

CORPORATE PLAN FOR 2008 – 2011

1. Chairman's Foreword

This is the third corporate plan produced by the Gangmasters Licensing Authority (GLA). It covers the 3-year period from 1 April 2008 to 31 March 2011. The plan sets out the vision for the Authority and our key objectives. The detailed measures which are designed to deliver these objectives are set out in the business plan. We have also used the recommendations from the Annual Review carried out by the Universities of Sheffield and Liverpool to help us to identify areas which the GLA should target over the coming three years.

Since 2005, the GLA has successfully established licensing and applied the principles of continual improvement to our business methods. There are now two tasks for us to focus on. The first is to refine our use of intelligence and ensure that we apply it effectively to detect licence holders who are not compliant, and to bring unlicensed gangmasters before a court. The second is to communicate our successes so that those who are engaged in illegality perceive the risk of continuing is too great. This is our challenge for the next three years.

2. Background

The GLA was formed in April 2005 under the Gangmasters (Licensing) Act 2004, shortly after the Morecambe Bay tragedy. The objectives of the Act are to:

- end exploitation of workers in the agriculture (which includes forestry), horticulture, shellfish gathering and associated processing and packaging industries
- curb the exploitative and other illegal activities of labour providers
- increase Exchequer revenues by promoting employment of legitimate workers
- promote fair competition amongst labour providers
- identify and take action against labour providers operating without a licence.

Prior to the Act becoming law, a group comprising major retailers, growers, suppliers, labour providers and trade unions, set up the Temporary Labour Working Group (TLWG). The TLWG was convened by the Ethical Trading Initiative (ETI), with co-operation from government. The TLWG developed a set of minimum standards for labour providers – the TLWG Code. The GLA Licensing Standards are based on the Code.

3 The Scope of Licensing

The GLA is required to establish a UK wide licensing scheme and create a register for gangmasters operating in agriculture, horticulture and shellfish gathering and associated processing and packaging industries.

The statutory functions and powers of the Authority are set out in sections 1 and 8 of the Act and are also prescribed in regulations. The duties of the Authority relate to:

- the consideration of applications
- the issue of licences to gangmasters and
- taking compliance action when licence conditions have been breached.

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All labour providers who supply workers to agriculture, horticulture and the related food processing and packaging industries were required to be licensed by 1 October 2006. The exclusions to this are set out in the Gangmasters (Exclusions) Regulations 2006 and cover specialist activities such as the use of machinery to carry out agricultural work and farmer to farmer loans. Those employment agencies which supply workers within this sector to a labour user for a permanent position require a licence.

Overseas labour providers also require a licence if they supply workers in the regulated sectors to the UK. Supply is taken to have a wide meaning and so we have advised overseas labour providers to contact the GLA to discuss if they require a licence. The only exemption to this is those overseas agents who meet the Home Office Guidelines on "The Use of Third Parties/Agents by SAWS Operators". Labour providers who use overseas recruitment agencies in this way to source workers will be considered to be responsible for the agent's actions.

Licensing for those conducting gangmastering activity in the shellfish gathering industry commenced on 1 October 2006. This delay was agreed to allow for further time to be spent on developing a greater understanding of the shellfish industry, as it is intrinsically different from that of agriculture and food processing and packaging. The main difference is that a gangmaster in this context is someone who uses labour to undertake the gathering of shellfish rather than supplies it. From 6 April 2007, it became an offence to be unlicensed in the shellfish gathering sector.

Criminal Offences and Enforcement

A range of criminal offences are provided for in the Act. These are designed to deal with unlicensed activity in relation to gangmastering. The offence of acting as an unlicensed gangmaster commenced on 1 October 2006 except in the shellfish gathering sector. The offence of using an unlicensed gangmaster commenced on 1 December 2006. The Department for the Environment, Food and Rural Affairs (Defra) has appointed officers of the Authority to enforce the criminal sanctions in the Act. This is the subject of a separate service level agreement.

4 Status of the Authority

The Authority is classified as an executive Non-Departmental Public Body and does not carry out its functions on behalf of the Crown. Its sponsor department is Defra. As agriculture and employment matters are devolved matters, the 2004 Act requires specific arrangements to be undertaken by the Department of Agriculture and Rural Development in Northern Ireland (DARDNI).

