



Gangmasters &  
Labour Abuse Authority

# GLAA Licensing Standards Consultation

**22 May 2018**

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## 1. Executive Summary

- 1.1 The purpose of this document is to seek views on a number of proposed revisions and clarifications to the Licensing Standards (the “Standards”). The current Standards, issued in May 2012, are available on the [GLAA website](#)<sup>1</sup>.
- 1.2 The proposed revisions and clarifications to the Standards cover:
- assessing whether an applicant/licence holder is fit and proper and compliant with the Standards by considering how they operate outside of the licensable sector.
  - the circumstances when a licence expires – retaining discretion to review whether a change of VAT number requires a new application (1.4)
  - strengthening our review of forced labour/mistreatment of workers by including the International Labour Office (“ILO”) indicators (3.1)
  - ensuring that applicants/licence holders have an agreement when they make a loan to workers (3.2)
  - providing greater clarity on the payment of holiday pay and the requirement to allow workers to take leave (brigade requirements together in one Standard)
  - providing greater clarity on what the GLAA considers to be a fee levied on workers and brigading all the requirements together (7.1), and
  - removing requirements on applicants and licence holders to keep records so that the GLAA is consistent with the repeal of aspects of the Conduct of Employment Agencies and Employment Business Regulations. (7.3, 7.4 and 8.2)
- 1.3 Primarily, we wish to ensure that the Standards best service the GLAA’s mission to protect vulnerable and exploited workers.

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<sup>1</sup> <http://www.gla.gov.uk/media/3180/licensing-standards-may-2012-reprinted-june-2017.pdf>

## 2. Introduction

- 2.1 We are interested to hear how the Standards could be improved to best support the GLAA's work and offer some proposals for updating the Standards. These proposals for updating the Standards are those which can be implemented within the existing legislative framework and do not require amendments to the Gangmasters (Licensing Conditions) Rules 2009<sup>2</sup> (the "2009 Rules").
- 2.2 This document outlines the changes we are proposing to make to the Standards. There are questions throughout the document. Answer as many as you would like but please do not feel restricted to issues covered by the questions. All comments and proposals are greatly appreciated. The GLAA is also keen to receive information or evidence to support any comments or response that you wish to give. The closing date for responses is **3 July 2018**.

## 3. Proposals

- 3.1. The Standards set out the conditions that must be complied with, to obtain and keep a licence.
- 3.2. The Standards comprise the requirements set out in the 2009 Rules plus other relevant legislation. Each Standard is scored according to its seriousness. The total of failed Standards, identified during and following an inspection, produces an overall score.
- 3.3. The scoring system determines whether applicants should be granted or refused a licence. The scoring system also determines whether licence holders should keep their licence or have it revoked. Failing a critical Standard will score 30 points and failing a non-critical Standard will score 8 points (except Standard 1.4 where a score of up to 16 points can be imposed).
- 3.4. The GLAA is entitled to refuse or revoke licences if a business scores 30 points or more. For any score up to 30 points additional licence conditions ("ALCs") will usually be attached to the licence. An ALC specifies the identified non-compliance and sets a deadline for the matter to be corrected. ALCs may be attached to licences for scores at or above 30 points where the GLAA considers it proportionate to do so.
- 3.5. As part of its objectives, the GLAA is primarily concerned with:
  - preventing worker exploitation and ensuring that the risk of worker exploitation is satisfactorily addressed
  - tackling tax evasion, health and safety negligence, fraud, breaches of employment and other law/regulations (which may or may not have a direct impact on workers), and

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<sup>2</sup> <http://www.legislation.gov.uk/uksi/2009/307/contents/made>

- maintaining a credible licensing scheme, creating a level playing field and promoting growth.

- 3.6. It does this by ensuring that all licence holders comply transparently with the GLAA's Licensing Standards.
- 3.7. Appendix 1 sets out the frequency of non-compliance from the implementation of the May 2012 Standards to 31 March 2018.

