

GLA10/7.1 Risk-Based Approach

26 April 2006

BOARD PAPER REFERENCE – GLA10/7.1 – RISK BASED APPROACH

Issues.

1. There are two related issues:
 - a. The need for some amplification of the direction given by the GLA Board 3/6.2 that 'Inspections for All' will continue until the Board decides to move to a risk-based approach.
 - b. Confirmation that the Board's guidance outlined above should extend into shellfish gathering.

Recommendations.

2. Board to agree that the decision to switch to a risk-based approach should be based on evidence to be collated and presented to the Board by the GLA that a sufficiently rigorous risk profile exists.
3. Board to note that the GLA is unlikely to have collected a sufficient body of data to create a statistically sound risk profile before 1 Oct 06.
4. Board to agree that 'Inspections for All' should apply to businesses in shellfish gathering, until the Board agrees a move to a risk-based approach.
5. Board to note that this is unlikely to be before 1 Apr 07.

Timing.

6. Routine.

Discussion.

7. Board members will recall the decision at paragraph 6.2 of the minutes of the 3rd Meeting on 24th June 05 - "that all applications would be audited against the GLA Code until the Authority agrees to switch to a risk-based approach. This agreement may be sought out of committee."
8. The Executive requires some amplification of this decision for planning purposes.
9. The Board will recall the Upcraft presentation (GLA6/7.1 24 Oct 05) at which a proposed approach for assessing the relative riskiness of labour providing businesses was outlined. The GLA has since developed the means by which this approach can be used to construct a risk profile from selected characteristics of labour providing businesses, and to compare every licence application against this profile to indicate whether it would be prudent to carry out an Application Inspection on the applying business.
10. The Authority will of course follow the direction of the Board by carrying out Application Inspections on all applying businesses, other than those with a 'successful' TLWG audit, until authorised to do otherwise. However, the intention

is to run risk profiling in the background, to prove the concept and to refine the risk model.

11. A perfect risk profile would identify unerringly sort those businesses that would fail to meet the GLA Standards. That is, that follow-up checks would prove not only that all businesses that 'passed' the profile test were fully compliant with the standards, but also that all businesses that 'failed' the profile test were subsequently found to fail to meet the GLA standards. In practice, because perfection or even near-perfection is not realistic in this context, the GLA will probably aim for about 70% reliability. But, whatever figure the GLA aims for, it will take time to carry out follow-up checks and to assess the collected data, and to collate and present evidence to the Board that a sufficiently rigorous risk profile exists. The GLA estimate is that this could take 6 months. The Board is invited to note and agree the foregoing.
12. As previously notified, applications will be invited for licences in shellfish gathering from 1 Oct 06. Little is known about the activities of gangmasters in this sector, or about the businesses involved. However, as the Morecambe Bay tragedy revealed, this sector has been at least as non-compliant as gangmastering in agriculture. For this reason, the executive anticipates that the Board would wish to follow the same approach with regard to risk profiling – that all applying businesses should be subject to Application Inspection until the Board agrees to move to a risk-based approach. As with agriculture, it will take time to collect the data to develop a sound Risk Profile – perhaps 6 months. The Board is invited to confirm that it will retain the authority to switch to a risk-based approach in shellfish gathering, and that this is unlikely to happen before 1 Apr 07.

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