⁷⁴ He told us:

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.⁷⁵

59. The Department for Business, Energy and Industrial Strategy (BEIS) is responsible for NMW policy, including the policy on compliance and enforcement. HM Revenue and Customs (HMRC) enforce the NMW Act on behalf of BEIS.⁷⁶ The Government currently

69 Office of Director of Labour Market Enforcement (HCW0017)

70 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

71 Director of Labour Market Enforcement, [Annual report 2018/19](#)

72 Downstream Fuel Association (HCW0014)

73 Downstream Fuel Association (HCW0014)

74 Nottingham Trent University (HCW0005)

75 Q2

76 Department for Business Energy and Industrial Strategy, [National Minimum Wage Law Enforcement: Policy on HM Revenue & Customs enforcement, prosecutions and naming employers who break National Minimum Wage law](#) (Nov 2017)

uses the civil powers contained in the 1998 Act to enforce the NMW in most cases. HMRC take civil action to recover wage arrears for workers by issuing a Notice of Underpayment to the employer. A civil penalty is also imposed on employers for NMW/NLW breaches.

60. There have only been 14 minimum wage prosecutions since the National Minimum Wage Act 1998 was passed.⁷⁷ All of these have occurred since 2007. In 2016/17, four employers were prosecuted for non-compliance with NMW/NLW regulations. So far in 2017/18 one employer has been prosecuted.⁷⁸ BEIS says that prosecution is appropriate in the case of the small minority of employers that are persistently non-compliant or where there is a broader public interest in prosecution.⁷⁹ HMRC will investigate the most serious cases and those NMW offences which form part of a pattern of criminality; including for example, a suspected tax fraud, or cross-government offences such as employing illegal workers. HMRC argues that:

There is a balance to be struck between effectiveness and value for money in enforcement. HMRC will focus criminal investigation on cases where prosecution will do most to deter employers from deliberately flouting the law.⁸⁰

61. Since 2013 the Government has published an annual list naming and shaming employers that have been found to be not paying the minimum wage. Over 1,500 employers have been named and identified as owing over £8 million in back pay to 58,000 workers, and fined approximately £5 million. However, there are questions over how much of this owed pay has actually been recovered for workers.⁸¹

62. In 2018 the list has been published quarterly.⁸² At the time of writing, 420 employers have been named during 2018 for underpaying more than 31,400 minimum wage workers by £2.5 million.⁸³ As well as attempting to recover back pay for workers the Government has fined the employers a total of £3.3 million in penalties for breaking national minimum wage laws.⁸⁴ The back pay identified by HMRC in July was for more workers than in any previous single naming list and generated record fines of £1.97m.⁸⁵ The most prolific offending sectors in 2018's round were retailers, hospitality businesses and hairdressers. However, 22 car washes were also named, including some who operate on Tesco car parks:

77 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

78 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

79 Department for Business Energy and Industrial Strategy, [National Minimum Wage Law Enforcement: Policy on HM Revenue & Customs enforcement, prosecutions and naming employers who break National Minimum Wage law](#) (Nov 2017)

80 Department for Business Energy and Industrial Strategy, [National Minimum Wage Law Enforcement: Policy on HM Revenue & Customs enforcement, prosecutions and naming employers who break National Minimum Wage law](#) (Nov 2017)

81 <https://labourpainsblog.com/2018/02/04/honey-i-shrunk-the-nmw-arrears/>

82 <https://www.gov.uk/government/news/nearly-200-employers-named-and-shamed-for-underpaying-thousands-of-minimum-wage-workers>; <https://www.gov.uk/government/news/record-22400-minimum-wage-workers-to-receive-millions-in-backpay>

83 *Ibid.*

84 <https://www.gov.uk/government/news/nearly-200-employers-named-and-shamed-for-underpaying-thousands-of-minimum-wage-workers>

85 <https://www.gov.uk/government/news/record-22400-minimum-wage-workers-to-receive-millions-in-backpay>

Table 1: Car washes named by the Government as failing to pay National Minimum Wage

