



Gangmasters &
Labour Abuse Authority

Gangmasters and Labour Abuse Authority

Annual Report and Accounts

1 April 2022 to 31 March 2023



HC 337

Stopping worker exploitation



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Labour Abuse Authority

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Gangmasters and Labour Abuse Authority Annual Report and Accounts 2022-23

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Foreword



Elysia McCaffrey
Chief Executive Officer



Julia Mulligan
Chair

The reporting period 2022-23 was the first full year we have both been in our respective posts and is the last year of our current strategy. This year we are proud that the organisation has:

- secured three modern slavery convictions totalling over ten years
- recovered £165,582 for 4,598 affected workers through our regulation activity
- referred 57 potential victims of modern slavery into the National Referral Mechanism (NRM) and identified 180 potential victims through Duty to Notify; and
- engaged 271 Romanian learners through the workers' rights project, which aimed to equip Romanian nationals with the knowledge of employment law and rights whilst working in the UK.

This year also gave us the opportunity to reflect on the strategic focus and performance of the organisation ahead of setting our new three-year strategy for 2023-26.

In November 2022, we started to review the organisation's current structure and operations, to ensure we are as efficient and as effective as we can be. This work has been detailed and intensive and has enabled us to better understand where we need to make improvements and how we can drive our performance forward.

As a consequence, the organisation will be undergoing a period of substantial change with the development of a new 'Target Operating Model' (TOM), which is aligned with our new strategy.

In 2023-24, we will focus on:

- implementing our new TOM to maximise our capacity and capability so that we can be as effective and efficient as possible
- improving the timeliness of licensing decisions and compliance inspections
- developing a new approach to addressing high-risk licence holders
- upgrading our core IT systems; and
- reshaping how we are led and governed.

This work will build the solid foundations for our organisation to flourish and fulfil our mission and begin to deliver on our new 2023-26 Strategy.



Elysia McCaffrey
Chief Executive Officer



Julia Mulligan
Chair

Performance Report: Overview

Who we are

The GLAA is a Non-Departmental Public Body (NDPB), sponsored by the Home Office that **works in partnership to protect vulnerable and exploited workers.**

The organisation has 121 employees of which 72 undertake regulation, investigation, and intelligence activities. The GLAA's Head Office is in Nottingham, but most operational colleagues are located across the UK based in four syndicate areas.

We are operationally independent and governed by our Board of non-executive directors. The Board provides scrutiny, oversight, and governance of the GLAA, assuring the work of the Chief Executive Officer and leadership team. The Board is supported in this work by its Audit and Risk Assurance Committee (ARAC) and its People and Culture committee.

We are audited regularly by the Government Internal Audit Agency (GIAA) and the National Audit Office.

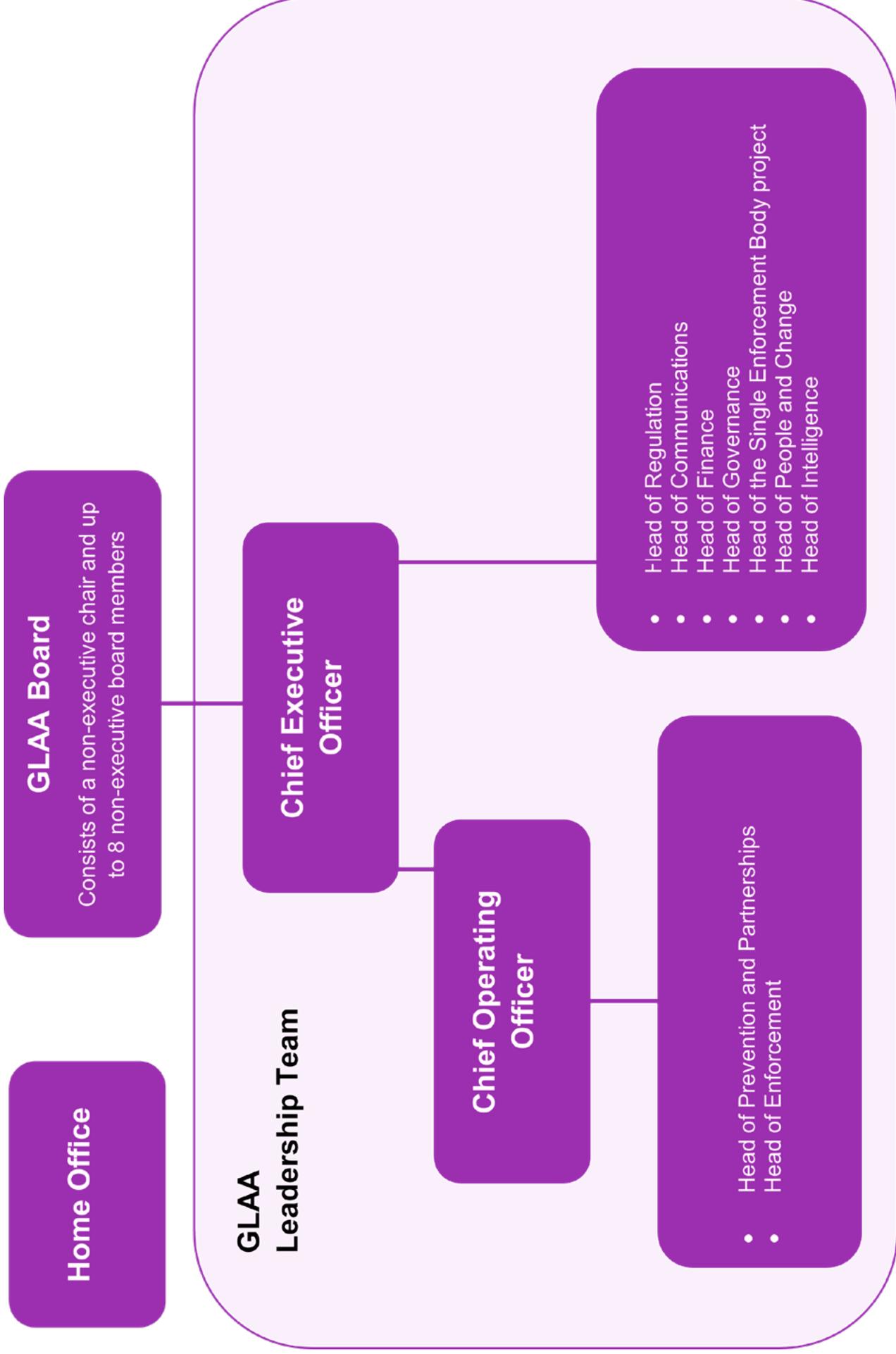


Figure 1. The GLAA Strategic Leadership structure.

What we do

We protect vulnerable and exploited workers through:

- **Regulation** – Regulating businesses that provide workers to the horticulture and fresh produce industry. Anyone wanting to provide workers to our regulated sectors (agriculture, horticulture, shellfish gathering, food and food packaging and processing) must have a GLAA licence to operate. It is a criminal offence to supply workers without a GLAA licence or use an unlicensed labour provider. Our regulatory work includes operating a licensing scheme, undertaking inspections to ensure compliance, and taking enforcement action where there are breaches.
- **Prevention** – We work with a broad range of stakeholders locally, nationally, and internationally to prevent workers from being exploited. Partners include other government agencies, but also a network of specialist charities and non-governmental organisations (NGOs). Prevention is an important part of our work. Our prevention activities are diverse and extend beyond our regulated sectors, as we work in other high-risk sectors that rely on a temporary, low paid and often migrant workforce.
- **Enforcement** – We investigate allegations of worker abuse under the Modern Slavery Act 2015 in England and Wales. GLAA Officers can conduct civil or criminal investigations and take enforcement

action, including prosecutions and court orders to disrupt criminal activity. We also support victims who have been abused, in particular by ensuring they can access specialist help from our partners. We do not have modern slavery enforcement powers in Northern Ireland and Scotland, this work remains with the Police in those areas, but our regulation scheme operates UK-wide. We have fostered close working relationships with our enforcement partners across the whole of the UK where we are able to jointly visit locations and make the best use of the powers that we collectively have, to disrupt and deter criminal activity.

Who we support

Through our work we encounter a wide range of workers who are potential victims of labour exploitation and labour market offences. The severity of this exploitation varies, from issues about pay and remuneration, to serious modern-day slavery offences. To help us better understand our impact, we identify victims under three categories: economic victims, victims in unsafe conditions, and those subjected to coercion and control. Victims in all three categories are supported by the GLAA to varying degrees.

Coercion and Control

Our most serious investigations involve allegations of modern slavery and severe labour exploitation. This

can also include economic and unsafe conditions, but coupled with debt bondage, serious physical harm, and mental abuse. In these instances, victims often have their wages controlled by a third party and can be forced to live in dangerous accommodation as a condition of their employment.

Case study: Newport trio convicted of modern slavery offences

In October 2022, three people were convicted of modern slavery offences following an investigation by the GLAA. The trio received a combined sentence of over ten years for keeping a victim in a house in Newport against his will and forced him to work to pay off an ever-increasing 'debt'. They stole an estimated £10,000 from him over an 11-month period. The most money he ever received was £20. The victim was also stripped of his passport and bank cards, denied showers and clean clothes, and faced threats that his family would be targeted.

The GLAA received a referral from a food business, after concerns had been raised about the welfare of a worker after co-workers noticed how little food he had and that he was wearing the same clothes every day.

The victim was referred into the NRM and was supported by our Victim Navigator during the trial in 2022.

Unsafe conditions

Through our work we often identify victims living in unsafe accommodation, which has been provided by their employer. These individuals are also frequently exposed to unsafe working practices.

Case Study: Victims housed in Lincolnshire car wash

This year we supported Lincolnshire police in an investigation of a car wash, where an Egyptian man in his late 20s, had told GLAA investigators he had been kept at the car wash against his will since 2017. A Slavery and Trafficking Risk Order was granted as the business was believed to be housing vulnerable workers with no right to work in the UK on and off site and arranging for them to be transported to work.

Economic

The exploitation experienced by these victims often relates to their employment. This includes the non-payment of the national minimum wage, the withholding of holiday pay or other elements of pay or being forced to pay for services such as personal protective equipment, work finding fees, training etc. The vast majority are identified through our compliance and enforcement activities.

Case study: Money recovered

In this financial year, over £165,000 was recovered for 4,598 affected workers, double the money recovered in the previous year (£79,000). A large proportion of this money (£115,000) was recovered from retained holiday pay, over £1,000 for personal protective equipment and over £5,000 for unpaid wages. In addition to this the GLAA recovered money from a labour provider in relation to PAYE arrears to HM Revenue & Customs (HMRC) and for a labour provider from a labour user for labour supply debts.

Our priorities and strategic objectives

This is the last year of the GLAA's 2020-23 strategy, which sets out the organisation's vision, mission, and values, to be delivered through achieving six ambitious objectives.

Our vision: To be a world class organisation in the fight to tackle labour exploitation

Our mission: Working in partnership to protect vulnerable and exploited workers

Our values: Integrity, respect, commitment, professionalism, and teamwork

Our six strategic objectives:

- Identify and support victims of labour exploitation
- Maintain a credible licensing scheme, creating a level playing field, and promoting compliant business growth
- Work in partnership with all stakeholders to protect workers' rights and prevent labour exploitation
- Disrupt and deter criminal activity within the labour market
- Develop our people and culture in line with the authority's values, ensuring a diverse, resilient, and change-ready organisation

- Provide efficient and effective services, sound governance, robust risk management and value for money.

The three-year strategy is supported by annual business plans, which direct the in-year activities needed to meet our strategic objectives, underpinned by performance measures.

Performance Summary



Performance Measures

Our performance this year has been strong in some areas, including Enforcement (objective one) and Finance (objective four). However, we have continued to underperform in Regulation (objective two). Work started in 2022-23 to change the way we operate and improve our performance, particularly in regulation. This work will be a priority for 2023-24.

In 2022-23, we achieved 50 per cent of our business plan performance measures (four out of eight). We were unable to assess our performance in relation to colleague satisfaction as the People Survey was postponed to the following financial year.

Objective one: Enhance our understanding of labour exploitation to better inform and prioritise operational activity

Measure	2022-23			2021-22
	Target	Actual	Assessment	
Increase the proportion of operational outcomes by 10 per cent	56 per cent	71 per cent	Achieved	46 per cent
30 per cent of operational activity results in a disruption outcome	30 per cent	53 per cent	Achieved	18.9 per cent
75 per cent of stakeholders surveyed agree that GLAA has influenced the promotion of worker rights	75 per cent	77 per cent	Achieved	72.9 per cent

The GLAA achieved all three measures under objective one. Outcomes in this instance included convictions, arrests, Slavery and Trafficking Risk Orders, Slavery and Trafficking Prevention Orders, Labour Market Enforcement Undertakings, Labour Market Enforcement Orders and warning or enforcement notices. This suggests that in 2022-23, we were better at prioritising our operational activity and we used our range of powers more effectively.

Objective two: Deliver an effective regulatory scheme that drives business compliance in the regulated sector and supports good practice

Measure	2022-23			2021-22
	Target	Actual	Assessment	
Increase the proportion of businesses inspected in the regulated sector	20 per cent	-31 per cent	Not Achieved	19 per cent
90 per cent of Application Inspections are conducted virtually	90 per cent	50 per cent	Not Achieved	N/A

This year, we did not achieve the performance measures relating to our regulatory activities. The measure to increase the proportion of businesses inspected in the regulated sector was not achieved. Although there was a significant drop in Compliance Inspections (13 CIs tasked, compared to 61 tasked in 2021-22), those undertaken were focused on high-risk businesses and resulted in four revocations (comparable to the number of revocations in 2021-22).