### Changes to Part One - Introduction to the Licensing Standards

- 3.8. Part One of the Licensing Standards sets out the background information on the GLAA Licensing Scheme. The GLAA is proposing to clarify the GLAA's position on how we will consider the conduct of an applicant or licence holder.

### Changes to Section 4 Guidance concerning 'Assessing Compliance and GLAA Inspections'

- 3.9. The Standards cover current basic legal requirements that all employment business must comply with in all sectors, such as payment of wages, payment of tax and health and safety. The Standards also cover matters such as forced labour and debt bondage. In general terms the Standards are intended to capture a reasonable range of measures that should be in place in any business.
- 3.10. Licence holders are expected to be able to demonstrate compliance with the Standards. Paragraph 4.5 of the Standards states that during inspections:

'The applicant or licence holder may be asked to provide documentary evidence... to demonstrate compliance with the Licensing Standards'

Further, paragraph 4.6 states that:

'A new business will be expected to show that it has systems in place to comply with the Standards'

In short, the compliance of the licence holder should be demonstrable.

- 3.11. A business must apply for a GLAA licence before they supply workers in to the GLAA regulated sector<sup>3</sup>. Therefore, when an inspection is carried out, if a business is supplying workers in to non-regulated sectors the GLAA will use the practices outside of sector to consider their compliance with the Standards.
- 3.12. In 2017 -18 the GLAA Licensing Team have made 153 licence decisions. On review of those reports:
- 89 businesses (58%) supplied labour in to other areas, and
  - of the 89, 39 inspections reported issues (44%).

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<sup>3</sup> It is an offence under section 12(1) of the Gangmasters Licensing Act to Supply a worker without a licence.

The areas that these businesses supply to include: driving, non-food processing and packing, and other types of industrial work such as manufacturing.

3.13. The GLAA has identified applicants and current licence holders operating in the following way in non-regulated sectors:

- not meeting the requirements of NMW/NLW (5)
- not paying holiday pay to workers during their engagement and / or when they leave (4)
- not complying with health and safety requirements, providing the requisite personal protective equipment to workers, undertaking risk assessments or paying workers for undertaking health and safety training (6), and
- the use of umbrella companies outside of sector including: contracting workers on a self-employed basis or setting up personal service companies to avoid tax liabilities (17).

### Proposal

3.14. The GLAA already actively considers whether an applicant or licence holder and anyone named on a licence is fit and proper and/or competent when non-compliances in other sectors are identified. Non-compliance could result in a licence application being refused, revoked or conditions being placed on the licence under the relevant Standard.

3.15. The GLAA is proposing to provide clear guidance for applicants and licence holders on how the GLAA deals with this situation. The GLAA is not seeking to extend licensing into these sectors by taking account of these non-compliances but recognises that exploitation of workers cannot be ignored.

3.16. The GLAA considers compliant businesses will not be impacted by this change. The GLAA however anticipates that those businesses which choose to operate differently for non-GLAA sector workers may now need to consider whether those operations are compliant if they have not done so previously.

3.18 It is proposed that a new paragraph is added at 4.2 of the guidance to the Standards which includes the following wording:

'Workers employed by a labour provider should expect to receive the same fair treatment irrespective of which sector they work. If a business wishes to obtain or hold a GLAA licence the GLAA will consider its conduct beyond the licensed sectors as well as within them. This will be taken into account when making a decision as to whether the business is fit and proper and its compliance with all of the Licensing Standards'.

3.19 A new paragraph will also make it clear that the GLAA refers detail of non-compliance to other relevant partners. The paragraph will explain the types of non-compliances that will be referred to our partners including but not limited to:

- breaches of Standard 2.1 concerning payment of tax will be referred to HMRC
- breaches of Standard 2.2 concerning the non-payment of wages will be referred to HMRC for the NMW and NLW or relevant Agricultural Wages team for non-payment wages
- serious breaches of Standard 4.1 and 4.2 concerning worker accommodation will be referred to the relevant Local Authority
- breaches of Licensing Standard 5.5 where appropriate will be referred to the Information Commissioner's Office
- serious breaches of Standards 6.1 – 6.3 concerning health and safety will be referred to the Health and Safety Executive.