Car wash	Location	Total arrears (amount underpaid)	Number of workers underpaid	Average arrears per worker
Witham Hand Car Wash	Braintree CM8	£10,051.99	6	£1,675.33
Craftsman Hand Car Wash and Valeting	Coventry CV6	£5,472.94	4	£1,368.24
Soap Suds Car Wash	Stoke-on-Trent ST1	£5,298.58	5	£1,059.72
Smart Hand Car Wash Plymouth Ltd	Plymouth PL3	£4,817.09	2	£2,408.55
Jeta Car Wash Ltd, trading as Queensway Car Wash	Arun PO21	£4,584.93	3	£1,528.31
Plymouth Car Wash Ltd	Plymouth PL4	£4,122.92	3	£1,374.31
N Pashkaj Car Wash Ltd	Southwark SE1	£4,023.68	2	£2,011.84
Handy Andy Car Wash Ponteland Ltd, trading as Handy Andy Car Wash	Northumberland NE20	£3,932.55	3	£1,310.85
Waves Hand Car Wash	Kensington & Chelsea W14	£3,758.56	13	£289.12
Nick's 76 Services Ltd, trading as Nick's Car Wash	Conwy LL22	£3,601.20	3	£1,200.40
A2 Car Wash Limited	Southwark SE1	£3,553.65	3	£1,184.55
Tesco Hand Car Wash	Calderdale HX1	£2,731.24	4	£682.81
Brent Park Hand Car Wash	Brent NW10	£2,463.23	5	£492.65
Whistle Super Hand Car Wash Ltd	Plymouth PL5	£1,706.26	2	£853.13
Fast Car wash Ltd, trading as Waves Hand Car Wash	Basildon SS15	£1,444.16	3	£481.39
ADI Hand Car Wash Ltd	Epping Forest CM5	£1,304.77	6	£217.46
Lodge Lane Car Wash Ltd	Liverpool L8	£1,068	4	£267
Olympic Hand Car Wash	Newham E15	£475.50	2	£237.75
Neath Road Car Sales & Car Wash Ltd	Wiltshire SA1	£348.69	5	£69.74
Hand Car Wash	Horsham RH12	£272.70	3	£90.90
Tesco Hand Car Wash	Barnet NW2	£197.62	4	£49.41
Valley Road Hand Car Wash	Plymouth PL7	£153.30	1	£153.30

Source: Gov.uk quarterly press releases for March 2018 and June 2018⁸⁶

63. From 1 April 2016, the Government increased the penalties imposed on employers that underpay their workers in breach of the minimum wage legislation from 100% to 200% of arrears owed to workers, capped at a maximum of £20,000 per worker. The

86 <https://www.gov.uk/government/news/nearly-200-employers-named-and-shamed-for-underpaying-thousands-of-minimum-wage-workers> and <https://www.gov.uk/government/news/record-22400-minimum-wage-workers-to-receive-millions-in-backpay>

penalty is reduced by half if the unpaid wages and the penalty are paid within 14 days. An increase in the penalties for underpayment of the minimum wage, was intended to strengthen enforcement.

64. Researchers from Middlesex University working on the Unpaid Britain project have argued that consequences for non-payment of holiday pay and minimum wage are so weak that they do not present a sufficient deterrent to employers with many continuing to reoffend.⁸⁷ The Director of Labour Market Enforcement, Sir David Metcalf, has recently recommended that the NMW penalty multiplier be reviewed again and increased to a level that would ensure that there is a greater incentive to comply with the legislation.⁸⁸ He also recommended that revenue from higher penalties should be recycled into the enforcement system as additional resource.⁸⁹

65. HMRC says that it is increasing its operational response to non-compliance.⁹⁰ Following the Autumn Statement 2015, it received an additional £800 million investment to crackdown on tax avoidance, aggressive tax planning and evasion. In the Autumn Budget 2017 the Government announced that it would be investing 'in the transformation of HMRC's operational approach to tackling the hidden economy.'⁹¹

66. Brian Madderson from the PRA told us that there was circumstantial evidence of widespread avoidance or evasion of tax liability by hand car wash operators not accounting for PAYE, National Insurance, Business Rates and Corporation Tax liabilities:

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. [...] 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.⁹²

67. However, HMRC disputed those estimates:

HMRC estimates that the hidden economy tax gap was £3.2 billion in 2016–17, and for evasion, it was £5.3bn. Although we do not measure those tax gaps by sector, the numbers quoted in evidence to the committee look to be too high to be credible. HMRC wouldn't expect tax losses from just the hand car wash sector to drive six to 12 percent of the relevant tax gaps (£500m - £1bn as a percentage of £8.5bn).⁹³

87 Trust for London website, [Employers withholding billions of pounds from workers in Britain](#)

88 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

89 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

90 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

91 HM Government, [Autumn Budget 2017: policy costings](#) (November 2017)

92 Q85

93 Letter from HMRC to the Committee, July 2018 <https://www.parliament.uk/documents/commons-committees/environmental-audit/correspondence/180705-HMRC-to-Chair-Hand-Car-Washes.pdf>

Gangmasters and Labour Abuse Authority

68. Where more serious cases of organised labour exploitation exist, such as modern slavery, it is now the responsibility of the GLAA to coordinate enforcement action. The GLAA was first established as the Gangmasters Licensing Authority (GLA) to regulate and licence the agencies supplying workers to the agricultural, horticultural and shellfish industries following the cockle pickers tragedy at Morecombe Bay. The Immigration Act 2016 broadened the GLAA's remit and gave it stronger powers to tackle labour exploitation across the economy, introducing the capacity to search and seize evidence and investigate modern slavery where it relates to labour abuse and other offences.⁹⁴

Car wash allegations recorded by the GLAA - 12 months to 1 May 2018

69. The GLAA told us that it had received approximately 297 referrals from the Modern Slavery Helpline (MSHL) during the year to 1st May 2018, and that of those 80 (27%) were linked to the car wash sector.⁹⁵ In total it has received 178 referrals from all sources relating to the car wash sector in the year up to 1st May 2018.⁹⁶ A significant number of referrals come from members of the public (directly or more often through MSHL or Crimestoppers) who may witness what they consider indicators of modern slavery.⁹⁷