The measure relating to conducting 90 per cent of Application Inspections virtually was not achieved. The reasons for this included, high-risk applications which needed to be conducted in person, the training of new compliance officers who required training in-person and redeploying personnel from enforcement teams to conduct the inspections.

Improving our regulation function will be a key priority as part of delivering our new operating model in 2023-24.

Objective three: Support our people to thrive in a positive values-led culture, with a focus on inclusion and wellbeing

Measure	2022-23			2021-22
	Target	Actual	Assessment	
75 per cent of colleagues report overall satisfaction through the annual People Survey	75 per cent	N/A	Unknown	71 per cent
Sickness absence to be under public sector average	Under 4.4 per cent	4.4 per cent	Not Achieved	3.1 per cent
Turnover to be under public sector average	Under 16.2 per cent	18.3 per cent	Not Achieved	15.97 per cent

We were over the public sector average target for employee turnover and were in line with the public sector average for sickness absence. Therefore, we did not achieve either of the objectives. We were also unable to determine whether we achieved our target on colleagues' satisfaction. The decision was taken to postpone our People Survey due to extensive employee engagement already being undertaken throughout the target operating model project.

Objective four: Align our priorities with our capacity, resources and budget

Measure	2022-23			2021-22
	Target	Actual	Assessment	
Deliver the service within two per cent of the budget	Within two per cent	Within one per cent	Achieved	4.59 per cent

The measure for delivering the GLAA's service within two per cent of the budget was achieved as we were within one per cent of the budget. We will be looking to build on this success in the next financial year, to ready ourselves for the Public Bodies Review.

Looking to the Future

Next financial year will be the first of our new three-year strategy. Our main priority for 2023-24 will be to implement a new operating model following an extensive review of the organisation, which took place in 2022-23. This new operating model will transform the way we work, improve our future effectiveness and develop our organisational culture. A key aspect of this will focus on our core capabilities, capacity and how we need to resource our work in line with our strategic goals. This work will help us be a more effective and efficient organisation that delivers its goals.

The evidence base informing our strategy showed that we need to refocus, improve and enhance our work as a regulator. Specifically, we need to improve our productivity, timeliness, and the robustness of our

regulation and continue to prioritise our enforcement activity through our Control Strategy. Next financial year, we will implement change in the organisation, to ensure we are in the best possible place to achieve our goals.

A handwritten signature in black ink, appearing to read 'E. McCaffrey', written in a cursive style.

Elysia McCaffrey
Chief Executive Officer

Performance Analysis

How we delivered against our strategic objectives in 2022-23

In addition to the performance measures set out earlier in this document, we set ourselves some key business deliverables to drive performance forward.

Objective one

Enhance our understanding of labour exploitation to better inform and prioritise operational activity

This reporting year, we were intent on improving and developing our intelligence capability. A key focus was to be more intelligence-led to better prioritise investigations, inspections, partnership working and prevention activities. In 2022-23 we revitalised our Control Strategy to ensure effective prioritisation of operational activity.

Through prioritising our activity, we have increased operational and disruption outcomes in 2022-23 including:

- three Modern Slavery convictions (two in 2021-22),
- 22 Slavery and Trafficking Risk Orders/Slavery and Trafficking Prevent Orders (ten in 2021-22),
- seven Labour Market Enforcement Undertakings (six in 2021-22), and
- £165,582 recovered for workers by the Compliance Team, (£78,922.08 in 2021-22).

In 2023-24, we will focus on building on this good work to ensure our expertise, skills, experience and powers are used effectively to protect exploited workers.

Key deliverables

What we said we would do	What we achieved
<p>Work with key referral agencies to improve the quality of intelligence we receive.</p>	<p>We carried out four projects to support achieving this deliverable:</p> <ul style="list-style-type: none"> • A round table discussion with key referral agencies took place in January 2023 and has resulted in stronger relationships. • Six videos were developed with the National Crime Agency to explain the GLAA's role and how the public and stakeholders can report information into us. These videos are publicly available on the 'report issues' page of our website. • A joint webinar was delivered to over 800 HMRC contacts in January 2023 and focused on what is good intelligence. • We have reviewed and updated our external communications on intelligence. The 'Report Issues' page of our website has been updated to include better signposting for common issues that are reported incorrectly to us such as food standards. We have also updated the information people received when they email our intelligence team to ensure they clearly know what to expect.

What we said we would do	What we achieved
<p>Work with partners to identify intelligence gaps and areas of vulnerability</p>	<p>Our Intelligence Analysts started working more closely with the Communications Team to share intelligence gaps on social media. A new tasking process was embedded following the Control Strategy sign off and intelligence gaps are tasked out more routinely through this process. Our Intelligence Team has started to use problem profiles to capture or fill intelligence gaps. Intelligence gaps were also shared with key stakeholders.</p>
<p>Improve our intelligence analysis to identify and target trends, hotspots and those who perpetrate and facilitate labour exploitation</p>	<p>Our intelligence analysts have produced 24 analytical products in 2022-23 to help improve our understanding of particular issues related to labour exploitation. These products include a quarterly Forced & Compulsory Labour intel picture, and problem profiles for Shellfish Gathering, the Seasonal Worker Scheme, and Umbrella Companies. We will continue to build on this good work in 2023-24.</p>
<p>Build an authoritative threat assessment on labour exploitation in the UK by the end of the financial year to identify vulnerable employment sectors and support strategic planning</p>	<p>A Strategic Threat Assessment on labour exploitation was produced in November 2022.</p> <p>The assessment was used to set the Control Strategy and then develop the organisational strategy for 2023-26.</p>

What we said we would do	What we achieved
Develop and embed a comprehensive control strategy	<p>A Control Strategy was approved in November 2022. The plan owners then developed threat reduction plans which included Prepare, Pursue, Prevent and Protect.</p> <p>This helped us as an organisation to prioritise our operational activity through the implementation of a new tasking process in January 2023.</p>
Develop robust and consistent strategic and tactical tasking and co-ordination processes	<p>Tasking and Co-ordination has undergone significant review and change this year governed by the intelligence and enforcement gold group. A new policy and new tasking document were implemented, and a new tasking meeting was established in January 2023. We have taken a significant step forward this year and the processes around this new way of working will continue to mature in 2023-24.</p>
Improve our website, communications and engagement activity to target information, advice and guidance to high-risk groups working or arriving to work in the UK	<p>The GLAA Board agreed to postpone this deliverable to ensure any outcomes from the TOM work was fully considered.</p>

What we said we would do	What we achieved
<p>Continue to build constructive relationships across the public, private and third sectors to influence change, advance knowledge and promote awareness around the issue of labour exploitation.</p>	<p>Colleagues across the organisation deliver training locally, regionally and nationally.</p> <p>A key project in 2022-23 was the delivery of the Romanian Workers' Rights Project. This project aimed to equip the Romanian nationals with the knowledge of employment law and rights whilst working in the UK. It also aimed to increase their confidence in identifying potential exploitative working practices and where to go to seek help. This project was delivered in collaboration with the Skills and Education Group and the Romanian Embassy. Five Romanian facilitators were trained to deliver training based on our Level 1 Award in Workers' Rights and Labour Exploitation. Over 271 learners engaged with the project over six weeks.</p> <p>Key webinars delivered this year were:</p> <ul style="list-style-type: none"> • Three Labour User, Labour Provider liaison groups (300 attendees in total) • Three Worker/NGO liaison groups (59 attendees in total) • Four webinars in partnership with National Minimum Wage and Employment Agency Standards (over 2,450 attendees in total). • A pilot webinar on housing and labour exploitation (55 attendees from local authorities).

Objective two

Deliver an effective regulatory scheme that drives business compliance in the regulated sector and supports good practice.

Objective two set our intent to deliver an effective regulatory scheme that drives business compliance in the regulated sector and supports good practice. We wanted to demonstrate good progress against the Compliance Strategy¹ published in July 2021.

Our key deliverables for 2022-23 were focused on the delivery of the Compliance Strategy, specifically to:

- increase the volume of compliance inspections
- take a risk-based approach to inspections
- ensure we deploy our resources to the greatest areas of risk, and
- carry out application inspections virtually to improve and speed up the licence application process.

This year our Regulation Team were also focused on continuous improvement and established a working group to review our key processes to improve timeliness and effectiveness. In 2023-24, we will build on the work initiated this year as we move into our new 2023-26 strategy.

1 www.gla.gov.uk/media/7494/compliance-strategy-final.pdf

Key deliverables

What we said we would do	What we achieved
<p>Increase the proportion of businesses in the regulated sector that are inspected</p>	<p>This deliverable was not achieved.</p> <p>Our target was to increase the number of businesses inspected to 20 per cent. However, there were 31 per cent fewer inspections carried out this year compared to 2021-22. The decrease in the proportion of businesses inspected in the regulated sector was attributed to capacity across teams. This was despite extensive work being undertaken to increase our inspection capacity.</p> <p>In 2023-24, implementing the TOM recommendations will be vital to ensuring we have resources in the right places to deliver key pieces of work, such as inspections.</p>
<p>Focus our resources to undertake compliance inspections of regulated business that are considered high-risk</p>	<p>This deliverable was not achieved.</p> <p>13 compliance inspections were tasked this year, compared to 61 tasked in 2021-22. This drop in compliance inspections was attributed to the high volume of application inspections. Although there was a marked drop in compliance inspections, those undertaken have focused on high-risk businesses and resulted in four revocations (comparable to the number of revocations in 2021-22).</p> <p>In 2023-24, our TOM project will review our process to ensure our inspections are targeted at those businesses considered high-risk.</p>

What we said we would do	What we achieved
<p>Carry out the majority of Application Inspections virtually</p>	<p>50 per cent of application inspections were conducted virtually in 2022-23. This remained consistent throughout the year. Reasons for application inspections being conducted face-to-face included high-risk applications which needed to be conducted in person, the training of new compliance officers who required training in-person and redeploying personnel from enforcement teams to conduct the inspections.</p>

What we said we would do	What we achieved
<p>Work closely with relevant partners to ensure the Seasonal Workers Pilot builds on its existing approach of incorporating prevention of exploitation within its programme</p>	<p>Engagement with key stakeholders continued throughout 2022-23. This year we ran a pilot to test whether a “meet and greet” of workers entering the UK provided an opportunity to raise awareness of the signs of labour exploitation. As a result, we were able to explain the role of the GLAA, ask workers about their recruitment experience and hand out a range of educational and awareness-raising materials. Following this pilot, we will now work in partnership with compliance colleagues at UK Visas and Immigration (UKVI) who have been tasked with assessing the welfare of workers by carrying out visits to farms where workers are located.</p> <p>The January Labour User, Labour Provider liaison group focused on the Seasonal Worker Scheme, with colleagues from the UKVI presenting to 115 organisations. Feedback from the session was positive. The Seasonal Worker Scheme is also one of our Control Strategy priorities.</p>

What we said we would do	What we achieved
<p>Enhance our engagement with our regulated sector through events and ongoing communication activities</p>	<p>This year we continued to run our Labour User, Labour Provider liaison group, which allows us to share GLAA messages with the sector and receive questions. The forum is well attended, and feedback is positive.</p> <p>We have also developed contacts with Embassies in countries supplying workers into the Seasonal Worker Scheme. This has enabled greater partnership working.</p>

Objective three

Support our people to thrive in a positive values-led culture, with a focus on inclusion and wellbeing.

The ambition was to develop a stable working environment after a number of years of significant change, and foster an inclusive culture, where all colleagues feel supported and valued.

In 2023-24, we will embed a new Leadership structure and put in place the recommendations from the TOM. Our focus will be on effectively implementing this so that we can be really proud of the way that the organisation is working. This will be assessed through staff engagement metrics which are in development.

Key deliverables

What we said we would do	What we achieved
<p>Embed regular one-to-ones between every employee and line manager, which consider wellbeing and work life balance</p>	<p>All employees have regular one-to-ones with their line managers where workloads, wellbeing and any issues are discussed. This is an opportunity for line managers to assess how their direct reports are doing and to identify any opportunities for further support.</p>
<p>Invest in our colleagues' ongoing learning and career development</p>	<p>Learning and career development activity was ongoing in 2022-23. This year, 2.9 working days (on average) per person of training was completed. However, having reviewed the reporting and data it was agreed that the figure is expected to be much higher, as it does not include training undertaken by leavers during the year. In addition, proper recording of training activities was not widely promoted. The intention is to promote proper recording on training for 2023-24, so we can accurately report on this in the next financial year.</p>
<p>Provide all colleagues with a positive induction and probation period experience</p>	<p>A new and consistent process for inductions was introduced this year. This includes a face-to face induction day where new starters are met at the head office, enabling them to have a more personable induction. The process also includes an initial induction for new starters delivered by the Chief Executive, followed by a further role specific induction led by the hiring manager. Plans are in place to introduce a probation policy next year.</p>

What we said we would do	What we achieved
<p>Colleagues are empowered and supported by a visible Leadership Team whose behaviours demonstrate GLAA values and actively recognise colleagues' achievements</p>	<p>The Leadership Team were all set objectives in April 2022 on effective leadership behaviours. Leadership Team Personal Development Review (PDR) conversations focus on behaviours as well as what has been delivered. Additional development has been provided this year with specific leadership training programmes for the Leadership Team and Extended Leadership Team levels. The TOM design will focus on effective leadership behaviours. The implementation of this will be a key focus in 2023-24.</p>
<p>All colleagues are responsible for consistently demonstrating our values in all their interactions</p>	<p>Conversations about adherence to the GLAA's values is a standard part of PDR conversations. This has been linked to a higher number of colleagues being assessed as 'requires improvement'. We are looking to relaunch our values across the organisation in 2023-24.</p>
<p>Proactively demonstrate our commitment to diversity and inclusion across the GLAA</p>	<p>This year there was ongoing work to encourage completion of diversity data to help with reporting and understanding the GLAA workforce make-up. The target of 70 per cent for diversity data reporting was achieved (74 per cent). Developing a Diversity and Inclusion Strategy will be a key deliverable for the GLAA in 2023-24.</p>

What we said we would do	What we achieved
<p>Focus on ongoing and meaningful engagement with colleagues across the GLAA</p>	<p>This year we have focused on sharing timely internal communications via our intranet, email and ‘Rapid Recap’ videos. Managers have also been encouraged to share key messages with their teams through team meetings. Online events have also been used successfully for internal audiences, the majority of which have been recorded and shared on our intranet for colleagues to watch at a later date.</p> <p>The organisation held a People Seminar in May 2022, our first face-to-face event in three years. Ninety colleagues (including Board Members) attended the all-day event, which focused on celebrating good work, reconnecting with colleagues and hearing from external stakeholders. One hundred per cent of people (54 colleagues) who completed the survey said the People Seminar was either good, very good or excellent.</p>

Objective four

Align our priorities with our capacity, resources and budget

With a tight budget and limited resources, this year we had to prioritise our operational activities, to maximise the effectiveness of our resources in protecting vulnerable and exploited workers.

