

# GLA 26/8.1

## Corporate Plan 2008 – 2011

April 2010

## **1. Chairman's Foreword**

This is the fourth corporate plan produced by the Gangmasters Licensing Authority (GLA). It was first written in 2008/9 and modified in 2009/10 and covers the period up to 31 March 2011. The plan sets out the vision for the Authority and our key objectives. The detailed measures which are designed to deliver these objectives are set out in the business plan. We have also used the recommendations from the Annual Reviews carried out by the Universities of Sheffield and Liverpool, and the BRE Hampton Implementation Review of 2009, to help us to identify areas which the GLA should target over the coming three years.

Since 2005, the GLA has successfully established the national licensing scheme. There are now two tasks for us to focus on:

- firstly to use intelligence based enforcement operations effectively to detect licence holders who are not compliant, and to bring unlicensed gangmasters before a court;
- secondly to communicate our successes so that those who are engaged in illegality perceive the risk of continuing is too great.

## **2. Background**

The GLA was formed in April 2005 under the Gangmasters (Licensing) Act 2004, shortly after the Morecambe Bay tragedy. The objectives of the Act are to:

- end exploitation of workers in the agriculture (which includes forestry), horticulture, shellfish gathering and associated processing and packaging industries
- curb the exploitative and other illegal activities of labour providers
- increase Exchequer revenues by promoting employment of legitimate workers
- promote fair competition amongst labour providers
- identify and take action against labour providers operating without a licence.

The GLA Licensing Standards, revised in 2009, set the standards expected of labour providers.

## **3. The Scope of Licensing**

The GLA has established a UK wide licensing scheme and created a register for gangmasters operating in agriculture, horticulture and shellfish gathering and associated processing and packaging industries.

The statutory functions and powers of the Authority are set out in sections 1 and 8 of the Act and are also prescribed in regulations. The duties of the Authority relate to:

- the consideration of applications
- the issue of licences to gangmasters and
- taking compliance action when licence conditions have been breached.

All labour providers who supply workers to agriculture, horticulture and the related food processing and packaging industries were required to be licensed by 1 October 2006. The exclusions to this are set out in the Gangmasters (Exclusions) Regulations 2006 and cover specialist activities such as the use of machinery to carry out agricultural work and farmer to farmer loans. Those employment agencies which supply workers within this sector to a labour user for a permanent position require a licence.

Overseas labour providers also require a licence if they supply workers in the regulated sectors to the UK. Supply is taken to have a wide meaning and so we have advised overseas labour providers to contact the GLA to discuss if they require a licence.

Licensing for those conducting gangmastering activity in the shellfish gathering industry commenced on 1 October 2006. This delay was agreed to allow for further time to be spent on developing a greater understanding of the shellfish industry, as it is intrinsically different from that of agriculture and food processing and packaging. The main difference is that a gangmaster in this context is someone who uses labour to undertake the gathering of shellfish rather than supplies it.

#### **4. Criminal Offences and Enforcement**

A range of criminal offences are provided for in the Act. These are designed to deal with unlicensed activity in relation to gangmastering. The offence of acting as an unlicensed gangmaster commenced on 1 October 2006 except in the shellfish gathering sector. The offence of using an unlicensed gangmaster commenced on 1 December 2006. From 6 April 2007, it became an offence to be unlicensed in the shellfish gathering sector. The Department for the Environment, Food and Rural Affairs (Defra) has appointed officers of the Authority to enforce the criminal sanctions in the Act. This is the subject of a separate service level agreement.

#### **5. Status of the Authority**

The Authority is classified as an executive Non-Departmental Public Body and does not carry out its functions on behalf of the Crown. Its sponsor department is Defra. As agriculture and employment matters are devolved matters, the 2004 Act requires specific arrangements to be undertaken by the Department of Agriculture and Rural Development in Northern Ireland (DARDNI).

## **6. Mission Statement**

The mission of the GLA is to safeguard the welfare and interests of workers as defined by the Act, whilst ensuring labour providers operate within the law. The mission will be achieved by:

- introducing and operating a system to licence labour providers, including a publicly accessible register;
- effective communication of the legal requirement for labour providers to become licensed, and to operate and remain within the formal economy;
- imposing the least possible burden on labour providers and labour users through efficient and effective processes and procedures;
- developing and promoting standards for best practice in the supply and use of temporary labour, in collaboration with stakeholders;
- checking licence holders for continued compliance with the licence conditions;
- taking enforcement action against those who operate illegally or who for other reasons are judged unfit to hold a licence;
- supporting enforcement of the law, by or in conjunction with the enforcement authorities of other government departments, and others as appropriate, through shared information and joint working;
- maintaining a continuous review of the activities of gangmasters and the effects of the Act and the Authority on them.