70. The GLAA cautioned that the public's awareness of such issues has been raised by a number of articles in the media and that the high number of referrals relating to hand car washes may be due to the visibility of the sector:

The car wash sector is widespread and visible and therefore potential issues are more likely to be spotted and reported by the public than, for example, exploitation of workers employed in the kitchen of a takeaway.⁹⁸

71. The GLAA provided the following table breaking down the various reports it had received on hand car washes in the year to 1st May 2018.⁹⁹

Allegation	Detail	%*
No Personal Protective Equipment	Mainly from the public reporting workers wearing jeans and t-shirts (particularly in cold weather). No high-vis, boots, gloves or face masks also mentioned.	26%
Vague information	Mainly from the public reporting workers who appear unhappy, dejected, not talking to one another or engaging with customers.	23%

94 <http://www.gla.gov.uk/whats-new/press-release-archive/16516-powers-and-remit-to-change-at-gla/>

95 Gangmasters and Labour Abuse Authority, (HCW0011)

96 Gangmasters and Labour Abuse Authority, (HCW0011)

97 Gangmasters and Labour Abuse Authority, (HCW0011)

98 Gangmasters and Labour Abuse Authority, (HCW0011)

99 Gangmasters and Labour Abuse Authority, (HCW0011)

Allegation	Detail	%*
National Minimum Wage	Information from the public stating workers not being paid NMW, as, for example, there are 4–5 washing one car for £3. Also, some reports from workers and partner agencies with regards to what they are paid.	13%
Withheld Wages	Not being paid on time or receiving holiday pay etc.	6%
PAYE and Tax		4%
Physical & mental mistreatment	Includes shouting at workers, threats to family.	3%
Sleeping on site	Includes duvets spotted in offices.	3%
Substandard accommodation	Includes possible overcrowded houses	2%
Excessive working hours	Includes allegations of working 12 hour shifts 7 days a week, little or no breaks	2%
No contract		1%
Environmental concerns	Public reporting water not going down the drains and soap being poured into the street.	1%
No breaks		1%
Withheld ID Docs		1%
Control of movement		1%
Debt bondage		1%
No payslips		1%
Other		11%

72. The GLAA says that the information received via referrals is triaged to identify cases of greatest risk, and relevance to the GLAA's remit. It says that:

... often these referrals can be rather vague and relate to workers appearing unhappy and/or not engaging in conversation with customers. Therefore, to date 62% of car wash referrals (from all sources) are recorded as “intelligence only/no further action”.¹⁰⁰

73. Approximately 20% of referrals received, progressed to investigation, or were linked to an existing investigation. Information received by the GLAA about potential exploitation at hand car washes has led to 34 GLAA led investigations. 25 investigations into car washes commenced and concluded between 01 April 2017–14 May 2018. Ongoing investigations where serious offences have been uncovered have resulted in submission of three cases to the CPS to consider prosecution. In another case jointly investigated with Derbyshire police, 5 individuals are awaiting court hearings.¹⁰¹

74. The GLAA provided us with the following table detailing the reasons its investigations were closed:

100 Gangmasters and Labour Abuse Authority, (HCW0011)

101 Gangmasters and Labour Abuse Authority, (HCW0011)

Reason investigation was closed:	Number of investigations:
No offences disclosed	10
Non GLA Offences Referred to other agency for Investigation	9
Intelligence only	2
No action–Insufficient evidence	1
No GLA value	1
Tasking not progressed–Closed No action	1
Not Progressed Insufficient Resources	1

75. The completed investigations took 1384 working days to reach appropriate investigation outcomes (an average of 55.36 days per completed investigation). These investigations represent a resource cost of £286,685 (£11,467/investigation).¹⁰² Because criminal investigations are resource intensive and serious allegations are increasing, the GLAA says that its strategy on hand car washes is to focus on a:

... preventative, and education campaign, to segment the market, driving up compliance where other levers could be employed effectively to create a pressure for compliance, whilst enabling operational resources to be available for the high priority allegations of exploitation.¹⁰³

76. The GLAA has made the strategic decision to target major supermarkets in this push to drive up compliance. It sought, and obtained, data on locations and activity of hand car washes on the forecourts of supermarkets to engage with the companies to develop a prevention and education approach:

This has led to the development of an approach with the supermarkets to create a code of practice, coupled with a regime to test compliance, with the potential for sanctions if a car wash does not meet the standards of the code.¹⁰⁴

77. On 22 October, the Responsible Car Wash Scheme was launched. This was developed by the Downstream Fuel Association in conjunction with the GLAA, five major supermarkets, the police, the Health and Safety Executive, Environment Agency, HMRC, anti-slavery charity Unseen, and national car wash operator Waves. The scheme will provide operators with information and guidance on operating legally. It will allow members to display a Responsible Car Wash Operator logo which will enable consumers to choose a fully compliant operator, that has been through the accreditation process and verified by audits and spot-checks.¹⁰⁵

