

## **Gangmasters and Labour Abuse Authority**

### **Home Office**

#### **Non-qualifying regulatory provision assurance statement: confirmed**

The Regulatory Policy Committee (RPC) is content that, on the basis of the summary information provided, none of the measures or activities covered in the summary document should be considered as a qualifying regulatory provision for the purposes of the business impact target. This statement does not provide a detailed view of any specific activity in the regulator's summary document. Nor does it comment on any activities not included in the summary. Some activities might, however, have been the subject of separate assessments of qualifying regulatory provisions.



**Michael Gibbons CBE**, Chairman

## Non-qualifying Regulatory Provisions Summary Reporting Template

**Regulator: Gangmasters Licensing Authority/Gangmasters and Labour Abuse Authority**

**Business Impact Target Reporting Period Covered: May 2015 – June 2017**

Excluded Category*	Summary of measure(s), including any impact data where available**			
A – EU and International	See Annex 3 of the <a href="#">‘Quick-start Guide for regulators’</a> for an example for each category in this template			
B – Economic Regulation				
C – Price Control				
D - Civil Emergencies				
E – Fines and Penalties				
F – Pro-Competition				
G – Large Infrastructure projects				
H – Misuse of Drugs/National Minimum Wage				
I – Systemic Financial Risk				
K – Industry Codes				
L1 – Casework	In financial year periods (unless otherwise stated or available from part year)	15/16	16/17	17/18 (to May)
	No of compliance inspections completed (calendar year) <a href="http://www.gla.gov.uk/our-impact/who-has-been-inspected/">http://www.gla.gov.uk/our-impact/who-has-been-inspected/</a>	2015:  76	2016:  62	2017 (to June):  28
	Applications inspections required	131 (from May)	118	67 (to may)
	Revocations	20 10 (from	18	2

	Refusals of licences	May)	13	3
	Licences granted	106 (from May)	95	71
	Enforcement cases closed (inc prosecutions)	114	66	34
	Number of prosecutions completed (Gangmasters (Licensing) Act offences)  <a href="http://www.gla.gov.uk/our-impact/conviction-totals/">http://www.gla.gov.uk/our-impact/conviction-totals/</a>	5	5	5
	Appeals  <a href="http://www.gla.gov.uk/our-impact/appeals-against-the-gla/">http://www.gla.gov.uk/our-impact/appeals-against-the-gla/</a>	8	8	0 to date
	<p>Notes:</p> <p>1 hyperlinks provide the location to where this information is provided on the GLAA's website</p> <p>2 data is stored in different formats for the different activities</p> <p>3 Compliance inspections are shown in the year completed (but there is a time lag where some may have been commissioned in the preceeding year, and be in progress, or commissioned in the current year and be in progress at year end. Therefore the year in which completion occurs is used to provide a single reference point.</p> <p>3 application inspections required (new applications) is shown in the year of application, despite that there may be time lag) because other case work relating to the application will have occurred before the application inspection, in the year of the application.</p> <p>4 Enforcement – criminal investigations – are shown above in the year of completion. Silar issues relating to time lapse apply to statistics here, and may be greater due to the nature of criminal investigations. Therefore an in-progress figure is not provided.</p>			
L2 – Education, communications and promotion	<b>GLA Brief 42 When to issue P45 to workers</b> (based on HMRC guidance – removed due to reference to HMRC guidance which was updated)			

**GLA Brief 43 updates regarding charge rate guidance.**

The GLA issues charge rate guidance to licence holders whenever there is an increase in National Insurance, or National Minimum/Living wage etc, or increases in the agricultural minimum wage which continues to apply in Scotland, and NI. The charge rate guidance is produced by the Association of Labour Providers and issued by the GLA. It identifies what the minimum charge rate should be in order to meet all legal requirements to correctly deduct National Insurance and tax, and pay the national minimum wage. It includes overhead and service costs calculated by Defra. The charge rate guidance is aimed at assisting labour suppliers to negotiate the correct legal rates, in relation to which they will also negotiate their profit margins. The guidance says:

“The actual rate charged is ultimately a commercial agreement between the labour provider and user. Any agreed rate should take into account the particular costs of supply. However, charge rates lower than those in the rates tables plus a sustainable net margin may indicate illegal activity - unless there is a legitimate and demonstrable explanation.”

The rates are therefore indicative not prescriptive, guidance being discretionary (a point raised by BRE in correspondence in Dec 2016). However, where information is received that may suggest a lower charge rate is being used it may indicate other legislation is being breached, to secure business, which may result in worker exploitation, and require inspection. It is also recognised, when assessing risk and determining whether inspection is required, that, large companies may initially charge lower rates as “loss leaders” to secure business.

**GLA Brief 44 Certificate in Professional Development:  
Investigating Modern Slavery**

This Brief identified a training course developed and provided by the GLA in partnership with the University of Derby, on how to identify modern slavery. The course is not compulsory for licence holders, but is focused on those in labour supply chains who may want to obtain greater awareness of their responsibilities

**GLA Brief 46 National Living Wage**

This Brief signposts licence holders to HMRC guidance on the NLW (confirmed in discussion with BRE re L2 exclusion).

**GLA Brief 47 Charge rate guidance**

Supersedes Brief 43

	<p><b>GLA Brief 49 Charge rate guidance</b></p> <p>Supersedes Brief 47</p> <p><b>GLA Brief 50 Labour Market Enforcement Undertakings and Orders</b></p> <p>This Brief explains the new sanctions introduced in the Immigration Act 2016, and to the statutory code of practice issued by the Home Office. It explains what the sanctions are and the process to apply one of the sanctions. It does not provide examples of how they will be used by the GLA, which would be part of a revised enforcement policy statement, which, when produced, may be a separate QRP. BRE communication with the GLA supports this Brief as being exempt under L2.</p> <p><b>GLA Brief 51 Additional labour market powers</b></p> <p>This brief provides information on new powers granted by the BEIS SoS (the arrangements letter) to assist in a more holistic enforcement of abuse, where identified, in the labour market. It explains that the powers will be used in the same manner as when exercised by Employment Agency Standards (EAS) or National Minimum Wage, but only in England and Wales. Effectively the authority provided by the BEIS SoS expands the resources available to respond to breaches of law that apply to the labour market but does not introduce new burdens on compliant businesses. Decisions on Prohibitions remain with BEIS EAS; Notifications of NMW underpayments with NMW; and whether to prosecute with CPS. Further additional criminal powers are due to come into force on 30/04/17. Once revised arrangements letters are received a further Brief will be issued, subject to any Purdah restrictions.</p>
L3 – Activity related to policy development	
L4 – Changes to management of regulator	

\*complete the summary box as ‘following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion’ where this is appropriate

\*\* For certain excluded categories - such as A, B, C, F and I, it is good practice to provide a narrative description of any significant measures. This will help provide greater transparency and assurance that BIT exclusions are being applied consistently and appropriately