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5 Mission Statement

The mission of the GLA is to safeguard the welfare and interests of workers as defined by the Act, whilst ensuring labour providers operate within the law. The mission will be achieved by:

- introducing and operating a system to licence labour providers, including a publicly accessible register;
- effective communication of the legal requirement for labour providers to become licensed, and to operate and remain within the formal economy;
- imposing the least possible burden on labour providers and labour users through efficient and effective processes and procedures;
- developing and promoting standards for best practice in the supply and use of temporary labour, in collaboration with stakeholders;
- checking licence holders for continued compliance with the licence conditions;
- taking enforcement action against those who operate illegally or who for other reasons are judged unfit to hold a licence;
- supporting enforcement of the law, by or in conjunction with the enforcement authorities of other government departments, and others as appropriate, through shared information and joint working;
- maintaining a continuous review of the activities of gangmasters and the effects of the Act and the Authority on them.

6 What We Have Done up to 1 April 2008

Now that we have moved from setting up the GLA to live operations, the focus has necessarily changed to tackling those who continue to operate illegally. We have adopted an innovative approach by targeting the supply chain to bring about disruption rather than relying on routine inspections. This has meant that we have placed a greater emphasis on enforcement activity which has provided a better vehicle for meeting our objectives. Linked to this, we have sought to raise our media profile to drive up awareness of our work both within and outside the sector. Specifically, we have introduced a “name and shame” campaign which publicises the names of those labour providers who have had their licence revoked. Media coverage has increased because we are able to regularly provide details of non-compliances or operations.

In 2007/08 we ran 12 major operations which looked at exploitation in the flower picking sector, forestry, fruit and vegetable pack houses, and accommodation. This has resulted in us revoking 20 licences and refusing 4 licences.

Our inspection of a labour provider in the South East led to the payment of £25,000 to workers for holiday pay, in time for Christmas, which they would otherwise not have received.

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7 The Regulations

Defra has the lead on the regulations arising from the Act, except in relation to setting the rules for the licensing scheme (section 8). The GLA has determined the licensing conditions and licence fees which were the subject of public consultation before becoming law in April 2006. The licensing conditions were amended from 1 October 2006 to take account of shellfish gathering (The Gangmasters (Licensing Standards) (No2) Rules 2006). They were also amended from 6 April 2007 to reflect the changes in fees for 2007-08. These changes were all the subject of a public consultation.

Defra has been responsible for:

- The Gangmasters (Licensing Authority) Regulations 2005
- The Gangmasters Licensing (Exclusions) Regulations 2006
- The Gangmasters (Appeals) Regulations 2006
- The Reasonable Steps Guidance for Labour Users

The 2004 Act requires DARDNI to make separate legislation in respect of Appeals, Exclusions and Reasonable Steps.

8 The Board of the Authority

Board members have been nominated from organisations across the associated sectors, both industry and government bodies, to represent the full range of views. Their responsibility is to ensure the GLA fulfils its role and complies with the Gangmasters (Licensing Authority) Regulations 2005. The Board is chaired by Paul Whitehouse. There are 19 representative members and 9 ex officio members. A list of the organisations represented on the board is shown at Appendix 1. The ETI is permitted to send a representative to any meeting of the Board as an observer. Observers can contribute to the discussion at the invitation of the chair. The chairman is responsible to the Secretary of State for ensuring that the Board's policies and activities support the wider strategic policies of Defra and for taking reasonable steps to ensure that the Authority's affairs are conducted with probity.

The chairman shares with other Board members the corporate responsibilities set out below, and in particular for ensuring that the Authority fulfils Defra's wider aims and objectives. The Board has a corporate responsibility for ensuring that the Authority fulfils the aims and objectives set by the Secretary of State and for promoting the efficient and effective use of staff and other resources by the Authority.

9 Managing our Business

The chief executive is responsible for the Authority's performance against key targets and to the principal accounting officer on matters relating to the management, regularity and propriety of the GLA and its financial performance. The Board will formally support the chief executive in taking strategic decisions on business objectives, plans and priorities, risks and resource allocations. The Executive Management Board, comprising the senior members of the GLA, is responsible for

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day to day management and operational decisions. The Audit and Risk Committee will provide the chief executive with advice on the strategic processes for risk, control and governance and the statement on internal control.