### Question 1

Does this revised section about assessing compliance make clear what level of compliance is required and what action the GLAA may take?

### Changes to Part 2 - GLAA Licensing Standards

- 3.20 Part 2 presents the GLAA's Licensing Standards. The Standards are the conditions of a GLAA Licence. The Standards comprise the requirements set out in the 2009 Rules plus other relevant legal requirements.

#### Changes to Licensing Standard 1.4 - Changes in Details - Circumstances when a licence expires following a change of VAT Number

- 3.21 Rule 5 of the 2009 Rules stipulates that:

'A licence expires if the licence holder's registered number (if it is a company), Unique Tax Reference or Value Added Tax number change'.

- 3.22 The principle behind this rule is that each individual legal entity should be separately licensed. Where a business restructures, for whatever reason, any new legal entity should be separately licensed. This is explained in the notes to Standard 1.4:

'A licence will expire if a licence holder's registered company number, Unique Tax Reference or VAT number change. A licence will also expire if the business is in liquidation'.

- 3.23 However, the GLAA recognises there may be some circumstances where a business's VAT number could change but the legal entity itself remains unaffected. For example, a company could change its VAT number so that it is part of a group VAT number. Furthermore, a business could de-register for VAT because its turnover falls below the VAT threshold before registering when its turnover increases again. The current process places a burden on the business to submit an application where there has only been a change of VAT number rather than a change in legal entity.

- 3.24 Therefore, the GLAA proposes to remove the requirement that a licence expires if a licence holder's VAT number changes. The licence holder will simply be required to notify the GLAA within 20 working days if a VAT number changes (in line with the time period for notifying other changes in details). The benefit of this approach is that it gives the GLAA the opportunity to review whether a new application is required. The LP is not automatically required to make a new application and incur the costs of that process. The GLAA is intending to implement this proposed change as it is beneficial to business but recognises that the Rules will need amending when there is legislative time available.

### **Question 2**

Do you agree that Rule 5 should be amended by removing the requirement that a licence expires if a licence holder's VAT number changes?

### **Question 3**

Do you agree that, if Rule 5 is changed, a licence holder should notify the GLAA within 20 working days that its VAT number has changed?

## **Licensing Standard 3 - Forced Labour and Mistreatment of Workers**

### **Changes to Standard 3.1 Critical: Physical and Mental Mistreatment**

- 3.25 The changes introduced by the Immigration Act 2016 provide for a greater emphasis on identifying and tackling labour exploitation. Licensing Standard 3 currently prevents workers being placed in a forced labour situation or being exploited through mistreatment. It sets out the indicators that the GLAA will use when determining compliance.
- 3.26 Appendix 1 shows that the GLAA has had 42 instances of non-compliance with Licensing Standards 3.1, 3.2 and 3.3. 39 of these cases have related to withholding of wages (wages theft) which often relates to deliberate non-payment of holiday pay which is discussed below. The GLAA considers non-compliance against these standards to be the most serious breaches of the Standards because of the consequences for workers. Generally, if these standards are failed the licence will be revoked with immediate effect.
- 3.27 The GLAA is proposing to strengthen the Standards in relation to the mistreatment of workers by including the ILO indicators of forced labour. The indicators are intended to help enforcement agencies worldwide to identify persons who are possibly trapped in a forced labour situation and who may require urgent assistance. The indicators represent the most common signs that point to the possible existence of a forced labour case. By including these indicators the Standards will align with the ILO with whom the GLAA works closely to eradicate exploitation of workers.