We started the year acutely aware that our operating model was not allowing us to deliver our business in the most efficient or effective way. Therefore, a key piece of work this financial year was to develop a new TOM to enable us to transform the way we work, improve our future effectiveness and develop our organisational culture.

In 2023-24 it will be critical that we begin to implement the new TOM fully and effectively. This will enable improvements across all elements of the organisation, our systems, processes, assurance, culture, and leadership. We will also focus on readying ourselves for the Public Bodies Review that will take place in 2024.

Key deliverables

What we said we would do	What we achieved
<p>Develop our spending review 2023-24 case to demonstrate what we will deliver and stop delivering to meet our budget</p>	<p>The GLAA was given additional funding for 2023-24 to support the delivery of a new target operating model. This will address longer term efficiency and effectiveness of the GLAA and deliver cashable savings.</p>
<p>Secure a sustainable financial future by developing an implementation plan that considers a review of our income streams and improves efficiency</p>	<p>The organisation has focused on developing a Medium-Term Financial plan, which will be reported to the Board in 2023-24.</p> <p>The GLAA must conduct an annual fee review and licence fees have remained the same since 2009.</p> <p>In 2022-23 we used external government reports to benchmark fees and consider the impact a fee increase would have on businesses. In 2023-24, we will continue this review and any proposed changes will be shared with the Board for approval.</p>

What we said we would do	What we achieved
<p>Review our target operating model and make recommendations to the Board for change</p>	<p>In October 2022, following a competitive process, Capgemini was appointed to develop a TOM to enable the GLAA to:</p> <ul style="list-style-type: none"> • Be agile and flexible for the future • Demonstrate operational excellence, effectiveness and efficiency • Build and develop its culture, unifying the whole organisation to achieve clear priorities. <p>Throughout the remainder of 2022-23 work focused on understanding our ‘as-is’, undertaking a demand analysis and agreeing a set of design principles.</p> <p>The Board has been kept informed throughout the TOM work receiving regular updates, including recommendations for change. The implementation of the TOM is a key priority in 2023-24.</p>

What we said we would do	What we achieved
<p>Carry out lessons learnt on operational activity and implement recommendations for continuous improvement</p>	<p>Four lessons learnt reviews were carried out in 2022-23, which focused on the challenges and successes of investigations that led to convictions. A further review was commissioned on a case surrounding the licensing decisions and investigation of an overseas licence holder.</p> <p>We delivered a master class session to other enforcement agencies in February 2023 on the use of Slavery and Trafficking Risk Orders, with a second session scheduled for April 2023.</p> <p>‘Lunch and learn’ sessions were introduced spearheaded by our Victim Navigator, to upskill our people on victim support and care. The first sessions are due to take place in April 2023.</p>
<p>Identify IT improvements to improve efficiency, effectiveness and productivity</p>	<p>Opportunities to improve IT have been identified this financial year, with key projects to improve data quality initiated. Delivery of improvements will be a key focus for the organisation in 2023-24.</p> <p>An Information Management Group was established this year to ensure decisions made relating to new ways of working and processes which collect, retain and store data are done so in a collaborative way.</p>

What we said we would do	What we achieved
Support the organisation through the delivery of a robust governance framework	<p>This deliverable was not achieved this year due to resource pressures on the Governance Team.</p> <p>Our GIAA audit results in 2022-23 are reported in further detail on page 58.</p> <p>This work will be delivered in the next financial year and recommendations from the TOM project will also support this going forward.</p>



Elysia McCaffrey
 Chief Executive Officer
 10 January 2024

Accountability Report

Corporate Governance Report

The Director's Report

Senior Management Team

Declarations of interest for the Senior Management Team are recorded on page 94. These are disclosed for transparency and in case of conflict with their GLAA management responsibilities.

The composition of the Senior Management Team is identified under the Remuneration and Staff Report on page 69 and comprises of the Chief Operating Officer (COO) and Chief Executive Officer.

Also, on pages 69 to 73 under the Remuneration and Staff Report, there is a register of Board member directorships and significant interests. A public register of interests for Board members is held, and this may be accessed via the GLAA's website at www.gla.gov.uk.

Financial position

The Statement of Comprehensive Net Expenditure for the year ended 31 March 2023 on page 110 shows a deficit of £6,835,000 (Deficit of £6,226,000 2021-22).

This deficit reflects the fact that, for the purposes of financial reporting, the Grant-in-Aid (GIA) does not form part of the GLAA's income. It is accounted for in the

Financial Statements within the Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023 on page 116.

Pension arrangements

Pension arrangements for the GLAA are provided through the Civil Service Pension Scheme. Further details can be found within the Remuneration and Staff Report on pages 69-94.

Payment policy

The Government commitment is to pay 90 per cent of undisputed and valid invoices from small and medium sized enterprises within five days and 100 per cent of all undisputed and valid invoices to be paid within 30 days. Government departments are required to report their performance against these payment targets on a quarterly basis on GOV.UK.

Through the Public Contract Regulations 2015, public sector buyers must include 30-day payment terms in new public sector contracts; and require that this payment term be passed down the supply chain. Public sector buyers must also publish annual reports on their payment performance.

For 2022-23, the GLAA achieved an average payment time of 3.60 days (5.90 days in 2021-22).

Complaints procedure

The GLAA has an established Complaints Policy and Procedure². All formal complaints are responded to in writing and are dealt with by the Governance team. If the complainant is dissatisfied, they can write to the GLAA's CEO for a review of their complaint.

If they are still dissatisfied, they can refer the matter to the Parliamentary and Health Service Ombudsman (PHSO), who investigate complaints about maladministration or service failure on the part of the GLAA.

Oversight of the enforcement powers granted to the GLAA from 2017, comes under the remit of the Independent Office for Police Conduct (IOPC). Any abuse of the GLAA's PACE (Authorised Police and Criminal Evidence Act 1984) powers can therefore result in a complaint being sent to the IOPC, who then determine how that complaint should be dealt with in accordance with the GLAA (Complaints and Misconduct) Regulations 2017³. To date there have been no cases referred to the IOPC, which gives the GLAA confidence in its operations of its wider investigative powers.

In 2022-23 the GLAA received seven formal complaints (10 received in 2021-22). Four of these complaints were upheld and three were rejected. Five of the seven

2 www.gla.gov.uk/who-we-are/complaints/

3 <http://www.legislation.gov.uk/ukxi/2017/521/contents/made>

complaints received related to the time taken to make a decision on a licence. One complaint related to a joint enforcement operation and one related to the handling of a freedom of information request. No complaints were referred to the CEO for review.

No complaints received in 2022-23 were referred to the PHSO (none 2021-22).

Freedom of Information Act

Under the Freedom of Information Act 2000 (FOI Act), anybody may request information from a public authority which has functions in England, Wales and/or Northern Ireland. The FOI Act requires that all requests are in writing (this does include emails), stating clearly what information is required with the name of the applicant and an address for correspondence. The GLAA provides guidance on how it handles FOI requests in the External Communications Policy.

In 2022-23 the GLAA received 34 requests under the FOI Act (45 requests in 2021-22). These mainly concerned regulation activity, labour exploitation, as well as corporate FOIs relating to governance, IT and finance. Ninety-one per cent of responses were provided inside the stipulated 20-day period. Where there were delays this was generally due to resource constraints.

Published FOIs can be found on the GLAA website.⁴

4 <https://www.gla.gov.uk/whats-new/freedom-of-information-requests/foi-requests/>

Equality, Diversity and Inclusion

Following the roll out of the Equality, Diversity and Inclusion (EDI) policy in April 2022, the EDI group focused on sharing resources, events and articles on our intranet. This included a Parents and Carers session, an International Women's Day session and personal reflections from colleagues on LGBTQ+ and disability inclusion.

This year, the GLAA became a Host Board as part of the Boardroom Apprentice scheme, which seeks to enable a wider diversity of individuals to play their part in our boardrooms. A Board Member was assigned to be a Board Apprentice Mentor to support this 12-month scheme.

This year there was ongoing work to encourage completion of diversity data to help with reporting and understanding the GLAA workforce make-up. This year, 74 per cent of colleagues reported their diversity data, meaning our target of 70 per cent was achieved.

Developing a Diversity and Inclusion Strategy will be a key deliverable for the GLAA in 2023-24.

Environmental, social and community performance

Sustainability We are committed to working to ensure that we take proper account of the impact of our activities on the environment. Performance in relation to greenhouse

gas emissions, waste management and finite resource consumption is set out in the following tables.

The GLAA is dependent on provision of this data from their landlords, the Government Property Agency (GPA). It has therefore not been possible to provide some information.

Some consumption has increased post COVID due to the increased attendance in the building but works have also been completed to reduce consumption. The GLAA workforce consists of office based and remote workers and currently occupies part of one floor of a shared Government hub building.

Greening Government Commitments

The Greening Government Commitments set out the actions UK government departments will take to reduce their impacts on the environment in the period 2021 to 2025.

The pandemic COVID-19 has continued to have an impact on our sustainability data this year. The majority of our staff have continued to work from home. Due to low occupancy levels at our offices, both energy and waste consumption in the office have remained low when compared to pre COVID levels.

Sustainable procurement

Our procurement policy is to ensure we take account of government policy objectives such as sustainability. We

use Crown Commercial Services framework contracts for the majority of our procurement.

Future Strategy

We are committed to reducing our impact on the environment in line with the Greening Government Commitments and will continue our efforts to reduce our greenhouse gas emissions.

The GLAA is working towards Net Zero by 2050 and adapting to climate change by doing the following:

- Use of technology to reduce the need to travel including high impact travel such as air travel.
- Use of private vehicles is hard to avoid due to the nature of our work, but for longer journeys hire cars are encouraged which are increasingly fuel efficient and the use of electric vehicles is becoming more common.
- Reducing the office space GLAA occupies when lease allows.
- Business Continuity plans that consider the impact of climate change and incorporates this into plans to mitigate and reduce this impact.

The Home Office reports on the GLAA as an NDPB as part of its environmental and sustainability reporting. This is reported under the following two main strands:

- The Greening Government Commitments, including sustainable procurement; and

- The United Nations Sustainable Development Goals.

Greenhouse Gas Emissions

The GLAA only occupies one building in Nottingham which is a shared government building. The GLAA's estimated CO₂ consumption for its share of this building was 92,870kg in 2022-23 (118,994kg 2021-22). This reduction is associated with reduced gas consumption, linked to improvements to heating and ventilation system and temperature control systems.

The following data is based on information supplied by the landlord for the whole building and calculated on the GLAA's proportion of that consumption. Cost information at this level was not available to GLAA.

Consumption KWH/Cost

	2022-23 KWH Total	2022-23 Cost Total	2021-22 KWH Total	2021-22 Cost Total
Electricity consumption KWH	121,805	Not available	112,987	Not available
Estimated CO2 consumption (KG)	25,233		21,849	
Gas consumption KWH	56,367	Not available	73,479	Not available
Estimated CO2 consumption (KG)	67,637		99,559	

Waste minimisation

	2022-23 KG Total	2022-23 Cost Total	2021-22 KG Total	2021-22 Cost Total
Hazardous waste	Not available	Not available	Not available	Not available
Non-hazardous waste	Not available	Not available	Not available	Not available
ICT waste recycled, reused, and recovered externally	Not available	Not available	Not available	Not available
Waste incinerated with energy recovery	Not available	Not available	Not available	Not available
Waste incinerated without energy recovery	Not available	Not available	Not available	Not available
Waste composted/food waste	Not available	Not available	Not available	Not available
Landfill kg	-	Not available	-	Not available
Recycled/reused kg	11,084	Not available	10,521	Not available
Recovery kg	1,992	Not available	1,913	Not available
Total (where data available)	13,076	Not available	12,434	Not available

Recycling

Although paper recycling in the office remains high as above table shows, we do not have data on GLAA paper recycling. Colleagues working from home are also provided with shredders and will normally deal with this through domestic recycling, making it difficult to quantify overall levels.

Finite resource consumption

	2022-23 Total	2022-23 Cost Total	2021-22 Total	2021-22 Cost Total
Water (m ³)	*Not available	*Not available	165	*Not available

*Buildings management have been unable to supply this information.

Official Business Travel

Most of GLAA business travel is conducted in private vehicles due to the nature of certain roles.