We now operate on a full cost recovery basis which means that the annual operating costs of the Authority will be covered in full by licence fees received. Therefore, the major risk that the GLA will face is that it may not issue enough licences to ensure full cost recovery. If this licence income fails to cover full operating costs, we will implement contingency action which would restore full cost recovery over a period agreed with Defra.

10 Achieving And Managing Our Objectives

The Authority contributes to the achievement of the aims, objectives, targets and public service agreements of Defra and, as appropriate, those of other government departments, as well as to wider government initiatives such as those which seek to improve the efficiency, economy and effectiveness of public services.

The GLA will achieve its mission by meeting the organisational objectives set out below. The GLA's objectives are set out in priority order.

Objective 1	Enforcement, Inspections and Compliance
<p>As we become fully operational, we will focus our resources on reducing worker exploitation through targeted operations, inspections and enforcement. Our aim is to run a series of projects throughout the year which will disrupt and deter those who continue to fail to comply with the licensing regime. We will also focus on improving the quality, timeliness and efficiency of licensing, compliance, enforcement and non-operational support processes. We are increasing our enforcement resources in 2008 through the reallocation of responsibilities. This will allow us to direct more front-line staff to project and operational work. Effective partnership working with other government agencies will also allow us to carry out joint enforcement activity and assist in the generation of industry-specific intelligence and information on organised criminality.</p>	
<p>The key risk in relation to this objective is that operations do not have an effect on the industry.</p>	

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Target 1.1	To implement effective enforcement and compliance operations and actions.
Quantity	An annual schedule of unannounced enforcement projects, application inspections, compliance inspections and other disruption activities will be included in the annual GLA Business Plan and will be implemented by the Executive.
Quality	Implementation will be timely, cost effective and meet the objectives set out for operations.
Narrative	<p>Operations will work closely with policy and communications to ensure maximum coverage of its operational outcomes.</p> <p>There will be high profile operational projects and planned enforcement activity which will disrupt and deter non-compliant labour providers.</p> <p>The GLA will make licensing decisions promptly based on evidence from inspections which will be carried out consistently and accurately.</p> <p>Intelligence analysis will also be used to support field operations.</p>

Objective 2	Policy & Communications
<p>We will continue to ensure that those covered by the licensing scheme and stakeholders have a clear understanding of the requirements of licensing and awareness of action that we take to tackle worker exploitation. We will explore ways of highlighting the outcomes of our enforcement action and how this has benefited workers and the impact this has had on the business. We want those who continue to operate outside the law to be aware of the sanctions they face. However, we also need to improve our understanding of exploitation and what this means for workers.</p> <p>We have developed a new approach to communications as we will be seeking to generate a high level of media interest through working proactively with broadcast and print journalists. We will also continue to produce a range of high quality leaflets and guidance in key languages. This is very much in line with the Annual Review which highlighted the need for communication of local enforcement activities to raise awareness of action taken to pursue "rogue" gangmasters.</p> <p>The key risk is that the GLA will not be able to control the content of reporting which could lead to adverse criticism. However, this should not deter the GLA from actively pursuing a higher media profile as this will draw attention to the current levels of exploitation of workers rife in this sector.</p>	

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Target 2.1	To develop an External Communications and Media Strategy which meets the requirements of the GLA.
Quantity	The GLA External Communications Strategy aims to get specific messages across to individual key stakeholder groups, government, GLA board members, labour providers (gangmasters), labour users and workers, to enable the GLA to better meet its mission and objectives.
Quality	The strategy will reflect the GLA mission by targeting workers to make them aware of their rights, raising awareness of action taken by the GLA to deal with illegal gangmasters and labour users using unlicensed gangmasters, and highlighting compliance action and the impact on the industry.
Narrative	We have now moved on from the implementation stage of the licensing scheme and so the issues for communication have changed. The focus moving forward will be on enforcement, compliance and workers. All the channels used to publicise the GLA and its activities will be monitored to judge the success of each form of delivery. The stakeholder and customer survey will test the effectiveness of these channels.