3.28 The Standards broadly cover the ILO's indicators of forced labour. The ILO's indicators<sup>4</sup> are listed below along with the relevant Licensing Standard:

ILO Indicator	Relevant Licensing Standard
Abuse of vulnerability	Not expressly covered
Deception	Not expressly covered
Restriction of movement	Licensing Standard 3.2
Isolation	Not expressly covered
Physical and sexual violence	Licensing Standard 3.1
Intimidation and threats	Licensing Standard 3.1
Retention of identity documents	Licensing Standard 3.2
Withholding of wages	Licensing Standard 3.3
Debt bondage	Licensing Standard 3.2
Abusive working and living conditions	Not expressly covered
Excessive overtime	Not expressly covered (although Licensing Standard 5.2 concerns working hours)

3.29 The GLAA is proposing to expand Licensing Standard 3.1 to include the following:

- a licence holder must pay due regard to the Equality Act (2010) and not abuse a worker because of any vulnerability
- a licence holder must not deceive a worker about the nature of the work, pay or living conditions
- a licence holder must not subject a worker to isolation
- a licence holder must not subject a worker to abusive working, living conditions or excessive overtime.

3.30 Licensing Standard 3.1 is already a critical Standard and it will remain as such. This Standard will be failed for any of the above either in isolation or in combination.

3.31 The GLAA will develop guidance as to how the above will be assessed using the ILO definitions.

#### Question 4

Do you consider Licensing Standard 3.1 should cover the indicators of forced labour not already expressly covered in the Licensing Standards?

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<sup>4</sup> International Labour Office, *Indicators of Forced Labour*, 2012

## Changes to Licensing Standard 3.2 - Restricting a Worker's Movement, Debt Bondage and Retaining ID Documents

### Loans to workers

3.32 Licensing Standard 3.2 currently states:

'If a worker is loaned money directly or indirectly by the licence holder to meet their travel or other expenses to take up the position, the worker cannot be required to repay a sum greater than the sum loaned, and must be provided in writing with full details of the repayment terms of any loan'.

3.33 The ILO describes debt bondage as:

'Wage advances or loans to cover recruitment or transport costs or from daily living or emergency expense, such as medical costs'<sup>5</sup>.

3.34 The GLAA considers debt bondage should not just be limited to loans made for travel or other expenses in order to take up a job. As per the ILO's description loans for day to day living or emergency expense can also lead to debt bondage.

3.35 Therefore, we consider Licensing Standard 3.2 should cover any loans by an employer to a worker. Therefore, the GLAA proposes the Standard to be amended to say:

'If a worker is loaned money directly or indirectly by the licence holder, the worker cannot be required to repay a sum greater than the sum loaned, and must be provided in writing with full details of the repayment terms of any loan'.

3.36 The GLAA does not believe that this will have a negative impact on licence holders or indeed create a burden on business. This will ensure that where a licence holder lends a worker money both sides have an agreement in writing which will protect both parties.

### Question 5

Do you consider Licensing Standard 3.2 should cover all loans from an employer to a worker?

## Changes to Licensing Standard 3.3 - Withholding Wages

### Holiday pay and other Benefits

3.37 Workers are entitled to a week's pay for each week of leave they take. A week's pay is worked out according to the kind of hours someone works and how they're paid for the hours. This includes full-time, part-time and casual workers. Workers are expected to deal with non-payment of holiday pay through dispute resolution such as a grievance or complaint.

