



GLA Brief

Issue 34 – April 2014:
Licence Maintenance and
Notifying Changes in Details

This brief covers the latest guidance for licence holders on licence maintenance. It replaces GLA Brief 13.

Introduction

This guidance explains what a licence holder needs to do to maintain their licence and when changes need to be notified to the GLA, including:

- Changing Principal Authority (“PA”)
- Nominating an alternative contact for the PA
- Changes to Named Individuals, Directors and Partners
- Other changes with the licence holder
- What happens if a licence holder’s legal entity changes
- What happens if a licence holder goes into bankruptcy, administration or liquidation
- Whether a licence can be transferred
- Licence renewals (including what happens if a licence is revoked without immediate effect)

What is changing?

This Brief clarifies how a licence is affected if a PA leaves a business and no one else is named on the licence (see the [Changing Principal Authority](#) section).

It also explains how a business revoked without immediate effect from 4 April 2014 must now renew its licence to allow continued trading during any appeal period (see the [Licence Renewals](#) section).

Changing Principal Authority

Every licence has a designated PA. The PA for a licence holder is the individual responsible for the day-to-day management of the business.

The GLA must authorise the new PA before they can be added to the licence. If a licence holder wishes to change its PA, the current PA should inform the GLA about the intended change. If the current PA no longer works for the licence holder, the change can be requested by:

- a designated alternative contact for the PA
- any director or company secretary (if the licence holder is a company)
- any officer of an unincorporated association or any member of its governing body, or
- any other partner (if the licence holder is a partnership)

The GLA will send a “Change of PA” form for the prospective PA to complete. Once a signed and completed form has been returned to the Authority with proof of identity (for example, a copy of a passport), checks will be conducted with other government departments, regulatory authorities and enforcement agencies. The GLA may also conduct an inspection.

If no issues are identified as a result of the GLA’s checks, the new PA will be authorised and named on the licence (meaning the person will be shown on that licence’s Public Register entry). However, if the proposed PA is not considered fit to be authorised to act as a gangmaster, the request will be refused. The GLA will advise the licence holder of its decision. We will explain if another person should be nominated to be the PA or if there are any implications for the licence, for example whether the licence may be revoked.

Licence holders must notify the GLA within 20 working days if the PA changes. Failing to do so may breach Licensing Standard 1.4. Please refer to the GLA Licensing Standards for more information. Please be aware that the GLA may still need to speak to a previous PA if it is relevant to an investigation.

Where the previous PA is no longer working for the licence holder, that person’s name will be removed from the licence’s Public Register entry. Until the new PA is authorised, only other named persons on the licence – shown on the licence’s Public Register entry – can supply workers on behalf of the licence holder. If no other person is named on the licence, the business is prohibited from supplying workers. As an interim measure before a new PA is authorised, the GLA may add a named individual to the licence, if considered appropriate. That would allow the business to continue trading in the sectors covered by GLA licensing. This request should be made by an officer of a company or any designated alternative contact to the previous PA.

Licences granted to a sole trader cannot change PA as the licence is granted to that individual person.

Alternative Contact to the Principal Authority

The PA is able to nominate an alternative contact who can make changes to the licence and renew the licence on the PA's behalf. The PA should contact the GLA to request adding an alternative contact. The GLA will ask the PA to provide basic details about the alternative contact, including their name, address and contact details. The alternative contact may be another individual in the business or an external accountant, solicitor or other representative of the licence holder.

The GLA may run checks with other government departments, regulatory authorities and enforcement agencies and conduct an inspection to determine if the nominated person is suitable to be the PA's alternative contact. Subject to the outcome of the checks, the Authority will write to the PA confirming whether an alternative contact has been added to the licence record. Please be aware that this person will not be authorised to act as a gangmaster and will not be named on the licence or shown on the Public Register. If the alternative contact needs to be authorised to act as a gangmaster and named on the licence, it should be separately and specifically requested. In order to be authorised to act as a gangmaster and named on the licence, the alternative contact must be an employee of the licence holder.

Licence holders are entitled to add more than one alternative contact. Should the licence holder need to change an alternative contact, the PA should contact the GLA to request adding a new person as an alternative contact or to remove an existing contact.

Named Individuals

For licence holders with a turnover of less than £5 million a year in the GLA regulated sectors, any individual employed by the licence holder who is authorised to negotiate with labour users and supply workers must be named on the licence (which means they will be shown on the Public Register).

The PA or alternative contact should contact the GLA to request adding or removing a 'named individual'.

The GLA will ask for the individual's name, date of birth and business contact telephone number. The authority will ask the PA or alternative contact to confirm whether the individual:

- has the right to work in the UK
- is an undischarged bankrupt or disqualified director
- has been subject to a restraint or confiscation order or civil recovery under the Proceeds of Crime Act 2002
- has any unspent criminal convictions, alternative sanctions or penalties for proven offences
- has been interviewed for or charged with an offence that is awaiting trial or decision on an alternative sanction, and

- has held or currently holds a GLA licence, been named on another GLA licence, worked for or advised another GLA licence holder.