## **7. What We Have Done up to 1 April 2010**

Operations are now highly focussed on tackling those who operate illegally or abusively. We use an intelligence led approach rather than relying on routine inspections. This has meant that we do not burden the compliant and legitimate businesses but target those who are abusive or operate illegally. Linked to this, we have sought to raise our media profile to drive up awareness of our work ;specifically, we have introduced a "name and shame" campaign which publicises the names of those labour providers who have had their licence revoked.

In 2008/09 we ran enforcement operations which looked at exploitation in the flower picking sector, forestry, fruit and vegetable pack houses, and accommodation. This has resulted in us revoking 37licences and refusing 17licences.

In April 2008, the GLA secured the first conviction of an unlicensed gangmaster, followed by another conviction for the same offence in May 2009. The first successful prosecution of a a gangmaster for using workers to gather shellfish took place in September 2009.

The GLA continues to work closely with other law-enforcement agencies, most notably in a major human trafficking operation, believed to be the largest of its kind ever mounted in the UK, in November 2009

In addition, the GLA has secured some quick wins for exploited workers. For instance, an inspection of a labour provider in the South East led to the payment of £25,000 to workers for holiday pay, in time for Christmas, which they would otherwise not have received.

The GLA has increased its enforcement capacity by retraining and retaining compliance officers and recruiting a number of new enforcement officers across the UK. In addition, field intelligence officers have been recruited, and using Communities and Local Government funding the GLA has recruited local enforcement officers in areas of the country where significant gangmaster activity occurs. We have also increased the capacity and capability of our intelligence and licensing functions.

Increased expenditure in 2009/11 is focussed on front line delivery and overhead costs and back office activities have been closely controlled.

## **8. The Regulations**

Defra has the lead on the regulations arising from the Act, except in relation to setting the rules for the licensing scheme (section 8).

The GLA determines the licensing conditions and licence fees. Licensing conditions were the subject of public consultation before becoming law in April 2006 and were amended from 1 October 2006 to take account of shellfish gathering. They were last amended in April 2009, to reflect current licence fees and revisions to the Licensing Standards introduced after public consultation, in the Gangmasters (Licensing Conditions) Rules 2009.

Defra has been responsible for:

- The Gangmasters (Licensing Authority) Regulations 2005
- The Gangmasters Licensing (Exclusions) Regulations 2006
- The Gangmasters (Appeals) Regulations 2006
- The Reasonable Steps Guidance for Labour Users

The 2004 Act requires DARDNI to make separate legislation in respect of Appeals, Exclusions and Reasonable Steps. DARDNI is responsible for:

- The Gangmasters (Appeals) (Amendment) Regulations (Northern Ireland) 2006
- Gangmasters Licensing (Exclusions) Regulations (Northern Ireland) 2006

The Exclusions Regulations are currently subject to review.

## **9. The Board of the Authority**

Board members have been nominated from organisations across the associated sectors, both industry and government bodies, to represent the full range of views. Their responsibility is to ensure the GLA fulfils its role and complies with the Gangmasters (Licensing Authority) Regulations 2005. The Board is chaired by Paul Whitehouse. There are 19 representative members and 9 ex officio members. A list of the organisations represented on the board is shown at Appendix 1. The ETI is permitted to send a representative to any meeting of the Board as an observer. Observers can contribute to the discussion at the invitation of the chair. The chairman is responsible to the Secretary of State for ensuring that the Board's policies and activities support the wider strategic policies of Defra and for taking reasonable steps to ensure that the Authority's affairs are conducted with probity.

The chairman shares with other Board members the corporate responsibilities set out below, and in particular for ensuring that the Authority fulfils Defra's wider aims and objectives. The Board has a corporate responsibility for ensuring that the Authority fulfils the aims and objectives set by the Secretary of State and for promoting the efficient and effective use of staff and other resources by the Authority.

## **10. Managing our Business**

The chief executive is responsible for the Authority's performance against key targets and to the principal accounting officer on matters relating to the management, regularity and propriety of the GLA and its financial performance. The Board will formally support the chief executive in taking strategic decisions on business objectives, plans and priorities, risks and resource allocations. The Executive Management Board, comprising the senior executive members of the GLA, is responsible for day to day management decisions. The Audit and Risk Committee will provide the chief executive with advice on the strategic processes for risk, control and governance and the statement on internal control.

