

Iain Wright MP
Chair
Business, Innovation and Skills Committee
House of Commons
SW1A 0AA



5 August 2016

Dear Mr Wright,

Working Practices at Sports Direct

Further to our attendance to give evidence to the committee on 25th June 2016 and the publication of your report on the Employment Practices at Sports Direct on 22nd July 2016 I am writing, as requested, to demonstrate that our evidence in respect of the Gangmasters Licensing Authority (GLA) was **not** deliberately misleading.

We were astounded to read the published preliminary conclusion reached by the Committee in respect of our evidence with regards to the GLA. Having now had the opportunity to consider the situation and revisit the evidence which we gave to the Committee we remain astounded and extremely saddened by the inaccuracy of the Committee's preliminary conclusion on this issue and the apparent bias shown by the Committee in their published report.

The GLA currently has no remit to deal with the services provided at Sports Direct and we would question the relevance of such a question in the context of your considerations with regards to Sports Direct's working practices. We were completely open and honest and continue to be so, with regards to our dealings with the GLA, we were willing to answer your questions in relation to the GLA.

I have set out below an extract from the transcript of the hearing in respect of the three questions we were asked with regards to the GLA:

“Q84 Jonathan Reynolds: A particular question for you guys from Transline from the previous session is that we heard evidence that the Gangmasters Licensing Authority had revoked Transline's licence to supply labour for the food industry, on the basis the directors were found not to be fit and proper persons. Is that correct?

Jennifer Hardy: We had an administrative error on our side, which led to us having to go through an application process for our licence. We actually only supplied one client, which is 0.8% of our business. During that process we no longer supplied that client, so we removed ourselves from the process and did not continue with the application process because we do not actually supply the food sector and do not require the gangmaster licence.

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Q85 Jonathan Reynolds: Are you legally entitled to supply labour to the food industry?

Jennifer Hardy: No, because we do not hold a gangmaster licence. However, it was an administrative error that led to that. It was not a misdemeanour.

Q86 Jonathan Reynolds: A lot of people would look at that and ask why, if a company is not in a position legally to supply labour to one sector of the economy, it should be permitted to do so to another sector. Do you not think that is reasonable?

Jennifer Hardy: I think the Gangmasters Licensing Agency is set up for a very specific reason, which was down to the cockle-pickers, was it not? It is not something that would be inherent in every warehouse in the country. They did cover one of our customers and that is why we held a licence. We do not operate in that sector so we would not be required to hold a licence."

In the GLA's written evidence they have provided the letter that they sent to us confirming that the licence did indeed lapse due to our failure to pay the annual licence fee.

"To clarify the licence position: Transline / Qualitycourse (Qualitycourse traded as the Transline Group so they are essentially one and the same for the purposes of this submission) held a GLA Licence from 14 July 2006. This was renewed each year until 2013 when on 18 July, having received no notice of renewal from the company, the licence lapsed and a letter explaining this position was sent by the GLA. ([See Doc 01](#))"

This unequivocally confirms that Qualitycourse Limited'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 Limited'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.

The question put to the GLA was completely different to that question put by Jonathan Reynolds to myself on 25th June 2016 so it is unsurprising that the Committee received a different answer to that provided by us.

The evidence which we gave with regards to our internal decision not to provide the GLA with the evidence they had sought and to abandon our application is correct. The fact that the GLA decided to make a decision without us supplying the information sought, is a matter for them but we can confirm that our internal decision was not to supply the GLA with all the information they sought due to their requests being, in our opinion, unreasonable and disproportionate. The GLA appeared to us to have confused their investigation and application processes and as such, were asking questions that appeared inappropriate for the purposes of an application. As a business we answered many requests comprehensively but the ongoing requests being made, which we deemed to be unreasonable, were becoming both time consuming and costly. This also coincided with our

busiest period and no clients operating in the GLA sector, so a decision was taken that we wouldn't supply further information or pursue our application further.

We no longer supplied any clients in the GLA sector and as such, took a commercial decision not to undertake the necessary work to supply the information sought and to not appeal the GLA's inevitable decision to refuse the application. Nothing in the evidence from the GLA establishes anything different to this as this was the position of the company and the decision made in 2013 with regards to the company's GLA licence.

Again, we can see absolutely no basis for the Committee to state that we misled the Committee in responding to the Committee's inaccurate assertion that the company's GLA licence had been revoked.

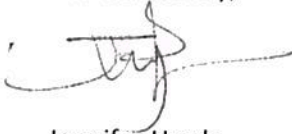
The claim that our GLA licence had been revoked was made by Steve Turner of Unite who told the Committee:

“Steve Turner: We see it in these agencies elsewhere. These agencies employ workers across different sectors of the economy where we have members as well, and we see these same practices. This is an agency, in respect of one of them, Transline, which had their license revoked by the Gangmasters Licensing Authority when they operated in the food industry. Of course the Gangmasters Licensing Authority is restricted in its scope. It is one of our recommendations in our briefing that the scope of the Gangmasters Licensing Authority for licensing and regulation and enforcement be extended across all sectors of the economy. This is a company denied a licence in one sector of the economy and then free at will to operate in exactly the same way for which it was denied a licence in food elsewhere across the retail sector.”

That evidence is inaccurate and misleading. It also bears no relevance to the working practices at Sports Direct. This is clearly a misleading statement as evidenced above yet the Committee has appears to have taken no action against Mr Turner with regards to his misleading evidence. Unfortunately, we cannot see how the Committee's actions in this regard, can be interpreted in any other way other than as bias against us. We note that although the above statement is factually incorrect and despite evidence establishing it was factually incorrect it was not identified as such by the Committee in its report.

Having sought to assist the Committee with its inquiry into working practices at Sports Direct, we are disappointed to have been accused of deliberately misleading the Committee. That accusation is unfounded, as we hope the Committee will now recognise. We have taken this matter extremely seriously and are actively assisting Sports Direct with the ongoing improvements to working conditions at Shirebrook.

Yours sincerely,



Jennifer Hardy
Finance Director