Target 2.2	To generate customer and stakeholder feedback to inform development of the GLA.
Quantity	To deliver a survey on customer and stakeholder views of the GLA's performance by 31 March 2009. To provide a regular forum for users of GLA services to raise issues for discussion.
Quality	The survey will meet industry guidelines for conducting customer feedback. The minutes and agenda for the user forum to be available on the GLA website.
Narrative	The GLA will survey a variety of stakeholders including licence holders, labour users and workers to elicit information on all aspects of the GLA's performance so that problems which are highlighted can be addressed and customer satisfaction levels improved. In particular, it will explore improvements to the two-way flow of information between the GLA and workers. In any stakeholder and customer research, we expect 60% will be satisfied with the services provided by the GLA. In addition to this we will seek regular feedback from those who use workers, retailers and suppliers to ensure a good flow of intelligence.

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Objective 3	Financial Performance
<p>We will continue to make the best use of our resources and strive for efficiency within the context of ensuring that licence holders do not suffer any undue burden. We will constantly review our budgets and look for opportunities to make savings where appropriate. We will seek to work with our partners across government to determine the wider impact of our work e.g. the effect on tax revenue generation. We will keep the fee structure under review and consult annually on the fee levels.</p> <p>Biodiversity is a new area for us to focus on but we will look at ways of implementing measures to reduce our impact on the environment and make cost savings.</p> <p>The key risk in this area is that there will be insufficient income generated from licence fees to fund the non-enforcement GLA activities.</p>	

Target 3.1	The GLA will continue to operate on an effective and efficient basis to ensure that no undue financial burden is imposed on licence payers.
Quantity	The licence fee is kept to the lowest possible economic level.
Quality	Licence fees are not seen as a barrier to entry by the marketplace.
Narrative	The GLA operates on a full cost recovery. We will keep our resource levels under review by comparing our organisation to similar regulatory bodies.

Target 3.2	The GLA will continue to strive to reduce the unit cost of issued licences.
Quantity	We will control and minimise our costs, and conduct an annual review of our budgets to ensure we offer value for money to licence fee payers and to taxpayers.
Quality	From 2009/10, when the GLA achieves fully developed status, unit costs will be reduced wherever possible without compromising the effectiveness of our operations and activities. A target of 5% improvement per annum will be sought.
Narrative	In order to keep unit costs to the optimum level, we will aim to process more licences for the same costs or the same number of licences for a reduced cost.

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Target 3.3	To meet the Biodiversity Duty imposed on all Public Authorities
Quantity	To develop a biodiversity action plan and reporting mechanism by 31 March 2009.
Quality	The action plan will focus on the areas identified in the guidance on implementing the Biodiversity Guidance for Public Bodies.
Narrative	NDPB's are required to meet the duty.

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Objective 4	People
<p>We will treat everyone fairly, and encourage, value and recognise everyone's views and contributions. The GLA will use the Investors in People methodology to ensure that its staff are well managed. It will focus on recruitment, development and strategies for rewarding staff. Staff will be recruited and employed in accordance with the principles of diversity and equality. IIP accreditation will be sought in 2009.</p>	

Target 4.1	To ensure that the GLA is staffed appropriately to meet its business objectives.
Quantity	The GLA will implement its retention and development policy to ensure that there are appropriate staffing levels.
Quality	The GLA staffing structure meets the requirements of the business
Narrative	The GLA will carry out its recruitment in line with its HR strategy and ensure that it has appropriate staffing levels.

Target 4.2	To be seen to be following good practice in management and staff co-operation.
Quantity	Achieve IIP status by June 2009 following the implementation of the new staffing structure during 2008.
Quality	Training is targeted and matched to training needs analysis for individual members of staff.
Narrative	The GLA values the input from well-trained staff and sees it as an imperative that all development opportunities are fully exploited thus ensuring a dynamic and informed workforce.

Target 4.3	To be recognised as an employer who is fair and values the contribution of its staff.
Quantity	Training in equal opportunities and valuing diversity for all interviewing staff by 31 March 2009.
Quality	The application of a transparent recruitment process.
Narrative	In order for the recruitment process to be fair and transparent, some training of staff in equal opportunities will be necessary. All staff will also need to undergo diversity training.

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Objective 5	Strategic Management
<p>Now that the GLA is operational, it will develop its understanding of the regulated sector to ensure that it directs its activities where greatest impact will be achieved to raise compliance. This will involve reviewing the strategic assessment of the market and research into the impact of licensing. We will ensure that we influence those longer term strategic matters which impact our operations and activities.</p> <p>The Hampton review recommended, as part of a series of mergers of small regulators, that the GLA should move from the sponsorship of Defra to the Health and Safety Executive by April 2009. Work is continuing on this.</p>	

Target 5.1	Hampton Review
Quantity	The GLA will contribute constructively to the process of the merger and will be a major contributor to the project steering group.
Quality	It is imperative that any potential merger encompasses all of the salient features of the Hampton recommendations thereby showing benefits in terms of better regulation and more effective delivery rather than a purely cost cutting exercise.
Narrative	In order to ensure that we contribute actively to the process we will work closely with ministers, officials, colleagues and all other key stakeholders.

