



# CEO's Quarterly Report

## March 2017

### News

#### **Putting people first**

This quarterly report will be the last one prepared for the GLA as the green light to start full operations as the Gangmasters and Labour Abuse Authority looks set to be given in May. It has been a challenging journey to reach this point with countless hurdles having to be overcome along the way – not least in untangling the many and varied issues to draft the necessary secondary legislation required to allow the GLAA to perform its assigned role.

Besides being close to having the legal foundations in place the GLAA has identified and is recruiting additional staff and the appropriate infrastructure to perform the new enhanced and extended role in coming years. The expansion will involve significant numbers of new staff and this will be phased in to ensure all our teams can support the integration of additional colleagues smoothly without interruption to core business.

Not surprisingly, the area that will see the largest increase in personnel will be the operational arm of the authority, with 24 additional Labour Abuse Prevention Officers to be added to the ranks. We have also appointed two additional Senior Investigating Officers to lead and manage the increased investigative teams. The field for both these roles was very strong indeed and we are delighted to welcome our new colleagues to the GLAA.

Additional trainers will be added to ensure all new appointments have the necessary knowledge and skills and there will also be a new Learning and Development Coordinator and Manager.

As an intelligence-led organisation a consistent flow of quality information is essential and so the ranks of the intelligence team will be further bolstered by five more Regional Field Intelligence Officers and an Intelligence Operations Manager who will take leadership of the RFIOs - plus three more office-based staff. Two more staff will be added to the Investigation Management Unit to liaise with the various prosecuting authorities to make sure those identified as being involved in criminal activity are brought to justice.

There are also plans to reinstate the capacity for the organisation to carry out financial investigations and IT forensics through the recruitment of its new staff members.

Additional resource is also being recruited for Corporate Services teams to help assist with what is set to be a much increased workload in those areas, while a performance analyst will make sure that the organisation is operating efficiently and providing value for money.

There will also be two new communications specialists taken on to continue to raise the profile of the organisation specifically spreading information about the new role of the GLAA and thus improving the flow of information to our intelligence section.

In total it is expected there will be an extra 55 staff added to the ranks of the GLAA through a phased recruitment process with all planned to be in place by September this year. Making a total of 125 from last year's headcount of 70.

### **Time to change IT**

Another essential part of the transition from GLA to GLAA has been to tackle the problem of transferring all IT away from Defra systems and on to the Home Office platform. It is pleasing to report that substantial progress has been made on this front in the last quarter to the extent that some staff are now testing their new Home Office laptops. The remaining staff will switch to their new machines in the coming weeks. The new laptops for those based in the GLA main office in Nottingham will eventually run on a wireless network, which is already installed and is also undergoing testing.

The final step in the IT transition programme involves creating a new version of the licensing database on which information regarding the register of licence holders is held and where all interactions between them and the authority are recorded. Extensive research has been carried out to identify suitable candidates, tenders have been invited and interviews taken place to select the most suitable bidder. The new system is scheduled to be in place and operational within the next financial year.

### **Strengthening the commitment to tackle modern slavery**

The GLA has joined forces with a specialised agency of the United Nations in an effort to ratchet up the fight against exploitative working and recruitment practices. A letter of intent to combat modern slavery was signed by the International Labour Organization's (ILO) Director General Guy Ryder and GLA Chief Executive Paul Broadbent at an event in London in January. The new agreement promises closer working arrangements between the two organisations and a redoubling of efforts to tackle fraudulent and abusive recruitment practices, forced labour and trafficking. Minister for Vulnerability, Safeguarding and Countering Extremism, Sarah Newton, welcomed the move and said it sent a strong message to perpetrators that we would not tolerate any form of exploitation.

Mr Ryder added: "The fact that in today's world there are still children, women and men in modern slavery, is an affront to all people and nations everywhere. We all have a role to

play to eliminate it once and for all. Social partners are a central piece of the equation, together with other valuable partners such as the GLA.”

### **Director of Labour Market Enforcement appointed**

The GLA would like to welcome Sir David Metcalf as the first Director of Labour Market Enforcement. The appointment of the former chairman of the Migration Advisory Committee was announced in January. He will now lead the fight against labour exploitation in the UK and set the strategic priorities for the:

- Gangmasters and Labour Abuse Authority
- Employment Agency Standards Inspectorate
- National Minimum Wage enforcement team from HMRC

On accepting the appointment, Sir David said: “I’m very excited to be taking on this new role, drawing together the important work of these three labour market enforcement teams. While the UK is by and large a fair and safe place to work, there are still rogue employers who exploit their workers and undercut honest businesses. As the government has made clear, this will not go unpunished.”