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<sup>5</sup> [http://www.ilo.org/global/topics/forced-labour/publications/WCMS\\_203832/lang--en/index.htm](http://www.ilo.org/global/topics/forced-labour/publications/WCMS_203832/lang--en/index.htm)

- 3.38 Unfortunately, some labour providers do not have an understanding of how holidays should be paid or deliberately seek to withhold monies owed to workers. This has led to non-payment of holiday pay becoming one of the biggest areas of exploitation the GLAA encounters.
- 3.39 The GLAA currently assesses holiday pay under three separate Licensing Standards:
- Licensing Standard 2.3 which covers the requirements to keep records and is non-critical (8 points)
  - Licensing Standard 3.3 which covers withholding wages and is a critical Standard (30 points). The GLAA will fail this Standard when it is identified that holiday pay has not been paid or has been paid incorrectly
  - Licensing Standard 5.1 which covers preventing a worker from taking leave and is a non-critical (8 points).
- 3.40 Appendix 1 shows that Licensing Standard 2.3 was failed in 19 cases, Standard 3.3 was failed 36 times in relation to non-payment of holiday pay and Standard 5.1 was failed 10 times since 2012. The main area of non-compliance has been withholding wages. This can take the form of deliberately not paying outstanding holiday pay when a worker leaves the labour provider business or by miscalculating holiday pay owed. Some licence holders do not explain to their workers that they have a statutory entitlement to paid holidays.
- 3.41 The GLAA meets quarterly with labour providers and labour users and this issue has been raised by the group as a concern. They consider that as this non-compliance has become more prevalent greater clarity is required as to how the GLAA assesses this. They found it confusing that a non-compliance could fall to one of three Standards. Therefore, one Standard dedicated to this issue would assist industry in knowing what is required of them as well as making it easier for the GLAA to assess compliance. The GLAA is intending to retain Licensing Standard 5.1 as this covers working hours in general and Licensing Standard 3.3 as this covers the withholding of wages in general.
- 3.42 In order to resolve this issue the GLAA proposes to create a new Licensing Standard to specifically cover holiday pay. This will include the elements of compliance required by Licensing Standard 2.3 and 5.1. The proposed wording of the new Standard 2.5 would be:
- a licence holder must maintain records to show that a worker receives paid annual leave to which they are legally entitled (8 points)
  - a worker must be paid any holiday pay to which they are legally entitled during the course of their employment (30 points)
  - where a worker's employment is terminated during the course of a leave year a licence holder must give them payment in lieu (30 points)

- a licence holder must not illegally prevent a worker from taking annual leave (30 points).

- 3.43 Non-compliance with this new Standard will contribute a maximum of 30 points to a Licensing Standard compliance score. If more than one non-compliance is identified, the Standard will only be failed once with only the highest score being accrued. This approach is in line with the approach set out currently in Standard 1.4 concerning changes in details. Failure against this new Standard for holiday pay may lead to a licence being revoked with immediate effect.
- 3.44 In this new Standard, the GLAA is proposing to retain the aspects concerning the withholding of wages as a critical Standard.
- 3.45 This new Standard also places a responsibility on the licence holder to ensure that workers are paid outstanding holiday pay when they leave. The GLAA has recently seen a number of examples of licence holders withholding holiday when a worker leaves. It also sets out that they should not prevent a worker from taking paid annual leave.

### Question 6

Do you consider the proposed new Standard for holiday pay is clear and do you agree that it should have a sliding scale of points with a maximum of 30 points?

### Changes to Licensing Standards 2.3 - Benefits

- 3.46 The GLAA intends to retain Licensing Standard 2.3 as this covers keeping records about the payment of other benefits such as maternity and paternity pay.
- 3.47 The GLAA is proposing to expand Licensing Standard 2.3 to cover the payment of sick, maternity, paternity and adoption pay to which a worker is legally entitled. The intention is for this to remain a non-critical Standard.
- 3.48 The GLAA is also considering covering workplace pensions under Licensing Standard 2.3 in order to keep up to date with the current legal position for worker benefits.

### Question 7

Do you consider that the expansion of Standard 2.3 to cover all benefits including pensions will provide clarity for licence holders? Should this Standard remain as non-critical and why?