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Target 5.2	To meet the requirements of the Act to report on the performance of the GLA - Measuring Outcomes
Quantity	Annual report for October 2008 and 2009. Final overview report to be produced by October 2009. To be agreed by the Board at the October meeting.
Quality	Statistically robust reports that provide the GLA with annual evidence to assess its impact on the industry and the effectiveness of its systems and processes to meet the aims of the Gangmasters (Licensing) Act 2004.
Narrative	<p>The Prime Minister has asked Defra to undertake, in conjunction with the Better Regulation Executive (BRE) and the Department for Business Enterprise and Regulatory Reform (BERR), a post implementation review of the gangmasters licensing scheme one year after its introduction. The purpose of the review is to measure the extent to which the GLA is complying with the principles of better regulation in the way it is implementing, operating and enforcing the licensing scheme.</p> <p>We have agreed with Defra that the measuring outcomes and post-implementation reviews could be commissioned through three discrete research projects:</p> <ul style="list-style-type: none"> • establish a baseline of illegal activity and measure the extent of changes in levels of illegal activity in the first year of licensing • assess the extent to which the GLA is complying with the principle of better regulation • measuring outcomes. <p>The first year report was published in November 2007. There will be two further reports for the following years and a report covering the first three years of the operation of the GLA scheme. This independent research will be conducted by the University of Sheffield in association with the University of Liverpool.</p>

Financial Management

Details of the income and expenditure for 2008/11 are set out at Appendix 2.

Member Organisations of the Gangmasters Licensing Authority Board

Representative Members

The Association of Labour Providers (ALP)

David Camp

Joanne Young

The Recruitment and Employment Confederation (REC)

Belinda Brooke

National Farmers Union (NFU)

Sharon Cross

Phil Hudson

Local Authority Coordinators of Regulatory Services (LACORS)

Geoffrey Theobald

National Farmers Union Scotland (NFUS)

Lisa Webb

Police Superintendents Association

Russell Hardy

Trade Union Congress (TUC)

Nick Clark

Bill Snell

Association of Chief Police Officers (ACPO)

Graham Maxwell

Transport and General Workers Union (TGWU)

Chris Kaufman

Martin Smith (GMB)

Shellfish Association of Great Britain

Colin Macdonald

British Retail Consortium (BRC)

Chris McCann

Fresh Produce Consortium (FPC)

Nigel Jenney

Food and Drink Federation (FDF)

vacant

National Association of Citizens Advice Bureau (NACAB)

Jane Betts

Sea Fish Industry Authority (SFIA)

vacant

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Ex officio Members

Secretary of State for Home Affairs

Secretary of State for Work and Pensions

Secretary of State for Trade and Industry

The Director General of the Health and Safety Executive

The Scottish Ministers

The Welsh Assembly for Wales

Secretary of State for Environment, Food and Rural Affairs

The Commissioners of Inland Revenue and the Commissioners of Customs and Excise jointly

The Minister for Agriculture and Rural Development for Northern Ireland

Official Observer

Ethical Trading Initiative (ETI)

Dan Rees

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Appendix 2

Income and Expenditure 2008-2011

£million	2008-09	2009-10	2010-11
Income From Fees	1.377	1.400	1.456
Expenditure			
Pay Costs	1.581	1.615	1.645
Non-Pay Costs	<u>0.957</u>	<u>0.920</u>	<u>0.960</u>
Total Expenditure	2.538	2.535	2.605
Less Transfers re Overheads	1.099	1.150	1.160
Surplus/Deficit	(0.062)	0.015	0.011

Notes:

1. Due to the treatment of fee income advised by the National Audit Office, there may be some variation in the reporting of income annually. However, over the three year period such variations will balance out.
2. All of the above figures are subject to funds being made available from the sponsoring department.
3. All income figures will be subject to an annual public consultation exercise of proposed fee levels.