## **Events**

### **GLAA Conference experiences record sales**

Stakeholders, partners and colleagues have been clamouring to sign up for what will be the first ever conference to be held by the new GLAA. Despite booking a much larger venue for this year’s event, the world famous Edgbaston Cricket Ground conference facility is already half full for the event in Birmingham on 11 October. It has been promoted under the banner of Tackling Labour Exploitation Together, and will bring together the country’s leading experts on addressing exploitation and modern slavery. Keynote speakers will include the UK’s new Director of Labour Market Exploitation, Professor Sir David Metcalf CBE, National Crime Agency Director of Vulnerability Will Kerr OBE, and the Independent Anti-Slavery Commissioner Kevin Hyland OBE. There will also be input from the GLAA’s Chief Executive and Chair plus the opportunity for delegates to gather and give their own views through a number of interactive workshops.

## **Operations**

### **GLA visit leads to six trafficking-related charges**

A man has appeared in Nottingham Crown Court on six trafficking related charges after two workers told a GLA inspector they had been subjected to forced labour for years. Simon Brzesinski was charged with one count of trafficking, four of requiring a person to perform forced labour and one of fraud when he appeared in March. He entered not guilty pleas to all charges. The two alleged victims have entered the Government’s National Referral Mechanism for potential victims of trafficking. The defendant was remanded in custody and will now stand trial for the offences on 12 June.

## Licensing and Legal

### Crime does not pay for Lincs couple

A Lincolnshire couple, jailed in 2015 in a landmark conviction under licensing legislation, have also been ordered to repay more than £400,000 in criminal proceeds. Stasys Skarbalius and Virginija Skarbaliene operated as gangmasters illegally between 2006 and 2010 after fraudulently setting up Scunthorpe-based business CV Staff Services. They did it under a fake identity and in turn applied for licences from the GLA and mortgages to build up a property portfolio.

During this time they supplied hundreds of people for work in the agricultural and horticultural industries in Lincolnshire and Humberside, across Yorkshire, Suffolk, Norfolk and Cambridge. Off the profits of the business, which had an estimated turnover of £12 million, they enjoyed lavish lifestyles.

The sham was exposed in 2011 when Skarbalius' bogus Dutch passport, which he held under the name of Charles Rene Luske, expired and he was unable to renew it for the purposes of the annual licence.

Following a joint investigation by the GLA and the East Midlands Special Operations Unit (EMSOU) the pair, originally from Lithuania, were convicted in June 2015. Skarbalius was jailed for two-and-a-half years and Skarbaliene received three years. They were also disqualified as company directors for seven years. In the latest hearing, Sheffield Crown Court was told that both had received total benefits of £1 million from their criminal exploits.

They were served with Confiscation Orders under the Proceeds of Crime Act on their available assets — £187,219.85 for Skarbalius and £231,687.68 for Skarbaliene — which they must pay within three months or be jailed for another two years and three months.

Included in their assets are substantial bank account balances, recovered cash, a Mercedes Sprinter van, a Lexus Sport, a Volkswagen Transporter van, their four-bedroom detached home in Scotter, Lincolnshire, two three-bedroom houses occupied by tenants in Scunthorpe, and their Scunthorpe business premises. The Home Office is also considering deporting the couple.

## Media Coverage

**Proceeds of Crime seizure from Lincs couple** – received widespread coverage in local Lincs media as well as some farming and food trade titles and websites.

**GLA signs agreement with ILO** – covered in recruitment trade press as well as the Tribune in Nigeria!

**Have you played a part in modern slavery?** – as part of the communications plan to gain coverage of the switch to the GLAA in the top 10 regional titles, this feature appeared in the Yorkshire Post.

