



Gangmasters
Licensing Authority

GLA 45/9b Future Board Governance

22 April 2015

Board Paper Reference – GLA45/9b – Future Board Governance

1. Purpose of the Paper

- 1.1 Following steps to reform the GLA governance structure as mandated through Central Government's Red Tape Challenge, public consultation, Triennial Review, a subsequent task and finish group and GLA October Board meeting feedback the following paper seeks to identify a number of options for 'sub board' governance for decision by the new GLA Board in April 2015.

2. Recommendation

- 2.1 Board members are invited to determine what 'sub board' governance arrangements are required.

3. Reasons for Recommendation

- 3.1 To assist the smooth transition to a new GLA governance structure, the new Board will be presented with evidence based options for effective governance which include full and dynamic engagement with key stakeholders; satisfying its statutory obligations; meeting Ministerial expectations and providing the necessary support and scrutiny of the Gangmasters Licensing Authority in achieving its aims, priorities and objectives.

4. Summary of Key Points

- 4.1 The options listed below are designed to assist to inform the thinking of the new Board with regard to effective and inclusive stakeholder engagement. The options include, but are not limited to: thematic or stakeholder advisory groups as determined by the Board; time/topic bound "task and finish" advisory groups, with representation from a much wider and 'subject matter expert' field for the duration of that task.
- 4.2 The Board would still require an Audit and Risk Committee made up of board members to discharge its legal duties.

5. Board Governance Structure

- 5.1 The Statutory Instrument laid before parliament on 9 June 2014 determined the role, membership and tenure of the revised Board including the following points.
- 5.2 Role of the Board
 - The Authority must have a Board which must direct its affairs.
 - The Board must ensure that the Authority properly discharges its functions and complies with the requirements of these Regulations.
 - The Board may determine its own procedures.
 - If the Board establishes advisory committees, whose members are not members of the Board, it must take into account any recommendations made by any such committee.

Membership of the Board

5.3 The Board must consist of:

- a chair
- no more than eight additional members
- the chair must be appointed by the Secretary of State in consultation with the Minister of Agriculture and Rural Development in Northern Ireland
- The other members of the Board must be appointed by the Secretary of State

Tenure and Remuneration

5.4 Subject to the provisions of this regulation, each member of the Board must hold and vacate office in accordance with the terms of their appointment. At the end of their period of appointment, each member of the Board must continue to hold office until the appointment of their successor takes effect. The Secretary of State may remove a member of the Board from office for a number of reasons listed in the Statutory Instrument.

5.5 The Authority must pay to the members of the Board, and any persons invited to attend a meeting of the Board, such remuneration and allowances as the Secretary of State may determine.

5.6 The current Board also has Standing Orders that govern other aspects of its procedures. Board procedural matters have been removed from the new Statutory Instrument hence a new set of Standing Orders will need to be written and agreed by the incoming Board. These will include issues such as the conduct of business, the publication of board papers, and attendance of observers.

5.7 Matters such as the publication of papers are governed by the 'transparency obligations on public bodies'. In the interests of transparency it is also recommended that GLA Board meetings remain open to observers.

5.8 In order to discharge its legal functions it is also envisaged that the GLA Board would have an Audit and Risk Committee made up of board members with GLA, National Audit Office, Internal Audit and, possible Home office representation. The business presently undertaken by the Finance and General Purposes and Remuneration Committees may be considered suitable to be incorporated into the main board meetings.

5.9 Principles for good governance and engagement

From feedback from current Board members, good governance should include the following principles for sub board level governance and management:-

1. Visible stakeholder engagement is pivotal to the future success of GLA governance
2. The structure should be affordable and sustainable and not result in more meetings than the current structure generates.

3. The structure should follow the GLA strategy and contribute to its outcomes
4. The structure should facilitate a bottom up approach to ensure that all opportunities and risks identified by stakeholders can be elevated to board level.
5. The size and frequency of meetings is instrumental to outputs and outcomes.

Options for consideration – sub board governance and engagement

There was no single sub board governance model that was fully agreed upon however it was felt the new board should take full cognisance of the following options or variations of:

1. Regular stakeholder forums comprising a range of sector specific interested parties or multi-agency groups
2. Stakeholder groups comprising Labour User, Labour Provider, Worker, Retailer
3. A replication of current representative board members not including ex officio
4. Four thematic groups comprising Intelligence, Licensing, Compliance, Enforcement
5. Open Annual General Meeting/Annual Conference
6. Task and Finish groups drawn together for a specific purpose to develop options for consideration by the main board e.g. review of licensing standards, fees etc.
7. A member of the GLA board to chair/attend some or all of the above

6. Financial Implications and Budget Provision

- 6.1 Assuming that the independent Board Members will receive some remuneration, there could be a financial impact from a requirement for Board members to chair advisory committees. This budgetary pressure is being discussed with the sponsor department.
- 6.2 It is expected that the current approach for others attending the advisory committees would continue as now, these being self-funding.

7. Organisational Risks

- 7.1 With any corporate change, there are risks to business continuity and effective stakeholder engagement. This is identified through the GLA risk management strategy.
- 7.2 The potential for a new Board to consist partly of entirely new members, with limited previous experience or exposure to the GLA, could, initially impact on the effectiveness of Board business. Hence a full induction programme is being developed to mitigate this risk.
- 7.3 The GLA believes that having too many committees could create an organisational risk due to the impact on resources. The challenge will be to manage the groups in a

manner that ensures effective and inclusive consultation, collaboration, and control so that activity and debate is focused on issues relevant to established strategic priorities.

8. Policy Implications and Links to Strategic Priorities

- 8.1 The proposals on advisory committees support the delivery of the following strategic outcomes:
- Provide effective, meaningful engagement with stakeholders thereby enhancing reputation
 - In partnership tackle those who engage in tax evasion, health and safety negligence, fraud and breach of regulations
 - Work with industry to recognise and address non-compliance without formal GLA intervention
 - Maintain credible licensing scheme creating level playing field and promoting growth

9. Background Papers and Relevant Published Documents

- 9.1 Defra consultation: [Changes to the scope and governance of the Gangmasters Licensing Authority.](#)
- 9.2 Triennial Review of GLA

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