



Gangmasters  
Licensing Authority

# GLA41/10 Future Board Governance

**02 April 2014**

# **Board Paper Reference – GLA41/10 – Future Board Governance**

## **1. Purpose of the Report**

- 1.1 This paper considers the future GLA Board and advisory committee governance and seeks views on options for sub-committees and advisory committees to the main Board.
- 1.2 It seeks additional views on alternative structures for advisory committees, and their constitution, to inform a further paper, the purpose of which will be to set options for decision by the future Board.

## **2. Recommendation**

- 2.1 Board members are invited to respond to the questions in paragraphs 4.11 and 4.14, to make comments and suggestions, which will form the basis for:
  - (a) A note from the Board informing the Defra Sponsorship team of the views of the Board as regards appropriate selection criteria for the new board;
  - (b) A paper to the new Board on proposals for advisory committees.
- 2.2 This paper takes as its starting point the following two principles derived from the Government's stated position following consultation on the Red Tape Challenge (RTC), and the Defra consultation on the RTC proposals respectively:
  - to: "Amend the structure of the Board of the GLA and introduce a smaller Board to provide clear strategic leadership and direction to the GLA", and
  - that the new GLA Board will be composed of independent (rather than representative) members appointed using OCPA Code of Practice principles of merit, fairness and openness.
- 2.3 Responses are sought by **30 April 2014**. The draft paper to the new Board will be discussed at the next GLA Board meeting in July.

## **3. Reasons for Recommendation**

- 3.1 A Board decision is not sought because the Board does not have jurisdiction over the matters at 2.1 (a) and (b).

## **4. Summary of Key Points**

### ***Recruitment process and criteria***

- 4.1 Following publication of the Triennial Review, Defra will undertake activity to implement a revised statutory instrument to replace the Gangmasters (Licensing Authority) Regulations 2005. It is anticipated that the process to introduce new regulations to underpin the operation and structure of the Board will take a period of

approximately 2 months from start to finish before the recruitment of the new Board will commence. That process is likely to take a further 3-4 months.

- 4.2 The role of the Board is expected to be as currently stated in existing legislation, in paragraph 3 of the Gangmasters (Licensing Authority) Regulations 2005

“(1) The Authority shall have a Board which shall direct its affairs.

(2) The Board shall ensure that the Authority properly discharges its functions and complies with the requirements of these Regulations”.

and as may be additionally defined in the new statutory instrument.

- 4.3 Only matters specified in the statutory instrument will prescribe how the new Board will operate. Otherwise the new Board will determine its own procedures which will be laid down in its standing orders.
- 4.4 The recruitment of members for the revised Board arrangements will be conducted to the process set by Office of the Commissioner for Public Appointments (OCPA), and are Ministerial appointments. All appointments will be independent board members selected by reference to published selection criteria.
- 4.5 Guidance on this process, in OCPA’s code of practice can be found at:  
<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-20121.pdf>
- 4.6 Advised by the OCPA process, Defra Ministers will be responsible for determining the skills background required, and therefore the criteria that will be set for the Board member recruitment.
- 4.7 However, it is proposed that a submission is made to Defra sponsorship team to suggest criteria to be used when recruiting the new Board, which cover knowledge of the GLA sector and its regulation, e.g.
- Skills and knowledge of business models operating within the regulated sector, or other regulatory regimes
  - Delivery of outcome focused objectives, analogous to those set out in the GLA mission
  - Understanding of employment rights of workers in GLA sector

However, it will be for ministers to approve the criteria that are used for recruitment.

### ***Board structure***

- 4.8 Decisions on the size of the Board and the status of the CEO as a Board member will be for Ministers, subject to parliamentary approval. Thereafter, decisions on recruitment and skill requirements will be made by Ministers advised by the Defra sponsorship team. They will operate in consultation with the Public Appointments team in Defra who in turn will seek the approval as necessary of Cabinet Office and OCPA.

- 4.9 No representative members from specific interest groups will be represented on the final constitution of a new Board. However, if current or former Board members wish to apply through the open competition to demonstrate they meet the selection criteria by reference to skills they have acquired working within the GLA sector they are open to do so.