**A separate media report covering social media and other activities is now provided**

## Operational Statistics

### End of year totals

- Applications inspections (tasked) - **109**
- Compliance inspections (tasked) - **70**
- Licences issued - **101**
- Licence refused - **16**
- Licence revocation decisions made:
  - With immediate effect - **3**
  - Without immediate effect - **15**
- Money recovered for **1,225** workers by direct, informal approaches from GLA staff:
  - Number of cases - **37**
  - Amount recovered - **£93,165**

<b>CEO Quarterly Report Statistics Summary 2016-17</b>				
<b>Quarterly totals</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Als (tasked)</b>	<b>29</b>	<b>30</b>	<b>25</b>	<b>25</b>
<b>CIs (tasked)</b>	<b>16</b>	<b>17</b>	<b>13</b>	<b>24</b>
<b>Licences issued</b>	<b>26</b>	<b>25</b>	<b>17</b>	<b>33</b>
<b>Licences refused</b>	<b>3</b>	<b>9</b>	<b>2</b>	<b>2</b>
<b>Revocation with IE</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Revocation w/o IE</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>2</b>
<b>Money recovered- cases</b>	<b>11</b>	<b>11</b>	<b>4</b>	<b>11</b>
<b>Amount Recovered</b>	<b>£29,961</b>	<b>£15,706</b>	<b>£5,212</b>	<b>£42,286</b>

### Workers Assisted - Results

#### End of year totals

- Workers subjected to exploitation/abuse:
  - Physical - **78**
  - Mental - **2**
  - Financial - **2,568**
  - Transport - **105**
  - Accommodation - **75**
- Workers protected by refusal/revocation - **4,543**
- Workers employed by businesses inspected:
  - Inside sector - **53,200**
  - Outside sector - **74,387**

### Current position as at 4 April 2017:

- Number of GLA Licences - **986**
- New OCGs identified in 2016-17 - **5**
- Total ongoing investigations - **90**
- Ongoing investigations (criminal) - **44**
- Offenders pending trial - **6**
- Indictments pending trial - **6**

## Financial Matters

### Budget overview

The GLA has managed its finances effectively and efficiently throughout 2016-17 and completed the financial year within its allocated budget.

## Human Resources

### Recruitment

More than 1,500 applicants were received for the 55 jobs being recruited which demonstrates the value of the GLA, its regard in the jobs market place and with the public. Deadlines and selection processes have been challenging but the anticipation is that all staff will be recruited by the end of September 2017 taking the GLA complement of full time employees to 125.

### Staff development

Associated learning and development programmes for upskilling existing staff and for our new Labour Abuse Prevention Officers continues in association with Lincolnshire Police.

## Freedom of Information Requests

The GLA received 24 requests under the Freedom of Information Act during 2016-17. All were responded to in the prescribed 20 working day period.

2016-17 Quarter	FOI Totals	Subjects			
		Capital budget	Staffing & salaries	Licensing	Operations and tactics
Apr - Jun	2	0	1	1	0
Jul - Sep	5	1	2	2	0
Oct - Dec	6	2	1	1	2
Jan - Mar	11	3	1	3	4
<b>Total</b>	<b>24</b>	<b>6</b>	<b>5</b>	<b>7</b>	<b>6</b>

### Subjects covered in this quarter's FOI requests

- Inspections leading to prosecutions, ALCs and revocations
- GLA operations in Northern Ireland
- Payments on Government Payment Cards
- IT budget and systems used for inspections
- Falsified information on CVs and job applications
- Calls received to Confidential Hotline
- IT systems used for BACS transfers
- Grades senior to Head of Operations
- Information provided previously under FOI re Transline/Qualitycourse

### Parliamentary Questions

2016-17	PQ Totals	Subjects				
Quarter		Finance	Operational	Powers	Staffing	Board
Apr - Jun	1	0	0	0	0	0
Jul - Sep	1	1	0	0	0	0
Oct - Dec	2	0	0	1	1	0
Jan - Mar	1	0	0	1	0	0
<b>Total</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>

### Presentations delivered by senior GLA officers

#### Pop Up Seminars

Chief Executive Paul Broadbent hit the road with his series of 'Pop-up Seminars' in the first quarter of 2017 to explain how the new GLAA will operate. An initial batch of 11 dates was organised but due to the excessive demand for places in London, two extra dates were added in the capital. In total more than 600 people took the opportunity to view the touring presentation. These figures were topped up further when another 190 people logged on to an-hour long online discussion based on the 'pop-up' presentation that was hosted by the REC to cater for those who could not make any of the dates in person.

### Health & Safety Issues (RIDDOR)

None to report in this period.