Business private vehicle travel

	2022-23 Total	2021-22 Total
Miles	210,259	247,272
Estimated CO2 consumption (kg)	55,900	67,897

Other forms of travel

	2022-23 Total £000s	2021-22 Total £000s
Vehicle hire	48	13
Train travel	14	8
Air travel	3	2
Total	65	23

The cost of hire cars increased as the GLAA moved away from the provision of lease cars spending £42,000 in 2022-23 (£83,000 2021-22) on lease cars. The milage

associated with lease cars is captured within the private vehicle travel data above. GLAA continues to try to minimise air travel where possible.

Integrity and counter bribery protections

We are committed to the highest standards of ethical conduct and integrity. We do not tolerate any form of bribery by, or of, our employees, agents or consultants, or any person or body acting on its behalf. We will fully investigate any instances of alleged or suspected bribery in line with our Disciplinary Policy and Procedure.

We communicate our Anti-Bribery Policy and Procedure on an annual basis and individuals are required to state that they have read and understood the policy.

The same applies to Protected Disclosure matters, and our approach to this is set out in the GLAA Protected Disclosure Policy and Procedure.



Elysia McCaffrey
Accounting Officer
10 January 2024

Statement of Accounting Officer's responsibilities

Under the Gangmasters (Licensing Authority) Regulations 2015 the GLAA must prepare a statement of accounts for each financial year in the form and containing such information as the Secretary of State for the Home Office may direct and in accordance with the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the GLAA and of its income and expenditure, Statement of Financial Position, and cash flows for the financial year.

In preparing the accounts, I, as Accounting Officer, am required to comply with the requirements of the Financial Reporting Manual (FReM) and to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the FReM, have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis; and

- confirm that the Annual Report and Accounts as a whole is fair, balanced, and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced, and understandable.

The Secretary of State for the Home Office has designated the Chief Executive Officer as Accounting Officer of the GLAA. The responsibilities of an Accounting Officer – including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, keeping proper records and for safeguarding the GLAA's assets – are set out in Managing Public Money published by HM Treasury.

As Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the GLAA's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the GLAA's auditor are unaware.

Governance Statement

Scope of Accounting Officer's responsibilities

As the Chief Executive and designated Accounting Officer for the GLAA, I have responsibility for the management and control of the resources used within the Authority as delegated to me by the Home Office.

I am responsible for maintaining a sound system of governance, internal control and risk management that supports the achievement of the GLAA's aims, priorities and objectives, whilst safeguarding the public funds and departmental assets for which we are personally responsible. The GLAA is responsible for managing a diverse range of risks and is committed to engaging effectively with its customers and stakeholders to ensure that their views are known and considered in the decision-making process.

The system of internal control in use has been subject to regular review by the Leadership Team. The GLAA Board is presented with a full strategic risk register bi-annually and has delegated responsibility for routine monitoring of risk management arrangements to the ARAC. The setting of risk appetite for all strategic risks is the responsibility of the GLAA Board. Processes are in place for risks to be escalated within the organisation and to the Home Office where necessary.

During the reporting period 2022-23 the GLAA reported regularly to the Home Office to satisfy it of the regularity and propriety of expenditure relating to licensing and to enforcement, the responsibility for which has been delegated directly to the GLAA by the Secretary of State.

In addition, the GLAA ensured that the Home Office Permanent Secretary was aware of the main risks managed by the GLAA through regular reporting to its sponsor team.

In preparing the annual Governance Statement for 2022-23 we have incorporated the guidance from the HM Treasury DAO (GEN) 02/12 and Managing Public Money annex 3.1 and have applied the principles set out in the Corporate Governance Code for central government departments.

The Board

The GLAA is a NDPB sponsored by the Home Office. Our activities are controlled and monitored by the GLAA's Board whose members are appointed by the Secretary of State.

During the year there have been changes to the Board. Between February and July 2022 there were five Board members appointed, taking the total, including the Chair, up to seven. The Board has also recently appointed a Board Apprentice. Regulation 4 of The Gangmasters (Licensing Authority) Regulations 2015 provides for the appointment of up to eight members. Board meetings

are also attended by the GLAA's Leadership Team. In 2022-23 there were four Board meetings.

The Board has two committees that conduct business on its behalf. The ARAC considers the strategic process for risk, control and governance, internal and external audit provision, accounting policies and the compilation of the GLAA's Annual Report and Accounts. Minutes of ARAC are submitted to Board meetings.

The People and Change committee makes recommendations regarding the performance management and any remuneration applicable to the Chief Executive. It also considers and approves policies that relate to the management of people within the organisation.

There are also two liaison groups (these are not committees of the Board): a Labour User/Provider liaison group, which is chaired by a Board member, and a Worker/NGO liaison group which is also chaired by a Board member. The former advises stakeholders within the regulated sectors. It seeks to enhance co-operation between the GLAA and its stakeholders, identifying joint areas of interest and the adoption of new policies and strategies. The Worker/NGO liaison group provides a similar role but draws in stakeholders from the wider labour market, including trade union representatives and representatives from the third sector.

The GLAA executive are also members of various national stakeholder groups and governance structures,

including the Modern Slavery Threat Group, Prosecution Oversight Group, forums established by the Director of Labour Market Enforcement and international liaison committees.

A full list of members and their individual attendance records at Board meetings during 2022-23 is detailed below. A public register of interests for Board members is held, and this may be accessed via the GLAA's website at www.gla.gov.uk.

Attendance

Representative	GLAA Board meetings	Audit and Risk & Assurance Committee	People & Culture Committee
Julia Mulligan, Chair	4/4	N/A	3/4
David Snowball, Board Member	4/4	4/4	2/2
Deep Sagar, Board Member	4/4	3/4	N/A
Keith Rosser, Board Member	2/2	2/2	N/A
Phil Cain, Board Member	2/2	N/A	2/2
Pippa Greenslade, Board Member	4/4	N/A	4/4
Suzanne McCarthy, Board Member	4/4	4/4	N/A
Elysia McCaffrey, GLAA CEO	4/4	4/4	4/4

NB – The CEO Elysia McCaffrey is not formally appointed to the Board.

During the year the ARAC considered a number of reports from the executive and internal audit covering key risks and issues and the management of risk itself within the GLAA. Further information regarding key risks and issues is set out later in this statement.

The GLAA Board, subject to the approval of the Secretary of State, appoint a Chief Executive who, with senior managers, ensures the operational objectives of the GLAA are delivered. The GLAA records its performance against agreed business plan objectives and reports on performance at Board Meetings. The Board has deemed the quality acceptable for its purposes of oversight and scrutiny of the organisation.

Internal Audit

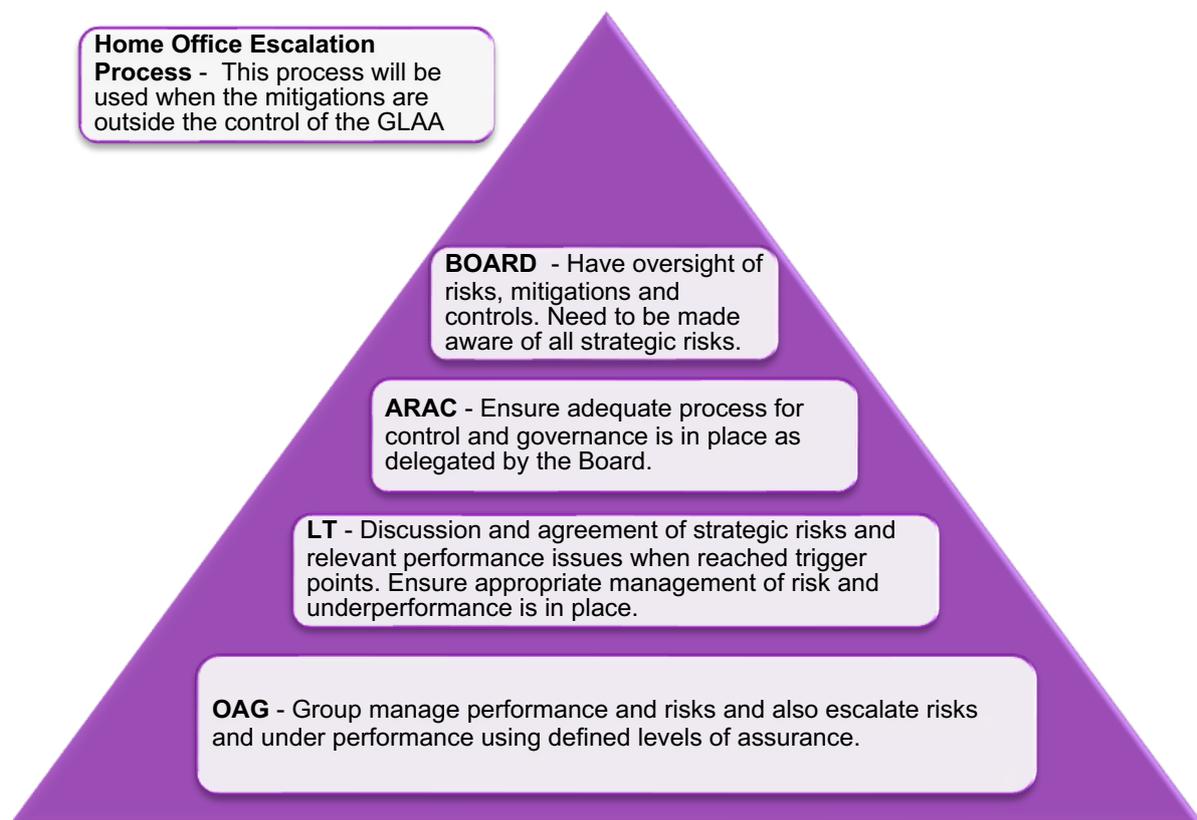
The internal audit service is provided by the GIAA operating to the standards set out in Public Sector Internal Audit. The internal audit strategy is based on the analysis of the risk to which we are exposed by the Leadership Team and ARAC.

Five audits were planned during the year, however one was removed from the plan as it related to consultancy of the Single Enforcement Body. The table below summarises the assurance ratings for each audit. The overall opinion of GIAA was Limited, meaning there are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.

Audit subject	Assurance rating
Efficiency and Effectiveness of Licensing	Moderate
Governance Arrangements and Programme Delivery of the Business Plan	Limited
Assurance Framework	Limited
Data as an Evidence Base	Limited

Risk Management

In 2022-23 the Risk Management process has developed further. Local risk registers are maintained which informs the strategic risk register. These risks are scrutinised through various levels as illustrated in the figure below. The Organisational Assurance Group scrutinises and regularly escalates risks to the Leadership Team for second line assurance who report to the Board on pertinent risks. Key risks are escalated to the Home Office through the regular Sponsorship meetings.



Risk appetite statement – The organisation does not have a single risk appetite, but rather appetites across the range of its activities. The GLAA recognises that in pursuit of its goals, strategic priorities and outcomes that it may choose to accept different degrees of risk in different areas.

The GLAA has established and articulated risk appetite for the differing areas of its business. Where the GLAA chooses to accept an increased level of risk it will do so, subject always to ensuring that the potential benefits and threats are fully understood before actions are authorised, that it has sufficient risk capacity, and that sensible and proportionate measures to mitigate risk are established.

Risk category and appetite

Business and operational area risk appetite levels

The GLAA's risk appetite across a range of activities are articulated as follows:

Deliver our statutory responsibilities: The GLAA has key statutory responsibilities as both a public body and as an organisation charged with regulatory and enforcement responsibilities with regards to regulated and unregulated sectors of the labour market. Failure to deliver on these areas places significant risks on those at risk of being exploited in the labour market. The GLAA therefore takes an **averse** approach to risk with regards to meeting our statutory responsibilities.

Legal and Health & Safety (compliance): We retain an **averse** risk appetite to behaving in an illegal, unrealistic or irrational way, or any other way, which would be likely to give rise to significant risks in breaching legislation.

Information Governance: We are heavily reliant upon information and data to be able to operate as an effective risk-based regulator. The accidental or deliberate wrongful disclosure of sensitive or official information has the potential to erode trust, damage our reputation and ultimately prevent us from being able to function. As such we have **minimal** appetite for such risks. The accidental or deliberate wrongful disclosure of sensitive or restricted information has the potential to erode trust, damage our reputation and ultimately prevent us from being able to function.

Anti-fraud and financial controls: We are **averse** to the risks of internal fraud and fraudulent behaviour and will maintain appropriately robust controls and sanctions to maximise prevention, detection and deterrence of this type of behaviour.

Physical and Information Security: Alongside other businesses we recognise that the GLAA faces increasing physical, information security and cyber risks which may be internal or external to the organisation and may be malicious or unintentional. The GLAA is risk **averse** to these risks which may potentially cause loss, harm or reputational damage related to the GLAA's physical and technical infrastructure and assets, or the

use of technology within the organisation. We place an emphasis on deploying our security controls, alongside Home Office providers, effectively against a baseline risk appetite of averse.

Operational controls and compliance: In acknowledgement of the development and operational maturity of our enforcement and regulatory services, we maintain a **cautious** risk appetite towards sustaining appropriate operational processes, systems and controls to support the provision of our public services.

Organisational controls and compliance: As a public sector organisation the GLAA has a wide range of statutory obligations in which it must show compliance. We maintain a **minimalist** risk appetite towards the processes, systems and controls to ensure that we fulfil these obligations.

Organisational change and development: We have a **hungry** risk appetite towards continuous improvement, seeking opportunities to take a well-managed approach to innovate and deliver change in order to achieve our strategic vision and objectives, including how we maximise opportunities around our IT and infrastructure to be as efficient and effective as possible.