## **11. Achieving and Managing Our Objectives**

The Authority contributes to the achievement of the aims, objectives, targets and public service agreements of Defra and, as appropriate, those of other government departments, as well as to wider government initiatives such as those which seek to improve the efficiency, economy and effectiveness of public services.

The GLA will achieve its mission by meeting the organisational objectives set out below. The GLA's objectives are set out in priority order.

| <b>Objective 1</b>   | <b>Enforcement, Inspections and Compliance</b> |
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| <p>We will focus our resources on reducing worker exploitation through targeted operations, inspections and enforcement. Our aim is to run a series of operations throughout the year which will disrupt and deter those who continue to fail to comply with the licensing regime. We will also focus on improving the quality, timeliness and efficiency of licensing, compliance, enforcement and non-operational support processes. We have increased our enforcement resources in 2009. This will allow us to direct more front-line staff to enforcement work. Effective partnership working with other government agencies will also allow us to carry out joint enforcement activity and assist in the generation of industry-specific intelligence and information on organised criminality.</p> <p>The key risk in relation to this objective is that operations do not have an effect on the industry.</p> |  |

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| <b>Target 1.1</b> | <b>To implement effective enforcement and compliance operations and actions.</b>   |
| <b>Quantity</b>   | An annual schedule of unannounced intelligence led enforcement operations, application inspections, compliance inspections and other disruption activities will be included in the annual GLA Business Plan and will be implemented by the Executive.  |
| <b>Quality</b>    | Implementation will be timely, cost effective and meet the objectives set out for operations.  |
| <b>Narrative</b>  | <p>Operations will work closely with communications to ensure maximum media coverage of its operational outcomes.</p> <p>There will be high profile enforcement activity which will disrupt and deter non-compliant labour providers.</p> <p>The GLA will make licensing decisions promptly based on evidence from inspections which will be carried out consistently and accurately.</p> <p>Intelligence analysis will be used to drive enforcement operations.</p> |



**Objective 2                      Communications**

We will continue to ensure that those covered by the licensing scheme and stakeholders have a clear understanding of the requirements of licensing and awareness of action that we take to tackle worker exploitation. We will explore ways of highlighting the outcomes of our enforcement action and how this has benefited workers and the impact this has had on the business. We want those who continue to operate outside the law to be aware of the sanctions they face. However, we also need to improve our understanding of exploitation and what this means for workers.

We will continue working proactively with broadcast and print journalists. We will also continue to produce a range of high quality leaflets and guidance in key languages. This is very much in line with the Annual Reviews which highlighted the need for communication of local enforcement activities to raise awareness of action taken to pursue "rogue" gangmasters.

The key risk is that the GLA will not be able to control the content of reporting which could lead to adverse criticism. However, this should not deter the GLA from actively pursuing a higher media profile as this will draw attention to the current levels of exploitation of workers rife in this sector.

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| <b>Target 2.1</b> | <b>To implement an External Communications and Media Strategy which meets the requirements of the GLA.</b>   |
| <b>Quantity</b>   | The GLA External Communications Strategy aims to get specific messages across to individual key stakeholder groups, government departments, GLA board members, labour providers (gangmasters), labour users and workers, to enable the GLA to better meet its mission and objectives.              |
| <b>Quality</b>    | The strategy will reflect the GLA mission by targeting workers to make them aware of their rights, raising awareness of action taken by the GLA to deal with illegal gangmasters and labour users using unlicensed gangmasters, and highlighting compliance action and the impact on the industry. |
| <b>Narrative</b>  | The focus moving forward will be on enforcement of workers' rights and the protection of legitimate businesses from undercutting by non-compliant businesses. All the channels used to publicise the GLA and its activities will be monitored to judge the success of each form of delivery.       |