Combatting modern slavery

78. In 2015, the Government introduced the Modern Slavery Act to tackle slavery, servitude, forced and compulsory labour and human trafficking. The Act gives law enforcement agencies the tools to deal with offenders and provides enhanced protection for

102 Gangmasters and Labour Abuse Authority, (HCW0011)

103 Gangmasters and Labour Abuse Authority, (HCW0011)

104 Gangmasters and Labour Abuse Authority, (HCW0011)

105 Follow up letter from the Local Government Association to the committee (18 July 2018)

victims.¹⁰⁶ In 2017, Devon and Cornwall Police secured slavery and trafficking risk orders under the Act in respect of two defendants who were exploiting workers at a hand car wash in Exeter.¹⁰⁷ The Government's submission says the Act has increased transparency in supply chains.¹⁰⁸ It says that it has made the UK the first country to require businesses to report on the steps they have taken to tackle modern slavery.¹⁰⁹ Under the provisions in the Act, all large businesses with a turnover of £36m or more are required to publish an annual transparency statement detailing the action they are taking to prevent modern slavery in their business and supply chains.¹¹⁰

79. Concerns have been raised recently, by the Public Accounts Committee, which found that the Government does not monitor whether company statements made under the Modern Slavery Act comply with the legislation and has never used its powers to penalise companies that do not comply.¹¹¹ Dr Jardine from the Rights Lab at Nottingham University also told us that the Modern Slavery Act had neglected the role of smaller businesses, such as HCWs, in the regulation of slavery by emphasising the role of large corporates in combatting slavery in their business operations and supply chains.¹¹² The Act legally requires businesses with an annual turnover of £36 million or more to publish a slavery and human trafficking statement each year. The slavery and human trafficking statement should set out what steps organisations have taken to ensure modern slavery is not taking place in their business or supply chains.¹¹³ However, the Act does not cover smaller-scale operations which can also be complicit in related human rights abuses, and violate labour and health and safety regulations. Furthermore, HCWs are not picked up by corporate risk management systems of companies that are in scope of the MSA as the spend on HCW is a relatively minor expense and usually no formal relationships are established with the service providers of HCWs.¹¹⁴

80. A further shortcoming in the Act, according to Dr Jardine, has been the lack of attention to local implementation and enforcement of anti-slavery policy. She argued that although multi-agency operations are now being used in many areas to target potential sites of exploitation, these tactics have developed and spread organically over time, rather than through direction as part of a national anti-slavery strategy.¹¹⁵ Research conducted with local anti-slavery partnerships also shows that local multi-agency work also frequently lacks resources and co-ordination, according to Dr Jardine.¹¹⁶

81. The Government acknowledges that hand car wash businesses are unlikely to reach the £36m turnover threshold. It points, however, to the success of the Act in effecting change with hand car washes that operate on the premises of large supermarkets:

106 Defra (HCW0019)

107 Defra (HCW0019)

108 Defra (HCW0019)

109 Defra (HCW0019)

110 Defra (HCW0019)

111 Public Accounts Committee, [Reducing Modern Slavery](#), (May 2018)

112 The Rights Lab, Nottingham University (HCW0008)

113 <https://www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide>

114 The Rights Lab, Nottingham University (HCW0008)

115 The Rights Lab, Nottingham University (HCW0008)

116 The Rights Lab, Nottingham University (HCW0008)

As a result of the legislation and work by the GLAA, major supermarkets, such as Tesco are now reporting on the risk of modern slavery in hand car washes and other franchise services operating on their premises as part of their transparency statements.¹¹⁷

Health and Safety

82. During the inquiry a number of shocking cases of health and safety violations were presented, including the death of worker housed in unsafe accommodation, workers who contracted trench foot from wet working conditions and workers who had suffered chemical burns from prolonged exposure to water and cleaning agents.¹¹⁸ Researchers from UCL set out that:

There was evidence in several files of specific injuries directly related to exploitation in hand car washes, including back injuries, cuts, an abscess and—above all—chemical burns on arms, legs and feet from the chemicals used at work. One victim described suffering such bad chemical burns from the hydrochloric acid based wheel cleaners that ‘half the skin’ on his feet was ‘peeling off’ them.¹¹⁹

83. Enforcement of the Health and Safety at Work Act is shared between the Health and Safety Executive (HSE) and local authorities.¹²⁰ The HSE says that the growth of hand car washing industry, and the number of requests for multi-agency enforcement, has highlighted health and safety concerns. These range from unsafe use of electricity, storage and use of chemicals, inadequate personal protective equipment and in some cases, the provision of sub-standard accommodation connected to the workplace. The majority of multi-agency visits are referred to HSE by police forces and are usually part of operations to disrupt organised crime.

