

**MINUTES OF THE TWENTY-SEVENTH BOARD MEETING OF THE
GANGMASTERS LICENSING AUTHORITY – 25 NOVEMBER 2010 HELD AT
NATURAL ENGLAND, NOTTINGHAM**

Present:

| | |
|-----------------|----------|
| Paul Whitehouse | Chairman |
| Judith Marsden | Defra |
| Joanne Young | ALP |
| David Camp | ALP |
| Jane Mordue | CAB |
| Sharon Cross | NFU |
| Steve Kemp | GMB |
| Marshall Evans | REC |
| Gillian Mills | SAGB |
| Hannah Reed | TUC |
| Peter Stephens | BIS |
| David Coackley | HSE |
| Nigel Jenney | FPC |
| Davy Millar | DARD |

In attendance:

| | |
|----------------|--------------------------|
| Ian Livsey | Chief Executive |
| Ray Dawson | Chief Operating Officer |
| Darryl Dixon | Director of Strategy |
| David Nix | Head of Licensing |
| Janette Bonham | Communications Assistant |

Observers:

| | |
|---------------------------|-----------------|
| Konstantinos Makrygiannis | REC |
| Shayne Tyler | Manor Fresh Ltd |
| James Potter | NFU |

Apologies:

| | |
|-----------------------|---------------------|
| Graham Bruce, NFUS | Robin Wythes, HMRC |
| Ian Waddell, Unite | Rebecca Murphy, DWP |
| Chris McCann, BRC | |
| Jeremy Cowper, Defra | |
| Gerry Franks, LPC | |
| Paul Bettison, LACORS | |
| Ron Vass | |
| Phil Hudson, NFU | |
| Russ Hardy | |
| John Gorle, Usdaw | |
| Carl Cresswell, BIS | |
| Wyfford James | |
| John Speers, Dard | |
| Simon Chesterman | |
| Graham Bruce, NFUS | |

| | | |
|---|-----------------------------------|---|
| 1 | Introductions | Steve Kemp was welcomed as a representative member and Peter Stephens who represents BIS was welcomed back. |
| 2 | Apologies | Graham Bruce, NFUS Ian Waddell, Unite Chris McCann, BRC Jeremy Cowper, Defra Jeremy Oppenheim, Home Office |
| 3 | Minutes of the last Board meeting | <p>Note:</p> <ul style="list-style-type: none"> • Amendment to be made on 6.3 (line 6) of the minutes regarding the shellfish industry as requested by GM. Minutes will be redistributed once corrected. • The organogram and area map requested at the last board meeting will be circulated to board members in due course after the GLA budget settlement. <p>Action:</p> <ol style="list-style-type: none"> 1. Minutes to be corrected and redistributed. |
| 4 | Declarations of Interest | <p>Note:</p> <ul style="list-style-type: none"> • JY, SC and ME as licence holders. |
| 5 | Declarations of urgent business | <p>Note:</p> <ul style="list-style-type: none"> • None |
| 6 | Operations Update: | <p>Note:</p> <ul style="list-style-type: none"> • RD gave a presentation on operations. The Board noted that some of the operations had led to extensive media coverage, both home and abroad, across all media types. • JM (CAB) asked the GLA to consider contacting the BBC television program Country File to help get the GLA message across to a wider audience. • The GLA operation with UKBA and French police was discussed. The GLA will inform the board at the next meeting how this is progressing. • HR (TUC) commented that one of the GLA key sources of intelligence was to encourage workers to come forward with any problems of victimisation slightly worried that if the GLA were to work closely with immigration it might discourage some workers from coming forward with intelligence information. • GLA confirmed that although they hope to link up with UKBA to organise this event after that they will be quite separate in order to gain relevant information needed. • HR (TUC) advised that this was welcomed. • HR (TUC) concerned with the workers who lost their jobs in Southport. NC (GLA) confirmed that Migrant Helpline have a strong connection in protecting the workers in this case. • HR (TUC) discussed the potential gap in protecting vulnerable workers, could the GLA offer a licensing penalty so that workers would feel free to inform on their employers? The GLA responded that victimisation |