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| <b>Target 2.3</b> | <b>Board Liaison Groups</b>   |
| <b>Quantity</b>   | To provide a regular forum for users of GLA services to raise issues for discussion.  |
| <b>Quality</b>    | User forums to advise the main board and act as a critical friend to the GLA. The minutes and agendas of all liaison group meetings to be available on the GLA website.   |
| <b>Narrative</b>  | <p>The GLA will formalise meetings of licence holders, labour users and workers and their representatives to exchange information on all aspects of the GLA's performance. These formal groups will be liaison groups to the main board and will be chaired by the GLA Chairman or nominee.</p> <p>In addition to this we will seek regular feedback from those who use workers, retailers and suppliers to ensure a good flow of intelligence.</p> |

| <b>Objective 3</b>   | <b>Financial Performance</b> |
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| <p>We will continue to make the best use of our resources and strive for efficiency within the context of ensuring that licence holders do not suffer any undue burden. We will constantly review our budgets and look for opportunities to make savings where appropriate. We will seek to work with our partners across government to determine the wider impact of our work e.g. the effect on tax revenue generation. We will keep the fee structure under review and consult annually on the fee levels.</p> <p>Biodiversity is a new area for us to focus on but we will look at ways of implementing measures to reduce our impact on the environment and make cost savings.</p> <p>The key risk in this area is that there will be insufficient income generated from licence fees to fund the non-enforcement GLA activities.</p> |                              |

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| <b>Target 3.1</b> | <b>The GLA will continue to operate on an effective and efficient basis to ensure that no undue financial burden is imposed on licence payers.</b>  |
| <b>Quantity</b>   | The licence fee is kept to the lowest possible economic level.  |
| <b>Quality</b>    | Licence fees are not seen as a barrier to entry by the marketplace.   |
| <b>Narrative</b>  | The GLA operates on a full cost recovery. We will keep our resource levels under review by comparing our organisation to similar regulatory bodies. |

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| <b>Target 3.2</b> | <b>The GLA will continue to strive to reduce the unit cost of issued licences.</b>   |
| <b>Quantity</b>   | We will control and minimise our costs, and conduct an annual review of our budgets to ensure we offer value for money to licence fee payers and to taxpayers.                           |
| <b>Quality</b>    | From 20010/11 unit costs will be reduced wherever possible without compromising the effectiveness of our operations and activities. A target of 5% improvement per annum will be sought. |
| <b>Narrative</b>  | In order to keep unit costs to the optimum level, we will aim to process more licences for the same costs or the same number of licences for a reduced cost.                             |

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| <b>Target 3.3</b> | <b>To meet the Biodiversity Duty imposed on all Public Authorities</b>  |
| <b>Quantity</b>   | To implement a biodiversity action plan and reporting mechanism by 31 March 2010  |
| <b>Quality</b>    | The action plan will focus on the areas identified in the guidance on implementing the Biodiversity Guidance for Public Bodies. |
| <b>Narrative</b>  | NDPB's are required to meet the duty.   |

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| <b>Objective 4</b>   | <b>People</b> |
| We will treat everyone fairly, and encourage, value and recognise everyone's views and contributions. The GLA will use the Investors in People methodology to ensure that its staff are well managed. It will focus on recruitment, development and strategies for rewarding staff. Staff will be recruited and employed in accordance with the principles of diversity and equality. IiP accreditation will be sought in 2011 |               |

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| <b>Target 4.1</b> | <b>To ensure that the GLA is staffed appropriately to meet its business objectives.</b>  |
| <b>Quantity</b>   | The GLA will implement its retention and development policy to ensure that there are appropriate staffing levels.  |
| <b>Quality</b>    | The GLA staffing structure meets the requirements of the business and will be focussed on the front line and in particular on enforcement. Overheads and back office activities will be kept to a minimum. |
| <b>Narrative</b>  | The GLA will carry out its recruitment in line with its HR strategy and ensure that it has appropriate staffing levels.  |

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| <b>Target 4.2</b> | <b>To be seen to be following good practice in management and staff co-operation.</b>  |
| <b>Quantity</b>   | Achieve IiP status by June 2011 following the implementation of the new staffing structure during 2008.  |
| <b>Quality</b>    | Training is targeted and matched to training needs analysis for individual members of staff.   |
| <b>Narrative</b>  | The GLA values the input from well-trained staff and sees it as an imperative that all development opportunities are fully exploited thus ensuring a dynamic and informed workforce. |

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| <b>Objective 5</b>   | <b>Strategic Management</b> |
| <p>The GLA model of licensing and enforcement has been shown to work. The strategic issue facing the organisation and the government is how best to maximise the potential of the GLA over the period 2011/15. A number of options should be considered during 2011 and a new Corporate Plan developed for the next five year period, 2011/15. There will be a General Election in 2011.</p> |                             |

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| <b>Target 5.1</b> | <b>Quinquennial Review</b>  |
| <b>Quantity</b>   | The GLA will contribute constructively to the process of review of the organisation.  |
| <b>Quality</b>    | It is imperative that any potential changes or reorganisations following the quinquennial review show benefits in terms of better regulation and more effective enforcement while at the same time reducing the regulatory burden on legitimate businesses. |
| <b>Narrative</b>  | In order to ensure that we contribute actively to the process we will work closely with ministers, officials, colleagues and all other key stakeholders.  |