### Licensing Standard 7: Recruiting Workers and Contractual Arrangements

#### Licensing Standard 7.1 - Fees and providing Additional Services

- 3.49 The GLAA published a brief on how it determines compliance with this Standard<sup>6</sup> in June 2014 but has found that some licence holders are still seeking to levy charges

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<sup>6</sup> <http://www.glaa.gov.uk/media/1527/glabrief-38-jobfindingfeesandprovidingadditionalservices.pdf>

on workers for services that are of limited value. The GLAA is concerned that these charges are not properly explained to workers. This increases the risk of workers signing up to services which they pay for as they believe it is a requirement to get a job. In particular workers may be applying for work in the UK from a country where charging for work-finding services is legal.

- 3.50 Examples of charges which would not meet the Standard include labour providers charging each worker separately for translation of a generic document such as a contract which will only need to be translated once. Further examples include charging workers for orientation material about their destination country which could easily be accessed from other sources such as the internet or brochures. Workers may also be offered pastoral support at a cost to them which could merely involve offering a contact number or name.
- 3.51 The GLAA is proposing to provide greater clarity on how compliance in this area is assessed. This will be achieved by consolidating all matters relating to fees and services by incorporating the requirements of 7.3 in relation to fees and services in to Standard 7.1. Such a change would mean the issues currently covered in the non-Critical Standard of 7.3 would be classed as Critical under Standard 7.1
- 3.52 The new Licensing Standard would be worded as follows:

### **Critical Licensing Standard 7.1 Fees and Providing Additional Services**

A licence holder must not charge a fee to a worker for any work-finding services.

A licence holder must not make providing work-finding services conditional on the worker:

- purchasing other services and hiring or purchasing goods/equipment from the licence holder which should either be provided by the licence holder or any person connected to them as they are necessary for the work being undertaken, or
- giving, or not withdrawing, consent to disclosing information about themselves, or
- A worker must be able to cancel or withdraw from any services provided at any time without incurring any detriment or penalty, subject to the worker giving 5 working days' notice or, for services relating to providing accommodation, 10 working days.

A worker must be informed in writing of any fees relating to services which they have taken up. This should include:

- the amount or method of calculation of the fee,
- the identity of the person to whom the fee is or will be payable,

- a description of the services or goods to which the fee relates as well as explaining the worker’s right to cancel or withdraw from the service and the length or notice period required, and
- the circumstances, if any, in which refunds or rebates are payable to the worker, the scale of such refunds or rebates, and if no refunds or rebates are payable, a statement to that effect.

3.53 The GLAA considers that all matters relating to fees and services should be classed as critical as they involve the worker being asked to pay for a service. Charging fees for services is an easy way to exploit a worker by binding them in to paying for services provided by the licence holder which the worker either might not need or could get cheaper elsewhere. Workers who need work and are unfamiliar with UK law may not understand that they have a choice in paying for these services. Since 2012 this Standard has been failed on ten occasions. However, the GLAA has also investigated this matter regularly leading to a desire to provide clarity on how the GLAA will determine compliance.

3.54 This change will provide greater clarity for business as all the aspects of compliance in relation to fees and services are in one place. This will also mean that businesses will have a better understanding of how workers should be treated and what the requirements are.

### Question 8

Do you agree with moving the wording in Standard 7.3 that relates to fees and service into Standard 7.1 and making it a critical Standard?

### Conduct of Employment Agencies and Employment Business Regulations

3.55 The Gangmasters (Licensing) Act 2004 dis-applied the Employment Agencies Act 1973 and its associated secondary legislation for the GLAA licensed sectors. The Gangmasters (Licensing Authority) Regulations 2005 require the Authority to include provisions of the 1973 Act in its licence conditions. The 2009 Rules reintroduce the relevant requirements of the Conduct of Employment Agencies and Employment Business Regulations 2003 (as amended) (the “Conduct Regulations”). These requirements are presented in various Standards.

3.56 The Government has reviewed the Conduct Regulations under a separate consultation process. The response to the consultation was published by the Department for Business, Energy and Industrial Strategy (BEIS) in February 2016<sup>7</sup>. This removed certain requirements where it was felt that there would be a limited impact on employment businesses and workers.