84. Over the last three years the HSE has carried out an increasing number of inspections at hand car washes.¹²¹ The HSE provided us with the table below showing that the number of visits has risen from 10 in 2015–16 to 100 last year:

Year	Number of visits	Material breach/poor control of risks
2015–16	10	5
2016–17	42	23
2017–18	100	75

85. In the last 3 years the HSE has taken enforcement action against 103 hand car washes. It has issued Prohibition Notices to 45 businesses which required an immediate stop to work activity and Improvement Notices to 27 businesses, stating improvements to be

117 Defra, (HCW0019)

118 Q13

119 Dr Ella Cockbain (HCW0007)

120 Local Government Association (HCW0016)

121 Health and Safety Executive (HCW0022)

made within a specified time period. A further 31 businesses were served with more minor enforcement action. However, the HSE has not prosecuted any car wash through the courts.¹²²

Strengthening enforcement & ensuring compliance

86. There was a consensus amongst witnesses that labour market enforcement needed to be strengthened. The Government and GLAA have stepped up efforts in the last year, but the results of this may take time to be seen. The lack of enforcement in this area has led to third sector organisations such as the Church of England and Unseen taking action such as setting up the Safe Car Wash app and the Modern Slavery Helpline respectively.

87. Dr Jardine from the University of Nottingham argued that there is a need for a system to register and licence HCWs to ensure compliance:

The enforcement of regulations has ... been inadequate as authorities struggle to gain traction on this new phenomenon. Ensuring that regulations are enforced also requires collaboration between agencies such as HMRC and law enforcement bodies, and the involvement of Local Authority regulatory services.¹²³

Proposed Licensing system for hand car washes

88. In May 2018, the newly established Director of Labour Market Enforcement Sir David Metcalf published his office's first annual strategy on labour market enforcement calling for a 'significant increase' in fines for non-compliance, greater use of prosecutions, and a pilot licensing scheme for hand car washes to be introduced.¹²⁴ The Director argued that the current level of fines for non-payment of the minimum wage do not provide a strong enough incentive to comply - especially given the low probability of inspection and detection.¹²⁵ He points out that for non-compliance with NMW, beyond the repayment of wage arrears to the worker, employers only face a penalty of up to 200 per cent of the arrears.¹²⁶ In 2016/17, the average wage arrears were £110 per worker, which implies an employer penalty of just £220 per worker.¹²⁷ This may be further reduced if the employer reimburses the employee speedily. The Director said that there may be a case for using fines linked to turnover instead. His report also argued that there has been insufficient use of prosecutions with only 14 minimum wage prosecutions since 1999.¹²⁸

89. The Director's report pointed out that although car washes have a number of regulations to which they should be adhering, the sector currently has no compulsory registration or licensing, although there are voluntary accreditation schemes such as Washmark.¹²⁹ To gain Washmark accreditation, an operator must comply with standards for all aspects of the car wash operation from insurance and planning consents to chemical handling and management of wash water. However, the Director argued that while the WashMark was a model of good practice, as a voluntary scheme it does not tackle the most serious offending.¹³⁰

123 The Rights Lab, University of Nottingham (HCW0008)

124 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

125 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

126 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

127 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

128 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

129 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

130 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

90. His report called for two pilot schemes to be run and evaluated to test the feasibility and impact of extending GLAA licensing (which currently covers the agricultural sector) to businesses in different sectors.¹³¹ These should be done on a geographically limited basis and cover:

- a. Hand car washes; and
- b. Nail bars.¹³²

91. These two sectors were targeted because of the evidence of non-compliance across multiple regulatory areas and because they both cross a spectrum from accidental contravention of regulations to organised crime and modern slavery.¹³³ His report argued that licensing is potentially a way of simultaneously tackling several types of non-compliance, across multiple regulatory areas, from environmental standards to employment practices. It is also a way to deal with rogue employers, business owners and landlords in an effective manner.¹³⁴

92. The pilot schemes would aim to test the feasibility of licensing hand car washes as a sector, resourcing requirements, best practice in processes and the impact of licensing on compliance. The Director's report suggested that the GLAA work in close cooperation with local authorities, the Health and Safety Executive and the police to develop a licensing model that covers all areas.¹³⁵ Alastair Chisholm suggested to the committee that the licensing process could be used to ensure that hand car washes had an adequate drainage plan in place and the trade effluent consent was in place before the licence was granted.¹³⁶

93. Several witnesses agreed that licensing would be a useful way to ensure greater compliance.¹³⁷ However, a number of concerns were raised in our evidence sessions around licensing. Brian Madderson from the Petrol Retailers Association argued that a form of licensing already existed in the environmental and Trade Effluent permits but that this was not being enforced by the Environment Agency or Water companies:

‘ ... all hand car washes should have an environmental permit already if they 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 ... ’¹³⁸

94. The question was broached in our hearings, as to whether businesses that are currently non-compliant would be any more likely to comply and sign up to a licensing scheme. The need for inspectors to have expertise in multiple areas was also raised as a necessity.¹³⁹ However, Tim Harrison from the office of the Director pointed out in evidence that a licensing regime would give the GLAA greater powers of inspection - which it currently

131 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

132 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

133 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

134 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

135 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

136 Q38

137 Q38, Q83, Q84

138 Q82

139 Q167

holds for the other agricultural sectors it licenses.¹⁴⁰ Currently the enforcement bodies need actionable evidence before they go in and investigate a hand car wash.¹⁴¹ The Director's report also argues that licence revocation is a much swifter way of excluding a non-compliant firm from operating in the licensed sectors as prosecutions take significant amounts of time.¹⁴² The Government is considering Sir David's recommendations and will publish a response to the strategy later this year.