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| <b>Target 5.2</b> | <b>Impact of the GLA - Composite Performance Index</b>   |
| <b>Quantity</b>   | Annual reports for 2009 and 2010. First Composite Performance Indicator scorecard published in year 2010/11.   |
| <b>Quality</b>    | Statistically robust reports that provide the GLA with annual evidence to assess its impact on the industry and the effectiveness of its systems and processes to meet the aims of the Gangmasters (Licensing) Act 2004.   |
| <b>Narrative</b>  | <p>We have agreed with Defra that the measuring outcomes and post-implementation reviews could be commissioned through discrete research projects:</p> <ul style="list-style-type: none"> <li>• establish a baseline of illegal activity and measure the extent of changes in levels of illegal activity in the first year of licensing</li> <li>• assess the extent to which the GLA is complying with the principle of better regulation</li> <li>• measuring outcomes.</li> </ul> <p>The first year report was published in November 2007 and the second report in February 2009. The second report recommended the use of a <b>Composite Performance Index</b> to assess the impact of the GLA and its outcomes. The GLA will publish the first Composite Performance Index in 2011/12</p> |

## Financial Management

Details of the income and expenditure for 2008/11 are set out at Appendix 2.

**Appendix 1****Member Organisations of the Gangmasters Licensing Authority Board****Representative Members****The Association of Labour Providers (ALP)**

David Camp

Joanne Young

**The Recruitment and Employment Confederation (REC)**

Marshall Evans

**National Farmers Union (NFU)**

Sharon Cross

Phil Hudson

**Local Authority Coordinators of Regulatory Services (LACORS)**

awaiting appointment

**National Farmers Union Scotland (NFUS)**

Graham Bruce

**Police Superintendents Association**

Russell Hardy

**Trade Union Congress (TUC)**

Hannah Reed

awaiting appointment

**Association of Chief Police Officers (ACPO)**

Simon Chesterman

**Transport and General Workers Union (TGWU)**

Chris Kaufman

awaiting appointment

**Shellfish Association of Great Britain**

Gillian Mills

**British Retail Consortium (BRC)**

Chris McCann

**Fresh Produce Consortium (FPC)**

Nigel Jenney

**Food and Drink Federation (FDF)**

vacant

**National Association of Citizens Advice Bureau (NACAB)**

Jane Mordue

**Sea Fish Industry Authority (SFIA)**

vacant



**Ex officio Members**

**Secretary of State for Home Affairs**

**Secretary of State for Work and Pensions**

**Secretary of State for Trade and Industry**

**The Director General of the Health and Safety Executive**

**The Scottish Ministers**

**The Welsh Assembly for Wales**

**Secretary of State for Environment, Food and Rural Affairs**

**The Commissioners of Inland Revenue and the Commissioners of Customs and Excise jointly**

**The Minister for Agriculture and Rural Development for Northern Ireland**

**Official Observer**

**Ethical Trading Initiative (ETI)**

**Appendix 2****Income and Expenditure to 2011/12**

| <b>£million</b> | <b>2008-2009<br/>(actual)</b> | <b>2009-10<br/>(forecast)</b> | <b>2010-11<br/>(forecast)</b> |
|-----------------|-------------------------------|-------------------------------|-------------------------------|
| Income          |                               |                               |                               |
| Fees            | 1.529                         | 1.335                         | 1.375                         |
| Defra           | 2.049                         | 2.196                         | 2.626                         |
| DCLG            |                               | 200                           | 500                           |
|                 | <u>3.578</u>                  | <u>3.731</u>                  | <u>4.501</u>                  |
| Expenditure     |                               |                               |                               |
| Pay Costs       | 2.071                         | 2.370                         | 3.392                         |
| Non-Pay         | 2.027                         | 1.344                         | 1.300                         |
|                 | <u>4.098</u>                  | <u>3.714</u>                  | <u>4.692</u>                  |
| Surplus/Deficit | (0.520)                       | 0.017                         | (0.191)                       |

## Notes:

1. Due to the treatment of fee income advised by the National Audit Office, there may be some variation in the reporting of income annually. However, over the three year period such variations will balance out.
2. All of the above figures are subject to funds being made available from the sponsoring department.
3. All income figures will be subject to an annual public consultation exercise of proposed fee levels.