Reputational: We rely on our reputation to influence and secure the engagement of those we regulate and other stakeholders. The support of these parties is essential to achieving our goals and so we hold a strong commitment to being seen as a proportionate and respected regulator

and retain an overall **cautious** risk appetite with regard to our reputation. However, we are prepared to take a stance which may be opposed by some of our audience where we believe it is necessary for the achievement of one or all of our statutory objectives.

Staff recruitment: We are committed to attracting the highest calibre and diversity of candidates to the GLAA to maximise the personal and collective contributions of staff towards the achievement of our strategic vision and goals. We take a **hungry** approach, actively seeking new and innovative ways to maximise our recruitment reach so that our candidate pool is as diverse and capable as it is possible to be.

Staff retention, development and progression: We are committed to providing a working environment in which all GLAA employees are able to progress, develop and thrive, working positively and constructively to maximise their potential and career development. We will take an **open** approach, seeking to tailor our approaches to the needs of individual staff or particular professions or departments.

Staff performance: We are committed to providing a working environment in which all GLAA employees are able to maximise their personal and collective contributions towards the achievement of our strategic vision and goals. **When we identify poor performance** we will take a **cautious** approach, seeking to provide the opportunity and support to enable performance

to improve. However, **when we identify good performance** we will take a more **open** approach, ensuring our reward and recognition mechanisms amplify GLAA employee productivity to retain high calibre employees.

Staff misconduct: We are **averse to risks of deliberate acts of misconduct** from staff and will tackle these. However, we will ensure the GLAA takes an **open approach towards opportunities to learn**, when appropriate. We aim to act clearly and effectively to maintain the high standards of professional conduct and behaviour we expect of our workforce.

Operational prioritisation: We have an **open** appetite towards prioritising resources based on the intelligence led threat and risks posed to the public, rather than focusing on the order by which they were reported to the GLAA.

Finance and budgeting: As a responsible public sector organisation we need careful financial planning to ensure that we do not risk significant over-spend or under-spend. Therefore, we have a **cautious** risk appetite in this area.

Definitions of appetite

Appetite	Rank	Description
Hungry	5/5	Eager to be innovative and choose activities that focus on maximising opportunities (additional benefits and goals) and offering potentially very high reward, even if these activities carry a very high residual risk.
Open	4/5	Undertakes activities by seeking to achieve a balance between a high likelihood of successful delivery and a high degree of reward and value for money; or activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Cautious	3/5	Willing to accept/tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant reward and/or realise an opportunity; or activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Minimalist	2/5	Predilection to undertake activities considered to be very safe in the achievement of key deliverables or initiatives; or activities will only be taken where they have a low degree of inherent risk. The associated potential for reward/pursuit of opportunity is not a key driver in selecting activities.
Averse	1/5	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is paramount; or activities undertaken will only be those considered to carry virtually no inherent risk.

The strategic risk register and emerging issues are presented to the regular ARAC meetings with comments and proposed actions, as well as being presented bi-annually in full to the GLAA Board. The risk register,

management and tolerance levels are then set and reviewed in line with Home Office best practice.

Risk Environment

GLAA operates in an environment where there is significant risk which must be managed. Some of these risks can only be mitigated and cannot be eliminated or reduced to a low level. GLAA aims to manage risks within set appetites. There were a number of significant risks ranked as having higher level potential impacts and likelihood of occurring.

These included:

- We are not a robust and effective regulator – this is the core of the GLAA mission and focus of its work on developing a new Target Operating Model.
- Non Compliance with Data Protection Act and General Data Protection Regulation – GLAA is still working on improving compliance around the data it holds. This is sometimes technically challenging and resource intensive.
- Unknown impact of Illegal Migration Act – How this new legislation could impact the GLAA's ability to conduct successful Modern Slavery investigations linked to force or compulsory labour.
- Legal Challenges – GLAA will always face a number of challenges from both its operational activity and

corporate activities, especially as the organisation continues to go through significant changes.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior managers within the GLAA who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

Financial management

The GLAA has had confirmation of funding for 2023-24 for another 12-month period. This is based on both Grant in Aid funding and forecast of income from fees, in line with current funding. Additionally, the GLAA has a c£1 million one-off increase in cash resource funding for 2023-24 and capital funding of £650,000 to help us deliver a new Target Operating Model. The GLAA will continue to prioritise resources against risk but faces continued and increasing operational demands and cost pressures.

Information security

In 2022-23 the GLAA's Data Protection Officer reported nil breaches to the Information Commissioner's Office

(ICO) (0, 2021-22). Although a small number of breaches were reported and recorded internally, once assessed using the ICO reporting framework these were recorded as 'not reportable'.

Protected Disclosures (Whistleblowing) Arrangements

The GLAA has a Protected Disclosures (Whistleblowing) policy and procedure which is available both on the GLAA intranet and GLAA website⁵ for all colleagues to view. ARAC has oversight of this policy and when any disclosures are made. The policy outlines three options to make a disclosure. One is through a line manager who are expected to make a fair evaluation. Option two is through a dedicated e-mail which is monitored by the Head of People and Change, and option three is directly to the CEO or to the Chair of ARAC. In 2022-23 no disclosures were received (none 2021-22).

Review of effectiveness

ARAC, on behalf of the GLAA's Board, has regularly reviewed the effectiveness of the system of internal control. Issues that have been identified are in the process of being addressed. I am confident that arrangements that have been initiated this year and are continuing will improve the areas of weakness identified through the work of Audit and the Board. With the

5 <https://www.gla.gov.uk/publications/protected-disclosures-policy-and-procedure/>

guidance of internal audit and ARAC, the Leadership Team has a good understanding of the risks and issues the Authority faces and is working to mitigate these.

Functional Standards

This year we reviewed our delivery against the government Functional Standards. This review showed we met the majority of the mandatory 'shall' elements and most advisory 'should' elements. As a small Arm's Length Body, we were content with this position, and aim to improve on this for the next annual report.

In 2023-24 we will focus on refining our self-assessment and embedding our use of the Function Standards across the GLAA. This will be supported by the aligning the Standards to our developing Assurance Framework. This work will be overseen by the Senior Leadership Team and reported on to our ARAC.



Elysia McCaffrey
Accounting Officer
10 January 2024

Remuneration and staff report

Senior Management Team

The composition of the Senior Management Team in the reporting period was as follows:

Elysia McCaffrey Chief Executive Officer

Daniel Scully Chief Operating Officer

Contract information

Policy on the remuneration of the senior managers

The initial salary packages for all senior managers were set using a benchmarking process to define comparable packages for the area and the specialist skills required and are in line with Civil Service guidelines. Current and future salary packages are set in line with the work and recommendations of the Senior Salaries Review Body and Civil Service pay guidance. The terms and conditions of the Chief Executive are determined by the Board and approved by the Secretary of State. Positions were advertised nationally. Salary information is recorded in the tables on page 81.

Board members remuneration (subject to audit)

The Chair and Board Members of the GLAA are remunerated on a daily basis.

These costs are included in the staff costs total of £5,594,000 (£5,665,000 2021-22) on page 91. Payments have been made to the Chair totalling £1,049 in 2022-23 (£341 2021-22) for travel and subsistence.

	Directorships and significant interests	Remuneration 2022-23 £000s	Remuneration 2021-22 £000s
Margaret Beels OBE, Chair (to 17 Nov 21)	<ul style="list-style-type: none"> • Directorship: Wispway Properties Ltd • Trusteeship: Friends of the Connection at St Martin's • The London Chorus 	-	15-20
Julia Mulligan (Chair from 18 Nov 21)	<ul style="list-style-type: none"> • Chair, Independent Domestic Abuse Service • Independent Member, The Parole Board • Independent Chair, Police Advisory Board for England and Wales • Senior Independent Director, Independent Office for Police Conduct 	25-30	5-10
Simon Allbutt (to 7 Feb 22)	<ul style="list-style-type: none"> • Director, Allbutt HR Consulting • Trustee, Erskine Hospital 	-	0-5
William Butler (to 6 Feb 22)	<ul style="list-style-type: none"> • Non-Executive Director, The Law Society • Director, GPDF Ltd • Member, Disciplinary and Investigations • Panel, CIPFA 	-	5-10
Prof Linda Dickens MBE (to 2 Nov 21)	<ul style="list-style-type: none"> • Chair, Inclusive Fire and Rescue Service Group (appointed by NJC Fire and Rescue Service) • Arbitrator, Acas 	-	5-10

	Directorships and significant interests	Remuneration 2022-23 £000s	Remuneration 2021-22 £000s
Dr Paul Williams (to 9 Nov 21)	<ul style="list-style-type: none"> • None 	-	0-5
Suzanne McCarthy	<ul style="list-style-type: none"> • Chair, Fire Standards Board, Chief Fire Officers Association • Deputy Chair, Valuation Tribunal Service, Chair, Audit Committee • Ministry of Housing, Communities and Local Government. • Board Member, Academy of Medical Royal College (until Dec 22) • Chair, Joint Audit Panel for the Mayor's Office for Policing and Crime and the Metropolitan Police Service (until Mar 23) • Board Member and Chair, Standards Committee, Fundraising Regulator • Independent Member, Audit Committee, Office for Students • Independent Appointed Person, Greater London Authority. • Commissioner, Marshall Aid Commemoration Commission, Foreign and Commonwealth Office (until Jun 22) • Chair, Right to Succeed 	5-10	5-10

	Directorships and significant interests	Remuneration 2022-23 £000s	Remuneration 2021-22 £000s
	<ul style="list-style-type: none"> • Chair, Lepra • Assistant Boundary Commissioner, Boundary Commission (until Sept 22) • Board Member, Independent Funeral Standards Organisation (until Jun 22) • Board Member and Chair of Audit Committee, College of Policing. • Panel member, Independent Complaints Panel, Labour Party (from 1 Oct 22) • Director – Medics Academy (Vopulus Ltd) 		
Deep Sagar (from 3 Nov 21)	<ul style="list-style-type: none"> • Member, Employment Tribunal • Advisory Member, Commission for Local Administration • Board Member, Legal Aid Agency • Chair, NHS Continuing Care Review Panels, England and Wales • Chair, Advisory Committee on Packaging • Chair, Regulatory Board for Wales (until 12 Jul 22) • Member, Civil Legal Services Appeals Panel • Board Member, Plexus/Omega Housing 	5-10	0-5

	Directorships and significant interests	Remuneration 2022-23 £000s	Remuneration 2021-22 £000s
	<ul style="list-style-type: none"> • Consultant, Austen Jones Solicitors • Board Member, Animal and Plant Health Agency (from 18 Jul 22) 		
Pippa Greenslade (from 10 Nov 21)	<ul style="list-style-type: none"> • Member, Senior Salary Review Body, Department of Business, Energy and Industrial Strategy, UK Gov • Trustee, Christian Aid, UK Development Charity (until Oct 22) 	0-5	0-5
David Snowball (from 8 Feb 22)	<ul style="list-style-type: none"> • Volunteer with British Red Cross (until Dec 22) 	5-10	0-5
Philip Cain (from 8 Aug 22)	<ul style="list-style-type: none"> • Senior Assessor, College of Policing • Chair, TGAT Post 16 Education Governors Board, Gorse Academy Trust Leeds • P M Cain Consultancy Ltd 	10-15	-
Keith Rosser (from 8 Aug 22)	<ul style="list-style-type: none"> • Group Director, Reed • Non-Executive Board Member, Disclosure Scotland • Chair, The Better Hiring Institute • Company Director, SAFERjobs CIC • Company Director, UKFIA 	0-5	-

Normal business-related travel and subsistence was reimbursed to Board Members in line with the GLAA's policy. This amounted to £2,480 in 2022-23 (£1,102 2021-22).

Tax arrangements for public sector appointees

There were no off-payroll engagements as of 31 March 2023 (none 2021-22) for more than £245 per day, and that lasted for longer than six months. These are contractors and consultants who have their own tax and national insurance arrangements; none were current or former employees of the GLAA (none 2021-22). None of the engagements involved Board members or any of the Senior Management Team with significant financial responsibility, during the financial year.

The total spend on contractors for 2022-23 was £0 (£0 2021-22).

Policy on the duration of contracts and notice periods

During the reporting period, the Chief Executive, Elysia McCaffrey, is on a Fixed Term Contract. She commenced her position on 28 June 2021 for three years ending 28 June 2024. During the first six months of service, the notice period is one month, on completion of six months service, the notice period is three months.

All other senior managers are permanent employees and all senior managers' contracts contain a three-month notice period, which is an appropriate time to allow for a handover period.

Policy on performance related pay

All GLAA staff members, subject to an eligibility criterion, may qualify for performance related pay (PRP) in addition to basic salaries. Each year the GLAA submits its proposals for its approach to pay increases and changes in line with annual Civil Service pay guidance to the Minister for approval.

In 2022-23, the bonus award was shared equally amongst those who had achieved a rating of 'effective' or 'highly effective' on their PDR. This was the same approach as in 2021-22. The GLAA reviews and consults on its approach to bonus each year and is also looking towards allocation of smaller on the spot awards in 2023-24.

The Chief Executive's and Chief Operating Officer's PRP is determined by their contracts based on existing arrangements for senior civil servants and is dependent upon meeting agreed personal objectives. This is assessed by the Chair and Remuneration Committee, which then submits its recommendations to the Home Office minister for approval.

Employment of Disabled Persons' Policy

The GLAA works to ensure disability is not regarded as a barrier to recruitment or promotion. It is committed to ensuring disabled staff have access to the same opportunities as other staff, not only when they first join but at all stages in their career.

The organisation operates a Guaranteed Interview Scheme, which guarantees an interview to anyone with a disability whose application meets the minimum criteria for the post. Once in post, disabled staff are provided with any reasonable support/adjustments they might need to carry out their duties.

