

**GLA 17/6.3**

# **GLA Annual Review 2007**

22 January 2008

**BOARD PAPER REFERENCE – GLA 17/6.3 – GLA Annual Review 2007**

Issue

1. GLA position in response to the Annual Review, published on 28 November 2007.

Recommendation

2. The Board is invited to:
  - Approve the proposed positions in response to the recommendations and identified priorities for 2008.
  - Note the review of licensing standards.
  - Provide comments on future research by 15 February 2008.

Background

3. The GLA commissioned researchers based at the University of Sheffield and University of Liverpool to produce a baseline report assessing the nature of the industry as licensing commenced followed by a report assessing the impact of the GLA during its first operational year.
4. The baseline report was published in August 2007 and the first annual review in November 2007. GLA welcomes the review and thanks the researchers for all their hard work in producing the study.

Proposed GLA position and action to be taken

5. The annual review makes a series of recommendations to the Authority. Annex A proposes the GLA position in response to the recommendations and identified priorities for 2008.
6. In summary, the GLA recommends using the report's findings to inform:
  - The GLA Corporate Plan for 2008 – 11 (see Board paper 17/7.3).
  - A review of the licensing standards. This review will ensure the licensing standards continue to be effective and proportionate. It is intended to issue a public consultation in the Summer. A paper setting out the planned timetable and seeking initial Board input will be presented at the April Board meeting.

Future research

7. Further annual reviews are planned to be published in Autumn 2008 and 2009. The GLA intends to re-commission the researchers from University of Sheffield and University of Liverpool to undertake this work.
  
8. It was discussed at the last Board meeting about the possibility of baselining levels of worker exploitation through using CAB case files. An initial discussion with CAB suggests there may be some difficulty in producing a meaningful baseline due to varying ways information is recorded. However, research on the nature of worker exploitation is being undertaken by the Vulnerable Workers Enforcement Forum by the CAB and BERR. This may be a useful starting point (this also links to recommendation 6). The GLA will discuss further with the Annual Review researchers to see what may be possible in the year 2 study – an update paper on this will be presented to the April Board.

## **Annex A**

### GLA position in response to the recommendations

#### **Recommendation 1: Conceptualise exploitation as something spanning the home and the workplace**

The GLA shares the report's concern that the provision of accommodation may increasingly be an area for exploitation. The licence conditions relating to accommodation will be considered as part of the review of the Licensing Standards. The GLA's community impact assessments will be developed to take account of emergency arrangements for housing. Target 1.1 in the Corporate Plan, "To implement effective enforcement and compliance operations and actions", seeks to address this issue.

#### **Recommendation 2: Look at how gangmaster regulation is funded**

This is a matter for Defra to consider – the GLA will bring the recommendation to the Secretary of State's attention.

#### **Recommendation 3: Continue a social partnership approach to ensuring 'good agency work'**

The GLA will work closely with stakeholders to improve knowledge of worker exploitation and to keep up to date with changing trends in industry. Corporate Plan target 2.1, "To develop an External Communications and Media Strategy which meets the requirements of the GLA", applies.

#### **Recommendation 4: Fine-tune the internal workings of the GLA**

##### **4.1 Communication**

The GLA has prepared an External Communications and Media Strategy which emphasises the need to engage with the press and to effectively communicate outcomes (Corporate Plan target 2.1). This strategy also aims to raise awareness of sanctions. The GLA seeks to issue press releases on good news stories (Corporate Plan target 2.1).

The GLA engages with industry through its "user forums" (Corporate Plan target 2.2, "To generate customer and stakeholder feedback to inform development of GLA", applies).

##### **4.2 Resources**

Corporate Plan targets 3.1 ("The GLA will continue to operate on an effective and efficient basis to ensure that no undue financial burden is imposed on licence payers") and 3.2 ("The GLA will continue to strive to reduce the unit cost of issued licences") seeks to cover this issue.

### **4.3 Partnerships**

The GLA is committed to building on existing relationships and working closer with other enforcement agencies (see Corporate Plan target 1.1).

#### **Recommendation 5: Reduce the regulatory burden on labour users**

As part of its ongoing contact with the retailers, the GLA will discuss the overlap of ethical audits and GLA inspections. The comment on simplifying or better prioritising the licensing standard will be considered in the forthcoming review (Corporate Plan target 1.1 applies).

#### **Recommendation 6: Improve understanding of exploited workers**

See the section on future research above.

#### **Recommendation 7: Be clear about exploitation and fraud – that it is a systemic problem as much as result of isolated criminal gangmasters**

The GLA will be clear on this message in its dealings with other stakeholders (Corporate Plan target 2.1 applies).