The GLA may conduct checks with other government departments, regulatory authorities and enforcement agencies and conduct an inspection to determine if the individual can be authorised to act as a gangmaster and named on the licence.

A person who is named on a licence is authorised for that licence only. If the licence expires or is revoked, then individuals previously named on that licence are not authorised to act as a gangmaster for any other licence holder.

Licence holders with a turnover of £5 million or more in the GLA regulated sectors may choose to provide job titles of staff authorised to negotiate with labour users and supply workers. The job titles with the number of people employed in that role will then be identified on the licence and shown on the Public Register.

The GLA should be notified within 20 working days if a named individual or specified job title (along with the number of persons employed in that role) changes.

Directors, Company Secretaries and Partners

Licence holders should notify the GLA within 20 working days if any Director, the Company Secretary or any Partners change.

Please also be aware that Directors, the Company Secretary and Partners are not automatically named on a licence as authorised to act as a gangmaster. A licence holder's PA or alternative contact should specifically request that a Director, Company Secretary or Partner is named on a licence if this is required.

Other Changes in Details

Licence holders should notify the GLA with 20 working days if;

- the trading name changes or the business starts to use a trading name
- the PA, any Director, Company Secretary or any Partner are convicted of any criminal offence or receive an alternative civil sanction, and
- any of the contact details of the business change (for example, the address, email or telephone number)

Failing to Notify the GLA

Failing to notify the GLA of the above changes may result in Licensing Standard 1.4 being breached. Please see the Licensing Standards for more details.

Please be aware that a licence may be revoked for deliberately failing to notify the GLA of changes.

Change in Legal Status

If a licence holder changes its legal entity, the new entity needs to be separately licensed by the GLA. The GLA recommends that any new application should be made before any change in legal entity is made. The new entity is not allowed to trade under the previous licence.

Licences will only be granted to an individual legal entity. Where there is a group of companies, each individual company must be separately licensed.

Licence holders affected by this should contact the GLA as soon as possible to discuss their situation to avoid any potential unlicensed trading.

Bankruptcy, Administration or Liquidation

Bankruptcy

Licence holders should notify the GLA within 20 working days if bankruptcy proceedings are taken against them or if they are thinking of making themselves bankrupt. The GLA will then assess whether the licence holder should still be considered fit to hold a licence.

Administration

Licence holders should notify the GLA within 20 working days if their company enters administration. The GLA will require an explanation for the reasons of the administration as well as the details of the appointed administrator. Depending on the particular circumstances for the administration, the GLA may decide to revoke the licence.

If another company buys the business as a going concern or purchases assets, that company would need to be separately licensed (unless they are already licensed). A licence is not a business asset which can be sold.

New companies set up through a pre-pack administration will need to apply for their own licence.

Liquidation

Licence holders should notify the GLA within 20 working days if their company is liquidated, wound up or dissolved. The GLA will require an explanation for the reasons of the liquidation as well as details of the appointed liquidator. Depending on the particular circumstances for the administration, the GLA may decide to revoke the licence.

Licence holders going through the process of winding up a company should keep the GLA notified on the action being taken.

The GLA will cancel the licence if the business no longer exists. Any continued trading may then risk prosecution.

Licence Transfers

A licence holder is entitled to request a licence is transferred to another person or business before it expires. However, the GLA will not normally grant such requests. Any

legal entity wanting to be licensed should apply for its own licence. That application will be subject to the normal checks in order to make sure the business is fit to hold a licence.

One of the GLA's concerns is identifying and tackling 'phoenix' companies. That is most effectively done through the GLA application process. Licence holders considering restructuring and setting up a new legal entity should take into account the time required for applying for a new GLA licence. Licence holders should contact the GLA as soon as possible to discuss their situation if they are considering setting up a new legal entity.

Once a licence has expired, no request for a transfer can be made as there is no longer anything to be transferred. A licence has expired if:

- it is not renewed before its expiry date, or
- the licence holder's Companies House number, Unique Tax Reference or Value Added Tax (VAT) number change.

Licence Renewals

The GLA will write to licence holders six weeks before their licence expiry date reminding them to renew. That letter will also include a copy of the licence record – licence holders should make sure it is up to date.

If no renewal payment is received in response to the first renewal reminder, a final reminder will be sent approximately three weeks before the expiry date. If the licence is not renewed before the expiry date, the licence will be cancelled. The GLA will then write to the licence holder confirming that the licence has expired.

It is a licence holder's responsibility to make sure they renew in time.

Where a licence expiry date falls during an appeal against a revocation without immediate effect (or during the period of time to appeal against a revocation without immediate effect), the business will still be required to renew its licence in the normal way if it wishes to continue trading during any appeal period. Renewing the licence is without prejudice to the GLA's decision to revoke the licence.

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