| | | |
|-----|-----------------|--|
| | | <p>does count against a company within the standards but there is always a problem protecting workers and the GLA are working very hard to protect them and remain very conscious of this.</p> <ul style="list-style-type: none"> • HR (TUC) and JM (CAB) advised that they considered the legislation is inadequate at the moment. • PW discussed Operation Karat and confirmed that in this case the employees were treated as victims. • DC (ALP) commented on the supermarket protocol and advised that it was good news that more retailers were signing up to the protocol. Could it be extended to other areas? • The shellfish operation was discussed and GM advised that she would be very happy to help with any information needed in order to stop people doing this. • SK (GMB) discussed letters which have gone out to the relevant parties asking for a review on fines as tougher fines were needed. SK asked whether the GLA believed that there might be an issue with low sentencing, for instance some people may think it was alright to pay a fine of say £450. • PW responded that all the GLA can do is to try and obtain the powers of Macrory penalties, which would mean the GLA could penalise an offender without having to go to court. <p>Action:</p> <ol style="list-style-type: none"> 2. GLA to consider contacting BBC programme Country File. 3. GLA to update Board at next meeting re UKBA operation. 4. Supermarket protocol, look at extending to other areas. |
| 7.1 | Spending Review | <p>Note:</p> <ul style="list-style-type: none"> • PW advised the Board that there is no information available at the moment concerning Defra's budget plans. JM (Defra) confirmed that no decisions have been taken yet. • IL advised that he has discussed this with Jeremy Cowper and Defra are very supportive of the GLA. • The Board confirmed that the CEO's priority should be to protect front line services. |
| 7.2 | Forestry Pilot | <p>Note:</p> <ul style="list-style-type: none"> • Board discussed the Forestry Pilot. GLA would like to keep under review how forestry relates to the Act and pursue with a lighter touch. • IL would like Defra to take part in a steering group which is currently being set up. This will look at, among other things, removing the regulatory burden from sectors which are low risk to the GLA. • BIS suggested that when the GLA issue guidance, this may help bring clarity to the situation. • HR (TUC) asked what the assessment criteria would be, as concerned if GLA are looking at the size of a company it may not focus on the size of the operation. • IL advised the GLA needed to put it to the Board for approval and then discussions would be had to decide how to measure the criteria. |

| | | |
|-----|---|---|
| | | <ul style="list-style-type: none"> • GM (SAGB) advised that share fishermen (micro businesses) believed that this pilot would be very useful for the shellfish industry and would view it as a step forward. • IL agreed that this pilot might be useful for the shellfish industry. • JP (NFU) commented that if the pilot was successful it might prove to be a similar approach to take to other operations. JP sees great strengths to this pilot and believes that rural areas may really benefit. • ALP very pleased at the proposals and asked whether it might be extended beyond forestry. • DD advised that once the GLA are clear on the position with forestry they then can look to see if other areas need similar guidance. • BIS advised that a small businesses pilot would give good data but the government is looking at taking burdens off small businesses. BIS consider that the forestry pilot is welcome. • PW advised that when the GLA were originally set up their prime purpose was to protect workers. It soon became clear that there were two additional benefits – a level playing field for businesses and increased revenue for the Exchequer. Now they have a fourth purpose which is to support the government policy to get people into work. The great strength of the GLA Board is working together. • Board approved the Forestry pilot. |
| 8.1 | Corporate and Business plan update: | <p>Note:</p> <ul style="list-style-type: none"> • IL advised that the GLA were not in a position to review the Corporate and Business plan because the budget has not been received yet. This is to be deferred until the January 2011 board meeting. |
| 8.2 | Licence Fees 2011-12 | <p>Note:</p> <ul style="list-style-type: none"> • The licence fees for 2011-12 are to be frozen. • ME (REC) commented that he was surprised that the GLA are keeping the fees the same as he would believe that more revenue received would enable the GLA to achieve more and he did not believe that the levels were high. • PW advised that the majority of the GLA's income comes from Defra's grant for enforcement. • DC (ALP) hoped to make a case for micro businesses to have a reduction on fees, could the GLA take a long term view of this. • DN advised that there is not enough time to look at this for next year (6 April 2011 is start of year). • IL confirmed that this will be looked at for 2012. • PW commented that the GLA would also look at what information comes back from the forestry pilot. • Board approved the fees being frozen. |
| 8.3 | ARC Update: <ul style="list-style-type: none"> • Audit and Risk committee annual report • Annual Report and | <p>Note:</p> <ul style="list-style-type: none"> • JM advised they had a good ARC meeting. • PW thanked the ARC committee for doing the necessary additional work. • RD advised there is a full copy of the ARA on the GLA website and |

