



Gangmasters  
Licensing Authority

# GLA 42/10 Future Board Governance

16 July 2014

# **Board Paper Reference – GLA42/10 – Future Board Governance**

## **1. Purpose of the Paper**

- 1.1 Following steps to reform the GLA governance structure as mandated through Central Government's Red Tape Challenge, public consultation and more recently the Triennial Review, this paper seeks to identify options for effective governance at a 'sub' board level.

## **2. Recommendation**

- 2.1 Board members are invited to note the preferred proposal, to be presented to the first meeting of the new Board.

## **3. Reasons for Recommendation**

- 3.1 To assist the smooth transition to a new GLA governance structure, the new Board will be presented with evidence based proposals for effective governance which include full and dynamic engagement with key stakeholders; satisfying its statutory obligations; meeting Ministerial expectations and providing the necessary support and scrutiny of the Gangmasters Licensing Authority in achieving its aims, priorities and objectives.

## **4. Summary of Key Points**

- 4.1 The preferred option is to supplement the 'main' Board by a small number of thematic or stakeholder advisory committees, as determined by the Board, with the option of additional time/topic bound "task and finish" advisory committees, with representation from a much wider and 'subject matter expert' field for the duration of that task.
- 4.2 The Board would still require an Audit and Risk Committee made up of board members to discharge its legal duties.

## **5. Board Governance Structure**

- 5.1 The Statutory Instrument laid before parliament on 9 June 2014 determined the role, membership and tenure of the revised Board including the following points.
- 5.2 Role of the Board
- The Authority must have a Board which must direct its affairs.
  - The Board must ensure that the Authority properly discharges its functions and complies with the requirements of these Regulations.
  - The Board may determine its own procedures.
  - If the Board establishes advisory committees, whose members are not members of the Board, it must take into account any recommendations made by any such committee.

## **Membership of the Board**

5.3 The Board must consist of:

- a chair
- no more than eight additional members
- the chair must be appointed by the Secretary of State in consultation with the Minister of Agriculture and Rural Development in Northern Ireland
- The other members of the Board must be appointed by the Secretary of State

## **Tenure and Remuneration**

5.4 Subject to the provisions of this regulation, each member of the Board must hold and vacate office in accordance with the terms of their appointment. At the end of their period of appointment, each member of the Board must continue to hold office until the appointment of their successor takes effect. The Secretary of State may remove a member of the Board from office for a number of reasons listed in the Statutory Instrument.

5.5 The Authority must pay to the members of the Board, and any persons invited to attend a meeting of the Board, such remuneration and allowances as the Secretary of State may determine.

5.6 The current Board also has Standing Orders that govern other aspects of its procedures. Board procedural matters have been removed from the new Statutory Instrument hence a new set of Standing Orders will need to be written and agreed by the incoming Board. These will include issues such as the conduct of business, the publication of board papers, and attendance of observers.

5.7 Matters such as the publication of papers are governed by the ‘transparency obligations on public bodies’. In the interests of transparency it is also recommended that GLA Board meetings remain open to observers.

5.8 In order to discharge its legal functions it is also envisaged that the GLA Board would have an Audit and Risk Committee made up of board members with GLA, National Audit Office, Internal Audit and, possible Home office representation. The business presently undertaken by the Finance and General Purposes and Remuneration Committees may be considered suitable to be incorporated into the main board meetings.

5.9 The precise format and membership of the new “advisory committees” are a matter for the new board. However it would seem reasonable that a small number, say four, might effectively encapsulate the voice of key stakeholders ensuring the main board is fully sighted on issues prior to making decisions and that the industry that is regulated by the GLA has a voice that is heard. These would report directly into the GLA Board.

5.10 One option would be to have interest group specific advisory committees e.g. Labour User; Labour Provider, Worker; and Retailer which may possibly be chaired by a board member. This would capture the expertise of that interest group and their first-hand experience on opportunities/risk, barriers and enablers as regards the day to

day operation of GLA. The new Board will need to reach a view about whether membership of advisory committees should be open or whether a fixed number should be elected. (Membership of the existing liaison groups is open; no expenses are paid).

- 5.11 In addition, as and when the need arises, the GLA Board could create 'task and finish' multi-stakeholder advisory committees and commission them to carry out certain pieces of work/research pertinent to core business. An example of this could be a small stakeholder committee who were tasked to review the Licensing Fee regime, canvassing views from the other advisory committees but also seeking best practice and successful models from elsewhere.
- 5.12 Not all the interest groups who send representatives to the GLA Board would be automatically included in the four stakeholder groups listed above. Nor do they cover the government departments who presently attend the GLA as "ex-officio" members. The GLA believes that collaborations with other partners including law enforcement, other government departments, local government and international colleagues will continue to flourish outside of the formal GLA governance framework but within other accountable structures e.g. Ministerial Modern Slavery/Organised Immigration Crime/National Tasking and Coordination meetings etc. It would be appropriate for these contacts to be reported formally to the GLA Board.
- 5.12 One option for future GLA governance was to have a single multi-stakeholder sub-committee for the new GLA Board and then a series of lower level committees feeding into that sub-committee. The majority of those who have commented on future GLA governance were of the opinion that 'multi-layering' increases the distance of stakeholders from the decision making level, makes communication more complex and therefore reduces the ability of stakeholders to contribute to, or influence, discussions. Accordingly, this option is not recommended.

## **6. Financial Implications and Budget Provision**

- 6.1 Assuming that the independent Board Members will receive some remuneration, there could be a financial impact from a requirement for Board members to chair advisory committees. This budgetary pressure is being discussed with the sponsor department.
- 6.2 It is expected that the current approach for others attending the advisory committees would continue as now, these being self-funding.

## **7. Organisational Risks**

- 7.1 With any corporate change, there are risks to business continuity and effective stakeholder engagement. This is identified through the GLA risk management strategy.
- 7.2 The potential for a new Board to consist partly of entirely new members, with no previous experience or exposure to the GLA, could, initially impact on the effectiveness of Board business. Hence a full induction programme is being developed to mitigate this risk.

7.3 The GLA believes that having too many committees could create an organisational risk due to the impact on resources. The challenge will be to manage the groups in a manner that ensures effective consultation and collaboration, and control so that activity and debate is focused on issues relevant to established strategic priorities.

## **8. Policy Implications and Links to Strategic Priorities**

8.1 The proposals on advisory committees support the delivery of the following strategic objectives:

- Provide effective, meaningful engagement with stakeholders thereby enhancing reputation
- In partnership tackle those who engage in tax evasion, health and safety negligence, fraud and breach of regulations
- Work with industry to recognise and address non-compliance without formal GLA intervention
- Maintain credible licensing scheme creating level playing field and promoting growth

## **9. Background Papers and Relevant Published Documents**

9.1 Defra consultation: [Changes to the scope and governance of the Gangmasters Licensing Authority.](#)

9.2 Triennial Review of GLA

**Report Author: Darryl Dixon**

**Senior Responsible Officer: Paul Broadbent**