3.57 In May 2016 the following parts of the Conduct Regulations were repealed in relation to the following record keeping obligations for workers: (1) date application received, (5) details of any requirements specified by the work-seeker in relation to taking up employment and (9) date application withdrawn or contract terminated.

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<sup>7</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/499382/bis-16-116-conduct-regs-reforms-and-overseas-recruitment.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499382/bis-16-116-conduct-regs-reforms-and-overseas-recruitment.pdf)

These elements of the Conduct Regulations which in the 2009 Rules and are included in Standard 7.3 should be removed to provide a consistent approach to regulation. The GLAA does not believe that this will create a risk of exploitation of workers if these changes are made.

- 3.58 BEIS have also repealed the obligation for an employment business to agree terms with hirers in supplying temporary workers to them. Regulation 17 of the Conduct Regulations which is the “Requirement to obtain agreement to terms with hirers” has been omitted. This regulation was replicated the 2009 Rules and in the Standards at 7.4 “Agreeing terms with the Labour User”. Therefore, the GLAA proposes to remove this aspect of Standard 7.4.
- 3.59 The record keeping requirements in relation to the agreement with the labour user are set out in Schedule 5 of the Conduct Regulations and have also been amended. These changes to the Conduct Regulations require this part of Standard 7.4 to be partially removed to provide a consistent approach to regulation. It would be unfair to labour providers to have to meet different Standards under different regulatory regimes.
- 3.60 Amended Licensing Standard 7.4 would look as follows:

### Labour User Records

A licence holder must record, as soon as practicable, the following details relating to each labour user:

- details of the position(s) the labour user seeks to fill
- the duration or likely duration of the work
- any training, experience or qualifications and any authorisation to undertake particular work
- details of enquiries about the labour user and the position they want to fill, including copies of all relevant documents and dates of their receipt, and
- dates of requests by the licence holder for fees or other payments from the labour user and of receipt of such fees or other payments and copies of statements or invoices.

- 3.61 Amended Standard 7.4 would remain a non-critical Standard.
- 3.62 The GLAA believes that compliant businesses will keep the records being removed anyway and as such this change should not increase the risk of exploitation to workers.
- 3.63 Finally, BEIS have amended the Conduct Regulations in relation to Schedule 6 by removing the requirement to keep particulars relating to any other employment agency or business. This is replicated in the Standards at 8.2 with the requirement to keep Records of Dealing with Other Licence Holders. The GLAA has only found one licence holder non-compliant in relation to this minor Standard since 2012 and

has other measures in place to provide a safeguard for workers such as the active check service and public register. This change should be made to provide a consistent approach to regulation.

## Question 9

Do you agree that there would be no or very little impact on workers by removing these requirements from Standard 7.3, 7.4 and 8.2?

## 4. How to Respond

4.1 The consultation period began on 22 May 2018 and will run until 03 July 2018. Please ensure your response reaches us by that date. Please let us know if anybody else should be consulted.

4.2 Please send your response to:

Licensing Standards Review  
Gangmasters and Labour Abuse Authority  
PO Box 10272, Nottingham, NG2 9PB

[consultation@gla.gsi.gov.uk](mailto:consultation@gla.gsi.gov.uk)

4.3 Alternatively, you can complete our online consultation survey which is available on our website or by following this [link](#).

## 5. Confidentiality and Data Protection

5.1 Responses provided will be published in a summary of responses to this consultation. Any personal data that you provide will not be published and will be processed by the GLAA in accordance with Data Protection legislation and our privacy policy.

5.2 Information provided in response to this consultation may also be subject to publication and disclosure in accordance with the Freedom of information Act 2000. Any such disclosure will not reveal personal information and will be treated in accordance with the statutory Code of Practice with which Public Authorities must comply and which deal, amongst other things with, obligations of confidence. If you want the information that you provide to be treated as confidential then please explain why this is the case and in the event of a request for disclosure of the information we will take this into consideration but we cannot give an assurance that the confidentiality of the information can be maintained in all circumstances.