| | | |
|-----|--|--|
| | Accounts | would be happy to answer any questions. <ul style="list-style-type: none"> Board advised that the GLA received a clean audit. |
| 8.4 | Board Expenses | Note: <ul style="list-style-type: none"> Board noted this paper. |
| 8.5 | Licensing Issues - Update | Note: <ul style="list-style-type: none"> DN commented that since he had taken over on 1 September 2010, there have been 92 licence decisions, 7 of revocations, 6 refused, 7 appeals lodged and 38 new licences. DN commented that there are a high volume of reports coming through, the trends are interesting; phoenixing (looking at tightening this up) TAX and PAYE issues, travel schemes and transport deductions. NJ (FPC) asked whether the GLA are in a position to look at Agency Workers within the Licensing Standards. DN advised this will be reviewed this next year, in order to have the arrangements in place by October 2011. A timetable to review the standards will be brought to the next Board meeting. This issue will be put on the liaison groups agendas. JB to write to members of the groups asking for comments re Agency Workers and other areas relating to the Licensing Standards. DN discussed the chicken and poultry industry. Meeting to be held next month to discuss guidance for the poultry industry. Action: <ol style="list-style-type: none"> Timetable regarding the standards review to given at the next Board meeting. JB to write to Liaison Group members and ask for any comments regarding Agency Workers and any other areas relating to the Licensing Standards. |
| 8.6 | Update on the travel scheme consultation | Note: An update from Robin Wythes, HMRC on the Travel Scheme Consultation was read out by DD as Robin was unable to attend this meeting, it read as follows: - <p style="text-align: center;">"NATIONAL MINIMUM WAGE WORKERS: TRAVEL AND SUBSISTENCE EXPENSES SCHEMES."</p> <p>"In July 2010 the Government published a summary of responses to its February 2010 consultation: "National Minimum Wage workers: Travel and subsistence expenses schemes."</p> <p>In the responses document the Government announced its intention to amend the National Minimum Wage Regulations 1999 in order that payments made by an employer to an employee for travel expenses to a temporary workplace, and associated subsistence expenses, which are eligible for tax relief, do not count as pay for National Minimum Wage purposes.</p> |

| | | |
|-----|---|---|
| | | <p>The Department for Business, Innovation & Skills has laid amending Regulations before Parliament which will be subject to debate. Subject to the Regulations receiving the necessary affirmation from Parliament, they are to come into force with effect from 1 January 2011.</p> <p>It is a matter of public record that Cordant Plc has sought Judicial Review of the Government's decision to amend the NMW Regulations. The rolled-up permission and substantive hearing is scheduled for 20th & 21st December 2010.</p> <p>Notwithstanding the Judicial Review hearing, employment businesses and umbrella companies affected by the proposed change are strongly advised to ensure that they are able to make any changes necessary with effect from 1 January 2011.</p> <p>If the Regulations come into force as intended by the Government, HMRC Compliance staff will be focussing on their application to travel and subsistence schemes and umbrella companies from 1st January 2011.</p> <p>HMRC is aware that schemes are already being marketed which purport to circumvent the proposed change to the Regulations. HMRC does <u>not</u> accept that these schemes do successfully circumvent the Regulations. If the Regulations come into force, as part of its compliance activity HMRC will focus on those employment businesses and umbrella companies using such schemes."</p> <ul style="list-style-type: none"> • DC (ALP) asked if the GLA could look at sending a refreshed GLA brief on this subject. <p>Action:</p> <ol style="list-style-type: none"> 7. HMRC Travel scheme consultation update to be circulated to the Board. 8. Statement to go on the website when a decision has been made, should be 21 December 2010. 9. GLA to consider sending an updated GLA Brief on travel schemes. |
| 8.7 | Liaison Group update | <p>Note:</p> <ul style="list-style-type: none"> • Minutes noted by the Board. |
| 8.8 | Implementation of key reports' recommendations - update | <p>Note:</p> <ul style="list-style-type: none"> • Noted. |
| 8.9 | External Communications Strategy | <p>Note:</p> <ul style="list-style-type: none"> • SC (NFU) commented that communications to smaller farmers are lacking, the farmers do not have the infrastructure to understand the GLA. Also feels that there are still people coming in from Bulgaria, Romania and Poland who are unaware of the GLA. They are talking to SC about really poor treatment they are receiving in the United Kingdom but are very concerned about giving this information. SC asked |

| | | |
|-----|--------------------------------|---|
| | | <p>whether SAWS could be of help in distributing information about the GLA and would be happy to help facilitate this.</p> <ul style="list-style-type: none"> • PW asked JM if they could also help get the GLA message across. JM advised that Defra will come back with some suggestions. • JP concerned that the message needs to go out to all workers not just migrant workers. Also message needs to be clear that the GLA cover skilled and unskilled workers. • PW confirmed the GLA should certainly emphasise this. <p>Action: 10.SC (NFU) to contact SAWS</p> |
| 9. | Any Other Business | <p>Note:</p> <ul style="list-style-type: none"> • Group discussed operations report. DC (ALP) confirmed that there was a better consistency with regard to proportionality and he had very little reason to complain. • Group felt the press coverage was much stronger and supported the GLA. • DC (ALP) advised they were starting to see a trend towards more hidden small entrepreneurial companies setting up in the UK using migrant workers, some of which are gang controlled. • ME (REC) discussed EAS. BIS discussed possible joint inspections with GLA and will look at this aspect again in the future. • IL confirmed the GLA would be having conversations with BIS on this point and relating them to the Hampton review. • HR (TUC) advised there are many of the people working in small firms are migrant and/or women: equality policies need to be kept under review. |
| 10. | Close and date of next meeting | 19 January 2011 |