The Recruitment and Selection Policy clarifies the GLAA commitment to providing equal opportunities for all candidates during the selection process. The GLAA welcomes applications from people with disabilities and encourages these candidates to make an application if they feel they have the requisite skills and qualifications for the position and, in line with the Guaranteed Interview Scheme, additional assistance or adjustments can be accommodated ahead of the interview. The GLAA will ensure all recruitment and promotion will be undertaken based on the skills and experience necessary to perform the role.

We continue the employment of, and arrange appropriate training for, employees of the GLAA who have become disabled during the period. We promote the training, career development and promotion of disabled people employed by the GLAA.

Transparency on Business Appointments

In compliance with Business Appointment rules, the GLAA is transparent in the advice given to individual applications for senior staff, including special advisers.

Advice regarding specific business appointments has been published on the Home Office website.⁶

Staff turnover

In 2022-23 GLAA overall staff turnover was 18.49 per cent (15.97 per cent 2021-22). When taking into account colleagues that moved to other roles within the civil service, the turnover is reduced to 11.76 per cent 2022-23 (10.92 per cent 2021-22).

Staff engagement

As part of the TOM activity, the organisation has actively engaged with all colleagues, including providing time to speak with the consultants directly, weekly drop in calls with the CEO, forums for questions, answers and feedback in person and online and also opportunities to do this anonymously.

Engagement across the GLAA has been undertaken earnestly, with the intention of capturing all views and experiences as our colleagues deserve an organisation that is set up in the best possible way to ensure our success. The GLAA will be prioritising the wellbeing of our people, developing our diversity and inclusivity, and building a collaborative and supportive culture. Governance will be strengthened, as will improving our

6 <https://www.gov.uk/government/publications/home-office-business-appointment-rules-advice>

systems and processes, and making sure that this is the best place that it can be for our colleagues to work in.

Other employee matters

The Equal Opportunities and Diversity Policy statements detail the organisational commitment to eliminating discrimination and encouraging diversity amongst the workforce. It also includes the commitment to recruitment and promotion and that this will be undertaken based on skills and experience necessary to perform the role.

Training, development, and progression opportunities are available to all staff. The GLAA's performance management and learning and development statements will ensure all staff are provided with equal opportunities for personal and career development. All employees are required to read and confirm their understanding of this policy on an annual basis, and any breach of this policy may result in gross misconduct and lead to action in line with the disciplinary procedure.

We communicate directly with all employees regarding employment issues that relate to them, we also engage with the Public and Commercial Services Union (PCS) with formal consultation where appropriate and actively encourage individual and group employee participation on relevant employment matters.

A Health and Safety Committee is held on a quarterly basis where representatives from across the organisation

discuss health and safety matters and any changes required to improve safe working within the organisation.

We work in partnership with the PCS union, who are recognised as representing PCS members within the organisation. Regular union management meetings are held to discuss employment matters and to resolve any issues to the satisfaction of the organisation and union where possible.

Salary information (subject to audit)

Single total figure of remuneration

The Chief Executive and the Chief Operating Officer are the only GLAA Senior Civil Servant (SCS) equivalent posts.

The bonus for SCS posts is a maximum bonus of 10 per cent of base salary, on a sliding scale of performance against objectives. It is expected that 10 per cent can only be awarded if all objectives are considered to have been exceeded.

The figures in the table include salary, benefit in kind, and non-consolidated performance-related pay. There were no severance payments or benefit in kind payments to the CEO or the COO in 2022-23 (none in 2021-22). It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The PRP payments within the single remuneration figure are reported on a paid basis. A bonus was approved

for the CEO relating to 2022-23 performance year at the maximum of 10 per cent which will be paid during 2023-24.

No other benefits-in-kind or compensation were paid to the CEO or the COO. The GLAA does not offer any remuneration package which is not in the form of cash.

2022-23 – Single total figure of remuneration

Senior manager	Job title	Salary £000s	Performance Payments £000s	Severance Payments £000s	Pensions Benefits £000s	Benefit in Kind £000s	Total £000s
Elysia McCaffrey	Chief Executive	110-115	5-10	-	3	-	120-125
Daniel Scully	Chief Operating Officer	75-80	5-10	-	8	-	85-90

2021-22 – Single total figure of remuneration

Senior Manager	Job Title	Salary £000s	Performance Payments £000s	Severance Payments £000s	Pensions Benefits £000s	Benefit in Kind £000s	Total £000s
Elysia McCaffrey (from 28 June 21)	Chief Executive	80-85 (FYE 105-110)	5-10	-	59	-	150-155
Ziggy Macdonald (to 31 July 21)	Interim Chief Executive	35-40 (FYE 105-110)	-	-	27	-	65-70
Daniel Scully	Chief Operating Officer	75-80	5-10	-	31	-	110-115

Fair pay disclosure (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the organisation's workforce.

Total remuneration includes salary, benefits in kind and non-consolidated performance related pay. It does not include severance payments, employer pension contributions, and the cash equivalent transfer value of pensions.

The banded remuneration of the highest-paid director in the GLAA in the financial year 2022-23 was £120,000-£125,000, (£115,000-£120,000 2021-22). There were no significant changes in ratios in 2022-23 compared to 2021-22.

Total Remuneration	2022-23		2021-22	
	£	Ratio	£	Ratio
Median	32,621	3.76	33,049	3.56
75 th Percentile	39,510	4.01	40,777	2.88
25 th Percentile	30,543	3.10	30,103	3.90

Salary only	2022-23		2021-22	
	£	Ratio	£	Ratio
Median	30,859	3.65	29,885	3.60
75 th Percentile	33,985	3.31	33,012	3.26
25 th Percentile	29,555	3.81	28,582	3.76

The percentage change in salary for the highest paid director was 4%, while the percentage change for other employees was 0.91%. The highest paid director

received a bonus in both 2022-23 and 2021-22 of £5,000 to £10,000, so the percentage change was 0%. The bonuses are also shown in the Single Total Figure of Remuneration within the Remuneration Report. For other employees, the average performance pay and bonuses paid to eligible employees was £822 in 2022-23 compared to £788 in 2021-22 (a 4% increase).

In 2022-23 no employees received remuneration in excess of the highest-paid director (none 2021-22). Remuneration ranged from £20,000-£25,000 to £120,000-£125,000 (£20,000-£25,000 to £115,000-£120,000 2021-22). Total remuneration includes salary, non-consolidated PRP, and benefits in kind. It does not include severance payments, employer pension contributions, and the cash equivalent transfer value of pensions.

Staff composition (head count) as at 31 March 2023

	2022-23			2021-22		
	Female	Male	Non-binary	Female	Male	Non-Binary
Other Employees	48	72	1	41	78	-
Board	3	4	-	3	2	-
Total	51	76	1	44	80	-

Pension information CETV Information (subject to audit)

2022-23

Senior Manager	Accrued pension as at 31/03/23 and related lump sum at pension age £000s	Real increase in pension and related lump sum at pension age £000s	CETV at 31 March 2022 £000s	CETV at 31 March 2023 £000s	Real increase in CETV £000s
Elysia McCaffrey	30-35 plus lump sum of 50-55	0-2.5 plus lump sum of 0	407	445	⁷ (12)
Daniel Scully	25-30	0-2.5	303	335	⁸ (4)

7 Taking account of inflation, the CETV funded by the employer has decreased in real terms

8 Taking account of inflation, the CETV funded by the employer has decreased in real terms

2021-22

Senior Manager	Accrued pension as at 31/03/22 and related lump sum at pension age £000s	Real increase in pension and related lump sum at pension age £000s	CETV at 1 April 2021 £000s	CETV at 31 March 2022 £000s	Real increase in CETV £000s
Elysia McCaffrey	25-30 plus lump sum of 45-50	2.5-5 plus lump sum of 2.5-5	335	386	31
Ziggy MacDonald	45-50	0-2.5	758	786	24
Daniel Scully	25-30	0-2.5	273	303	12

There have been no employer contributions to the Partnership Pension Scheme for the Senior Managers of the GLAA.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date, all newly appointed civil servants, and the majority of those already in service, joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for

some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years’ initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as

per classic and benefits for service from October 2002 worked out as in premium. In nuvos, a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32 per cent.

In all cases, members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal and General Mastertrust. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of

the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website

www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008, and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff costs (subject to audit)

	2022-23			2021-22		
	Permanently employed staff £000s	Other/ Temporary £000s	Total	Permanently employed staff £000s	Other/ Temporary £000s	Total
Staff salaries including PRP	4,047	127	4,174	4,042	172	4,214
Employee benefits as per IAS 19	(23)	-	(23)	(25)	-	(25)
Social security costs	443	17	460	441	20	461
Pension service costs	947	36	983	966	49	1,015
Total	5,415	180	5,594	5,424	241	5,665

Five employees were employed on a fixed term contract during 2022-23 (five employees 2021-22). GLAA spent £0 on consultancy in 2022-23 (£0 2021-22).

A total of £111,000 was accrued for performance related pay (PRP) (£113,000 2021-22).

Pension costs

The PCSPS and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multiemployer defined benefit schemes but the GLAA is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the Civil Service Pension Scheme as at 31 March 2016⁹:

9 [2016 Cost control valuation report \(civilservicepensionscheme.org.uk\)](http://civilservicepensionscheme.org.uk)

You can also find details in the resource accounts of the Cabinet Office: <https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

For 2022-23, employers' contributions of £886,000 were payable to PCSPS and CSOPS (£913,000 2021-22) at one of four rates in the range of 26.6 per cent to 30.3 per cent of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during the period to existing pensioners.

Employees can opt to open a partnership pension account or a stakeholder pension with an employer contribution. In 2022-23 employer's contributions of £94,000 (£101,000 2021-22) were paid to Legal and General, who was appointed as the sole stakeholder pension providers in September 2018. Employer contributions are age-related and ranged from 8 per cent to 14.75 per cent. Employers also match employee contributions up to 3 per cent of pensionable earnings.

In addition, employer contributions of £3,000 (£3,000 2021-22), 0.5 per cent of pensionable pay, were payable to the PCSPS in 2022-23 to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at 31 March 2023 were £0 (£0 in 2021-22). Contributions prepaid at that date were nil (nil in 2021-22).

Average number of employees (based on FTE) (subject to audit)

	2022-23			2021-22		
	Total	Permanent staff	Others	Total	Permanent staff	Others
Total directly employed	113	111	2	118	114	4

Reporting of Civil Service and other compensation schemes exit packages 2022-23 (subject to Audit)

There were no exit packages agreed during 2022-23 (none 2021-22).

Sickness absence

For the reporting year to 31 March 2023, the average number of days lost to staff sickness was 10.14 (7.05 2021-22). The rate of sickness increased, in substantial part due to long term sickness absences relating to occasions as a result of recovery from surgery, injuries and fractures, and cases of anxiety, stress, depression.

While 2022-23 saw a reduction in the amount of Covid-19 related absence, the GLAA has seen the impact of reduced immunity (cold/cough/flu and viral infections) continuing to affect short term sickness absence rates, which has also been reflected across the UK.

Trade Union Facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require certain public-sector employers to publish information on facility time used by Trade Union representatives. The information below sets out the relevant Trade Union facility time data for the GLAA covering the period 1 April 2022 to 31 March 2023.

The information is based on time sheet recordings by the PCS union representatives regarding union facility time.

2022-23

Employees who are Union officials during period	FTE	Facility time per cent	Cost of facility time per cent of pay bill	Total cost of facility time £000	Total pay bill £000	Paid Trade Union activities per cent
3	3	1-50	0.16	9	5,594	100

2021-22

Employees who are Union officials during period	FTE	Facility time per cent	Cost of facility time per cent of pay bill	Total cost of facility time £000	Total pay bill £000	Paid Trade Union activities per cent
5	5	1-50	0.18	10	5,665	100

Declarations of interest

Senior Management Team	Declarations of Interest
Elysia McCaffrey, Chief Executive	None
Daniel Scully, Chief Operating Officer	None

Parliamentary Accountability and Audit Report

All information in this section is subject to audit by the Comptroller and Auditor General.

Losses and special payments

Managing public money requires disclosure of losses and special payments by category type and value where they exceed £300,000 in total and for any individual items above £300,000. During the year 1 April 2022 to 31 March 2023, the GLAA incurred no losses (£0 2021-22). GLAA made no special payments in 2022-23 (£0 2021-22).

Fees and charges

For the purposes of cost recovery, expenditure has been analysed by function, as well as category, shown in note 2 on pages 127 to 128. All costs are allocated based on the GLAA's best estimate of the apportionment of costs between enforcement and licensing activities.

The organisation should operate on a full cost recovery basis, which is currently not being achieved. The review of fees will be put forward to HM treasury and Secretary of State in 2024-25.

	Income £000s	Full costs £000s	Surplus/ (deficit) £000s	Fee recovery actual per cent
Licensing 2022-23	1,123	2,501	(1,378)	45%
Licensing 2021-22	1,037	2,258	(1,221)	46%

Further information on the fees charged and number of licences can be found in note 5 on pages 131 to 132.

Remote contingent liabilities

In addition to contingent liabilities reported in accordance with IAS 37, the GLAA also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability.

GLAA has a couple of ongoing legal cases relating to operational activity. The details of these have not been disclosed as this would not be appropriate since they are ongoing cases. Given that one or more of those may result in future legal claims, they present potential liabilities for the organisation although none of the cases yet meet the requirements that would require a provision being made.

The GLAA has no remote contingent liabilities as at 31 March 2023 (none 2021-22).



Elysia McCaffrey
Accounting Officer
10 January 2024

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Gangmasters and Labour Abuse Authority for the year ended 31 March 2023 under the Gangmasters (Licensing Authority) Regulations 2015.