95. It is important to note that not all hand car washes violate labour, employment, taxation, health and safety and environmental regulations. Nevertheless, there appears to be widespread and flagrant rule breaking taking place at hand car washes across the country. This is unacceptable.

96. When it comes to combatting labour exploitation, the failure of authorities to enforce the law appears to be a wider problem. We were astonished to discover that there have only been 14 minimum wage prosecutions since 1999. Prosecuting more employers for non-payment of the minimum wage would send a stronger signal that the Government is serious about enforcing labour market laws. *HMRC should work with other Labour Market Enforcement agencies and consider using prosecution for non-payment of the minimum wage as a means to clamp down on premises where serious labour exploitation is suspected to be taking place.*

97. *We also encourage HMRC to explore potential tax evasion by hand car wash operators to establish the extent of material revenue leakage from the public purse from these operators and to develop strategies to recover tax due.*

98. We are encouraged that the GLAA and Director of Labour Market Enforcement are stepping up their efforts to tackle labour exploitation at hand car washes. Ensuring that hand car washes operating on the car parks of major supermarkets are compliant is the first step. We welcome the Responsible Car Wash Scheme. The public must have confidence that hand car washes at major supermarkets operate within the law. The Government should ensure that large businesses hosting hand car washes include them in their Modern Slavery Act transparency statements.

99. *To make enforcement easier, the Government should trial a licencing scheme for hand car washes that brings together all of the major compliance requirements, including on environmental pollution, into a single, more easily enforceable, legal requirement. The Government should also review whether the Modern Slavery Act 2015 could be updated to cover businesses as small as hand car washes.*

140 Q140

141 Q133

142 Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2018/2019](#) (May 2018)

Conclusions and recommendations

Environmental pollution

1. The failures to enforce planning and environmental regulations at hand car washes must be rectified. Risk prioritisation by the Environment Agency and water companies should not translate into a permissive licence to pollute for hand car washes or other businesses. (Paragraph 43)
2. *The Environment Agency should reinstate its pollution prevention guidance for car washes. We recommend that the Agency also writes to the planning departments of Local Authorities across the UK to remind them that hand car washes should have interceptors installed and be connected to the foul sewer so that their wash water is treated rather than discharged directly into the environment.* (Paragraph 44)
3. *The Environment Agency should also write to major supermarkets to remind them that any hand car washes operating in their car parks needs to have the appropriate drainage in place connecting to a foul sewer.* (Paragraph 45)
4. *The Environment Agency should work with immigration, tax recovery and GLAA enforcement to ensure that unannounced inspection of hand car washes are comprehensively investigated for a full range of potential regulatory breaches.* (Paragraph 46)
5. *The Government should consider whether changes are necessary to the water regulations governing urban diffuse pollution. Water companies should be encouraged to map and report to the environment agency where waste water is not properly being handled. This would help address the lack of data that currently hampers effective enforcement* (Paragraph 47)

Labour exploitation

6. It is important to note that not all hand car washes violate labour, employment, taxation, health and safety and environmental regulations. Nevertheless, there appears to be widespread and flagrant rule breaking taking place at hand car washes across the country. This is unacceptable. (Paragraph 95)
7. When it comes to combatting labour exploitation, the failure of authorities to enforce the law appears to be a wider problem. We were astonished to discover that there have only been 14 minimum wage prosecutions since 1999. Prosecuting more employers for non-payment of the minimum wage would send a stronger signal that the Government is serious about enforcing labour market laws. *HMRC should work with other Labour Market Enforcement agencies and consider using prosecution for non-payment of the minimum wage as a means to clamp down on premises where serious labour exploitation is suspected to be taking place.* (Paragraph 96)
8. *We also encourage HMRC to explore potential tax evasion by hand car wash operators to establish the extent of material revenue leakage from the public purse from these operators and to develop strategies to recover tax due.* (Paragraph 97)

9. We are encouraged that the GLAA and Director of Labour Market Enforcement are stepping up their efforts to tackle labour exploitation at hand car washes. Ensuring that hand car washes operating on the car parks of major supermarkets are compliant is the first step. We welcome the Responsible Car Wash Scheme. The public must have confidence that hand car washes at major supermarkets operate within the law. The Government should ensure that large businesses hosting hand car washes include them in their Modern Slavery Act transparency statements. (Paragraph 98)
10. *To make enforcement easier, the Government should trial a licencing scheme for hand car washes that brings together all of the major compliance requirements, including on environmental pollution, into a single, more easily enforceable, legal requirement. The Government should also review whether the Modern Slavery Act 2015 could be updated to cover businesses as small as hand car washes.* (Paragraph 99)

