



GLAA Brief

Issue 76 – March 2022
Change of Principal Authority

This Brief publishes the latest guidance on the process involved in applying to replace the Principal Authority on a GLAA licence

Introduction

This brief has been prepared in order to inform licence holders of the process of applying to change the Principal Authority on a GLAA licence and the requirements which must be met for a new Principal Authority to be authorised.

Principal Authority

Every GLAA licence must have a designated Principal Authority (“PA”). The term “Principal Authority” is defined in Part 2 of The Gangmasters (Licensing Conditions) Rules 2009 as the “...*individual responsible for the day-to-day management of a business*”.

A sole trader will always be the PA on a GLAA licence. In a partnership, one of the partners should be designated as the PA. In the case of a company the PA will normally be the managing director. However, if the person running the company is not a director then he or she should still be named. For example, the chief executive (or equivalent) would be the obvious individual to name as the PA, whether a director or not. The PA must also be an employee of the company.

The PA is responsible for ensuring that all information included on an application for a GLAA licence is accurate and complete. The PA is also responsible for renewing the licence annually and for ensuring that the licence record is checked and updated when the licence is renewed. Responsibility for notifying the GLAA of organisational changes after the application has been submitted also rests with the PA. The PA may delegate the responsibility for notifying the GLAA of changes in details to another person in the organisation, known as the alternative business representative (“ABR”). If the PA wishes to nominate an ABR, the nominated ABR will need to be authorised by the GLAA to act in that capacity.

Change of PA

If, for any reason, the PA on a GLAA licence needs to be changed, the current PA should inform the GLAA about the intended change. If the current PA no longer works for the licence holder, the change can be requested by:

- the ABR if one has been authorised;
 - any director or company secretary (if the licence holder is a company);
 - any officer of an unincorporated association or any member of its governing body;
- or
- any other partner (if the licence holder is a partnership).

Licence holders must notify the GLAA within 20 working days if the PA changes. Failing to do so may breach Licensing Standard 1.4 (please refer to the GLAA's Licensing Standards for more information). Where the previous PA is no longer working for the licence holder, that person's name will be removed from the licence's Public Register entry.

Please note, the PA cannot be changed on a licence granted to a sole trader as the licence is granted to that individual person.

In circumstances where the PA is no longer working for the licence holder, only persons who are specified on the licence as "Named Individuals" and shown on the licence's Public Register entry, may supply workers on behalf of the licence holder until a new PA is authorised. If there are no "Named Individuals" specified on the licence, the business is prohibited from supplying workers to do work covered by licensing and may commit a criminal offence if they continue to do so (Please see Part One, section 8 of the GLAA's Licensing Standards for criminal offences under The Gangmasters (Licensing) Act 2004). As an interim measure before a new PA is authorised, the GLAA may consider adding a "Named Individual" to the licence, if deemed appropriate, in order to enable the business to continue trading in the sectors covered by GLAA licensing. In these circumstances, this request must be made by an officer of a company or a person already designated on the licence as an ABR.

The application process

When the GLAA are notified that a new PA is to be nominated, a "Change of Principal Authority" form will be sent to the nominated PA to complete. The form will need to be completed, signed and returned to the GLAA along with proof of identity (for example, a copy of a passport).

Once the completed form and ID have been received, the information provided will be used to determine whether or not the applicant should be authorised to act as the PA for the specified licence holder. The information supplied may also be checked with other government departments and authorities as well as financial and other organisations involved in crime prevention for the purpose of preventing and detecting crime. This includes the overseas equivalents of UK government departments and enforcement bodies where necessary. Please note that the GLAA may still need to speak to a previous PA if it is relevant to an investigation.

The GLAA may also conduct a compliance inspection of the licence holder as part of the Change of Principal Authority application process in order to determine whether or not the proposed PA is fit and proper and competent to be authorised as PA. The inspection visit will also review the processes, policies and documentation used by the licence holder in order to ensure compliance with the Licensing Standards. Visits may also be made to labour users supplied by the licence holder and workers may also be interviewed.

Only once the GLAA are satisfied that the licence holder is compliant with the Licensing Standards and the nominated PA is fit and proper and competent, will the application to appoint a new PA be authorised and their name added to the licence's Public Register entry.

However, if issues are identified, the proposed PA's application may be refused, the licence may be revoked or additional licence conditions ("ALCs") attached to the licence. The GLAA will notify the licence holder of its decision. We will explain if another person should be nominated to be the PA or if there are any implications for the licence, for example whether the licence is revoked, or ALCs attached. If ALCs are attached to the licence these become a specific requirement which the licence is conditional upon. The licence holder must comply with the ALCs by the specified deadline provided otherwise the licence may be revoked.

Please note that the application process to authorise a new PA can take time to complete to allow necessary checks to be completed and an inspection conducted. Even after an inspection has been undertaken, the GLAA's Licensing Team may seek additional information and documentation from the nominated PA in order to determine whether the application can be approved. Any delays in providing requested information or documentation to the GLAA can therefore delay matters and prolong the process to change the PA.

We recommend that any licence holder who wishes to nominate a new PA should ensure that the nominated PA has a full understanding of the business' processes, documentation and policies, and of course, the Licensing Standards, as these will be reviewed and tested during any inspection visit.

Information relating to the GLAA's licence decision making policy can be found here - [Licence Decision Policy Feb 2019 \(gla.gov.uk\)](https://www.gla.gov.uk/licence-decision-policy-feb-2019)

Information outlining the GLAA's code of practice for compliance investigations can be found here - [Code of practice on compliance enforcement and investigations Jan 2019 \(gla.gov.uk\)](https://www.gla.gov.uk/code-of-practice-compliance-enforcement-investigations-jan-2019)

Information explaining the inspection process can be located here - [Inspections explained \(gla.gov.uk\)](https://www.gla.gov.uk/inspections-explained)

Any licence holder with any concerns or queries regarding the above should raise these in the first instance with the Licensing Team by telephone on 0345 602 5020 or by email to licensing@gla.gov.uk.

Further information

1. If you any questions about this Brief, please contact the GLAA helpline on 0345 602 5020 or email licensing@gla.gov.uk.
2. For the latest news and updates from the GLAA:



Twitter: [@UK_Glaa](https://twitter.com/UK_Glaa)



facebook: www.facebook.com/TheGLAA

If you have received a hard copy of this Brief but would prefer electronic versions in the future, please email communications@gla.gov.uk