#### **Recommendation 8: Ask multiples to respond to the widely held perception amongst labour providers, labour users and stakeholders that their ethical trading initiatives are in conflict with the targets set for buyers and managers**

The GLA will bring this finding to the attention of the retailers. The GLA also highlighted the issue to Competition Commission as part of its supermarket's inquiry.

#### **Recommendation 9: Identify the myriad business structures used in the food industry and offer advice to government about those most closely associated with worker exploitation and fraud**

As part of the licensing standards review, the GLA will consider whether specific licensing standards are appropriate to reflect the identified practices.

#### **Recommendation 10: Be sensitive to the expectations people have of the GLA particularly in regard to the ability for 'fast action'**

The GLA notes the finding and considers it appropriate to further review its compliance and enforcement activities as part of year 2 study. This would give a more meaningful picture. In the meantime, the GLA will continue to seek ways to publicise its work (see Corporate Plan target 2.1).

**Recommendation 11: Look at innovative and / or targeted compliance and enforcement techniques**

The GLA will consider applying differing compliance and enforcement techniques according to the nature of the case and resources available. Unannounced visits will be used where appropriate (such an example is the multi-agency operation before Christmas at Simms and Wood which led to three licence revocations). Corporate Plan target 1.1 applies.

**Recommendation 12: Be aware of issues that may impact upon licensing / the GLA over the medium- to long-term**

As noted in the report, the issues identified in this section are beyond the GLA remit.

**Recommendation 13: Identify priorities for further research as part of the year two and year three reviews**

Further consideration will be given to future research – Board is invited to offer comments. Corporate Plan target 5.2 applies.

GLA position on the Ten Priorities for 2008**1. Increase compliance 'teeth', particularly by raising the level of unannounced visits and increasing the number of compliance staff**

Utilise all available compliance, enforcement and project resources on compliance activities. Following a re-organisation of the staffing structure, extra posts are being created for enforcement and compliance work.

Unannounced visits will be used where it is considered operationally beneficial.

**2. Request *pro-bono* industry intelligence from labour providers, labour users and multiples**

The GLA agrees this would be worthwhile and would encourage stakeholders to readily make such information available. The GLA stakeholder user group plays an important role here.

**3. Start to monitor the nature, scale and scope of agency worker exploitation in conjunction with the NACAB, local CABs and Unions and in doing this examine how exploited workers can be better supported (both to come forward and after they have come forward);**

See section on future research.

**4. Operationalise 2 and 3 through a more devolved management structure i.e. a smaller Board underpinned by a series of sub-committees**

The size and composition of the GLA Board is a matter for Defra.

- 5. Carry out some form of undercover operation (e.g. mystery shopper) to better understand the UK food industry (in collaboration e.g. with HMRC and the Police);**

This will be considered if it is operationally beneficial.

- 6. Reduce the level of TOIL amassed by home-workers in the compliance and enforcement teams and identify options to reduce travel times and/or to use these times more efficiently (the source of this TOIL)**

Future staff recruitment will take place in appropriate locations to reduce travel time for existing staff.

A clear process has been introduced for accruing and taking TOIL – this is a target in the Business Plan.

- 7. Develop more opportunities for home-based staff with diverse skills and past work experience to disseminate these through internal GLA capacity-building days (preferable to some out-sourced training routes)**

The GLA is developing a staff skills database. This should improve the GLA's ability to make best use of knowledge and experience. The regular staff meetings with all inspectors helps with sharing experience.

- 8. Ask external government departments for specific support: the HMRC/ Police for estimates of the scale of unlicensed/ unlawful gangmaster activity in the UK food industry; and the HMRC for an estimate of the revenue-raising impact of the GLA**

By its nature, it is difficult to estimate the scale of the informal economy. The GLA will work with other government departments to identify what may be possible as well as considering the matter further as part of year 2 review.

- 9. Encourage licence holders in the shellfish industry (rather than being too punitive given that the majority of operators are still not licensed)**

Good progress has been made with raising awareness and introducing licensing to the shellfish industry. 10 licences have been issued and a further 5 applications are being processed. The GLA is aware of a small number of operators who have not yet come forward – this has led to one arrest for acting as gangmaster without a licence.

**10. Develop a strategy to deal with concerns over 'dodgy' and 'criminal' gangmasters who lurk behind the scenes of licensed labour providers, appear to always 'get away with it', and in doing so, jeopardise the integrity of the GLA licence**

The GLA acknowledges this is an issue and considers it is already a key aspect of its compliance work to address the problem. It is vital the GLA receives intelligence to help identify these operators.