Appendix: Breakdown of car wash pollution incidents in England, 2013–2017¹⁴³

Local Area	Total number of reports relating to vehicle washing between 2013 - 2017	Total reports relating to vehicle washing, where an impact confirmed 2013 - 2017	Total number of unconfirmed incident reports relating to hand car washes in 2017
Barnsley District	7	0	0
Bath And North East Somerset	16	4	2
Bedfordshire County	12	3	1
Birmingham District	25	5	2
Blackburn	3	0	0
Bolton District	2	0	0
Bournemouth	7	1	0
Bracknell Forest	3	2	0
Bradford District	16	2	1
Brighton And Hove	2	0	0
Buckinghamshire County	14	5	2
Bury District	5	1	0
Calderdale District	17	4	1
Cambridgeshire County	18	4	1
Cheshire County	29		2
City Of Bristol	32	5	1
City Of Derby	2	0	0
City Of Leicester	2	0	0
City Of Nottingham	13	2	1
City Of Peterborough	4	2	1
City Of Plymouth	13	1	2
City Of Portsmouth	5	1	1
City Of Southampton	14	0	2
City Of Stoke-On-Trent	6	1	0
Cornwall County	47	10	5
County Of Herefordshire	12	1	1
Coventry District	15	7	1
Cumbria County	9	0	0
Darlington	7	1	2
Derbyshire County	29	5	0
Devon County	36	6	6
Doncaster District	10	1	1

Local Area	Total number of reports relating to vehicle washing between 2013 - 2017	Total reports relating to vehicle washing, where an impact confirmed 2013 - 2017	Total number of unconfirmed incident reports relating to hand car washes in 2017
Dorset County	22	5	2
Dudley District	12	4	0
Durham County	16	1	3
East Riding Of Yorkshire	5	0	3
East Sussex County	20	3	2
Essex County	39	7	5
Gateshead District	7	2	1
Gloucestershire County	34	3	3
Halton	1	0	0
Hampshire County	56	11	7
Hartlepool	1	0	0
Hertfordshire County	59	14	5
Isle Of Wight	8	0	2
Kent County	75	13	11
Kirklees District	17	6	1
Knowsley District	1	0	0
Lancashire County	54	9	5
Leeds District	9	0	0
Leicestershire County	21	4	1
Lincolnshire County	33	9	5
Liverpool District	1	0	1
London	104	36	8
Luton	1	1	
Manchester District	10	1	3
Medway Towns	2	0	0
Middlesbrough	4	1	0
Milton Keynes	7	2	1
Newcastle Upon Tyne District	3	1	0
Norfolk County	36	9	2
North Lincolnshire	6	0	1
North Somerset	10	2	3
North Tyneside District	2	2	0
North Yorkshire County	33	8	6
Northamptonshire County	31	8	1
Northumberland County	5	2	1
Nottinghamshire County	22	4	3
Oldham District	2	2	

Local Area	Total number of reports relating to vehicle washing between 2013 - 2017	Total reports relating to vehicle washing, where an impact confirmed 2013 - 2017	Total number of unconfirmed incident reports relating to hand car washes in 2017
Oxfordshire County	10	1	1
Poole	4	1	0
Reading	8	0	0
Redcar And Cleveland	10	2	0
Rochdale District	14	2	0
Rotherham District	18	0	1
Rutland	5	1	0
Salford District	1	0	0
Sandwell District	9	2	1
Sefton District	2	0	1
Sheffield District	35	7	2
Shropshire County	14	3	6
Slough	5	1	0
Solihull District	8	2	2
Somerset County	30	7	3
South Gloucestershire	3	0	1
South Tyneside District	2	0	0
Southend-On-Sea	2	1	0
St Helens District	3	0	0
Staffordshire County	27	5	3
Stockport District	2	0	0
Stockton-On-Tees	1	1	0
Suffolk County	23	8	5
Sunderland District	6	2	0
Surrey County	50	10	3
Swindon	6	3	0
Tameside District	6	1	1
The Wrekin	2	2	0
Thurrock	2	0	0
Torbay	1	1	0
Trafford District	2	0	1
Wakefield District	14	3	1
Walsall District	4	1	0
Warrington	2	0	0
Warwickshire County	23	5	2
West Berkshire	8	0	1
West Sussex County	38	13	2

Local Area	Total number of reports relating to vehicle washing between 2013 - 2017	Total reports relating to vehicle washing, where an impact confirmed 2013 - 2017	Total number of unconfirmed incident reports relating to hand car washes in 2017
Wigan District	8	0	0
Wiltshire County	20	3	2
Windsor And Maidenhead	7	0	2
Wirral District	2	0	1
Wokingham	1	0	1
Wolverhampton District	5	0	1
Worcestershire County	25	5	4
York	8	1	4
Total	1,677	338	174

Formal minutes

Tuesday 6 November 2018

Members present:

Mary Creagh, in the Chair

Philip Dunne Kerry McCarthy
Robert Goodwill

Draft Report (*Hand Car Washes*), proposed by the Chair, brought up and read.

Paragraphs 1 to 99 read and agreed to.

Summary agreed to.

A table of car wash pollution incidents provided by the Environment Agency was ordered to be appended to the report.