### ***Sub committees of the board***

- 4.10 Currently there are two sub-committees formally constituted under paragraph 6 of the Gangmasters (Licensing Authority) Regulations 2005:

- Audit and Risk
- Finance and General Purposes (including remuneration)

- 4.11 Board members are invited to give views on whether they think that:

- these should continue with a much smaller Board, or
- whether a new Board structure would be able to undertake the tasks of either or both of the sub-committees more effectively, or
- whether there ought to be any other sub-committee (e.g. to cover matters such as remuneration).

### ***Options for advisory committee structure***

- 4.12 One option that has been discussed is that the new Board might set up one or more advisory committees. These might be chaired by a member of the Board. Under one model there might be a series of groups akin to the existing liaison groups who each nominated one or more members to a single “advisory group”. Or there might be several “advisory groups” representing different stakeholders.

- 4.13 The Board might have a formal duty to have regard to advice received from this committee/these committees. There might be a mixture of standing advisory committees and issue specific advisory committees – “task and finish” groups. The overall objective in having stakeholder advisory committees would be to allow the voices of the various interest groups/stakeholders to continue to be heard within GLA and for their expert advice to be received.

- 4.14 In order to develop options for presentation to the new Board views are sought on questions such as:

1. Should each stakeholder group have its own forum (e.g. separating LPs from LUs)?
2. Should LUs be separate from, or joined with, supermarkets/ suppliers, - is there a benefit in them being part of the same stakeholder group?
3. Is there a maximum number of advisory groups?

4. Should advisory groups form a single tier beneath the main Board, or should there be separate stakeholder groups who each send a representative to a cross-stakeholder advisory group which sits between it and the main Board?
5. Should there be additional advisory groups established to provide input on particular thematic issues, as a “task and finish group, disbanded at the completion of the review it was created for?
6. For ex-officio members – Do you think there should be a dedicated GLA focused enforcement group to provide input on opportunities for joint working and enforcement priorities?
7. Should geographic groups be established to represent the devolved administrations? And if so should there be one dedicated to England additionally?
8. For each group established do you consider there should be a ceiling on membership numbers?
9. Do you have any views on membership rules – grounds to refuse or remove attendees, or do you consider all groups should have an open membership?

## **5. Financial Implications and Budget Provision**

- 5.1 There may be a financial impact from a requirement for Board members to chair advisory committees, if that requirement necessitates remunerating that activity. This extra cost may be partially balanced against savings from reduced expenses for Board meetings due to the decrease in Board size.
- 5.2 It is expected that the current approach for other attendees to the liaison groups would apply to advisory groups will continue – membership attendance is unfunded, and does not incur travel and subsistence costs of attendees.

## **6. Organisational Risks**

- 6.1 The potential for a new Board to consist of partly or entirely new members, with no previous experience or exposure to the GLA, may initially, adversely affect the conduct of Board business. It is imperative that new Board members are brought up to speed as soon as possible. Therefore it is proposed that the first Board meeting following the recruitment of the new members is a two day event consisting of 1.5 days induction, and 0.5 day for the Board meeting.
- 6.2 The organisational risk increases the more committees are established, or if there are second and third tiers of consultative committee. The risk is to the impact on resources to manage the groups in a manner that ensures effective consultation and collaboration, and control so that activity and debate is focused on issues relevant to established strategic priorities.

## **7. Policy Implications and Links to Strategic Priorities**

7.1 The proposals on advisory committees support the delivery of the following strategic objectives:

- Provide effective, meaningful engagement with stakeholders thereby enhancing reputation
- Work with industry to recognise and address non-compliance without formal GLA intervention
- Maintain credible licensing scheme creating level playing field and promoting growth

## **8. Background Papers and Relevant Published Documents**

8.1 Defra consultation: [Changes to the scope and governance of the Gangmasters Licensing Authority](#)

**Report Author: Darryl Dixon**

**Senior Responsible Officer: Paul Broadbent**