The financial statements comprise the Gangmasters and Labour Abuse Authority's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Gangmasters and Labour Abuse Authority's affairs as at 31 March 2023 and its net expenditure for the year then ended; and

- have been properly prepared in accordance with the Gangmasters (Licensing Authority) Regulations 2015 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Gangmasters and Labour Abuse Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Gangmasters and Labour Abuse Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Gangmasters and Labour Abuse Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Gangmasters and Labour Abuse Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises the information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared

in accordance with Secretary of State directions issued under the Gangmasters (Licensing Authority) Regulations 2015.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Gangmasters (Licensing Authority) Regulations 2015; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Gangmasters and Labour Abuse Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Gangmasters and Labour Abuse Authority or

returns adequate for my audit have not been received from branches not visited by my staff; or

- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Gangmasters and Labour Abuse Authority from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Gangmasters (Licensing Authority) Regulations 2015.
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the Gangmasters (Licensing Authority) Regulations 2015; and
- assessing the Gangmasters and Labour Abuse Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Gangmasters and Labour Abuse Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Gangmasters (Licensing Authority) Regulations 2015.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Gangmasters and Labour Abuse Authority's accounting policies.
- inquired of management, the Gangmasters and Labour Abuse Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Gangmasters and Labour Abuse Authority's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Gangmasters and Labour Abuse Authority's controls relating to the Gangmasters and Labour Abuse Authority's compliance with the Gangmasters (Licensing) Act 2004, Gangmasters (Licensing Authority) Regulations 2015 and Managing Public Money.

- inquired of management, the Gangmasters and Labour Abuse Authority's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Gangmasters and Labour Abuse Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition and posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Gangmasters and Labour Abuse Authority's framework of authority and other legal and regulatory frameworks in which the Gangmasters and Labour Abuse operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Gangmasters and Labour Abuse

Authority. The key laws and regulations I considered in this context included the Gangmasters (Licensing) Act 2004, Gangmasters (Licensing Authority) Regulations 2015 and Managing Public Money.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business;

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
[DATE]

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial Statements

Statement of comprehensive net expenditure for the year ended 31 March 2023

	Note	2022-23 £000s	2021-22 £000s
Expenditure			
Staff costs	3	5,594	5,665
Operating expenditure	3	2,467	1,783
Total expenditure		8,061	7,448
Revenue from contracts with customers			
Enforcement	4	(103)	(145)
Licence fees	5	(838)	(784)
Application inspections	5	(285)	(253)
Total income		(1,226)	(1,182)
Net expenditure for the year		6,835	6,266

Other comprehensive expenditure

	Note	2022-23 £000s	2021-22 £000s
Items that will not be reclassified to net operating cost:			
Net loss on revaluation of intangible assets		-	(1)
Comprehensive net expenditure for the year		6,835	6,265

The notes on pages 117 to 143 form an integral part of the accounts.

Statement of financial position as at 31 March 2023

	Note	31 March 2023 £000s	31 March 2022 £000s
Non-current assets			
Property, plant, and equipment	6	208	567
Intangible assets	7	749	1,045
Right of use assets	9	199	-
Total non-current assets		1,156	1,612
Current assets			
Trade and other receivables	10	162	191
Cash and cash equivalents	11	492	563
Total current assets		654	754
Total assets		1,810	2,366
Current liabilities			
Trade and other payables	12	(1,154)	(1,973)
Lease Liability	13	(108)	-
Total current liabilities		(1,262)	(1,973)
Total assets less current liabilities		548	393
		-	-
Non-current liabilities			
Lease Liability	13	(91)	-
Provisions	14	(17)	(17)
Total non-current liabilities		(108)	(17)
Total liabilities		(1,370)	(1,990)
Assets less liabilities		440	376
Reserves			
General reserve		440	376
Revaluation reserve		-	-
Total reserves		440	376



Elysia McCaffrey

Accounting Officer

10 January 2024

The notes on pages 117 to 143 form an integral part of the accounts.

Statement of cash flows for the year ended 31 March 2023

	Note	2022-23 £000s	2021-22 £000s
Cash flows from operating activities:			
Net operating cost	SoCNE	(6,835)	(6,266)
Adjustments for non-cash transactions:			
Depreciation	6 & 9	441	334
Non cash fixed asset movement		27	-
Amortisation	7	330	318
(Increase)/decrease in trade and other receivables	10	30	16
Increase/(decrease) in trade and other payables	12	(817)	(528)
Payments to the consolidated fund which are outside the scope of the GLAA's activities		-	-
Net cash outflow from operating activities		(6,824)	(6,126)
Cash flows from investing activities			
Purchase of property, plant, and equipment	6	(2)	(58)
Purchase of intangible assets	7	(33)	(89)
Net cash outflow from investing activities		(35)	(147)

	Note	2022-23 £000s	2021-22 £000s
Cash flows from financing activities			
Revenue – Grant in Aid	SoCTE	6,898	6,093
Capital – Grant in Aid		-	-
Capital element of lease liability repayments	9	(107)	-
Interest paid on lease liability repayments	13	(3)	-
Total financing		6,788	6,093
Net (decrease)/increase in cash and cash equivalents in the period	11	(71)	(180)
Cash and cash equivalents at the beginning of the period	11	563	743
Cash and cash equivalents at the end of the period		492	563

The notes on pages 117 to 143 form an integral part of the accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2023

	General reserve £000s	Revaluation reserves £000s	Total reserves £000s
Balance at 1 April 2021	548	1	549
Net operating cost	(6,266)	-	(6,266)
Net loss on revaluation of intangible assets	-	(1)	(1)
Grant-in-aid	6,093	-	6,093
Payment to consolidated fund	-	-	-
Balance at 31 March 2022	376	0	376
Balance at 1 April 2022	376	0	376
Net operating cost	(6,835)	-	(6,835)
Net loss on revaluation of intangible assets	-	-	-
Grant-in-aid	6,898	-	6,898
Payment to consolidated fund	-	-	-
Balance at 31 March 2023	440	-	440

The notes on pages 117 to 143 form an integral part of the accounts.

Notes to the accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2022-23 FReM issued by HM Treasury. The accounting policies contained in the FReM apply to International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of the GLAA for the purpose of giving a true and fair view has been selected. The policies adopted by the GLAA for the reportable activity are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Reporting entity name

The Gangmasters and Labour Abuse Authority.

Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, and inventories.

All figures are shown to the nearest £1,000; this may result in small cumulative rounding differences between notes.

Basis of accounts preparation

The statements of accounts are prepared in accordance with regulation 9 of the Gangmasters (Licensing Authority) Regulations 2015 and directions made thereunder by the Secretary of State, reporting the state of the GLAA's affairs as at 31 March 2023 and its financial position for the year.

The GLAA's accounts are audited by the Comptroller and Auditor General.

Any events that would impact on these accounts after the 31 March 2023 are stated in note 17 on page 143.

Going concern

The GLAA has received confirmation of continued funding for 2023-24. The GLAA expects to be funded beyond this by the Home Office although future funding is yet to be formally confirmed from 2024-25, which is the same position as other Home Office Arm's Length Bodies.

Therefore, there is no reason to believe future sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Grant in Aid

GIA utilised for both revenue and capital expenditure is regarded as a finance flow used to support the statutory

and other objectives of the GLAA and is credited to the general reserve in the year to which it relates on a receipts basis.

Segmental reporting

A segment is a distinguishable component of the business that is engaged in providing products or services, which is subject to risks and rewards that are different from other segments, and which are reviewed with senior management. The GLAA has two separately identifiable business objectives which are reported under this heading, these being licensing activities and enforcement activities. Under the adoption of IFRS 8, it has been necessary to add these to the existing cost recovery analysis.

Costs are apportioned between licensing and enforcement activities based on management judgement of the fair apportionment of costs between these segments. This is reviewed annually.

Income

Revenue: contracts with customers

Income is recognised when all the conditions laid down in IFRS 15 Income have been satisfied. Revenue is recognised when a performance obligation included within a contract with a customer is satisfied, at the transaction price allocated to that performance obligation. This may be at a point in time, or over time.

Application inspection payments: The key performance obligation is on completion of an inspection. It is generally through this process that the issuing or rejection of the application to be licenced is decided. Refunds are also available to those that do not require a full inspection for a decision to be made.

Licence fees: The licence fee is paid with an application inspection fee for those applying for a new licence or paid annually before the expiration of the licence for existing licence holders.

The performance obligation is discharged over the course of the licence period. Therefore, the income is recognised monthly over the life of a licence and, in the case of new licences, only once issued. In the case of cancelled or refused licence applications, the fee is not refundable, the full amount of the licence fee is recognised in the month the decision is made.

As application inspection payments and licence fees are both received in advance, these funds are held as contract liabilities until the performance obligation is met or refunds are made.

Income received for both licence fees and application fees are exempt from value added tax (VAT) and are set in accordance with HM Treasury's Fees and Charges Guide.

Payables

The GLAA has a policy of paying all suppliers promptly. The payables figure represents the amounts owed to GLAA suppliers who have issued invoices to the GLAA which have been processed but not paid at the balance sheet date. These amounts are generally paid shortly (days) after being processed, and certainly within one year.

Accruals

The GLAA prepares its accounts on an accruals basis. It accrues for transactions and where appropriate uses estimates to ensure that the accounts give a true and fair view of events and transactions during the reporting period.

Financial assets and liabilities

The GLAA classifies its non-derivative financial assets as loans and receivables. Financial assets and liabilities are recognised at fair value, loans and receivables are then held at amortised cost (the transaction price plus any directly attributable transaction costs).

Property, plant and equipment

Plant and equipment are held at depreciated historic cost which is a proxy for fair value. The capitalisation threshold for expenditure on property, plant and equipment is £5,000. As these assets have a short useful economic life (UEL) and low values, this method represents fair value under IAS 16 and permitted by the

FReM. The UEL and residual value is assessed on an annual basis in line with the impairment review.

Depreciation

Depreciation is provided against tangible fixed assets on a straight-line basis at rates calculated to write off the cost over the expected UEL of the asset over the following periods:

Fixtures and fittings	1-7 years
Plant and machinery	1-5 years
Information technology	2-10 years

Amortisation

Amortisation is provided against intangible fixed assets on a straight-line basis at rates calculated to write off the cost over the expected UEL of the asset over the following periods:

Software licence	2-5 years
Information technology	2-10 years

Intangible assets

In line with IAS 38, where no active market comparable price exists, intangible assets are valued at the depreciated replacement cost re-valued by the average earnings index, less accumulated depreciation, and impairment. Impairment reviews will be carried out at the Statement of Financial Position date on an annual basis. The capitalisation threshold for expenditure on intangible assets is £5,000.

Assets under construction

Assets under construction are shown at accumulated cost with depreciation commencing when the asset is completed and brought into service.

Cash

Cash and cash equivalents comprise cash in hand, current balances with banks and other financial institutions.

Financial Instruments

IFRS 9 includes requirements for classification, recognition, and measurement, impairment, derecognition and general hedge accounting. GLAA does not operate hedge accounting, so the specific requirements of IFRS 9 for hedge instruments do not apply.

Receivables are shown net of expected credit losses. These accounts do not include transition disclosures in respect of IFRS 9, due to the effect of IFRS 9 not being material for GLAA.

Receivable items for GLAA includes only trade receivables, prepayments, and accrued income, all of which are due within the next 12 months. On this basis, no impairments in accordance with the requirements of HM Treasury's Financial Reporting Manual and IFRS 9 are required.

GLAA believe the fair value of its receivable items is noted in the accounts, with no requirement to adjust the

carrying value for estimated future flow of repayment. This is based on historical collection rates.

Leases IFRS 16

IFRS 16 “Leases” introduces a single lessee accounting model, removing the distinction between operating and finance leases and requiring a lessee to recognise ‘right of use’ assets and liabilities for all leases (apart from the exemptions included below). For government bodies reporting under the FReM, IFRS 16 was implemented on 1 April 2022 and replaces IAS 17 (Leases).

The GLAA has adopted the approach of its parent Department, the Home Office. Leasing activities relate to being a lessee in respect of buildings occupied for operational purposes.

For short term and low value leases in line with the practical expedients and FReM, GLAA will not apply IFRS 16 to short term or low value leases and will expense lease payments as they fall due.

These are defined as leases with:

- a lease term of up to 12 months are considered short term leases.
- an underlying asset value of up to £5,000 are considered low value leases.

This is consistent with GLAA capitalisation threshold on purchases assets. The total value of any short term

or low value leases will be disclosed in the notes to the financial statements.

Employee benefits

Under IAS 19, employee benefit costs must be recognised in the period in which it was earned.

Therefore, the GLAA accrues all allowable untaken leave due at the Statement of Financial Position date utilising the measurement method of the average daily rate per employee.

Total severance/early retirement costs are expensed in full in the year in which the departure is agreed (in line with IAS 19). Both offer and acceptance of the scheme conditions must be confirmed, and the date agreement is reached dictates the year in which the costs are expensed in total. For compulsory schemes, the necessary legal and consultation exercises must have been completed in advance but the critical date for recognition purposes is the date that the departure has become irreversible.

Pension costs

The pension arrangements for the GLAA are covered by the Superannuation Act 1972 and reflect benefits for members of the PCSPS and Civil Servants and other pension scheme (alpha). The Superannuation Act provides for defined pension benefits to be met from the consolidated fund and no liability rests with the GLAA.

Past and present employees of the GLAA are covered by the provisions of the PCSPS and alpha. The scheme is a defined benefit scheme and liability rests with the scheme and not the GLAA. Benefits are paid from the Civil Superannuation Vote, to which the GLAA makes contributions calculated to cover accruing pension entitlement for staff employed. Statements of account for the scheme are provided by the Cabinet Office Civil Superannuation Resource Account. The PCSPS pension scheme undergoes a reassessment of the contribution rates by the Government Actuary at four-yearly intervals. In respect of defined contribution schemes, the GLAA recognises the contributions payable for the year.

