

# GLA16/8.4 Overseas Issues – Progress Report

18 October 2007

**BOARD PAPER REF. – GLA16/8.4 – Overseas Issues Progress Report**Issue

1. This paper provides an update on progress with licensing labour providers based outside the UK as well as other 'overseas' issues.

Recommendations

2. The Board is invited to note this update.

Background

3. Board paper GLA12/8.7 identified issues to consider for licensing labour providers based outside the UK. Board paper GLA13/8.5 gave an update on progress with addressing these issues. The GLA Interim Strategic Assessment, agreed at the April Board meeting (paper GLA14/6.1), further explored the issues associated with overseas labour providers and agents.

Progress**Legal advice on how licensing applies**

4. Overseas labour providers or agent who supply labour for work in the GLA sectors need to be licensed. However, the GLA has been asked by a number of agents based outside the UK to accept licences issued by their home authorities. Board paper GLA13/8.5 expressed reservations whether any other licensing scheme were comparable to the GLA regime. Since then, the GLA has received legal advice on whether there could be any circumstances in which another licence could be recognised in lieu of a GLA licence. This considered the relevant EU law and case law. The advice concluded the GLA is entitled to require agencies in other Member States to be licensed provided that:
  - The GLA does not discriminate against the nationality or location of the agency; and
  - The information already produced by the agency in gaining a licence by their home country is taken into account in the GLA decision.
5. There are no problems with fulfilling the first bullet. In terms of the second bullet, the GLA is in the process of formalising arrangements with the authorities in other Member States – see below.

**Working with other Member States**

6. The GLA has initiated a programme of contacting authorities in other Member States, specifically in Poland, Lithuania and Slovakia (as the countries with

the highest number of nationals working in the GLA sectors). The objective has been:

- To introduce the work of the GLA;
  - Explain how licensing applies to businesses in their country;
  - Obtain details of their licensing scheme to ascertain what licence application checks the GLA may be able to conduct with the authorities (thereby fulfilling the requirement to take into account the information a business has provided to be licensed by their home authorities);
  - To discuss exchanging information and intelligence (including details of their licence holders known to be supplying to the UK).
7. The GLA has also explored opportunities for disseminating information to prospective workers, for example through the EURES regional offices, trade unions and trade associations.

#### **Example of action taken**

8. An example of how the GLA can work with overseas authorities is shown with how we worked with the Lithuanian Ministry of Labour in response to the BBC News report which featured an undercover Lithuanian journalist. The GLA notified the Ministry of Labour about the involvement of a Lithuanian agency. In parallel to the GLA investigation, the Ministry investigated and warned the Lithuanian agency for breaches with Lithuanian law.
9. The GLA also received from the Lithuanian Ministry of Labour details of UK based GLA licence holders who are supplied labour by Lithuanian agencies. Subsequent GLA compliance activity lead to one licence revocation.
10. The GLA intends to develop this type of cooperation with other Member States.

#### **Latest statistics**

11. Annex A gives details on the number of applications (with the date applied) from labour providers based outside the UK. In total, there are 27 overseas licence holders with 4 applications pending. There were peaks of applications in November and February. These coincided with editions of Licensing News notifying licence holders to check whether their overseas agents were licensed by the GLA.

#### **Next Steps**

12. The number of applications is still low. However, the trend of applications to date suggests there is increased take up following publicity. With this in mind, the GLA intends to take the following action:

- Write to businesses in the other Member States where contact details have been provided by their authorities to explain the GLA's requirements;
- Work with the contacts the GLA has established to publish press articles in the home countries.

13. Alongside this, the GLA will:

- Seek to formalise arrangements with other Member States by way of Memoranda of Understanding with each country (where appropriate). These MOUs will be similar in nature to the agreements the GLA has with other Government Departments.
- Continue to take action against the UK-based labour providers and labour users supplied by unlicensed overseas operators.

14. A further progress report will be presented to the Board at the next meeting.

**Annex A****Statistics for labour providers based outside the UK**

Total of licences issued and applications pending (by country):

Country	Licensed	Applied
Bulgaria	1	0
Israel	1	0
Latvia	4	0
Lithuania	5	0
Mauritius	1	0
Poland	7 (1 with ALCs)	4
Republic of Ireland	2	0
Romania	2	0
Slovakia	4	0
<b>Total</b>	<b>27</b>	<b>4</b>

Date applications received:

