



Business, Innovation and Skills Committee

House of Commons London SW1A 0AA

Tel 020 7219 5469 Email biscom@parliament.uk Website www.parliament.uk

Ms Jennifer Hardy
Finance Director
Transline
Stoneleigh & The Coach House
39-41 Halifax Road
Brighouse
Yorkshire
HD6 2AQ

9 September 2016

Dear Ms Hardy

Working practices at Sports Direct

Thank you for your letter dated 5 August, in which you responded to Chapter 4 of our Report on the working practices at Sports Direct, published in July 2016.

As a Committee, we do not like the tone of your reply, in particular your statements of being “astounded” and “extremely saddened” by what you claim are “the inaccuracy of the Committee’s preliminary conclusion on this issue and the apparent bias shown by the Committee in their published report”.

The only issue you cover in your letter is the one concerning whether your licence was revoked or had expired. You quoted evidence from the Gangmasters Licensing Authority, which stated that your licence had lapsed, and wrote “this unequivocally confirms that Qualitycourse Ltd’s licence was not revoked by the GLA as stated in Q84 by Jonathan Reynolds. The answer given to the question by myself, on behalf of the company, was therefore absolutely correct, as supported by the GLA’s response above. Qualitycourse Ltd’s GLA Licence was not revoked by the GLA. We are therefore at a loss as to how the Committee could have concluded that the evidence given to this question was in anyway misleading or how the GLA’s submission refuted my claim in respect of the above”.

However, the question that Mr Reynolds asked you was “We have heard evidence that the GLA had revoked Transline’s licence to supply labour for the food industry, on the basis that the directors were found not to be fit and proper persons. Is that correct?” We wanted to find out the reasons why Transline did not hold a licence. Our Report did not comment on whether or not the licence had been revoked or had lapsed.

We asked the GLA to comment on your letter, and we attach their response, which repeats points made in their earlier submission. We completely stand by our conclusions, which were based on evidence obtained from the GLA, evidence which we note you do not refute in your letter to us. In particular, we also note the following:

- your oral and written evidence and your letter does not acknowledge the period of trading without a licence. Paragraphs 50 and 51 of our Report highlighted the fact that, during the time you did not hold a licence, you continued to supply workers to your client between 14 July and 19 September 2013, “thus committing a criminal offence under s12 of the Gangmasters (Licensing) Act 2004”. This point was reiterated by the GLA, when we asked them to comment on your letter; they

Business, Innovation and Skills Committee

House of Commons London SW1A 0AA

Tel 020 7219 5469 Email biscom@parliament.uk Website www.parliament.uk

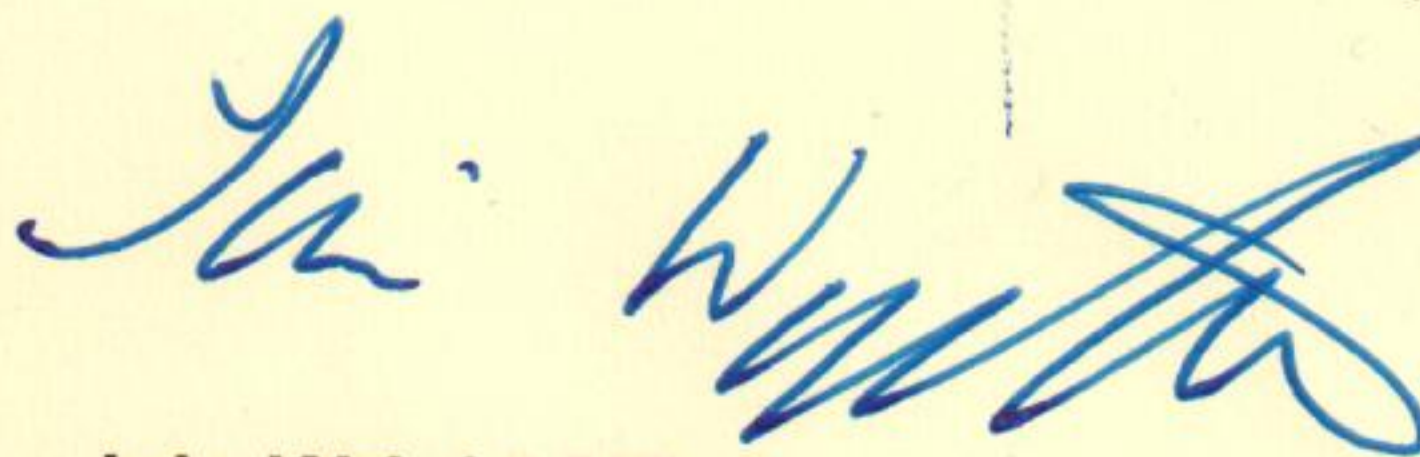
said that the Recruiter publication stripped Transline of an industry award as a result of the illegal trading;

- you confirmed that Transline made an internal decision not to supply the GLA with all the information they sought, due to their requests being “unreasonable and disproportionate”. However, at no point did you remove yourself from the application process. The GLA stated that this “internal decision, on an unspecified date, was never communicated to the GLA”.
- furthermore, the decision by the GLA to refuse a licence was based not only on the lack of information given which the GLA said that the applicant had obstructed the GLA and that neither the Principal Authority for Transline, nor the other Directors were fit to hold a licence, but also other factors, including:
 - not operating a salary sacrifice scheme (with workers paying reduced HMRC contributions) in accordance with the rules;
 - examples of not paying the national minimum wage; and
 - and not paying workers for time spent on inductions; and
- you made no mention of your second licence application, under the company name of Transline Europe Ltd on 12 November 2013, which was also refused. The GLA’s letter of refusal (dated 16 April 2014) stating that “the GLA does not consider that you, or the other persons named on this licence application have been candid and truthful about the ongoing connection between Transline and QualityCourse Ltd which trades as the Transline Group (“Qualitycourse”).

All these points fully reaffirm our original Report and its conclusions. We were not inaccurate in any way. Conversely, we believe that Transline has not been candid over its dealings with the GLA or in its evidence to the Committee, and is therefore lacking in credibility with regards to our inquiry. On the basis of our conclusions, using the evidence from the GLA, we expect that companies will want to think seriously about using a company that treats their workers and conducts its business in this way.

I reiterate the points I made in my original letter to you, where I believed you may have misled the Committee through your evidence to us. We consider this to be a serious matter. Your letter of 5 August did not address these fundamental questions which we posed to you. I would ask that you, as a matter of urgency, and certainly within seven days of this letter’s date, directly address the points we originally put to you. If you fail to do so, it would leave the Committee with little choice but to seriously consider concluding and reporting to the House that Transline’s Directors are not fit and proper to run the company, and publicising our conclusion as widely as possible. I am copying this letter to Mr Ashley, Executive Deputy Chairman of Sports Direct, for his information.

Yours sincerely



Iain Wright MP

Chair of the Business, Innovation and Skills Committee