



Gangmasters  
Licensing Authority

# Implementation of the Regulators Code Principles

**7 August 2015**

# How the GLA meets the requirements of the Regulators Code

## Introduction

1. The GLA became operational after the publication of Philip Hampton's 2005 report for HM Treasury on [Reducing Administrative Burdens: effective inspection and enforcement](#). As an organisation named within the report it therefore considered how the report's principles on inspection and enforcement should be applied in the development of its regulatory procedures and practices.
2. Those principles were embodied within the [statutory Compliance Code](#), which has now been replaced by the [Regulator's Code](#). This document explains how the GLA meets the obligations in the Regulator's code.

## Background

3. The Hampton report led to the [Legislative and Regulatory Reform Act 2006](#). Section 22(1) of that Act established the statutory Compliance Code, which was issued in 2007 by the Better Regulation Executive. Section 24(2) established that an Order (i.e. secondary legislation) would set out which regulators were required to have regard to the Code in their regulatory approach.
4. Part 1 of the schedule to Statutory Instrument 3544 [The Legislative and Regulatory Reform \(Regulatory Functions\) Order 2007](#) identified the GLA as a regulator to whom the Code would apply. Statutory Instrument 3548 [The Legislative and Regulatory Reform Code of Practice \(Appointed Day\) Order 2007](#) introduced the Compliance Code. Both Orders came into force on the 6<sup>th</sup> of April 2008.
5. As a regulator established before 2008 the GLA had regard to the emerging principles, the need to provide clear guidance, and avoid unnecessary burdens on business, in the development of its procedures and products. In doing so it had regard to best practice by Government Departments and regulators, and the principles in the non-statutory [Enforcement Concordat](#).
6. This approach is demonstrated by:
  - the GLA licensing standards (revised in 2009 and 2012), based on UK legislation governing the actions of employers and treatment of workers, but not creating additional "good practice" burdens, and taking account of work by the Temporary Labour Working Group
  - an application process, which avoided requiring information already held across Government
  - a standard checking process whereby information held across Government, relevant to the standards, on companies and individuals applying for a licence, is provided to the GLA
  - codes of practice on how its compliance and enforcement activities are conducted, explaining the powers of GLA officers, and how to complain, where appropriate

- information leaflets in different languages for workers, to explain their rights, and to enable them to understand how to complain if their treatment does not meet those rights
  - an enforcement policy that set out the factors that the GLA takes into account in investigation and prosecution decisions
  - a post-application inspection process that assesses the risk of non-compliance based on information received, and applies the [National Intelligence Model](#) in determining whether, and in what circumstances, further inspection or criminal investigation is required
  - an inspection leaflet for issue to businesses which summarises the GLA inspection process, to enable effective investigation and cooperation
  - changes in process in response to the conclusions of the Red Tape challenge review
7. The GLA continues to demonstrate this approach in the guidance it issues in the GLA Brief, covering such issues as the impact of changes in legislation, clarifying its approach to the inspection of certain standards, and how it determines whether inspection or prosecution is appropriate.
  8. The GLA's application of the Hampton principles, and operation as an effective regulator, has been further demonstrated by the independent Hampton Inspection Review (HIR). All regulators within the scope of the original Hampton report were required to undergo an inspection by the Better Regulation Executive (BRE). The BRE report on the [GLA HIR](#) was published in September 2009.
  9. Since 2009 the GLA underwent a Red Tape Challenge review, the conclusions of which were produced in a written ministerial statement, which is reproduced in Appendix 1 of the GLA's [2013 consultation](#) on its application procedures.
  10. In April 2014 the Regulator's Code was introduced, replacing the Regulators Compliance Code. This document provides an explanation of how the GLA discharges its obligations to the Regulators Code, continuing to demonstrate its commitment to those principles, and good, proportionate, regulation.

## The Regulator's Code

11. The Regulator's code covers six areas, which are set out below with examples of how the GLA's meets these principles.

### **Regulators should carry out their activities in a way that supports those they regulate to comply and grow**

The GLA supports this principle by:

- the clarity of its licensing standards
- providing guidance on its website, and in the GLA brief series on areas of particular concern, or where clarification on new processes and the application of the standards is required.
- consulting on significant changes to its processes and standards

- adopting a risk based triage assessment on application to determine whether an inspection is required
- undertaking compliance reviews where information suggests potential non-compliances have arisen, whether in relation to a particular company, activity, or geographical area
- taking action against those who are non-compliant or unlicensed, prioritising those cases of greatest risk, to bring non-compliant businesses back to compliance, or revoke licences and sanction unlicensed activity, to maintain a level playing field for compliant businesses to operate and grow.

**Regulators should provide simple and straightforward ways to engage with those they regulate and hear their views;**

The GLA supports this principle by:

- providing clear licence decisions that detail the areas of non-compliance identified and evidenced
- explaining its approach to the production of guidance and compliance with the [Code of Practice on Guidance and Regulation](#), [here](#)
- through the [GLA Brief](#) publications
- the annual stakeholder surveys
- consulting on significant changes to procedures, and to the content of the licensing standards periodically
- maintaining an effective website, with information for workers, and updated to reflect the outcomes of prosecutions and appeals
- maintaining stakeholder representative groups
- holding a stakeholder and licence holder conference in 2015
- clear signposting on the website for those individuals who wish to obtain advice, and those who wish to provide information
- having a specific enquiry line 0345 6025020

**Regulators should base their regulatory activities on risk;**

The GLA supports this principle by:

- implementing a risk assessment on applications to determine whether inspection is required
- providing the licensing standards as a framework for the objective and consistent determination of compliance
- applying the UK National Intelligence Model, to determine the cases of highest risk, and determining the appropriate, timely, response to each case
- exchanging information with other Government Departments, in accordance with its legal powers, to minimise the burdens information requests of businesses and utilise all available information to determine and validate risk, and decide on the relevant intervention required

**Regulators should share information about compliance and risk;**

The GLA supports this principle by:

- through the renewal process where licence holders are asked to review their data, and update anything that has changed
- lawfully exchanging information with other Government Departments, and law enforcement bodies, including their overseas equivalents

**Regulators should ensure clear information, guidance and advice is available to help those they regulate meet their responsibilities to comply**

The GLA supports this principle by:

- its licensing standards, GLA Briefs, and consultations on change
- implementing an inspection satisfaction questionnaire, to ensure a consistent approach to inspections occurs
- producing information on worker rights in the languages of migrant workers
- publishing its [code of practice on compliance and enforcement](#), setting out what the GLA's regulatory powers are, and how they are used
- maintaining stakeholder consultative groups

**Regulators should ensure that their approach to their regulatory activities is transparent**

The GLA supports this principle by:

- its [code of practice on compliance and enforcement](#)
- providing guidance on the [application process](#), and the [licensing standards](#)
- its guidance on how it makes [licence decisions](#)
- publishing the [outcome of appeals](#), whether in favour of the GLA or the appellant