Full details can be found on pages 84 to 90 of the Remuneration and Staff Report.

Provisions

GLAA provides for obligations arising from past events where the GLAA has a present obligation at the Statement of Financial Position date, and where it is probable that it will be required to settle the obligation and a reliable estimate can be made. Where material, future costs have been discounted using the rate as directed by HM Treasury.

Estimates and judgements

The GLAA have assumed a lease break will be exercised on its headquarters building based on notification from Government Property Agency who hold the overall lease. The interest rate assumed on the building lease liability is

based on the incremental borrowing rate for government departments is set by HM Treasury and communicated in HM Treasury PES paper releases. On transition, this rate was 0.95%. This is consistent with guidance and the approach of the GLAA parent department (Home Office).

IFRS issued but not yet effective

IFRS 17 became mandatory from 1 January 2021. Application of IFRS 17 for government departments was expected to apply from the 2023-24 financial year. This has now been deferred until the 2025-26 financial year. It is not expected to have an impact on the financial statements of the GLAA.

The GLAA is not registered for VAT. VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

Domicile status

The GLAA principal place of business is Nottingham, England.

2. Statement of operating costs by operating segment

In line with HM Treasury's Fees and Charges Guide, the GLAA is required to operate on a full cost recovery basis.

GLAA are working with the Home Office to bring forward recommendations for a fee change in 2023-24 for potential implementation from April 2024. Work on this has been delayed as the GLAA reviewed its operating

model which will have an impact on regulation costs and fee modelling.

Function	2022-23			2021-22		
	Licensing £000s	Enforcement £000s	Total £000s	Licensing £000s	Enforcement £000s	Total £000s
Expenditure						
Staff costs	(1,608)	(3,986)	(5,594)	(1,572)	(4,093)	(5,665)
Operating expenditure	(893)	(1,574)	(2,467)	(686)	(1,097)	(1,783)
Total	(2,501)	(5,560)	(8,061)	(2,258)	(5,190)	(7,448)
Income						
Licensing	1,123	-	1,123	1,037	-	1,037
Other	-	103	103	-	145	145
Total	1,123	103	1,226	1,037	145	1,182
Net income/ (expenditure)	(1,378)	(5,457)	(6,835)	(1,221)	(5,045)	(6,266)

This analysis of income satisfies both the fees and charges requirements of HM Treasury, and the same basis has been used for IFRS 8 Operating Segments, to show the cost of the licensing function. Net assets are not split by segment in reporting to the Board.

3. Expenditure

Staff Costs

	2022-23		2021-22	
	Permanently employed staff £000s	Other/ temporary £000s	Permanently employed staff £000s	Other/ temporary £000s
Staff salaries including PRP	4,047	127	4,042	172
Employee benefits as per IAS 19	(23)	-	(25)	-
Social security costs	443	17	441	20
Pension service costs	947	36	966	49
Total	5,414	180	5,424	241

Operating Expenditure

	2022-23 Total £000s	2021-22 Total £000s
Travel and subsistence	308	244
Information technology	548	106
Marketing	5	10
Depreciation	431	334
Amortisation	330	318
Legal costs	27	36
Recruitment	1	1
Accommodation	161	348
Training	46	70
Interpreters	22	26
External auditors	40	36
Stationery/postage	27	8
Board expenses	5	2

	2022-23 Total £000s	2021-22 Total £000s
Professional services/advice	437	200
Other	79	44
Total	2,467	1,783

The external audit fee was £40,450 in 2022-23 (£35,700 2021-22). There were no non-audit services provided by external audit (£0 2021-22).

The reduction in accommodation costs relates to accounting change IFRS16. The increase in professional services and advice relates to spend on advice to support a new TOM.

4. Revenue from Contracts with Customers

	2022-23 £000s	2021-22 £000s
Additional enforcement income from Department of Agriculture, Environment and Rural Affairs (DAERA), for regional food activity	100	100
Other income	3	45
Total	103	145

5. Licence fees and application inspections

Annual turnover	Fee Band	New applications (inspection and licence Fees) £	Application inspection fee £	Renewal fee £
£10m+	A	5,500	2,900	2,600
£5-10m	B	4,400	2,400	2,000
£1-5m	C	3,350	2,150	1,200
<£1m	D	2,250	1,850	400

Licence fees are based on gross annual turnover within the sector. Licence fees have remained unchanged since 2009.

Under the 2004 Act, the GLAA regulates the UK-wide licensing of activities involving the supply or use of workers in connection with agriculture, horticulture and shellfish gathering, and associated processing and packaging industries. Exclusions to this are set out in the Gangmasters (Exclusions) Regulations 2013. The Act requires the GLAA to keep under review generally the activities of persons acting as gangmasters and to create

and maintain a Public Register of persons licensed under the Act.

Licence fees

The number of licences issued was as follows:

As at 31 March 2023

	Licences issued/renewed	Licence applications cancelled*	Licence applications refused	Licences revoked	Recognised £000s
Horticulture, agriculture, and shellfish	1,106	12	9	4	838

*Previously reported cancelled licence applications included applications that had been started but not paid. This year, cancelled licence applications only includes those that have been paid, cancelled and refunded.

As at 31 March 2022

	Licences issued/renewed	Licence applications cancelled	Licence applications refused	Licences revoked	Recognised £000s
Horticulture, agriculture, and shellfish	1,046	14	12	2	784

Application inspections

Application inspection income is based on gross annual turnover within the sector, as identified in the table above. In 2022-23 inspection income was £285,000 (£253,000 2021-22).

6. Property, plant and equipment

2022-23	Plant and machinery total	Information technology total	Fixtures and fittings total	GLAA total
	£'000s	£000s	£000s	£000s
Cost or valuation:				
At 1 April 2022	41	1,598	159	1,798
Additions	-	-	2	2
Disposal	-	(38)	-	(38)
Adjustment	-	-	-	-
At 31 March 2023	41	1,560	161	1,762
Depreciation:				
At 1 April 2022	39	1,106	86	1,231
Charge for the period	2	307	25	334
Disposal	-	(11)	-	(11)
Adjustment	-	-	-	-
At 31 March 2023	41	1,402	111	1,554
Net book value:				
At 31 March 2023	-	158	50	208
At 31 March 2022	2	492	73	567
Asset financing				
Net book value owned as at 31 March 2023	-	158	50	208
Net book value leased as at 31 March 2023	-	-	-	-
Carrying amount at 31 March 2023	-	158	50	208

2021-22	Plant and machinery total	Information technology total	Fixtures and fittings total	GLAA total
	£'000s	£000s	£000s	£000s

Cost or valuation:

At 1 April 2021	41	1,598	101	1,740
Additions	-	-	58	58
Disposal	-	-	-	-
Adjustment	-	-	-	-
At 31 March 2022	41	1,598	159	1,798

Depreciation:

At 1 April 2021	34	790	73	897
Charge for the period	5	316	13	334
Disposal	-	-	-	-
Adjustment	-	-	-	-
At 31 March 2022	39	1,106	86	1,231

Net book value:

At 31 March 2022	2	492	73	567
At 31 March 2021	7	808	28	843

Asset Financing

Net book value owned as at 31 March 2022	2	492	73	567
Net book value leased as at 31 March 2022	-	-	-	-
Carrying amount at 31 March 2022	2	492	73	567

7. Intangible assets

2022-23	Software licence £000s	Assets under construction £000s	GLAA total £000s
Cost or valuation:			
At 1 April 2022	1,350	-	1,350
Addition	33	-	33
Disposals	-	-	-
Reclassification	-	-	-
Revaluation	-	-	-
At 31 March 2023	1,383	-	1,383
Amortisation:			
At 1 April 2022	305	-	305
Charge for the period	330	-	330
Disposals	-	-	-
Revaluation	-	-	-
At 31 March 2023	635	-	635
Net book value:			
At 31 March 2023	748	-	748
At 31 March 2022	1,045	-	1,045

2021-22	Software licence £000s	Assets under construction £000s	GLAA total £000s
Cost or valuation:			
At 1 April 2021	2,174	1,261	3,435
Addition	89	-	89
Disposals	(2,174)	-	(2,174)
Reclassification	1,261	(1,261)	-
Revaluation	-	-	-
At 31 March 2022	1,350	-	1,350
Amortisation:			
At 1 April 2021	2,161	-	2,161
Charge for the period	318	-	318
Disposals	(2,174)	-	(2,174)
Revaluation	-	-	-
At 31 March 2022	305	-	305
Net book value:			
At 31 March 2022	1,045	-	1,045
At 31 March 2021	13	1,261	1,274

8. Financial Instruments

The GLAA does not enter into contracts that use derivative instruments such as interest rate swaps or any other hedging facilities. The GLAA seeks to eliminate or minimise its exposure to interest rate and exchange rate risk by not making investments and does not have any contracts denominated in foreign currencies. Trade receivables and payables are not interest-bearing and are stated at their amortised cost, which is usually their invoiced amount.

Cash at bank and in hand comprises cash in hand and current balances with banks, which are subject to insignificant changes in value. Liquidity risk is managed through the management of GIA funding through the Home Office. As the cash requirements of the GLAA are met through Grant in Aid, financial instruments play a limited role in creating and managing risk than would apply to a non-public sector body.

Financial assets within the accounts relate to cash and cash equivalents and trade receivables. Financial liabilities relate to payables balances, as per the Government commitment all undisputed and valid invoices must be paid within 30 days hence there is no exposure to discounting of these balances. The GLAA has no material exposure to currency, credit, liquidity, or market risk.

9. Right of use assets

The GLAA has recognised a single right of use asset for its share of the building it occupies at Apex Court, Nottingham.

	2022-23 £000s
Operating Lease Disclosed 31 March 2022	324
Impact of Discounting	(4)
Leases excluded from IFRS 16	(14)
IFRS 16 opening balance lease liabilities	306

	2022-23 £000s	2021-22 £000s
Cost or Valuation:		
At 1 April 2022 adoption	306	-
Additions	-	-
Disposal	-	-
At 31 March 2022	306	-
Depreciation		
At 1 April 2022 adoption	-	-
Charge for Year	107	-
Total	107	-
Carrying Amount		
31 March 2023	199	-
31 March 2022	-	-

10. Trade receivables, financial and other assets

	2022-23 £000s	2021-22 £000s
Trade receivables:		
Trade receivables	-	29
Other receivables:		
Prepayments and accrued income	161	162
Other receivables	-	-
Total	161	191

11. Cash and cash equivalents

	2022-23 £000s	2021-22 £000s
Balance at 1 April	563	743
Net change in cash and cash equivalent balances	(71)	(180)
Balance at 31 March	492	563
The following balances at 31 March were held at:		
Commercial banks and cash in hand	492	563
Balance at 31 March	492	563

12. Trade payables and other current liabilities

	2022-23 £000s	2021-22 £000s
Amounts falling due within one year		
Other taxation and social security	7	130
Trade payables	1	-
Accruals	494	1,213
Contract liabilities	653	630
Total	1,155	1,973

13. Commitments under leases

	2022-23 £000s	2021-22 £000s
Balance at 1 April 2022 Adoption:	304	-
Additions	-	-
Disposal	-	-
Lease Payment	(108)	-
Interest Payments	3	-
At 31 March 2023	199	-
Lease Liabilities under IFRS 16		
Lease Liability	202	-
Less Interest Element	(3)	-
Present Value of Obligation	199	-
Current	108	-
Non-current	91	-
Total	199	-

GLAA had no short term or low value leases at 31 March 2023 (£14,000 2021-22). These all related to vehicle leases that ended during the financial year.

14. Provisions for liabilities

In accordance with IAS 37, provisions are disclosed in the Statement of Financial Position for legal and constructive obligations in existence at the end of the reporting period if the payment amount to settle the obligation is probable and can be reliably estimated. The amount recognised in provisions considers the resources required to cover future payment obligations. Measurement is based on the settlement amount with the highest probability.

	2022-23		
	Server room decommissioning £000s	Legal £000s	Total £000s
Balance as at 1 April 2022	17	-	17
Provided in the year	-	-	-
Provisions not required written back	-	-	-
Provisions utilised in the year	-	-	-
Unwinding of discount	-	-	-
Balance at 31 March 2023	17	-	17

The earliest this provision is expected to become due is at the lease break point in January 2025.

15. Capital commitments

The GLAA had no outstanding capital or other commitments as at 31 March 2023 (£0 31 March 2022).

16. Related party transactions

The GLAA is a NDPB of the Home Office. The Home Office is regarded as a related party. During the year, the GLAA has had a number of material transactions with the Home Office.

In addition, the GLAA has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with:

- The Cabinet Office
- Defra
- DAERA

During the year GIA has been received from the Home Office as disclosed in the Statement of Cash Flows on page 114 to 115.

The GLAA had no transactions with the organisations identified by senior managers under the Declarations of Interest.

A formal register of interests is received from the CEO and COO on an annual basis and is included on page 94. Payment to the CEO and COO has been disclosed as part of the Remuneration and Staff Report on page 81.

During the year, no Minister, senior manager, or other related party has undertaken any material transactions with the GLAA, the Home Office or any other government departments.

17. Events after the reporting date

There were no significant events after the reporting period that require disclosure. In accordance with the requirements of IAS 10 Events After the Reporting Period, events are considered up to the date on which the accounts are authorised for issue.

The Accounting Officer authorised these financial statements for issue on the date of the Comptroller and Auditor General's audit certificate on pages 97 to 109.

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