## 6. Summary of Responses

6.1 The summary of responses will be published on the GLAA website following the end of the consultation exercise.



## Next Steps

- 6.2 We intend to implement any changes to the Licensing Standards by 01 October 2018, subject to a decision by the GLAA Board.

## 7. Complaints

- 6.3 If you are unhappy with how this consultation is being conducted, please write to:

Complaints  
Gangmasters and Labour Abuse Authority  
PO Box 10272, Nottingham, NG2 9PB

[complaints@gla.gsi.gov.uk](mailto:complaints@gla.gsi.gov.uk)

## Failure against the Licensing Standards

The table below (as of 1 April 2018) shows the number of times each individual Standard has been failed since the May 2012 version of the Licensing Standards were introduced. The Critical Standards are shown in bold:

Standard	Number of failures
<b>1.1: Fit and Proper</b>	122
<b>1.2: Principal Authority Competency Test</b>	91
<b>1.3: Correcting Additional Licence Conditions</b>	23
1.4: Changes in Details	25
<b>2.1: PAYE, NI and VAT</b>	65
<b>2.2: Minimum Wage</b>	59
2.3: Record keeping for statutory benefits	19
2.4: Payslips	12
<b>3.1: Physical and mental mistreatment</b>	1
<b>3.2: Debt bondage</b>	3
<b>3.3: Withholding wages</b>	39
<b>4.1: Quality of accommodation</b>	7
4.2: Licensing of accommodation	5
4.3: Where the worker works away from home	1
5.1: Rest periods, breaks and annual leave	10
5.2: Working hours	6
5.3: Right to belong to a trade union	0
5.4: Providing workers in industrial disputes	1
5.5: Confidentiality	4
5.6: Disciplinary and grievance procedures	6
5.7: Discrimination	0
6.1: H&S assigning responsibility and assessing risk	32
6.2: H&S instruction and training	18
6.3: H&S safety at work	38
<b>6.4: Transport</b>	14
<b>7.1: Job-finding fees and additional services</b>	11
7.2: Right to work	6
7.3: Worker contracts and record keeping	69
7.4: Labour user contracts and record keeping	54
7.5: Restriction on charges to labour users (temp to perm fees)	17
<b>8.1: Sub-contracting and using other labour providers</b>	10
8.2: Records of dealing with other licence	1

### Consultation Questions

Here is the complete list of the questions included in this consultation document. Answer as many as you would like but please do not feel restricted to issues covered by the questions. All comments and proposals are greatly appreciated. Please explain the reasons for your answers.

**Question 1:** Does this revised section about assessing compliance make clear what level of compliance is required and what action the GLAA may take?

**Question 2:** Do you agree that Rule 5 should be amended by removing the requirement that a licence expires if a licence holder's VAT number changes?

**Question 3:** Do you agree that, if Rule 5 is changed, a licence holder should notify the GLA within 20 working days that its VAT number has changed?

**Question 4:** Do you consider Licensing Standard 3.1 should cover the indicators of forced labour not already expressly covered in the Licensing Standards?

**Question 5:** Do you consider Licensing Standard 3.2 should cover all loans from an employer to a worker?

**Question 6:** Do you consider the proposed new Standard for holiday pay is clear and do you agree that it should have a sliding scale of points with a maximum of 30 points?

**Question 7:** Do you consider that the expansion of Standard 2.3 to cover all benefits including pensions is will provide clarity for licence holders? Should this Standard remain as non-critical and why?

**Question 8:** Do you agree with moving the wording in Standard 7.3 that relates to fees and service into Standard 7.1 and making it a critical Standard?

**Question 9:** Do you agree that there would be no or very little impact on workers by removing these requirements from Standard 7.3, 7.4 and 8.2?