Resolved, That the Report be the Tenth Report of the Committee to the House. Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[The Committee adjourned]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 26 June 2018

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.

[Q1–38](#)

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.

[Q39–88](#)

Tuesday 10 July 2018

Dawn Frazer, Managing Director, Car Wash Advisory Services Ltd; **Darryl Dixon**, Director of Strategy, Gangmasters and Labour Abuse Authority; **Tim Harrison**, Deputy Director of Labour Market Enforcement; **Helen Wakeham**, Deputy Director of water quality, groundwater and land contamination, Environment Agency; **Philip White**, Head of Operational Strategy, Health and Safety Executive.

[Q89–142](#)

Victoria Atkins MP, Parliamentary Under Secretary of State for Crime, Safeguarding and Vulnerability, Home Office, and **Thérèse Coffey MP**, Parliamentary Under Secretary of State at the Department for Environment, Food and Rural Affairs.

[Q143–167](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

HCW numbers are generated by the evidence processing system and so may not be complete.

- 1 ACS (the Association of Convenience Stores) ([HCW0015](#))
- 2 AIR-serv ([HCW0006](#))
- 3 Anglian Water Services ([HCW0010](#))
- 4 Avon and Somerset Anti-Slavery Partnership ([HCW0028](#))
- 5 Car Wash Advisory Services Limited and the Sandu Foundation ([HCW0013](#))
- 6 Chartered Institution of Water and Environmental Management (CIWEM) ([HCW0023](#))
- 7 Defra ([HCW0019](#))
- 8 Department of Security and Crime Science, University College London (UCL) ([HCW0007](#))
- 9 Downstream Fuel Association ([HCW0020](#))
- 10 Dr Rebekah Schiff ([HCW0018](#))
- 11 Environment Agency ([HCW0024](#))
- 12 Environment Agency ([HCW0026](#))
- 13 Environment Agency ([HCW0030](#))
- 14 Frasers Consulting ([HCW0025](#))
- 15 Gangmasters and Labour Abuse Authority ([HCW0011](#))
- 16 Health and Safety Executive ([HCW0022](#))
- 17 Local Government Association ([HCW0016](#))
- 18 Member of the public 1 ([HCW0002](#))
- 19 Member of the public 2 ([HCW0004](#))
- 20 Mr Kevin Hyland OBE ([HCW0003](#))
- 21 Ms Saeeda Bukhari ([HCW0029](#))
- 22 Nottingham Trent University | Nottingham Civic Exchange ([HCW0005](#))
- 23 Professor Sir David Metcalf CBE ([HCW0017](#))
- 24 The Clewer Initiative and the Santa Martha Group ([HCW0021](#))
- 25 The Petrol Retailers Association and The Car Wash Association ([HCW0012](#))
- 26 The Rights Lab, University of Nottingham ([HCW0008](#))
- 27 Union Street No Car Wash ([HCW0009](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2017–19

First Report	Plastic bottles: Turning Back the Plastic Tide	HC 339
Second Report	Disposable Packaging: Coffee Cups	HC 657
Third Report	The Ministry of Justice: Environmental Sustainability	HC 545
Fourth Report	Improving air quality	HC 433
Fifth Report	UK Progress on Reducing F-gas Emissions	HC 469
Sixth Report	Green finance: mobilising investment in clean energy and sustainable development	HC 671
Seventh Report	Greening Finance: embedding sustainability in financial decision making	HC 1063
Eighth Report	The Government's 25 Year Plan for the Environment	HC 803
Ninth Report	Heatwaves: adapting to climate change	HC 826
First Special Report	The Future of Chemicals Regulation after the EU Referendum: Government Response to the Committee's Eleventh Report of Session 2016–17	HC 313
Second Special Report	Marine Protected Areas Revisited: Government Response to the Committee's Tenth Report of Session 2016–17	HC 314
Third Special Report	Sustainable Development Goals in the UK: Government Response to the Committee's Ninth Report of Session 2016–17	HC 616
Fourth Special Report	Plastic bottles: Turning Back the Plastic Tide: Government Response to the Committee's First Report	HC 841
Fifth Special Report	Disposable Packaging: Coffee Cups: Government's Response to the Committee's Second Report	HC 867
Sixth Special Report	The Ministry of Justice: Environmental Sustainability: Government's Response to the Committee's Third Report	HC 982
Seventh Special Report	Improving air quality: Government Response to the Committee's Fourth Report	HC 1149
Eighth Special Report	UK Progress on reducing F-gas Emissions: Government's Response to the Committee's Fifth Report Eighth	HC 1406
Ninth Special Report	Green finance: mobilising investment in clean energy and sustainable development: Government Response to the Committee's Sixth Report	HC 1450

Tenth Special Report	Heatwaves: adapting to climate change: Government Response to the Committee's Ninth Report	HC 1671
Eleventh Special Report	Greening Finance: embedding sustainability in financial decision making: Government Response to the Committee's Seventh Report	HC 1673
Twelfth Special Report	The Government's 25 Year Plan for the Environment: Government Response to the Committee's Eighth Report	HC 1672