

GLA10/7.3

Hampton Models

26 April 2006

BOARD PAPER REFERENCE – GLA10/7.3 – HAMPTON MODELS

Issue.

1. Discussion on Hampton recommendation to merge the GLA into a refocused HSE, as previously briefed to the GLA Board.

Recommendations.

2. Board to decide:
 - a. Whether to challenge the Hampton recommendation on the basis that it is not the best way of ensuring the effectiveness of the Act.
 - b. If so, to agree the basis for challenge and any alternative proposal the Board would use in a representation to the Secretary of State.
 - c. If not, to offer a Board View on the proposals developed by HSE at Annex A, to be put to the HSC.

Timing.

3. Routine, but the merger proposals – with GLA Board comments - are due for consideration by the HSC on 4th July.

Background.

4. The Hampton Study recommended inter alia that the GLA be merged into HSE by 31 Mar 09. The recommendations were accepted in full by the Government in Apr 05.
5. The 1st meeting of the GLA Board on 27th April 2005 agreed (paragraph 6.3) “that the chair will write to SoS and HMT on behalf of the representative members on the basis that the recommendation to move the GLA under the auspices of the HSE was inappropriate and should be reconsidered”. It would have been inappropriate to write to SoS without prior discussions with Ministers, and the General Election delayed this until 8th March. Those discussions indicated that Ministers were disinclined to challenge Hampton, suggesting that any appeal to the SoS to reconsider the recommendation to merge the GLA into the HSE would be highly unlikely to succeed. Against this background, at the 9th meeting of the Board on 15th March 06, the Chairman invited the Board to reconsider its decision of 27th April.
6. In discussion at the Board meeting on 27th April, two views emerged. Officials suggested that because there had been a formal announcement by Government accepting the Hampton recommendations, it would be inappropriate for the GLA to seek to re-open the matter. Others had concerns that a move to HSE might not be the best way of ensuring the effectiveness of the GLA in meeting its remit under the Act, and that it was therefore entirely appropriate for the Board to hold a wider debate.

7. The Chairman agreed to a wider debate based on the options outlined in the HSE paper, but bringing in other possibilities including remaining with Defra.
8. The HSE paper is attached at Annex A. This paper considers only those options allowable under Hampton – ie. it does not consider such possibilities as remaining with Defra or moving to DTI. The GLA executive has been invited to suggest broader options as a basis for discussion by the Board. It will be appreciated that whilst the GLA officials can give their view of the possible options and their pros and cons, it would not be appropriate for them to suggest a preferred outcome.

Options.

9. There are several 'wider' options as indicated below:
 - Do nothing. Remain an NDPB with Defra as the sponsoring Department.
 - Do nothing for 3 years. Obtain sufficient information about how the Act is working to make an informed decision about the future of the Authority.
 - Merge with a Defra themed regulator.
 - Remain as an NDPB within some other Department – possibilities include HSE, DTI, IND, DWP and HMRC.
 - Merge with some other Department – HSE, DTI, IND, DWP or HMRC.

Do Nothing.

10. It is not considered a realistic option for the GLA to remain as an NDPB within Defra indefinitely. This option is not discussed further.

Do Nothing for 3 Years.

11. It is believed that this was the option favoured by at least one of the Defra ministers at the time the GLA was being set up.

Pros.

- Allows a period to collect data to properly assess the effectiveness of the Act and of the GLA, to identify the best location and structure for the delivery unit.
- Allows the GLA to concentrate on its core business in its early years, rather than devoting effort to merger, risking uncertainty and loss of morale during this critical period.
- It is a model that is already acknowledged as valid by Hampton. Paragraph 4.54 of the report states: "The Security Industry Authority (SIA) currently regulates door supervisors and mobile vehicle clampers and will soon regulate private security guards. Although the review

believes there is a case for the SIA transferring into the HSE, the SIA is in the process of developing an appropriate regulatory regime, and it would not be right to merge it into another body at this stage: a final decision on the SIA should therefore be made in two years' time."

Cons.

- Disregards Hampton recommendations.
- Would be opposed by BRE and possibly OGDs.

Merge with a Defra Thematic Regulator

Pros.

- A more comfortable merger from technical and cultural perspectives.
- Consistent with Hampton principles of thematic regulators.
- More likely to ensure a discrete GLA entity continues?
- Would retain the arguably more appropriate linkage with regulating agriculture and food themes, rather than H&S.
- Less unsettling for staff.

Cons.

- Contrary to the Hampton perception that GLA is associated most closely with H&S, and to the specific recommendation that the GLA should merge with HSE.
- Would limit the scope for the GLA broadening its remit to curb the exploitation of workers in areas other than agriculture – eg. construction, hotels, cleaning etc.
- Loss of NDPB status risks a lessening of effectiveness through removal of direct access to Ministers.

Remain as an NDPB within some other Department (ie. not Defra)

Pros.

- Would retain its own identity and direct access to Ministers.
- Activities less likely to be limited to agriculture and related processing sectors in the longer term.

Cons.

- Contrary to Hampton principles.

- No obvious 'home' for the GLA on this basis. HSE certainly do not see this as a realistic option.

Merge with some other Department (ie. other than HSE)

Pros.

- Arguably the GLA remit has more in common with that of the DTI (Employment Agency Standards) than the HSE. Equally, a case could be made for the GLA based on commonality with HMRC, IND and DWP.

Cons.

- It would be difficult to construct a stronger argument for the GLA to merge with DTI, IND or HMRC, than to merge with HSE.
- None of the potential problems associated with a merger with HSE (eg. loss of identity, distraction of effort during start-up period, damage to staff morale) would be removed by merger with a different department.

Recommendation.

12. As explained in paragraph 8 above, it would be inappropriate for the GLA executive to recommend a particular option.

Michael Wilson
Chief Executive
Gangmasters Licensing Authority
0115 9008977